



Budget

2021–22

Portfolio Budget Statements 2021–22
Budget Related Paper No. 1.13

TREASURY Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2021-22 Budget for the Treasury portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink that reads 'Joshua Frydenberg'.

The Hon Josh Frydenberg MP

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Ms Karen Williams, Chief Financial Officer, Department of the Treasury on (02) 6263 4908.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2021-22 *Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2021-22 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2021-22 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth Performance Framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Commonwealth Performance Framework Key components of relevant publications

Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Treasury portfolio undertakes a range of activities aimed at achieving strong sustainable economic growth for the good of Australians. This entails the advice to portfolio Ministers as well as the effective implementation and administration of policies that fall within the portfolio Ministers' responsibilities.

The Treasury portfolio comprises 16 entities in the general government sector.

The **Department of the Treasury** is the Australian Government's pre-eminent economic adviser. Treasury provides advice, analysis and legislation to Government to deliver economic policies and programs, supporting the effective management of the Australian economy.

The **Australian Bureau of Statistics** is Australia's national statistical agency. It provides independent and trusted official statistics on a range of economic, social, population and environmental matters of importance to governments, industry, and the wider Australian community.

The **Australian Competition and Consumer Commission** is an independent statutory authority which administers the *Competition and Consumer Act 2010* and performs functions under other Commonwealth legislation and State and Territory Competition Policy Reform Acts.

The **Australian Office of Financial Management** is responsible for the management of Australian Government debt and financial assets.

The **Australian Prudential Regulation Authority** is the financial supervisor responsible for the prudential regulation of the banking, other deposit taking, insurance and superannuation industries.

The **Australian Securities and Investments Commission** (ASIC) is Australia's corporate, markets, financial services and credit regulator. It is responsible for consumer protection and market integrity. As part of its remit, ASIC also regulates investment management and superannuation, insurance, deposit taking, financial reporting, auditors and insolvency practitioners. ASIC promotes investor and consumer trust and confidence, fair and efficient markets and provides efficient registration services.

The **Australian Taxation Office** is the Australian Government's principal revenue collection agency and administers Australia's tax system and significant aspects of Australia's superannuation system. It administers legislation governing tax, superannuation and the Australian Business Register and supports the delivery of government benefits to the community.

Portfolio Overview

The **Commonwealth Grants Commission** provides advice to the Australian Government on the equitable distribution of GST revenue to State and Territory governments.

The **Inspector-General of Taxation** seeks to improve the administration of the tax laws for the benefit of all taxpayers.

The **National Competition Council** is an independent advisory body for all Australian governments that advises and makes recommendations under the National Access Regime and recommendations and decisions in relation to natural gas pipelines.

The **National Housing Finance and Investment Corporation's** objective is to improve housing outcomes by operating an affordable housing bond aggregator to provide loans to registered community housing providers financed by the issue of bonds on the commercial market; and a National Housing Infrastructure Facility to provide loans, grants and investments to overcome impediments to the provision of housing that is due to the lack of necessary infrastructure.

The **Office of the Auditing and Assurance Standards Board's** objective is to develop, issue and maintain in the public interest, principle-based, independent auditing and assurance standards for all sectors of the Australian economy that meet user needs, contribute to the development of international auditing and assurance standards and assist in maintaining confidence in the Australian economy, including its capital markets.

The **Office of the Australian Accounting Standards Board's** role is to develop, issue and maintain principle-based independent financial reporting standards for all sectors of the Australian economy that meet user needs, contribute to the development of international accounting standards and assist in maintaining confidence in the Australian economy, including its capital markets.

The **Productivity Commission** is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians.

The **Royal Australian Mint** manufactures and sells circulating coins to meet the coinage needs of the Australian economy, and collector coins and other minted products for Australia and foreign countries.

The **Financial Advisers Standards and Ethics Authority Ltd** and the **National Housing Finance and Investment Corporation** do not appear in the Portfolio Budget Statements as they are not directly appropriated by government. The **Australian Reinsurance Pool Corporation** and the **Reserve Bank of Australia** do not appear in the Portfolio Budget Statements as they are not part of the general government sector.

On 1 May 2021, the **Infrastructure and Project Financing Agency** was abolished as an Executive Agency by order of the Governor-General under Section 65 of the *Public Service Act 1999*. The functions of the Infrastructure and Project Financing Agency were transferred to the Department of the Treasury.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury portfolio structure and outcomes (continued)

<p align="center">Commonwealth Grants Commission Secretary: Mr Jonathan Rollings</p> <p>Outcome 1: Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue</p>
<p align="center">Financial Adviser Standards and Ethics Authority Limited Chief Executive Officer: Mr Stephen Glenfield</p> <p>Outcome 1: Strengthen the professional and ethical standards of financial advisers through enhancing educational and training requirements and ethical standards to improve consumer outcomes</p>
<p align="center">Inspector-General of Taxation Inspector-General of Taxation: Ms Karen Payne</p> <p>Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities</p>
<p align="center">National Competition Council President: Ms Julie-Anne Schafer</p> <p>Outcome 1: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure</p>
<p align="center">National Housing Finance and Investment Corporation Chair: Mr Brendan Crotty</p> <p>Outcome 1: Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector, as well as for critical infrastructure that increases housing supply</p>
<p align="center">Office of the Auditing and Assurance Standards Board Acting Chair: Mr Bill Edge</p> <p>Outcome 1: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements</p>
<p align="center">Office of the Australian Accounting Standards Board Chair: Dr Keith Kendall</p> <p>Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions</p>
<p align="center">Productivity Commission Chair: Mr Michael Brennan</p> <p>Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective</p>
<p align="center">Reserve Bank of Australia Governor: Mr Philip Lowe</p> <p>Purpose: In its role as Australia's central bank, the Reserve Bank of Australia determines and implements monetary policy, fosters financial stability, undertakes a range of activities in financial markets, acts as a banker to the Australian Government, issues Australia's banknotes and has policy, supervisory and operational roles in the payments system</p>
<p align="center">Royal Australian Mint Chief Executive Officer: Mr Leigh Gordon AO CSM</p> <p>Outcome 1: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products</p>

ENTITY RESOURCES AND PLANNED PERFORMANCE

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Treasury is the pre-eminent economic adviser to the Government. The Treasury's purpose is to support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.

Our work includes promoting a sound economic environment, effective Government spending arrangements and regulations, well-functioning markets to serve consumers and investors, and sustainable taxation and revenue arrangements.

The Treasury achieves this through providing policy advice, analysis and the delivery of economic policies and programs, including legislation and administrative payments which support the effective management of the Australian economy.

Our priorities to achieve this over 2021-22 include:

- continuing to support the Government to design and deliver the COVID-19 response and the Economic Recovery Plan
- delivering the 2022-23 Budget, the Mid-Year Economic and Fiscal Outlook and any other economic updates as required by Government
- promoting a stronger, more sustainable tax system in line with Government priorities
- delivering the next Intergenerational Report that will assess the long term sustainability of current Government policies over the next 40 years
- ensuring payments to the States and Territories are timely and accurate
- implementing reforms to Australia's foreign investment review framework
- strengthening Australia's financial system and promoting sound corporate and consumer regulation in line with Government priorities
- delivering measures focused on supporting small to medium business, the digital economy and reducing the regulatory burden on business
- increasing choice, control, transparency and competition for Australia's consumers
- continuing to improve our governance across the Treasury portfolio.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Treasury for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2021-22 as at Budget May 2021

	<i>2020-21 Estimated actual \$'000</i>	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	72,957	60,029
Departmental appropriation (c)	260,373	324,281
s74 External Revenue (d)	15,156	26,156
Departmental capital budget (e)	11,548	10,262
Annual appropriations - other services - non-operating (f)		
Equity injection	237	301
Total departmental annual appropriations	<u>360,271</u>	<u>421,029</u>
Total departmental resourcing	<u>360,271</u>	<u>421,029</u>
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	130,986	90,949
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	165,000	165,000
Total administered annual appropriations	<u>295,986</u>	<u>255,949</u>

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Special appropriations		
<i>Australian Business Growth Fund</i>	2,000	9,530
<i>Federal Financial Relations Act 2009</i>	92,100,098	100,639,687
<i>Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020- s6 Guarantee of lending to Small and Medium Enterprises</i>	-	16,163
<i>International Monetary Arrangements Act 2015</i>	2,940,504	60,218
<i>Public Governance, Performance and Accountability Act 2013</i>	1,000	-
Total administered special appropriations	95,043,602	100,725,598
Special accounts (g)		
Appropriation receipts	57,960,590	62,082,558
Non-appropriation receipts	2,474,070	1,380,952
Total special account receipts	60,434,660	63,463,510
Total administered resourcing	155,774,248	164,445,057
Total resourcing for Department of the Treasury	156,134,519	164,866,086
	2020-21	2021-22
Average staffing level (number)	1,135	1,325

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

Third party payments from and on behalf of other entities

	2020-21 <i>Estimated actual \$'000</i>	2021-22 Estimate \$'000
Payments made on behalf of another entity (h) (as disclosed in the respective entity's resource statement)		
<i>Department of Finance</i>	2,388,147	1,341,952
<i>Attorney-General's Department</i>	12,306	-
<i>Department of Social Services</i>	45,617	-
<i>Department of Agriculture, Water and the Environment</i>	28,000	39,000
Payments made to corporate entities within the Portfolio (i) NHFIC (Annual appropriation)	59,004	39,939

Prepared on a resourcing (i.e. appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2021-22. This includes amounts credited to Treasury from the Department of Industry, Science, Energy and Resources, the Commonwealth Scientific and Industrial Research Organisation, the Australian Security and Investments Commission and the Infrastructure and Project Financing Agency following machinery of government changes.
- (b) Adjusted appropriation carried forward from previous year.
- (c) Excludes departmental capital budget (DCB). 2021-22 includes \$1.462 million for revenue recognised in 2020-21 but not appropriated in that year.
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2021-22. This includes amounts credited to Treasury from the Department of Industry, Science, Energy and Resources following a machinery of government change.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) These payments relate to National Partnership payment to the states and territories.
- (i) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Treasury are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Department of the Treasury 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Expense measures					
A Roadmap for Respect — Respect@Work response implementation					
Administered payment	1.9	nfp	nfp	nfp	nfp
Addressing Workforce Shortages in Key Areas — Job Trainer Fund — extension					
Administered payment	1.1	300,000	200,000	-	-
Agriculture 2030					
Administered payment	1.9	13,000	28,000	28,000	28,000
An Enhanced Payment Times Reporting Scheme					
Departmental payment	1.1	4,098	3,913	4,115	3,916
Building Australia's Resilience					
Administered payment	1.9	8,000	20,000	12,000	-
Closing the Gap — National Partnership Agreements on Rheumatic Fever Strategy and Improving Trachoma Control — extension					
Administered payment	1.9	-	-	-	-
Commonwealth's Deregulation Agenda					
Departmental payment	1.1	2,663	2,625	2,637	2,095
Corporate tax — corporate collective investment vehicle revised start date					
Departmental payment	1.1	-	874	-	-

**Table 1.2: Department of the Treasury 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
COVID-19 Response Package — extension Administered payment	417,102	273,875	-	-	-
COVID-19 Response Package — vaccine purchases and rollout Administered payment	100,000	410,849	-	-	-
Cyclone and Related Flooding Reinsurance Pool Departmental payment	-	2,435	-	-	-
Digital Economy Strategy Administered payment	-	10,807	-	-	-
Departmental payment	-	19,112	16,066	-	-
Disaster Recovery Funding Arrangements Administered payment	-	122,695	139,945	13,230	-
Drought response, Resilience and Preparedness Plan — continued support	-	-	-	-	-
Administered payment	(27,000)	64,000	31,000	21,000	-
Family Law System — improving access and safety for children and families	-	-	-	-	-
Administered payment	-	3,570	6,750	6,750	6,750
Financial Market Infrastructure Regulatory Reforms Departmental payment	*	*	*	*	*
First Home Super Saver Scheme — increasing the maximum releasable amount to \$50,000	-	-	-	-	-
Departmental payment	-	41	-	-	-
First Home Super Saver Scheme — technical changes Departmental payment	-	65	-	-	-

**Table 1.2: Department of the Treasury 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Flexible Super — repealing the work test for voluntary superannuation contributions	-	-	-	-	-
Departmental payment	-	343	153	-	-
Guaranteeing Medicare — dental health services	-	-	-	-	-
Administered payment	-	-	-	-	-
Guaranteeing Universal Access to Preschool (a)	-	136,043	459,321	478,981	519,701
Administered payment	-	-	-	-	-
Housing Package	-	622,225	155,843	2,006	239
Administered payment	-	-	-	-	-
Improving Energy Affordability and Reliability	-	35,000	-	-	-
Administered payment	-	-	-	-	-
Infrastructure Investment — Australian Capital Territory	-	3,250	15,575	13,025	2,900
Administered payment	-	-	-	-	-
Infrastructure Investment — New South Wales	-	44,000	383,520	472,550	504,480
Administered payment	-	-	-	-	-
Infrastructure Investment — Northern Territory	-	-	-	-	4,000
Administered payment	-	-	-	-	-
Infrastructure Investment — Queensland	-	18,800	161,300	285,280	342,078
Administered payment	-	-	-	-	-
Infrastructure Investment — South Australia	-	110,750	321,630	823,600	807,039
Administered payment	-	-	-	-	-
Infrastructure Investment — Tasmania	-	4,000	17,200	20,300	55,700
Administered payment	-	-	-	-	-
Infrastructure Investment — Victoria	-	5,000	76,274	197,642	118,842
Administered payment	-	-	-	-	-
Infrastructure Investment — Western Australia	-	81,050	348,300	347,040	328,800
Administered payment	-	-	-	-	-

**Table 1.2: Department of the Treasury 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Insolvency Reform					
Departmental payment	-	-	-	-	-
Investing in Medical Research					
Administered payment	-	1,500	1,500	1,500	1,500
Mandatory Franchise Disclosure Registry					
Departmental payment	-	2,627	962	389	345
Mental Health					
Administered payment	-	19,322	19,374	19,437	19,370
Departmental payment	41	104	284	104	-
Migration — additional flexibility for temporary visa holders to work in the agriculture sector					
Administered payment	*	*	*	*	*
Migration Program — 2021-22 planning levels					
Administered payment	-	-	(5,000)	(5,000)	(5,000)
National Access Regime — improving timeliness					
Departmental payment	-	-	-	-	-
National Housing and Homelessness Agreement — Social and Community Services Supplementation Funding					
Administered payment	-	61,390	63,289	-	-
National Strategy to Prevent and Respond to Child Sexual Abuse					
Administered payment	-	1,641	1,659	1,682	1,706
National Water Grid — new projects					
Administered payment	-	-	-	-	-
Not for profits — enhancing the transparency of income tax exemptions					
Departmental payment	-	-	-	*	*

**Table 1.2: Department of the Treasury 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Oceans Leadership Package					
Administered payment	-	-	672	672	-
Primary Care					
Administered payment	-	2,673	2,447	-	-
Rationalising Legacy Life Insurance Products and Managed Investment Scheme Products					
Departmental payment	-	1,753	756	-	-
Relief to Foreign Financial Service Providers					
Administered payment	-	-	-	-	-
Road Safety Program - extension					
Administered payment	-	-	1,000,000	-	-
Rum Jungle Rehabilitation Project					
Administered payment	-	nfp	nfp	nfp	nfp
Self-managed superannuation funds — Legacy retirement product conversions					
Departmental payment	-	637	323	-	-
Self managed superannuation funds — relaxing residency requirements					
Departmental payment	-	158	46	-	-
SME Recovery Loan Scheme					
Administered payment	nfp	nfp	nfp	nfp	nfp
Departmental payment	nfp	nfp	nfp	nfp	nfp

**Table 1.2: Department of the Treasury 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Strategic Basin Plans					
Administered payment	-	15,631	-	-	-
Stronger Consumer Outcomes for Members of Superannuation					
Administered payment	-	800	800	-	-
Takeovers Panel- additional funding					
Departmental payment	-	1,204	937	624	627
Treasury Portfolio - resourcing for Government priorities					
Administered payment	4,000	13,000	-	-	-
Departmental payment	-	13,341	8,002	3,664	3,351
Women's Health					
Administered payment	-	-	-	-	-
Women's Safety					
Administered payment	-	161,626	189,115	60,159	61,224
Total	494,143	2,594,839	3,673,455	2,811,387	2,807,663
Total payment measures					
Administered	494,102	2,544,497	3,638,514	2,799,854	2,797,329
Departmental	41	48,342	34,941	11,533	10,334
Total	494,143	2,592,839	3,673,455	2,811,387	2,807,663

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) This measure has been reflected in Treasury's Table 1.2 to provide consistency with Budget Paper 2. The measure has been provisioned for Treasury in the Contingency Reserve, as funding will be contingent on the States and Territories agreeing to a robust reform timeline focused on increasing participation and school readiness. Treasury will not be appropriated the funding amount until the negotiations have been finalised, therefore has not been reflected in any other tables in the Treasury Portfolio Budget Statements.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The Treasury's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Treasury can be found at: (<https://corporate-plan.treasury.gov.au/>).

The most recent annual performance statement can be found at: (<https://treasury.gov.au/publication>).

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury's functions.

Linked programs

<p>Contribution made by Outcome 1</p> <p>Treasury Outcome 1 contributes to the following programs by making payments to the states and territories under National Partnership agreements, National Specific Purpose Payments (SPP) and bilateral agreements that support the delivery of the programs. Details of the individual National Partnership agreements within Program 1.9 are set out in Table 2.2 for each Portfolio.</p>
<p>Attorney-General's Department</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.4 – Justice Services
<p>Australian Trade and Investment Commission</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.2 – Programs to promote Australia's export and other international economic interests
<p>Australian Securities and Investment Commission</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – Australian Securities and Investment Commission
<p>Department of Agriculture, Water and the Environment</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Sustainable Management - Natural Resources and Environment • Program 1.4 – Conservation of Australia's Heritage and Environment • Program 1.5 – Environmental Regulation • Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants • Program 3.2 – Sustainable Management – Natural Resources • Program 3.3 – Forestry Industry • Program 3.4 – Fishing Industry • Program 3.10 – Agricultural Resource

Department of Agriculture, Water and the Environment (continued)
<p>Programs</p> <ul style="list-style-type: none"> • Program 3.11 - Drought Programs • Program 4.1 - Biosecurity and Export Services • Program 4.2 - Plant and Animal Health • Program 5.1 - Water Reform
Department of Defence
<p>Program</p> <ul style="list-style-type: none"> • Program 2.1 - Strategic Policy and Intelligence
Department of Education, Skills and Employment
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.5 - Early Learning and Schools Support • Program 3.1 - Building Skills and Capability
Department of Finance
<p>Program</p> <ul style="list-style-type: none"> • Program 2.4 - Insurance and Risk Management
Department of Health
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Health Research, Coordination and Access • Program 1.2 - Mental Health • Program 1.3 - Aboriginal and Torres Strait Islander Health • Program 1.5 - Preventative Health and Chronic Disease Support • Program 1.6 - Primary Health Care Quality and Coordination • Program 1.8 - Health Protection, Emergency Response and Regulation • Program 2.5 - Dental Services • Program 3.2 - Aged Care Services • Program 4.1 - Sport and Recreation
Department of Home Affairs
<p>Program</p> <ul style="list-style-type: none"> • Program 1.7 - National Security and Criminal Justice

Department of Industry, Science, Energy and Resources
Program <ul style="list-style-type: none">• Program 1.3 – Supporting a strong resources sector• Program 2.1 – Reducing Australia’s greenhouse gas emissions• Program 3.1 – Supporting reliable, secure and affordable energy
Department of Infrastructure, Regional Development and Cities
Programs <ul style="list-style-type: none">• Program 1.1 – Infrastructure Investment• Program 3.1 – Regional Development• Program 3.3 – Cities• Program 5.1 – Digital Technologies and Communications Services
Department of the Prime Minister and Cabinet
Programs <ul style="list-style-type: none">• Program 1.1 – Prime Minister and Cabinet
Department of Social Services
Programs <ul style="list-style-type: none">• Program 1.10 – Family Assistance• Program 2.1 – Families and Communities• Program 2.3 – Social and Community Services• Program 3.2 – National Disability Insurance Scheme• Program 4.1 – Housing and Homelessness
Department of Veterans’ Affairs
Program <ul style="list-style-type: none">• Program 2.4 – Veterans’ Community Care and Support
National Indigenous Australians Agency
Programs <ul style="list-style-type: none">• Program 1.2 – Children and Schooling• Program 1.3 – Safety and Wellbeing• Program 1.4 – Culture and Capability• Program 1.5 – Remote Australia Strategies• Program 1.6 – Evaluation and Research

Budgeted expenses for Outcome 1

This table shows how much the Treasury intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Departmental expenses					
Departmental appropriation	261,835	322,819	287,782	243,472	243,851
s74 External Revenue (a)	15,156	26,156	15,156	15,156	15,156
Expenses not requiring appropriation in the Budget year (b)	8,725	9,118	8,508	8,464	8,671
Departmental total	285,716	358,093	311,446	267,092	267,678
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
National Housing Finance and Investment Corporation	59,004	39,939	40,141	3,381	3,395
Other	71,029	14,590	1,936	1,984	-
Special appropriations					
Special appropriation - PGPA Act 2013 - s77 repayments	1,000	1,000	-	-	-
Special accounts					
Special account - Medicare Guarantee Fund	41,448,516	42,518,201	43,786,200	45,817,231	47,644,311
Expenses not requiring appropriation in the Budget year (c)	24,043	24,917	10,604	7,801	7,989
Administered total	41,603,592	42,598,647	43,838,881	45,830,397	47,655,695
Total expenses for program 1.1	41,889,308	42,956,740	44,150,327	46,097,489	47,923,373

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.2: Payments to International Financial Institutions					
Administered expenses					
Special appropriations					
<i>Special appropriation - International Monetary Agreements Act 1947</i>	5,506	6,758	12,477	18,305	25,312
Expenses not requiring appropriation in the Budget year (d)	1,402,304	582,336	-	14,231	84,662
Administered total	1,407,810	589,094	12,477	32,536	109,974
Total expenses for program 1.2	1,407,810	589,094	12,477	32,536	109,974
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Payment to IFRS	2,000	1,000	1,000	1,000	-
Other	16,521	30,929	11,115	7,818	7,691
Expenses not requiring appropriation in the Budget year (c)	427,853	446,522	430	393	252
Administered total	446,374	478,451	12,545	9,211	7,943
Total expenses for program 1.3	446,374	478,451	12,545	9,211	7,943

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.4: General Revenue Assistance					
Special appropriations					
GST Revenue Entitlements - <i>Federal/Financial Relations Act 2009</i>	69,760,000	72,530,000	75,847,443	79,215,304	83,327,251
Special accounts					
COAG Reform Fund					
ACT municipal services	41,247	41,700	42,284	42,876	43,434
Compensation for reduced royalties	19,484	24,171	24,297	22,639	17,884
Royalties	361,996	352,691	337,261	328,997	271,667
GST transitional assistance	1,546,593	2,239,723	2,312,228	2,422,146	2,748,043
Administered total	71,729,320	75,188,285	78,563,513	82,031,962	86,408,279
Total expenses for program 1.4					
Program 1.5: Assistance to the States for Healthcare Services					
Special appropriations					
National Health Reform funding - <i>Federal/Financial Relations Act 2009</i>	22,399,609	25,188,884	26,648,642	28,237,580	29,916,419
Special accounts					
COAG Reform Fund	246,576	273,875	-	-	-
Administered total	22,646,185	25,462,759	26,648,642	28,237,580	29,916,419
Total expenses for program 1.5					
Program 1.6: Assistance to the States for Skills and Workforce Development					
Special appropriations					
National Skills and Workforce Development SPP - <i>Federal/Financial Relations Act 2009</i>	1,560,568	1,577,500	1,599,822	1,622,459	1,644,039
Administered total	1,560,568	1,577,500	1,599,822	1,622,459	1,644,039
Total expenses for program 1.6					
	1,560,568	1,577,500	1,599,822	1,622,459	1,644,039

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.7: Assistance to the States for Disability Services					
Special appropriations					
National Disability Services SPP -					
<i>Federal Financial Relations Act 2009 (e)</i>	-	-	-	-	-
Administered total	-	-	-	-	-
Total expenses for program 1.7	-	-	-	-	-
Program 1.8: Assistance to the States for Affordable Housing					
Special appropriations					
National Affordable Housing SPP -					
National Housing and Homelessness	1,594,523	1,616,173	1,639,837	1,598,620	1,619,403
Administered total	1,594,523	1,616,173	1,639,837	1,598,620	1,619,403
Total expenses for program 1.8	1,594,523	1,616,173	1,639,837	1,598,620	1,619,403
Program 1.9: National Partnership Payments to the States					
Special appropriations					
National General Health Services SPP -					
<i>Federal Financial Relations Act 2009</i>	2,580,368	410,851	-	-	-
Special accounts					
COAG Reform Fund	15,909,054	16,833,862	18,515,649	16,689,859	12,121,970
Expenses not requiring appropriation (f)	1,370	-	-	-	-
Administered total	18,490,792	17,244,713	18,515,649	16,689,859	12,121,970
Total expenses for program 1.9	18,490,792	17,244,713	18,515,649	16,689,859	12,121,970

Table 2.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1 Totals by appropriation type	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimated actual \$'000	Budget \$'000	Forward estimate \$'000	Forward estimate \$'000	Forward estimate \$'000
Departmental expenses					
Departmental appropriation	261,835	322,819	287,782	243,472	243,851
s74 External Revenue (a)	15,156	26,156	15,156	15,156	15,156
Expenses not requiring appropriation in the Budget year (b)	8,725	9,118	8,508	8,464	8,671
Departmental total	285,716	358,093	311,446	267,092	267,678
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	148,554	86,458	54,192	14,183	11,086
Other services (Appropriation Bill No. 2)					
Special appropriations	97,901,574	101,331,166	105,748,221	110,692,268	116,532,424
Special accounts	59,573,466	62,284,223	65,017,919	65,323,748	62,847,309
Expenses not requiring appropriation in the Budget year	1,855,570	1,053,775	11,034	22,425	92,903
Administered total	159,479,164	164,755,622	170,831,366	176,052,624	179,483,722
Total expenses for Outcome 1	159,764,880	165,113,715	171,142,812	176,319,716	179,751,400

Table 2.1: Budgeted expenses for Outcome 1 (continued)

Movement of administered funds between years	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1:					
Program 1.1: Department of the Treasury	(500)	500	-	-	-
Program 1.9: National Partnership Payments to the States	(527,199)	(1,284,701)	(164,142)	(585,831)	373,928
Total movement of administered funds	(527,699)	(1,284,201)	(164,142)	(585,831)	373,928

Average staffing level (number)	2020-21	2021-22
	1,135	1,325

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses.
- (c) Expenses not requiring appropriation in the Budget year relate to revaluation of grants provision and loan amounts.
- (d) Expenses not requiring appropriation in the Budget year relate to foreign exchange losses.
- (e) A zero entitlement to National Disability SPP funding indicates the National Disability Insurance Scheme (NDIS) has been fully rolled out.
- (f) Expenses not requiring appropriation in the Budget year relate to revaluation of grants provision.

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

Table 2.2: Program 1.9: expenses

Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special accounts					
COAG Reform Fund					
Agriculture, Water and the Environment portfolio					
<i>Department of Agriculture, Water and the Environment</i>					
COVID-19 World and National Heritage	32,737	-	-	-	-
Environmental assessment systems upgrade	3,630	8,499	-	-	-
Environment Restoration Fund	4,250	2,180	1,197	-	-
Fishing and Camping Facilities Program	10,000	10,000	-	-	-
Forestry Industries Bushfire Salvage Transport Assistance	15,000	-	-	-	-
Future Drought Fund	-	-	-	-	-
Farm Business Resilience	18,000	25,000	20,000	15,000	-
Regional Drought Resilience Planning	10,000	14,000	11,000	6,000	-
Great Artesian Basin Sustainability Initiative	7,252	7,500	8,000	4,000	-
Horticulture Netting Trial Scheme	23,600	-	-	-	-
Implementing water reform in the Murray-Darling Basin	5,000	20,000	20,000	20,000	-
Management of established pest and weeds	4,600	4,500	2,900	-	-
National forestry industry plan	1,750	1,750	-	-	-
National Plant Health Surveillance Program	-	1,000	1,000	1,000	1,000
On-farm Emergency Water Infrastructure Rebate	36,905	25,000	-	-	-
Pest and disease preparedness and response programs	38,588	68,786	33,757	32,992	37,404
Raine Island Recovery Project	-	-	672	672	-
Recycling Infrastructure	29,750	62,743	82,183	53,188	18,000
Regional fund for wildlife and habitat bushfire recovery	13,298	28,186	-	-	-
Securing Forestry Resources for Economic Security	10,000	-	-	-	-
Sustainable rural water use and infrastructure Program	144,000	205,200	184,850	154,627	-
Water for Fodder program	5,000	-	-	-	-
World Heritage Sites	9,482	9,482	9,482	-	-
Yellow crazy ant control	3,000	3,000	-	-	-
Total	425,842	496,826	375,041	287,479	56,404

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Attorney-General's portfolio						
<i>Attorney-General's Department</i>						
Bushfire Response Package	1.4	5,830	-	-	-	-
COVID-19 Legal Assistance Funding	1.4	31,073	-	-	-	-
Family law information sharing	1.4	2,793	2,835	3,180	3,180	3,180
National Legal Assistance Partnership						
Aboriginal and Torres Strait Islander Legal Services	1.4	79,479	86,683	88,202	89,612	91,046
Community legal centres	1.4	48,472	55,884	56,725	57,633	58,555
Domestic Violence Units and Health Justice Partnerships	1.4	9,922	14,281	14,472	14,696	14,922
Family advocacy and support services	1.4	9,893	10,044	27,110	27,706	28,316
Increased legal assistance funding for vulnerable women	1.4	-	31,626	32,005	32,453	32,908
Legal aid commissions	1.4	234,320	237,843	241,418	245,281	249,205
Legal assistance family law pilot program	1.4	-	3,570	3,570	3,570	3,570
State and territory legal assistance administration	1.4	3,937	3,996	4,057	4,120	4,182
Supporting increased child sexual abuse prosecutions	1.4	-	1,641	1,659	1,682	1,706
Supporting people with mental health conditions access the justice system	1.4	-	15,000	15,000	15,000	15,000
Total		425,719	463,403	487,398	494,933	502,590
Defence portfolio						
<i>Department of Defence</i>						
School pathways program	2.1	1,200	1,200	-	-	-
Total		1,200	1,200	-	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Education, Skills and Employment portfolio						
<i>Department of Education, Skills and Employment</i>						
Envisaging Tasmania	3.1	4,565	4,629	4,698	-	-
JobTrainer Fund	3.1	460,903	339,097	200,000	-	-
National Infection Control Training Fund	3.1	31,600	-	-	-	-
National school chaplaincy program	1.5	61,435	61,435	61,435	61,435	61,435
Revitalising TAFE campuses across Australia	3.1	25,000	25,000	-	-	-
Skilling Australians Fund	3.1	172,685	75,302	-	-	-
Universal access to early childhood education	1.5	450,605	317,221	-	-	-
Total		1,206,793	822,684	266,133	61,435	61,435
Finance portfolio						
<i>Department of Finance</i>						
Provision of fire services	2.4	23,348	24,167	-	-	-
Total		23,348	24,167	-	-	-
Foreign Affairs and Trade portfolio						
<i>Australian Trade and Investment Commission</i>						
National Tourism Icons Package	1.1	17,500	9,730	-	-	-
Total		17,500	9,730	-	-	-

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Health portfolio					
<i>Department of Health</i>					
		500	500	-	-
1.1	1,900	500	500	-	-
Achieving better health outcomes	2,427	-	-	-	-
1.1					
Additional assistance for public hospitals					
Addressing blood-borne viruses and sexually transmissible infections					
in the Torres Strait					
1.3	1,120	1,120	1,120	1,120	-
Adult mental health centres	-	4,000	4,000	4,000	-
1.2					
Centre for National Resilience	239,614	273,875	-	-	-
1.1					
Community Health, Hospitals and Infrastructure projects	153,563	176,288	225,255	200,458	144,950
1.3					
Comprehensive palliative care across the life course	15,045	9,469	9,846	10,269	-
1.5					
Encouraging more clinical trials in Australia	1,500	1,500	1,500	1,500	1,500
1.1					
Essential vaccines	17,889	19,639	19,893	19,837	20,096
1.3					
Expansion of the BreastScreen Australia program	15,364	15,570	15,769	16,004	16,242
1.5					
Grace's Place	2,000	-	-	-	-
1.2					
Health Innovation Fund	115,200	16,700	1,700	1,700	1,700
1.1					
Hepatitis C settlement fund	87	89	92	95	96
1.1					
Hummingbird House	800	800	800	-	-
1.5					
Improving trachoma control services for Indigenous Australians	5,307	4,661	4,745	4,830	4,898
1.3					
Kangaroo Island nurse outreach program	1,200	-	-	-	-
1.6					
Lymphoedema garments and allied health therapy	2,000	2,000	2,000	2,000	-
1.5					
Management of Torres Strait / Papua New Guinea cross-border health issues					
1.8	5,142	5,224	5,307	5,391	-
1.8	844	858	872	886	-
Mosquito control and cross border liaison in the Torres Strait					
National Bowel Cancer Screening Program – participant follow-up function	9,121	9,048	-	-	-
1.5					
National Coronial Information System	406	412	419	425	432
1.5					

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Health portfolio (continued)					
<i>Department of Health (continued)</i>					
National perinatal mental health check					
Northern Territory Remote Aboriginal Investment Health component					
OzFoodNet				1,947	
Proton beam therapy facility			27,280		
Public dental services for adults		107,772			
Quarantine arrangements in Tasmania	6,962				
Queensland 2032 Olympic and Paralympic Games Candidature	10,000				
Redevelopment of Strathalbyn residential aged care facility	700				
Reducing stillbirths	998				
Rheumatic fever strategy	3,272	2,916	2,969	3,022	3,064
Royal Darwin Hospital – equipped, prepared and ready	16,771	17,024	17,313		
Specialist dementia care	3,905	3,964	9,388	9,529	
Suicide prevention	3,000				
Vaccine-preventable diseases surveillance	1,016	1,032	1,048	1,065	
Victorian Cytology Service	10,611				
Total	811,154	690,689	360,732	284,078	192,978
Home Affairs portfolio					
<i>Department of Home Affairs</i>					
Disaster Recovery Funding Arrangements	713,457	134,572	122,386	-6,863	
Disaster risk reduction	20,880	20,880	20,880	20,880	
Emergency Response Fund- flood mitigation	50,000				
Public Safety Mobile Broadband	8,030				
Total	792,367	155,452	143,266	14,017	

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Infrastructure, Regional Development and Cities portfolio					
<i>Department of Infrastructure, Regional Development and Cities</i>					
City and Regional Deals					
	15,300	44,000	42,000	49,500	5,000
Adelaide City Deal	3,200	-	-	-	-
Albury Wodonga Regional Deal	8,080	7,155	4,500	-	-
Barkly Regional Deal	45,000	27,300	-	-	-
Darwin City Deal	18,370	63,900	60,150	28,230	7,900
Geelong City Deal	10,750	-	-	-	-
Hinkler Regional Deal	8,800	12,350	16,300	7,550	-
Launceston City Deal	36,793	77,786	63,671	59,000	55,000
Perth City Deal	50,000	-	-	-	-
Regional Recovery Partnerships	75,000	175,000	20,000	-	-
Townsville City Deal	42,802	18,144	-	-	-
Western Sydney City Deal					
Infrastructure Growth Package	536,073	254,946	166,994	346,707	350,355
Western Sydney Infrastructure Plan					
Infrastructure Investment Program	137,048	137,048	117,832	110,000	110,000
Black Spot Projects	49,740	88,500	121,127	121,127	91,127
Bridges Renewal Program					
Developing Northern Australia					
Improving Cattle Supply Chains	9,759	80	3,734	1,262	-
Northern Australia Roads	73,555	54,792	6,927	7,559	4,620
Heavy Vehicle Safety and Productivity Program	67,223	67,160	67,236	101,636	69,336
Major Projects Business Case Fund	39,320	98,760	60,300	26,250	12,620

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Infrastructure, Regional Development and Cities portfolio (continued)					
<i>Department of Infrastructure, Regional Development and Cities (continued)</i>					
1.1	1,108,894	2,321,509	3,211,064	3,425,139	3,096,917
1.1	5,522,327	5,447,783	7,986,428	7,684,267	5,850,973
1.1	326,788	794,211	1,082,059	898,570	670,926
1.1	378,304	775,553	1,360,861	797,801	256,386
3.3	9,000	-	-	-	-
3.3	-	102,275	469,915	602,825	488,790
3.3	165,672	380,964	181,450	98,800	165,746
3.3	32,051	31,750	2,000	-	-
3.3	5,000	-	-	-	-
5.1	10,000	-	-	-	-
Total	8,784,849	10,980,966	15,044,548	14,366,223	11,235,696
Industry, Science, Energy and Resources portfolio					
<i>Department of Industry, Science, Energy and Resources</i>					
2.1	28,500	30,000	-	-	-
1.3	1,251	2,251	-	-	-
3.1	-	1,500	-	-	-
1.3	-	15,631	-	-	-
2.1	12,500	-	-	-	-
Total	42,251	49,382	-	-	-

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Prime Minister and Cabinet portfolio					
<i>Department of the Prime Minister and Cabinet</i>					
1.1	-	8,000	20,000	12,000	-
North Queensland strata title resilience pilot program					
<i>National Indigenous Australians Agency</i>					
1.6	3,649	-	-	-	-
COVID-19 Self-isolation for Remote Communities					
Northern Territory remote Aboriginal investment					
1.2	26,622	25,641	-	-	-
Children and schooling component					
1.3	34,629	35,784	-	-	-
Community safety implementation plan					
1.4	3,651	3,706	-	-	-
Remote Australia strategies component					
1.5	237,216	185,000	110,000	-	-
Remote Housing					
Total	305,767	291,042	130,000	12,000	-
Social Services portfolio					
<i>Department of Social Services</i>					
2.1	97,500	130,000	130,000	-	-
Family, Domestic and Sexual Violence Support					
2.3	12,306	-	-	-	-
National Legal Assistance Partnership					
3.2	8,875	7,625	-	-	-
Social and Community Services Sector supplementation					
NDIS Strategic Investment in QLD					
Social Impact Investments					
4.10	531	1,062	531	531	531
Vulnerable priority groups					
1.1	531	1,062	531	531	531
Youth at risk of homelessness					
Pay equity for the social and community services sector					
3.2	2,338,147	1,341,952	1,086,742	1,143,377	-
Payments from the DisabilityCare Australia Fund					
Total	2,491,201	1,481,701	1,217,804	1,144,439	1,062

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2020-21 Revised Budget \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Treasury portfolio						
<i>Australian Securities and Investment Commission</i>						
MoneySmart teaching	1.1	1,310	-	-	-	-
<i>Department of the Treasury</i>						
Financial assistance for police officers	1.9	5,080	2,150	390	-	-
HomeBuilder	1.9	680,000	1,515,495	459,605	-	-
North Queensland strata title inspection scheme	1.9	-	-	2,900	-	-
Small business regulatory reform	1.9	133,950	127,050	-	-	-
Total		820,340	1,644,695	462,895	-	-
Veterans' Affairs						
<i>Department of Veterans' Affairs</i>						
Veteran Wellbeing Centre Program	2.4	5,050	-	-	-	-
Total		5,050	-	-	-	-
Total Program expenses		16,153,381	17,111,937	18,487,817	16,664,604	12,050,165

Total figures include other items not for publication due to ongoing negotiation with states.

Table 2.2: Performance criteria for Outcome 1

Table 2.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury’s functions.</p>		
<p>Program 1.1 – Department of the Treasury</p> <p>The objective of this program is to support Ministers to effectively manage the Australian economy by:</p> <ul style="list-style-type: none"> • providing analysis to promote a sound macroeconomic environment; • promoting effective Government spending arrangements that contribute to overall fiscal outcomes and influence strong sustainable economic growth; • developing effective taxation and retirement income arrangements consistent with the Government’s reform priorities; and • developing well-functioning markets that support business, investor and consumer confidence. 		
<p>Delivery</p>	<p>The Treasury provides economic forecasts, analysis and authoritative advice to Ministers relating to the economy, budget and fiscal strategy, financial system, markets and productivity, foreign investment, structural reform, taxation, superannuation and retirement income, social, consumer and international economic policy.</p> <p>The Treasury will produce the Intergenerational Report, which assesses the long term sustainability of current Government policies over the next 40 years, including by taking account of the financial implications of demographic change.</p> <p>The Treasury also works with State and Territory Governments on key policy areas.</p> <p>Administer the small and family business functions, transferred to the Treasury on 15 April 2021.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria (a) (b) (c) (d)</p>	<p>Actual Achievement/Targets</p>
<p>2020-21</p>	<p>Treasury provides informed and impactful advice to Treasury Ministers, underpinned by modelling, forecasting and engagement with stakeholders.</p>	<ul style="list-style-type: none"> • Ministers and relevant stakeholders indicate a constructive and positive contribution to economic policy outcomes, in line with government priorities. Forecast: On track • Policy advice considers the views of relevant stakeholders; including other Australian Government entities, State and Territory Government entities, industry and regulators, as required. Forecast: On track • Models and forecasting activities are based on best-practice and deliver outcomes that inform our economic policy advice. Forecast: On track

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Performance information		
Year	Performance criteria (a) (b) (c) (d)	Actual Achievement/Targets
2021-22	Treasury provides informed and impactful advice to Treasury Ministers, underpinned by modelling, forecasting and engagement with stakeholders.	<ul style="list-style-type: none"> Ministers and relevant stakeholders indicate a constructive and positive contribution to economic policy outcomes, in line with government priorities. Policy advice considers the views of relevant stakeholders; including other Australian Government entities, State and Territory Government entities, industry and regulators, as required. Models and forecasting activities are based on best-practice and deliver outcomes that inform our economic policy advice.
2022-23 and beyond	As per 2021-22	As per 2021-22
2020-21	Delivery of the Government's economic agenda, through efficient, effective and timely administration of Treasury's functions including legislation and administration of payments.	<ul style="list-style-type: none"> Our delivery of the Government's economic agenda is timely, in line with the priorities of the Government, and realises the intended benefits and objectives. Forecast: On track Our foreign investment regulatory performance meets whole-of-Government standards. Forecast: On track The legislative program is delivered within the required timeframe and the quality of legislation implemented meets a satisfactory standard, in line with Government priorities. Forecast: On track Delivery of the Budget, in line with the <i>Charter of Budget Honesty Act 1998</i> (the Charter). Forecast: On track

Department of the Treasury Budget Statements

Performance information		
Year	Performance criteria (a) (b) (c) (d)	Actual Achievement/Targets
2021-22	Delivery of the Government's economic agenda, through efficient, effective and timely administration of Treasury's functions including legislation and administration of payments.	<ul style="list-style-type: none"> • Our delivery of the Government's economic agenda is timely, in line with the priorities of the Government, and realises the intended benefits and objectives. • Our foreign investment regulatory performance meets whole-of-Government standards. • The legislative program is delivered within the required timeframe and the quality of legislation implemented meets a satisfactory standard, in line with Government priorities. • Delivery of the Budget, in line with the Charter.
2022-23 and beyond	As per 2021-22	As per 2021-22
2021-22	<p><i>Instances of assistance provided to small businesses</i></p> <p><i>Continued advocacy and promotion of mental health support for small business operators</i></p>	<p><i>Year-on-year increase.</i></p> <p><i>Year-on-year maintenance or increase.</i></p>
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.	
<p>Program 1.2 – Payments to International Financial Institutions</p> <p>The objective of this program is to make payments to international financial institutions on behalf of Government to:</p> <ul style="list-style-type: none"> • promote international monetary cooperation; • promote stability of the international financial system and orderly exchange arrangements; • foster economic growth and high levels of employment; • provide temporary financial assistance to countries to help ease balance of payments adjustments; • facilitate the achievement of Government objectives in international forums, including support for development objectives and improved infrastructure in the Asian region; and • support multilateral debt relief. 		
Delivery	The Treasury makes payments to the International Monetary Fund (IMF), under the <i>International Monetary Agreements Act 1947</i> . Payments are also made to multilateral development banks to which Australia is a member, specifically the World Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the Asian Infrastructure Investment Bank.	

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Performance information		
Year	Performance criteria (a)	Actual Achievement/Targets
2020-21	Payments to international financial institutions.	Payments to international financial institutions are facilitated in accordance with relevant legislation agreements. Forecast: On track.
2021-22	Payments to international financial institutions.	Payments to international financial institutions are facilitated in accordance with relevant legislation and agreements.
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.	

Program 1.3 – Support for Markets and Business		
The objective of this program is to make payments on behalf of the Australian Government to support markets and business		
Delivery	The Treasury makes payments to support the operation of the Global Infrastructure Hub (the Hub), in accordance with relevant agreements.	
Performance information		
Year	Performance criteria (a)	Actual Achievement/Targets
2020-21	Payments to the Hub.	Payments to the Hub are made in accordance with the Commonwealth Grant Agreement. Forecast: On track.
2021-22	Payments to the Hub.	Payments to the Hub are made in accordance with the Commonwealth Grant Agreement.
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings	
Program 1.4 to 1.9 – Financial Support to States and Territories		
The objectives of programs 1.4 to 1.9 are to make payments which provide financial support to the States and Territories on a wide range of activities under the <i>Intergovernmental Agreement on Federal Financial Relations</i> (IGAFFR) and other relevant agreements between the Commonwealth and the States and Territories. Since these programs have common performance criteria, they have been presented together below.		
Program 1.4 — General Revenue Assistance. The Treasury, on behalf of the Government, will make general revenue assistance payments to the States and Territories.		
Program 1.5 — Assistance to the States for Healthcare Services. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of healthcare services.		
Program 1.6 — Assistance to the States for Skills and Workforce Development. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of skills and workforce development services.		
Program 1.7 — Assistance to the States for Disability Services. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of disability services.		
Program 1.8 — Assistance to the States for Affordable Housing. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of affordable housing services.		
Program 1.9 — National Partnership Payments to the States. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent on improving outcomes in the areas specified in each of the National Partnership agreements. These payments support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. This program is linked to programs administered by a number of other portfolios, as noted in Table 2.2, which provides further details of specific payments. This contributes to the linked programs by making payment on behalf of the following:		
<ul style="list-style-type: none"> • Attorney-General's Department • Department of Agriculture, Water and the Environment 		

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<ul style="list-style-type: none"> • Department of Defence • Department of Education, Skills and Employment • Department of Finance • Department of Health • Department of Home Affairs • Department of Industry, Science, Energy and Resources • Department of Infrastructure, Transport, Regional Development and Communications • Department of the Prime Minister and Cabinet • Department of Social Services, and • Department of Veterans' Affairs. 		
Delivery	The Treasury delivers payments to the States and Territories.	
Performance information		
Year	Performance criteria (a)	Actual Achievement/Targets
2020-21	Payments to States and Territories.	Payments to the States and Territories are made in accordance with the Intergovernmental Agreement on Federal Financial Relations. Forecast: On track.
2021-22	Payments to States and Territories.	Payments to the States and Territories are made in accordance with the Intergovernmental Agreement on Federal Financial Relations.
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.	

- (a) The Treasury's performance criteria is set out in full in the Treasury 2021-22 Corporate Plan and will be reported in the 2021-22 Annual Performance Statements.
- (b) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (c) Following the Administrative Arrangements Orders of 15 April 2021, the Small Business functions transferred from the Department of Industry, Science, Energy and Resources. Performance related to these functions for 2020-21 will be reported in Treasury's 2020-21 annual performance statements.
- (d) The Department of the Treasury will review the Small Business Performance criteria for inclusion in the *2021-22 Corporate Plan*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement is prepared on a cash basis and provides a view of cash/appropriations resources available to the Treasury whilst the financial statements are prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2021-22 and over the forward estimates.

The Treasury has a sound financial position and has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	182,829	208,050	195,563	176,330	176,575
Suppliers	85,787	132,682	99,235	74,145	74,718
Grants	958	958	958	958	958
Depreciation and amortisation (a)	14,175	14,551	13,957	13,931	13,703
Finance costs	1,967	1,852	1,733	1,728	1,724
Total expenses	285,716	358,093	311,446	267,092	267,678
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10,251	21,251	10,251	10,251	10,251
Other	4,905	4,905	4,905	4,905	4,905
Total own-source revenue	15,156	26,156	15,156	15,156	15,156
Gains					
Other	49	49	49	49	49
Total gains	49	49	49	49	49
Total own-source income	15,205	26,205	15,205	15,205	15,205
Net (cost of)/contribution by services	(270,511)	(331,888)	(296,241)	(251,887)	(252,473)
Revenue from Government	261,835	322,819	287,782	243,472	243,851
Surplus/(deficit) attributable to the Australian Government	(8,676)	(9,069)	(8,459)	(8,415)	(8,622)
Total comprehensive income/(loss)	(8,676)	(9,069)	(8,459)	(8,415)	(8,622)
Total comprehensive income/(loss) attributable to the Australian Government	(8,676)	(9,069)	(8,459)	(8,415)	(8,622)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangement

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	6,992	7,567	7,225	7,212	7,094
plus: depreciation/amortisation expenses for ROU (b)	7,183	6,984	6,732	6,719	6,609
less: principal repayments on leased assets (b)	5,499	5,482	5,498	5,516	5,081
Total comprehensive income/(loss) - as per the statement of comprehensive income	(8,676)	(9,069)	(8,459)	(8,415)	(8,622)

Prepared on Australian Accounting Standards basis

(a) From 2010-11, the Government introduced the net cash appropriation arrangement that provided non-corporate Commonwealth entities with a separate Departmental Capital Budget (DCB) under Appropriation Act (No.1) or Bill (No. 3). This replaced revenue appropriations provided under Appropriation Act (No.1) or Bill (No.3) used for depreciation/amortisation expenses. For information regarding DCB, refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,181	1,181	1,181	1,181	1,181
Trade and other receivables	81,808	77,270	78,007	78,007	78,007
Total financial assets	82,989	78,451	79,188	79,188	79,188
Non-financial assets					
Land and buildings	134,007	125,024	116,466	107,941	99,648
Property, plant and equipment	11,384	14,985	17,426	19,927	22,706
Intangibles	19,406	20,800	22,065	22,369	22,677
Other non-financial assets	5,327	5,327	5,327	5,327	5,327
Total non-financial assets	170,124	166,136	161,284	155,564	150,358
Total assets	253,113	244,587	240,472	234,752	229,546
LIABILITIES					
Payables					
Suppliers	12,166	12,166	12,166	12,166	12,166
Other payables	2,985	2,816	2,846	2,846	2,846
Total payables	15,151	14,982	15,012	15,012	15,012
Interest bearing liabilities					
Leases	119,196	113,714	108,216	102,700	97,619
Total interest bearing liabilities	119,196	113,714	108,216	102,700	97,619
Provisions					
Employee provisions	65,213	60,844	61,551	61,551	61,551
Other provisions	4,377	4,377	4,377	4,377	4,377
Total provisions	69,590	65,221	65,928	65,928	65,928
Total liabilities	203,937	193,917	189,156	183,640	178,559
Net assets	49,176	50,670	51,316	51,112	50,987
EQUITY*					
Parent entity interest					
Contributed equity	112,250	122,813	131,918	140,129	148,626
Reserves	12,676	12,676	12,676	12,676	12,676
Retained surplus (accumulated deficit)	(75,750)	(84,819)	(93,278)	(101,693)	(110,315)
Total parent entity interest	49,176	50,670	51,316	51,112	50,987
Total equity	49,176	50,670	51,316	51,112	50,987

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity — summary of movement
(Budget year 2021-22)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	(75,750)	12,676	-	112,250	49,176
Adjusted opening balance	(75,750)	12,676	-	112,250	49,176
Comprehensive income					
Surplus/(deficit) for the period	(9,069)	-	-	-	(9,069)
Total comprehensive income	(9,069)	-	-	-	(9,069)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	301	301
Departmental Capital Budget (DCB)	-	-	-	10,262	10,262
Sub-total transactions with owners	-	-	-	10,563	10,563
Closing balance attributable to the Australian Government	(84,819)	12,676	-	122,813	50,670

Prepared on Australian Accounting Standards basis

**Table 3.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	261,590	327,364	287,033	243,472	243,851
Sale of goods and rendering of services	10,251	21,251	10,251	10,251	10,251
Other	772	772	772	772	772
Total cash received	272,613	349,387	298,056	254,495	254,874
Cash used					
Employees	182,559	212,588	194,826	176,330	176,575
Suppliers	81,606	128,508	95,042	69,964	70,536
Interest payments on lease liability	1,966	1,851	1,732	1,727	1,724
Other	958	958	958	958	958
Total cash used	267,089	343,905	292,558	248,979	249,793
Net cash from/(used by) operating activities	5,524	5,482	5,498	5,516	5,081
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	11,785	10,563	9,105	8,211	8,497
Total cash used	11,785	10,563	9,105	8,211	8,497
Net cash from/(used by) investing activities	(11,785)	(10,563)	(9,105)	(8,211)	(8,497)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	11,785	10,563	9,105	8,211	8,497
Other	505	-	-	-	-
Total cash received	12,290	10,563	9,105	8,211	8,497
Cash used					
Principal payments on lease liability	5,499	5,482	5,498	5,516	5,081
Total cash used	5,499	5,482	5,498	5,516	5,081
Net cash from/(used by) financing activities	6,791	5,081	3,607	2,695	3,416
Net increase/(decrease) in cash held	530	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	651	1,181	1,181	1,181	1,181
Cash and cash equivalents at the end of the reporting period	1,181	1,181	1,181	1,181	1,181

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	11,548	10,262	8,802	7,906	8,192
Equity injections - Bill 2	237	301	303	305	305
Total new capital appropriations	11,785	10,563	9,105	8,211	8,497
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	11,785	10,563	8,211	8,211	8,497
Total items	11,785	10,563	8,211	8,211	8,497
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	237	301	303	305	305
Funded by capital appropriation - DCB (b)	11,548	10,262	8,802	7,906	8,192
TOTAL	11,785	10,563	9,105	8,211	8,497
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,785	10,563	9,105	8,211	8,497
Total cash used to acquire assets	11,785	10,563	9,105	8,211	8,497

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
 (b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	28,759	38,161	28,063	94,983
Gross book value - ROU assets	129,244	34	-	129,278
Accumulated depreciation/ amortisation and impairment	(8,311)	(26,507)	(8,657)	(43,475)
Accumulated depreciation/amortisation and impairment - ROU assets	(15,685)	(304)	-	(15,989)
Opening net book balance	134,007	11,384	19,406	164,797
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	454	5,992	4,117	10,563
Total additions	454	5,992	4,117	10,563
Other movements				
Depreciation/amortisation expense	(2,551)	(2,293)	(2,723)	(7,567)
Depreciation/amortisation on ROU assets	(6,886)	(98)	-	(6,984)
Total other movements	(9,437)	(2,391)	(2,723)	(14,551)
As at 30 June 2022				
Gross book value	29,213	44,153	32,180	105,546
Gross book value - ROU assets	129,244	34	-	129,278
Accumulated depreciation/ amortisation and impairment	(10,862)	(28,800)	(11,380)	(51,042)
Accumulated depreciation/amortisation and impairment - ROU assets	(22,571)	(402)	-	(22,973)
Closing net book balance	125,024	14,985	20,800	160,809

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22, including Collection Development Acquisition Budget.

	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimated actual	Budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Grants	52,731,178	55,957,914	60,165,614	60,695,288	59,121,743
Payments to the Medicare Guarantee Fund	104,812,464	107,718,416	110,640,684	115,315,049	120,242,207
Interest	5,506	6,758	12,477	18,305	25,312
Suppliers	75,816	18,758	1,557	1,557	1,557
Foreign exchange	726,393	582,336	1	14,231	84,662
Other expenses	1,127,806	471,439	11,034	8,194	8,241
Total expenses administered on behalf of Government	159,479,163	164,755,621	170,831,367	176,052,624	179,483,722
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	623,850	683,748	679,824	483,853	484,354
Fees and fines	475	949	949	1,018	-
Interest	55,040	102,821	101,870	99,955	98,203
Dividends	2,112,000	3,521,000	2,844,000	2,890,000	2,677,000
COAG revenue from government entities	2,474,070	1,380,952	1,117,742	1,164,377	-
Other revenue	94,477	94,900	93,401	93,435	3,469
Total non-taxation revenue	5,359,912	5,784,370	4,837,786	4,732,638	3,263,026
Total own-source revenue administered on behalf of Government	5,359,912	5,784,370	4,837,786	4,732,638	3,263,026
Gains					
Foreign exchange	247,607	230,215	-	36,690	219,063
Total gains administered on behalf of Government	247,607	230,215	-	36,690	219,063

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)
(continued)**

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total own-source income administered on behalf of Government	5,607,519	6,014,585	4,837,786	4,769,328	3,482,089
Net cost of/(contribution by) services	153,871,644	158,741,036	165,993,581	171,283,296	176,001,633
Total comprehensive income (loss) attributable to the Australian Government	(153,871,644)	(158,741,036)	(165,993,581)	(171,283,296)	(176,001,633)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	684,935	905,639	919,639	919,639	919,639
Advances and loans	1,675,930	1,504,977	1,364,080	1,244,018	1,150,728
Receivables	2,105,644	3,524,243	2,846,979	2,893,510	2,681,568
Investments	45,870,288	45,517,815	45,737,235	45,828,620	46,048,530
Total financial assets	50,336,797	51,452,674	50,867,933	50,885,787	50,800,465
Total assets administered on behalf of Government	50,336,797	51,452,674	50,867,933	50,885,787	50,800,465
LIABILITIES					
Payables					
Suppliers	531	531	531	531	531
Grants	34,696	30,212	31,540	27,170	20,160
Other payables	6,787	12,774	16,656	17,638	19,594
Unearned income	1,566	708	-	-	-
Total payables	43,580	44,225	48,727	45,339	40,285
Interest bearing liabilities					
Loans	9,941,220	9,939,170	9,939,170	9,939,312	9,940,159
Other	5,950,968	5,720,753	5,720,753	5,734,984	5,819,646
Total interest bearing liabilities	15,892,188	15,659,923	15,659,923	15,674,296	15,759,805
Provisions					
Provision for grants	1,540,852	422,601	21,972	-	-
Other provisions	546,248	991,507	783,787	456,996	98,499
Total provisions	2,087,100	1,414,108	805,759	456,996	98,499
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	18,022,868	17,118,256	16,514,409	16,176,631	15,898,589
Net assets/(liabilities)	32,313,929	34,334,418	34,353,524	34,709,156	34,901,876

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	2,402	937	801	-	-
Interest	19,601	33,249	34,501	35,039	35,561
Dividends	2,573,000	2,102,000	3,521,000	2,844,000	2,890,000
COAG receipts from government entities	24,537,484	25,820,050	27,052,481	28,368,634	28,200,939
Net GST received	1,300,980	1,471,034	1,550,935	1,619,998	1,675,224
Other	94,952	95,849	94,350	94,453	3,469
Total cash received	28,528,419	29,523,119	32,254,068	32,962,124	32,805,193
Cash used					
Grant payments	132,793,948	146,037,088	152,675,042	156,939,852	159,443,234
Suppliers	83,808	18,758	1,557	1,557	1,557
GST on grants	1,300,980	1,471,034	1,550,935	1,619,998	1,675,224
Payments to the Medicare Guarantee Fund	41,448,516	42,518,201	43,786,200	45,817,231	47,644,311
Interest paid	5,153	5,797	11,522	17,323	23,356
Other	27	21,154	215,827	334,985	366,738
Total cash used	175,632,432	190,072,032	198,241,083	204,730,946	209,154,420
Net cash from / (used by) operating activities	(147,104,013)	(160,548,913)	(165,987,015)	(171,768,822)	(176,349,227)
INVESTING ACTIVITIES					
Cash received					
IMF maintenance of value					
Repayments of advances and loans	577,540	237,043	207,749	184,451	154,874
Other	-	-	-	-	-
Total cash received	577,540	237,043	207,749	184,451	154,874

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Cash used					
Purchase of investments	876,312	63,951	54,421	54,557	-
Advances and loans	2,525,371	-	-	-	-
Other Investments	165,000	165,000	165,000	-	-
Total cash used	3,566,683	228,951	219,421	54,557	-
Net cash from / (used by) investing activities	(2,989,143)	8,092	(11,672)	129,894	154,874
FINANCING ACTIVITIES					
Cash received					
Contributed equity	450,118	435,704	229,000	50,000	-
Total cash received	450,118	435,704	229,000	50,000	-
Net cash from/(used by) financing activities	450,118	435,704	229,000	50,000	-
Net increase/(decrease) in cash held	(149,643,038)	(160,105,117)	(165,769,687)	(171,588,928)	(176,194,353)
Cash and cash equivalents at beginning of reporting period	449,817	684,935	905,639	919,639	919,639
Cash from Official Public Account for:					
- Appropriations	94,973,751	100,618,344	105,320,610	110,541,158	116,423,938
- Special Accounts	60,704,666	63,628,509	65,431,220	65,350,090	62,854,319
Total cash from Official Public Account	155,678,417	164,246,853	170,751,830	175,891,248	179,278,257
Cash to Official Public Account for:					
- Appropriations	(2,896,741)	(2,484,378)	(3,836,401)	(3,137,943)	(3,083,904)
- Special Accounts	(2,903,520)	(1,436,654)	(1,131,742)	(1,164,377)	-
Total cash to Official Public Account	(5,800,261)	(3,921,032)	(4,968,143)	(4,302,320)	(3,083,904)
Cash and cash equivalents at end of reporting period	684,935	905,639	919,639	919,639	919,639

Prepared on Australian Accounting Standards bas

AUSTRALIAN BUREAU OF STATISTICS

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AUSTRALIAN BUREAU OF STATISTICS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Bureau of Statistics (ABS) provides independent and trusted official statistics on a range of economic, social, population and environmental matters of importance to governments, industry, and the wider Australian community. The ABS plays a central role in developing statistical standards, including through liaison with international organisations.

The ABS purpose is to inform Australia's important decisions by delivering relevant, trusted and objective data, statistics and insights. The ABS will maintain its emphasis on the delivery of high-quality official statistics and drawing new information insights from effective and safe use of available data. In 2021–22, the ABS will:

- support Australia's recovery from the COVID-19 pandemic by delivering timely and relevant statistical information to inform government, business, and the community.
- conduct the 2021 Census in August after 5 years of careful preparation. The data collected will inform new and continuing socio-economic and demographic research, and government policy development across a range of areas.

The ABS is responding to an increasing demand for quality data, emergent alternate sources of data, opportunities for innovation through new technologies, growing competition for analytical capability, and increased vigilance around cyber security.

Each year, in setting its priorities, the ABS also takes into consideration the needs of key information users, current and emerging risks, the burden placed on data providers, and the importance of improving access to statistical information.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing basis (i.e. appropriations/cash available), while the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Bureau of Statistics resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 (a) Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	74,562	78,614
Departmental appropriation (c)	414,382	573,760
s74 External Revenue (d)	58,371	73,045
Departmental capital budget (e)	12,741	15,807
Annual appropriations - other services - non-operating		
Prior year appropriations available	-	-
Equity injection (f)	27,645	9,136
Total departmental annual appropriations	<u>587,701</u>	<u>750,362</u>
Total departmental resourcing	<u>587,701</u>	<u>750,362</u>
Total resourcing for Australian Bureau of Statistics	<u>587,701</u>	<u>750,362</u>
	<u>2020-21</u>	<u>2021-22</u>
Average staffing level (number)	<u>2,783</u>	<u>3,154</u>

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

(a) Annual appropriation amounts appearing for 2020-21, includes the 2020-21 Appropriation Bill (No.3).

(b) Appropriation Bill (No. 1) 2021-22.

(c) Excludes departmental capital budget (DCB).

(d) Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) Appropriation Bill (No.2) 2021-22.

1.3 BUDGET MEASURES

Budget measures relating to the ABS are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Australian Bureau of Statistics 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Payment measures						
Australian Bureau of Statistics — Agriculture 2030 (a)	1.1					
Departmental payment		-	2,927	1,319	-	-
Australian Bureau of Statistics — COVID-19 Response Package - vaccine purchases and rollout (b)	1.1					
Departmental payment		-	402	-	-	-
Total payment measures						
Departmental		-	3,329	1,319	-	-
Total		-	3,329	1,319	-	-

Prepared on a Government Financial Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The Department of Agriculture, Water and the Environment is the lead entity for the measure titled 'Agriculture 2030'. The full measure description and package details appear in Budget Paper No.2 under the Agriculture, Water and the Environment portfolio.
- (b) The Department of Health is the lead entity for the measure titled 'COVID-19 Response Package - vaccine purchases and rollout'. The full measure description and package details appear in Budget Paper No.2 under the Health portfolio.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The ABS' outcome is described below together with its related program. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for the ABS can be found at:
(<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1005.0>)

The most recent annual performance statement can be found in the latest ABS Annual Report located on the Government's Transparency Portal at: Australian Bureau of Statistics Annual Report 2019-20 | Transparency Portal

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Decisions on important matters made by governments, business and the broader community are informed by objective, relevant and trusted official statistics produced through the collection and integration of data, its analysis, and the provision of statistical information.

Linked programs

Many programs rely on ABS statistics to inform decision-making. Many ABS statistics rely on data held by State, Territory and other Australian Government agencies.

Australian Taxation Office
Programs
• Program 1.3 — Australian Business Register
Contribution to Outcome 1 made by linked programs
Program 1.3 — Australian Business Register provides essential infrastructure to the operation of ABS business surveys.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Bureau of Statistics					
Departmental expenses					
Departmental appropriation	418,989	578,373	340,085	335,156	353,784
s74 External Revenue (a)	52,501	72,662	75,493	40,926	40,926
Expenses not requiring appropriation in the Budget year (b)	31,746	39,793	25,575	25,361	25,787
Departmental total	503,236	690,828	441,153	401,443	420,497
Total expenses for program 1.1	503,236	690,828	441,153	401,443	420,497

	2020-21	2021-22
Average staffing level (number)	2,783	3,154

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
 (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 — Decisions on important matters made by governments, business and the broader community are informed by objective, relevant and trusted official statistics produced through the collection and integration of data, its analysis, and the provision of statistical information.		
Program 1.1 — Australian Bureau of Statistics This program contributes to the outcome through delivery of high-quality statistical information to inform Australia's most important issues and through engaging with users within government, business and the community to ensure they have the confidence in the statistical resources available to enable them to make informed decisions.		
Delivery	In 2021-22 and onwards, the ABS will: 1. Provide high quality statistics, across key economic, population, social and environment subject matter areas that meet the needs of key users in government, business and the community.	
Performance information		
Year	Performance criteria (a)	Targets
2020-21	Decision making by governments, business and the community is informed by high quality statistics.	The ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund against the Special Data Dissemination Standard (b); except where the ABS has made an explicit decision not to do so, following consultation with stakeholders, based on Australian needs and circumstances. Status: On track

Australian Bureau of Statistics Budget Statements

Performance information (continued)		
Year	Performance criteria (a)	Targets
2021-22	Decision making by governments, business and the community is informed by high quality statistics.	The ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund against the Special Data Dissemination Standard (b); except where the ABS has made an explicit decision not to do so, following consultation with stakeholders, based on Australian needs and circumstances.
2022-23 and beyond	As per 2021-22	As per 2021-22
Purpose	The purpose that contributes to Program 1.1 – ABS is: to inform Australia's important decisions by delivering relevant, trusted, and objective data, statistics, and insights.	
Material changes to Program 1.1 resulting from the following measures:		
There are no budget measures that materially impact on Program 1.1 – Australian Bureau of Statistics.		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

(b) The Special Data Dissemination Standard (SDDS) is produced and managed by the International Monetary Fund (IMF). The IMF monitors and reports on how well countries comply with SDDS requirements for the range of statistics produced and the coverage, frequency, and timeliness of the statistics that are produced. The statistics required by the SDDS include national accounts, labour force, unemployment, consumer price index, and estimates of resident population. The latest information on Australia's compliance with the SDDS is available on the IMF website: <http://dsbb.imf.org/Pages/SDDS/SOOCtyCtgList.aspx?ctycode=AUS>.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement, refer Table 1.1, is prepared on a cash basis and provides a view of cash/appropriations resources available to the ABS whilst the financial statements are prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ABS is budgeting for a breakeven operating result in 2021-22 after adjusting for non-appropriated expenses of depreciation and amortisation, and omitting the impact of AASB 16 Leases.

Total appropriation revenue in 2021-22 is estimated to be \$573.8 million. This has increased from \$567.8 million as reported in the *2020-21 Portfolio Budget Statements*. The increase is largely associated with the additional funding received to support the Industrial Relations Reform Package announced at MYEFO 2020-21, the Agriculture 2030 and the COVID-19 Response Package – vaccine purchases and rollout measures announced in the Budget 2021-22 as outlined in Table 1.2.

Total operating expenses in 2021-22 are estimated to be \$690.8 million. This has increased from \$675.3 million as reported in the *2020-21 Portfolio Budget Statements*. The increase reflects activities relating to the 2021 Census, and expenditure from the new measure as outlined in Table 1.2.

The total capital budget in 2021-22 is estimated to be \$24.9 million. This is \$15.4 million less than 2020-21 which predominantly reflects the conclusion of the 2021 Census major development phase.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	342,495	495,384	293,645	279,175	294,726
Suppliers	107,410	133,136	103,264	78,584	78,614
Depreciation and amortisation (a)	51,532	60,664	42,749	42,352	45,878
Finance costs	1,799	1,644	1,495	1,332	1,279
Total expenses	503,236	690,828	441,153	401,443	420,497
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	51,666	71,800	74,600	40,000	40,000
Sublease income	735	762	793	826	826
Total own-source revenue	52,401	72,562	75,393	40,826	40,826
Gains					
Sale of assets	100	100	100	100	100
Other	120	120	120	120	126
Total gains	220	220	220	220	226
Total own-source income	52,621	72,782	75,613	41,046	41,052
Net (cost of)/contribution by services	(450,615)	(618,046)	(365,540)	(360,397)	(379,445)
Revenue from Government	414,382	573,760	339,987	336,128	351,849
Surplus/(deficit) attributable to the Australian Government	(36,233)	(44,286)	(25,553)	(24,269)	(27,596)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(36,233)	(44,286)	(25,553)	(24,269)	(27,596)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	31,626	39,673	25,455	25,241	25,661
plus: depreciation/amortisation expenses for ROU (b)	19,906	20,991	17,294	17,111	20,217
less: principal repayments on leased assets (b)	15,299	16,378	17,196	18,083	18,282
Total comprehensive income/(loss) - as per the statement of comprehensive income	(36,233)	(44,286)	(25,553)	(24,269)	(27,596)

Prepared on Australian Accounting Standards basis

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,500	3,500	3,500	3,500	3,500
Trade and other receivables	82,427	87,545	88,403	90,642	90,642
Total financial assets	85,927	91,045	91,903	94,142	94,142
Non-financial assets					
Land and buildings	134,556	118,718	105,595	88,486	98,363
Property, plant and equipment	47,014	47,966	46,878	42,413	38,708
Intangibles	108,154	92,383	84,984	79,110	72,983
Other non-financial assets	12,959	14,820	11,740	11,740	11,740
Total non-financial assets	302,683	273,887	249,197	221,749	221,794
Total assets	388,610	364,932	341,100	315,891	315,936
LIABILITIES					
Payables					
Suppliers	24,020	26,102	25,611	25,596	25,596
Other payables	43,137	48,824	48,703	49,866	49,866
Total payables	67,157	74,926	74,314	75,462	75,462
Interest bearing liabilities					
Leases	141,702	129,339	115,253	97,170	108,982
Total interest bearing liabilities	141,702	129,339	115,253	97,170	108,982
Provisions					
Employee provisions	110,808	112,544	113,090	114,166	114,166
Other provisions	1,853	1,453	1,468	1,483	1,483
Total provisions	112,661	113,997	114,558	115,649	115,649
Total liabilities	321,520	318,262	304,125	288,281	300,093
Net assets	67,090	46,670	36,975	27,610	15,843
EQUITY*					
Parent entity interest					
Contributed equity	410,490	435,433	452,449	467,353	483,182
Reserves	30,338	30,338	30,338	30,338	30,338
Retained surplus (accumulated deficit)	(373,738)	(419,101)	(445,812)	(470,081)	(497,677)
Total parent entity interest	67,090	46,670	36,975	27,610	15,843
Total equity	67,090	46,670	36,975	27,610	15,843

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(373,738)	30,338	410,490	67,090
Adjustment for changes in accounting policies	(1,077)	-	-	(1,077)
Adjusted opening balance	(374,815)	30,338	410,490	66,013
Comprehensive income				
Surplus/(deficit) for the period	(44,286)	-	-	(44,286)
Total comprehensive income	(44,286)	-	-	(44,286)
Contributions by owners				
Equity injection - Appropriation	-	-	9,136	9,136
Departmental Capital Budget (DCB)	-	-	15,807	15,807
Sub-total transactions with owners	-	-	24,943	24,943
Estimated closing balance as at 30 June 2022	(419,101)	30,338	435,433	46,670
Closing balance attributable to the Australian Government	(419,101)	30,338	435,433	46,670

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	407,873	570,441	336,194	333,642	351,849
Sale of goods and rendering of services	55,831	72,584	79,854	42,190	40,826
Net GST received	11,451	8,466	7,962	7,739	7,677
Other	2,440	361	-	-	-
Total cash received	477,595	651,852	424,010	383,571	400,352
Cash used					
Employees	341,353	490,550	295,910	278,378	294,726
Suppliers	108,129	135,321	102,711	78,464	78,488
Net GST paid	11,132	7,981	7,453	7,376	7,677
Interest payments on lease liability	1,799	1,644	1,495	1,332	1,279
Total cash used	462,413	635,496	407,569	365,550	382,170
Net cash from/(used by) operating activities	15,182	16,356	16,441	18,021	18,182
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	100	100	100	100	100
Total cash received	100	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	43,037	24,943	17,016	14,904	15,829
Total cash used	43,037	24,943	17,016	14,904	15,829
Net cash from/(used by) investing activities	(42,937)	(24,843)	(16,916)	(14,804)	(15,729)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	40,467	24,865	17,671	14,866	15,829
Total cash received	40,467	24,865	17,671	14,866	15,829
Cash used					
Principal payments on lease liability	15,299	16,378	17,196	18,083	18,282
Total cash used	15,299	16,378	17,196	18,083	18,282
Net cash from/(used by) financing activities	25,168	8,487	475	(3,217)	(2,453)
Net increase/(decrease) in cash held	(2,587)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	6,087	3,500	3,500	3,500	3,500
Cash and cash equivalents at the end of the reporting period	3,500	3,500	3,500	3,500	3,500

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	12,741	15,807	14,482	14,538	15,829
Equity injections - Bill 2	27,645	9,136	2,534	366	-
Total new capital appropriations	40,386	24,943	17,016	14,904	15,829
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>40,386</i>	<i>24,943</i>	<i>17,016</i>	<i>14,904</i>	<i>15,829</i>
Total items	40,386	24,943	17,016	14,904	15,829
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	15,392	15,807	14,482	14,538	15,829
Funded by capital appropriations	27,645	9,136	2,534	366	-
TOTAL	43,037	24,943	17,016	14,904	15,829

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	-	80,544	307,779	388,323
Gross book value - ROU assets	171,917	249	-	172,166
Accumulated depreciation/ amortisation and impairment	-	(33,669)	(199,625)	(233,294)
Accumulated depreciation/amortisation and impairment - ROU assets	(37,361)	(110)	-	(37,471)
Opening net book balance	134,556	47,014	108,154	289,724
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	3,678	5,458	9,136
By purchase - appropriation ordinary annual services (b)	-	9,496	6,311	15,807
By purchase - appropriation ordinary annual services - ROU assets	5,064	-	-	5,064
Total additions	5,064	13,174	11,769	30,007
Other movements				
Depreciation/amortisation expense	-	(12,133)	(27,540)	(39,673)
Depreciation/amortisation on ROU assets	(20,902)	(89)	-	(20,991)
Total other movements	(20,902)	(12,222)	(27,540)	(60,664)
As at 30 June 2022				
Gross book value	-	93,718	319,548	413,266
Gross book value - ROU assets	176,981	249	-	177,230
Accumulated depreciation/ amortisation and impairment	-	(45,802)	(227,165)	(272,967)
Accumulated depreciation/amortisation and impairment - ROU assets	(58,263)	(199)	-	(58,462)
Closing net book balance	118,718	47,966	92,383	259,067

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to Equity injection appropriations provided through Appropriation Bill (No. 2) 2021-22.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2021-22 for Departmental Capital Budgets (DCBs).

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Competition and Consumer Commission (ACCC) is an independent Commonwealth statutory authority whose role is to enforce the *Competition and Consumer Act 2010* (CCA) and a range of additional legislation, promoting competition, fair trading, consumer protection, and regulating national infrastructure for the benefit of all Australians.

The Australian Energy Regulator (AER) regulates energy markets and networks under national legislation and rules. The AER has an independent Board.

The ACCC and AER share staff, resources and facilities.

The roles of the ACCC and AER are founded on the principle that competition provides the best incentive for businesses to become more efficient, innovative and flexible and to operate in the long-term interests of consumers. Competition is a positive force that promotes economic growth and job creation.

It falls to the ACCC to determine which competition, consumer, fair trading, and product safety matters it investigates, although it also receives directions on market studies and inquiries and industry monitoring from the Minister. The ACCC's role is to focus on those matters that have the potential to harm the competitive process or result in widespread consumer detriment.

The ACCC directs its resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its competition, consumer protection and fair trading priorities, as set out in the ACCC Compliance and Enforcement Policy.

The ACCC also annually updates its product safety priorities so as to identify and address the risk of serious injury and death from unsafe consumer products.

The ACCC will continue to assess and review mergers via the informal clearance process to prevent changes in market structures that would substantially lessen competition. It will also continue to assess conduct and agreements that may breach relevant competition laws but which should be authorised because there is expected to be a net public benefit.

The ACCC will continue to focus on its role in relation to implementing and enforcing the Consumer Data Right, which provides consumers with more access to and control of their personal data, to promote competition across the economy.

The ACCC is the national regulator of natural monopoly infrastructure services in communication, postal services and rail industries, and has specific regulatory roles in relation to bulk water and bulk wheat port facilities. The ACCC also has a role in enforcing industry-specific competition and market rules in some infrastructure-based markets, such as retail electricity. Promoting efficient infrastructure provision through industry-specific regulation and access conditions is a major focus of the ACCC's economic regulatory role.

The ACCC also monitors other sectors (such as major airports, container stevedoring, petrol and communications) where there is limited competition or high consumer concern to provide information to governments and the public about the operation of the relevant markets.

In 2021-22 the ACCC will continue to focus on markets characterised by a lack of transparency or insufficient competition which inhibit efficient market outcomes. This includes undertaking inquiries, industry analysis and reporting activities covering a broad range of sectors, including gas and electricity, digital platforms, domestic aviation, agriculture, financial services and private health insurance.

When undertaking all of these key activities the ACCC will continue to engage extensively with a wide range of stakeholders to:

- achieve outcomes that enhance the welfare of all Australians, and
- minimise the regulatory burden for businesses without compromising its statutory responsibilities to promote competition and protect consumers.

The ACCC also seeks to contribute to the continuous improvement of regulatory frameworks to deliver on our purpose to *make markets work for consumers, now and in the future*.

The AER exists so that energy consumers are better off, now and in the future. The AER regulates wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions mostly relate to energy markets in eastern and southern Australia. We place consumers at the heart of our work, and are focused on ensuring a secure, reliable and affordable energy future for Australia.

In December 2020 the AER finalised and launched its Strategic Plan 2020-2025. The outcomes sought are grounded in the former Council of Australian Government (COAG) Strategic Energy Plan. To achieve these outcomes the AER has four objectives:

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- protect vulnerable consumers, while enabling consumers to participate in energy markets
- effectively regulate competitive markets primarily through monitoring and reporting, and enforcement and compliance
- deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services
- use our expertise to inform debate about Australia's energy future and support the energy transition.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 <i>Estimated actual</i> \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	50,764	81,195
Departmental appropriation (b)(c)	267,036	286,646
s74 External Revenue (d)	2,331	2,113
Departmental capital budget (e)	32,286	31,872
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available	1,100	-
Equity injection	36,200	1,100
Total departmental annual appropriations	<u>389,717</u>	<u>402,926</u>
Total departmental resourcing	389,717	402,926
Administered		
Special appropriations (g)	20	20
Total administered resourcing (h)	20	20
Total resourcing for the ACCC	389,737	402,946
	2020-21	2021-22
Average staffing level (number)	<u>1,170</u>	<u>1,235</u>

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

Third party payments from and on behalf of the National Competition Council (NCC)

	<i>2020-21 Estimated actual \$'000</i>	2021-22 Estimate \$'000
Payments made on behalf of the NCC (as disclosed in the NCCs resource statement)	1,701	1,731
Receipts received from the NCC for the provision of services (disclosed above in s74 External Revenue section above)	850	850

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2021-22.
- (b) Excludes departmental capital budget (DCB).
- (c) Includes transfers of appropriation to the Department of the Treasury under section 75 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) as a result of a transfer of function authority.
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2021-22.
- (g) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.
- (h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the ACCC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Australian Competition and Consumer Commission 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	
Payment measures						
Australian Energy Regulator - increased roles and responsibilities						
Departmental payment	1.2	-	11,850	11,870	-	-
Commonwealth's Deregulation Agenda						
Departmental payment	1.2	-	1,673	1,472	-	-
Digital Economy Strategy						
Departmental payment	1.1	-	43,422	32,755	1,811	1,811
Departmental payment	1.2	-	1,512	1,219	-	-
Motor Vehicle Service and Repair Information Sharing Scheme						
Departmental payment	1.2	-	-	-	-	-
Total payment measures		-	58,457	47,316	1,811	1,811

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the ACCC can be found at: (<http://www.accc.gov.au/publications/corporate-plan-priorities>)

The most recent annual performance statement can be found at: (<http://www.accc.gov.au/annualreports>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcom1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	202,649	210,360	194,498	177,843	170,775
s74 External Revenue (a)	1,599	1,335	575	1,372	1,362
Expenses not requiring appropriation in the Budget year (b)	11,326	10,060	9,837	9,263	8,388
Departmental total	215,574	221,755	204,910	188,478	180,525
Total expenses for Program 1.1	215,574	221,755	204,910	188,478	180,525
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	64,387	76,286	78,175	64,011	64,259
Departmental total	64,387	76,286	78,175	64,011	64,259
Total expenses for Program 1.2	64,387	76,286	78,175	64,011	64,259

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Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	267,036	286,646	272,673	241,854	235,034
s74 External Revenue (a)	1,599	1,335	575	1,372	1,362
Expenses not requiring appropriation in the Budget year (b)	11,326	10,060	9,837	9,263	8,388
Departmental total	279,961	298,041	283,085	252,489	244,784
Total expenses for Outcome 1	279,961	298,041	283,085	252,489	244,784
<hr/>					
	2020-21	2021-22			
Average staffing level (number)	1,170	1,235			

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and Litigation Contingency Fund payments funded from equity.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks</p>	
<p>Program 1.1 – Australian Competition and Consumer Commission To achieve compliance with the <i>Competition and Consumer Act 2010</i> and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.</p>	
<p>Delivery</p>	<p>The ACCC achieves Outcome 1 by using its resources to undertake the following key activities to achieve its seven strategic objectives:</p> <ol style="list-style-type: none"> 1. Address anti-competitive conduct and promote competition <ul style="list-style-type: none"> • Initiate compliance and enforcement actions to address harm to consumers and businesses resulting from anti-competitive conduct • Make decisions on authorisation, notification and certification trademark applications in the public interest • Undertake market studies and inquiries to contribute to improved market outcomes 2. Prevent anti-competitive mergers <ul style="list-style-type: none"> • Assess mergers to prevent changes in market structures that substantially lessen competition 3. Improve market outcomes by reducing information asymmetries <ul style="list-style-type: none"> • Facilitate the enabling technology solutions for the Consumer Data Right, and support participants. including testing and on-boarding • Accredited Consumer Data Right data recipients • Promote compliance with and enforce the Consumer Data Right rules and standards 4. Protect consumers and businesses from misleading and deceptive conduct and promote fair trading <ul style="list-style-type: none"> • Initiate compliance and enforcement actions to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and Industry Codes • Empower small businesses by increasing awareness of their rights under the Australian Consumer Law and Industry Codes • Empower consumers by increasing awareness of their rights under the Australian Consumer Law 5. Protect consumers from unsafe products <ul style="list-style-type: none"> • Identify safety hazards in consumer products and prioritise the risks that may result in serious injury and death • Address the highest priority risks of serious injury and death arising from safety hazards in consumer products through regulation, education, compliance and enforcement actions

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	<p>6. Regulate monopoly infrastructure and monitor concentrated markets in the long term interests of consumers</p> <ul style="list-style-type: none"> • Formulate regulatory decisions that promote the long-term interests of end-users and consumers • Provide industry monitoring reports to government in relation to highly concentrated or emerging markets • Improve the efficient operation of markets by enforcing industry-specific competition and market rules <p>7. Improve our own systems, capabilities and ways of working</p> <ul style="list-style-type: none"> • Support our people to develop and meet their full potential; and facilitate a diverse, respectful and inclusive culture • Modernise our ICT and improve the reliability, flexibility and security of our business and data systems • Adapt our ways of working to allow resources to be used flexibly to meet changing priorities and to adopt innovative practises commensurate with the level of risk • Further develop our standing as a world-class independent regulator through external engagement and internal collaboration to support robust and transparent decision making that is responsive to complex challenges and demands 	
Performance information		
Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Target for 2021-22
2020-21	<p>Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)</p> <p>Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment</p> <p>Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)</p> <p>Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)</p> <p>Number of initial and in depth investigations of emerging product safety hazards</p> <p>Number of small business Infocentre contacts served</p> <p>Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)</p> <p>Number of major regulatory decisions</p> <p>Number of annual monitoring reports</p> <p>Number of reports on monitoring of unleaded petroleum products</p> <p>Number of reports on broadband markets</p> <p>Number of completed markets studies and inquiries</p>	<p>4 - 6</p> <p>Will exceed target of 80%</p> <p>100%</p> <p>35+</p> <p>10</p> <p>Expect to be just less than target of 12 000</p> <p>Will exceed target of 200 000</p> <p>5</p> <p>6</p> <p>5</p> <p>10</p> <p>4</p>
Performance information		

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Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Target for 2021-22
2021-22	<p>Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)</p> <p>Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment</p> <p>Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)</p> <p>Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)</p> <p>Number of small business Infocentre contacts served</p> <p>Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)</p> <p>Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation ports and stevedoring sectors)</p>	<p>6+</p> <p>80%</p> <p>100%</p> <p>40+</p> <p>8 000</p> <p>200 000</p> <p>22</p>
2022-23 and beyond	As per 2021-22	
Purpose	<p>The ACCC's purpose is to make markets work for consumers, now and in the future.</p> <p>The ACCC enforces the CCA and a range of additional legislation, promoting competition, fair trading, consumer protection and regulating national infrastructure for the benefit of all Australians.</p>	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

The above program is linked to the Department of Health (Program 1.8 - Health Protection, Emergency Response and Regulation) and the Department of Industry, Science, Energy and Resources (Program 1.2 - Growing innovative and competitive businesses, industries and regions and Program 3.1 - Supporting reliable, secure and affordable energy).

Table 2.2: Performance criteria for Outcome 1 (continued)

<p>Program 1.2 - Australian Energy Regulator</p> <p>The AER's priorities and work program are guided by the objectives of national energy legislation and rules and the five core outcomes for the energy system established by the COAG Energy Council's Strategic Plan. The common objective through the legislation is to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of end users of energy with respect to price, quality, safety, reliability and security.</p>		
<p>Delivery</p>	<p>The AER achieves Outcome 1 by:</p> <ul style="list-style-type: none"> Wholesale energy market regulation: monitoring, investigating and enforcing compliance with national energy legislation and rules in wholesale electricity and gas markets. We monitor participant bidding and rebidding, market dispatch and prices, network constraints and outages, demand forecasts and forecasts of production and capacity. We also report on market activity. Energy networks regulation: regulating electricity networks and natural gas pipelines by setting the maximum amount of revenue they can earn, with reference to factors including projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards. Retail energy market regulation: regulating retail electricity and gas markets in jurisdictions that have commenced the National Energy Retail Law: Tasmania (for electricity customers only), the Australian Capital Territory, South Australia, New South Wales and Queensland. Consumer protection: empowering consumers to make informed choices about their energy supplier, including through a price comparison website, Energy Made Easy, setting the Default Market Offer to protect consumers from high prices and encourage participation in the market, approving retailer policies to assist customers facing financial hardship, and operating a retailer of last resort scheme if a retailer fails. Policy and advocacy: advocating for improvements to energy laws across participating jurisdictions, as well as positive changes to the behaviour of energy businesses and consumers. This includes simplifying the retail market regulatory framework to encourage effective competition and reduce cost to serve. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria ^(a)</p>	<p>Expected Achievement 2020-21 / Targets for 2021-22</p>
<p>2020-21</p>	<p>Proportion of stakeholder survey respondents that Strongly Agree / Agree with the statements:</p> <ul style="list-style-type: none"> The AER supports and protects energy consumers, particularly those in vulnerable circumstances The AER demonstrates a sound knowledge and understanding of energy consumers The AER equips consumers to participate effectively, and protects those who are unable to safeguard their own interests <p>Number of people completing their search on Energy Made Easy (EME)</p>	<p>Survey results due May 2021</p> <p>Survey results due May 2021</p> <p>N/A^(b)</p> <p>Expect to achieve target of > 2019-20 number (698,737)</p>
<p>Performance information</p>		

Australian Competition and Consumer Commission Budget Statements

Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Targets for 2021-22
	<p>Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information</p> <p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information ^(b)</p> <p>Percentage of market reports published within agreed/statutory timeframes:</p> <ul style="list-style-type: none"> • Weekly Wholesale Markets • Quarterly Retail & Wholesale Market Performance • Annual Retail Markets • Annual Retail Compliance • Annual State of the Energy Market • Biennial Wholesale Electricity Market • High Price Events. <p>Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes</p> <p>Number of completed revenue decisions for electricity networks and gas pipelines</p>	<p>100%</p> <p>90 – 99%</p> <p>Expect to achieve the target of 100%</p> <p>100%</p> <p>8</p>
2021-22	<p>Proportion of stakeholder survey respondents that agree with the statements:</p> <ul style="list-style-type: none"> • The AER supports and protects energy consumers, particularly those in vulnerable circumstances • The AER demonstrates a sound knowledge and understanding of energy consumers <p>Number of people completing their plan search on Energy Made Easy (EME)</p> <p>Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information</p> <p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information</p> <p>Percentage of market reports published within agreed/statutory timeframes:</p> <ul style="list-style-type: none"> • Weekly Wholesale Markets • Quarterly Retail & Wholesale Market Performance • Annual Retail Markets • Annual Retail Compliance • Annual State of the Energy Market • Biennial Wholesale Electricity Market • High Price Events. 	<p>> 2021 stakeholder survey result</p> <p>> 2021 stakeholder survey result</p> <p>> 2020-21 result</p> <p>100%</p> <p>100%</p> <p>100%</p>
Performance information		

Australian Competition and Consumer Commission Budget Statements

Year	Performance criteria ^(a)	Expected Achievement 2020-21 / Targets for 2021-22
	Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes	100%
2022-23 and beyond	As per 2021-22	
Purposes	The AER exists so that energy consumers are better off, now and in the future. The AER is striving to be a high high-performing regulator that is independent, open and accountable; builds trust in Australia's energy system; takes considered risks; ensures the regime is fit for purpose; and engages actively with stakeholders.	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

(b) This question was not asked in the 2021 AER stakeholder survey. This indicator will not be used in future.

The above program is linked to the Department of Industry, Science, Energy and Resources (Program 3.1 – Supporting reliable, secure and affordable energy).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement is prepared on a cash basis and provides a view of cash/appropriations resources available to the ACCC whilst the financial statements are prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Total appropriation revenue for 2021-22 is estimated to be \$286.7 million. This has increased from \$251.9 million as reported in the 2020-21 Portfolio Additional Estimates Statements (PAES). The total capital budget for 2021-22, which exists to cover the purchase of non-financial assets, is estimated to be \$32.5m. This has increased from \$10.3m as reported in the 2020-21 PAES. The increases in operating and capital funding are primarily due to the new budget measures reported under Table 1.2.

The primary financial asset relates to receivables, and are used to fund the ACCC's capital program, employee entitlements, creditors and to provide working capital.

Non-financial assets represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset. Buildings largely represent the recognition of the ACCC's long-term office accommodation leases under *AASB 16-Leases*.

Provisions and payables include:

- employee entitlements arising from services rendered by employees. The liability includes unpaid annual leave and long service leave;
- long-term office accommodation lease liabilities under *AASB16 – Leases*; and
- unpaid expenses as at balance date.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	156,039	165,219	157,447	141,474	137,466
Suppliers	99,559	108,816	101,348	86,979	83,282
Depreciation and amortisation (a)	23,419	23,195	23,375	23,341	23,341
Finance costs	944	811	915	695	695
Total expenses	279,961	298,041	283,085	252,489	244,784
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,532	1,277	526	1,333	1,333
Sublease interest income	67	58	49	39	29
Total own-source revenue	1,599	1,335	575	1,372	1,362
Gains					
Other	115	115	115	115	115
Total gains	115	115	115	115	115
Total own-source income	1,714	1,450	690	1,487	1,477
Net (cost of)/contribution by services	(278,247)	(296,591)	(282,395)	(251,002)	(243,307)
Revenue from Government	267,036	286,646	272,673	241,854	235,034
Surplus/(deficit) attributable to the Australian Government	(11,211)	(9,945)	(9,722)	(9,148)	(8,273)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(732)	(778)	(825)	(875)	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	10,427	9,967	9,370	9,355	9,355
plus: depreciation/amortisation expenses for ROU (b)	12,992	13,228	14,005	13,986	13,986
less: principal repayments on leased assets (b)	12,940	14,028	14,478	15,068	15,068
Total comprehensive income/(loss) - as per the statement of comprehensive income	(11,211)	(9,945)	(9,722)	(9,148)	(8,273)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,164	1,164	1,164	1,164	1,164
Trade and other receivables	80,031	76,470	72,563	72,188	72,688
Total financial assets	81,195	77,634	73,727	73,352	73,852
Non-financial assets					
Land and buildings	82,878	69,872	78,120	61,751	45,998
Property, plant and equipment	6,196	5,440	7,370	9,075	9,645
Intangibles	38,856	62,391	81,387	85,242	86,958
Other non-financial assets	1,627	1,627	1,627	1,627	1,627
Total non-financial assets	129,557	139,330	168,504	157,695	144,228
Total assets	210,752	216,964	242,231	231,047	218,080
LIABILITIES					
Payables					
Suppliers	17,163	16,989	16,432	16,432	16,432
Other payables	7,714	4,848	4,848	4,848	4,848
Total payables	24,877	21,837	21,280	21,280	21,280
Interest bearing liabilities					
Leases	78,163	64,631	75,038	59,970	44,902
Total interest bearing liabilities	78,163	64,631	75,038	59,970	44,902
Provisions					
Employee provisions	47,089	47,188	44,163	44,163	44,163
Other provisions	4,373	4,031	4,031	4,031	4,031
Total provisions	51,462	51,219	48,194	48,194	48,194
Total liabilities	154,502	137,687	144,512	129,444	114,376
Net assets	56,250	79,277	97,719	101,603	103,704
EQUITY*					
Parent entity interest					
Contributed equity	183,471	216,443	244,607	257,639	268,013
Reserves	4,198	4,198	4,198	4,198	4,198
Retained surplus (accumulated deficit)	(131,419)	(141,364)	(151,086)	(160,234)	(168,507)
Total equity	56,250	79,277	97,719	101,603	103,704

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(131,419)	4,198	183,471	56,250
Adjusted opening balance	(131,419)	4,198	183,471	56,250
Comprehensive income				
Surplus/(deficit) for the period	(9,945)	-	-	(9,945)
Total comprehensive income	(9,945)	-	-	(9,945)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,100	1,100
Departmental Capital Budget (DCB)	-	-	31,872	31,872
Sub-total transactions with owners	-	-	32,972	32,972
Estimated closing balance as at 30 June 2022	(141,364)	4,198	216,443	79,277
Closing balance attributable to the Australian Government	(141,364)	4,198	216,443	79,277

Prepared on Australian Accounting Standards basis

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	275,994	300,808	285,768	251,354	244,534
Sale of goods and rendering of services	2,331	2,113	1,400	2,247	1,362
Net GST received	9,170	8,910	8,513	8,000	7,783
Other	185	185	-	-	-
Total cash received	287,680	312,016	295,681	261,601	253,679
Cash used					
Employees	155,937	165,518	160,472	141,474	137,466
Suppliers	102,061	110,939	101,850	86,864	83,167
Net GST paid	9,355	9,095	8,513	8,000	7,783
s74 External Revenue transferred to the OPA	11,879	11,379	10,013	10,000	10,000
Other	17,108	1,557	855	695	695
Total cash used	296,340	298,488	281,703	247,033	239,111
Net cash from/(used by) operating activities	(8,660)	13,528	13,978	14,568	14,568
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	32,886	32,472	27,664	12,532	9,874
Total cash used	32,886	32,472	27,664	12,532	9,874
Net cash from/(used by) investing activities	(32,886)	(32,472)	(27,664)	(12,532)	(9,874)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	54,486	32,972	28,164	13,032	10,374
Total cash received	54,486	32,972	28,164	13,032	10,374
Cash used					
Principal payments on lease liability	12,940	14,028	14,478	15,068	15,068
Total cash used	12,940	14,028	14,478	15,068	15,068
Net cash from/(used by) financing activities	41,546	18,944	13,686	(2,036)	(4,694)
Net increase/(decrease) in cash held					
Cash and cash equivalents at the beginning of the reporting period	1,164	1,164	1,164	1,164	1,164
Cash and cash equivalents at the end of the reporting period	1,164	1,164	1,164	1,164	1,164

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	32,286	31,872	27,064	11,932	9,274
Equity injections - Bill 2	36,200	1,100	1,100	1,100	1,100
Total new capital appropriations	68,486	32,972	28,164	13,032	10,374
Provided for:					
<i>Purchase of non-financial assets</i>	32,886	32,472	27,664	12,532	9,874
<i>Other Items</i>	35,600	500	500	500	500
Total items	68,486	32,972	28,164	13,032	10,374
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	600	600	600	600
Funded by capital appropriation - DCB (b)	32,286	31,872	27,064	11,932	9,274
TOTAL	32,886	32,472	27,664	12,532	9,874
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	32,886	32,472	27,664	12,532	9,874
Total cash used to acquire assets	32,886	32,472	27,664	12,532	9,874

Prepared on Australian Accounting Standards basis.

(a) Includes current Bill 2 appropriations.

(b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	27,656	11,035	49,636	88,327
Gross book value - ROU assets	89,089	-	-	89,089
Accumulated depreciation/ amortisation and impairment	(9,181)	(4,839)	(10,780)	(24,800)
Accumulated depreciation/amortisation and impairment - ROU assets	(24,686)	-	-	(24,686)
Opening net book balance	82,878	6,196	38,856	127,930
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	600	600
By purchase - appropriation ordinary annual services (b)	3,402	871	27,599	31,872
By purchase - appropriation ordinary annual services - ROU assets	496	-	-	496
Total additions	3,898	871	28,199	32,968
Other movements				
Depreciation/amortisation expense	(3,676)	(1,627)	(4,664)	(9,967)
Depreciation/amortisation on ROU assets	(13,228)	-	-	(13,228)
Total other movements	(16,904)	(1,627)	(4,664)	(23,195)
As at 30 June 2022				
Gross book value	31,058	11,906	77,835	120,799
Gross book value - ROU assets	89,585	-	-	89,585
Accumulated depreciation/ amortisation and impairment	(12,857)	(6,466)	(15,444)	(34,767)
Accumulated depreciation/amortisation and impairment - ROU assets	(37,914)	-	-	(37,914)
Closing net book balance	69,872	5,440	62,391	137,703

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Impairment and repayment of fees and fines	-	-	-	-	-
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fines and costs	80,000	104,028	120,724	137,498	137,478
Total non-taxation revenue	80,000	104,028	120,724	137,498	137,478
Total own-source revenue administered on behalf of Government	80,000	104,028	120,724	137,498	137,478
Total own-sourced income administered on behalf of Government	80,000	104,028	120,724	137,498	137,478
Net (cost of)/contribution by services	(80,000)	(104,028)	(120,724)	(137,498)	(137,478)
Surplus/(deficit)	80,000	104,028	120,724	137,498	137,478

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	500	500	500	500	500
Trade and other receivables	37,553	37,553	37,553	37,553	37,553
Total financial assets	38,053	38,053	38,053	38,053	38,053
Total assets administered on behalf of Government	38,053	38,053	38,053	38,053	38,053
Net assets/(liabilities)	38,053	38,053	38,053	38,053	38,053

Prepared on Australian Accounting Standards basis.

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Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fines and costs	80,000	104,028	120,724	137,498	137,478
Total cash received	80,000	104,028	120,724	137,498	137,478
Net cash from/(used by) operating activities	80,000	104,028	120,724	137,498	137,478
Net increase/(decrease) in cash held	80,000	104,028	120,724	137,498	137,478
Cash and cash equivalents at beginning of reporting period	500	500	500	500	500
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(80,000)	(104,028)	(120,724)	(137,498)	(137,478)
Total cash to Official Public Account	(80,000)	(104,028)	(120,724)	(137,498)	(137,478)
Cash and cash equivalents at end of reporting period	500	500	500	500	500

Prepared on Australian Accounting Standards basis.

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

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AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Office of Financial Management (AOFM) is responsible for the management of Australian Government debt and certain financial assets. It issues Treasury Bonds, Treasury Indexed Bonds and Treasury Notes, manages the government's cash balances and invests in high quality financial assets.

The AOFM aims to meet the government's financing needs in a cost effective manner subject to acceptable risk and to meet the government's policy objectives of maintaining liquid and efficient Treasury Bond and Treasury Bond futures markets. Treasury Bonds are the main issuance instrument used by the AOFM to meet the Australian Government's financing needs and to support bond markets.

The AOFM primarily manages the cost structure of the debt portfolio through the choice of Treasury Bond series when issuing debt. An annual debt issuance strategy is informed by qualitative and quantitative factors to achieve an interest rate profile that appropriately balances cost and cost variability, the refinancing task and the promotion of financial market efficiency. In recent years the AOFM has lengthened the duration of its Treasury Bond portfolio through longer term issuance and by extending the yield curve as a means of reducing risk. Where appropriate, the AOFM will continue to undertake issuance by way of syndication, in addition to its usual method of borrowing, to accelerate issuance volumes and to establish new maturities.

Since 2016, as a means of reducing refinancing risk the AOFM conducted regular buy-backs of short dated bonds. This program was suspended in March 2020 and continues to be suspended indefinitely so as not to increase the already elevated current and forecast financing needs.

The use of Treasury Indexed Bonds facilitates diversification of the investor base by tapping into additional sources of investor demand. The development of this market has also, at times, been used to facilitate the development of the Treasury Bond market. Demand conditions for this asset class is contingent on market inflationary expectations.

In managing the government's cash balances, the AOFM aims to ensure that the government is able to meet its financial obligations when they fall due, while seeking to minimise the net cost of funding. The use of deposits and issuance of Treasury Notes is used to manage cash flow variability arising from the governments' within year financing task. The heightened liquidity risks due to the level of the financing task, potential further downside risks to the Budget position and the potential for market volatility, means that the AOFM will continue to closely monitor and manage liquidity

risk. An increased reliance on Treasury Notes to fund within year cash shortfalls will reduce the cost of holding the precautionary asset balances.

In 2018-19, the Government announced the establishment of the Australian Business Securitisation Fund (ABSF). In 2019-20, the Government announced the establishment of the Structured Finance Support Fund (SFSF). The AOFM is responsible for the administration of these funds.

Australian Business Securitisation Fund

The ABSF is a \$2 billion investment fund established in April 2019 by the *Australian Business Securitisation Fund Act 2019*. The policy aims to enhance access to finance for Small to Medium Enterprises (SME) through targeted investments in the securitisation market. Investments from the ABSF will allow for smaller lenders to compete more effectively against the major banks, and to fill niche gaps in the lending market that are otherwise underserved in Australia.

The securitisation market for residential mortgages in Australia is considered to be well developed. However, at present, the Australian SME securitisation market is constrained by a lack of scale, while low issuance creates a situation whereby potential investors are unwilling to conduct the due diligence needed to enter the market. The AOFM is aiming for the ABSF to invest in SME loan securitisations that will help to establish a track record in lending against the type of collateral new to the securitisation market, and where the ability to obtain credit ratings and attract broad investor interest is severely limited.

In the first half of 2020-21 market conditions did not support a continuation of investment activity to progress the objectives of the ABSF programme. In January 2021 the AOFM recommenced the programme.

Structured Finance Support Fund

Through the *Structured Finance Support (Coronavirus Economic Response Package) Bill 2020* the Government established the Structured Finance Support Fund (SFSF). It provides for up to \$15 billion to ensure continued access to funding markets by SME lenders impacted by the economic effects of the COVID-19 pandemic. In particular, the policy aim is to compensate for where smaller lenders lose access to funding from markets during the period of pandemic disruption. This is achieved through targeted government investments in structured finance markets.

There are three key elements to the SFSF implementation strategy:

1. support new issuance of public securitisations sponsored by smaller lenders. This has included the AOFM purchasing existing securities through the secondary market, with the proceeds used by investors to facilitate participation in new primary transactions;

2. invest in revolving warehouse facilities of small lenders (primarily to fill the gaps in existing facilities arising from investors exiting these arrangements; and/or being unable to meet additional funding calls; and/or being required to elevate the level of credit enhancement within the facilities they finance ostensibly to meet prudential regulation requirements); and
3. establish a 'forbearance trust' to enable the SFSF to invest in trust-issued securities, the proceeds of which are advanced to existing warehouses and public securitisation vehicles of eligible small lenders against capitalised interest on loans that are in COVID-19 related hardship, to provide liquidity support during the pandemic.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Office of Financial Management resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 <i>Estimated actual</i> \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	27,465	28,338
Departmental appropriation (b)	16,499	16,513
s74 External Revenue (c)	75	25
Departmental capital budget (d)	366	368
Total departmental annual appropriations	<u>44,405</u>	<u>45,244</u>
Total departmental resourcing	44,405	45,244
Administered		
Total administered special appropriations (e)	<u>754,301,385</u>	<u>592,977,758</u>
Special accounts (f)		
Opening balance	13,551,374	12,434,419
Appropriation receipts (g)	250,000	500,000
Non-appropriation receipts	1,077,436	1,557,292
Adjustments	-	-
Total special account receipts	<u>14,878,810</u>	<u>14,491,711</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
<i>less payments to corporate entities from annual/special appropriations</i>	-	-
Total administered resourcing	769,180,195	607,469,469
Total resourcing for AOFM	769,224,600	607,514,713
	<u>2020-21</u>	<u>2021-22</u>
Average staffing level (number)	46	50

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Special Appropriations comprise funding to meet estimated operating expenditures such as interest on Australian Government Securities (AGS) and financing expenditures such as maturity of AGS.

(f) The AOFM administers three special accounts - the Debt Retirement Reserve Trust Account (DRRTA), the Australian Business Securitisation Fund (ABSF) Special Account and the Structured Finance Support Fund (SFSF) Special Account. Figures include all special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(g) Includes amounts credited to the Australian Business Securitisation Fund Special Account under section 14 of the *Australian Business Securitisation Fund Act 2019*.

1.3 BUDGET MEASURES

The AOFM has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The AOFM's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for AOFM can be found at:
(<https://www.aofm.gov.au/publications/corporate-plan-2020-2021>)

The most recent annual performance statement can be found at:
(<https://www.aofm.gov.au/publications/annual-reports/part-2-performance-and-outcome>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Commonwealth Debt Management					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	-	-	-	-	-
Other services (Appropriation Bill No. 2)	-	-	-	-	-
Special appropriations	-	-	-	-	-
<i>Commonwealth Inscribed Stock Act 1911</i>	17,123,036	18,196,331	19,118,079	20,580,475	21,873,406
<i>Financial Agreement Act 1994</i>	8	7	7	7	7
Special accounts	-	-	-	-	-
Special account - ABSF	-	-	-	-	-
Special account - SFSF	-	-	-	-	-
Special account - DRRTA	-	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	2,365	5,932	6,918	8,270	9,010
Administered total	17,125,409	18,202,270	19,125,004	20,588,752	21,882,423
Total expenses for program 1.1	17,125,409	18,202,270	19,125,004	20,588,752	21,882,423

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.2: AOFM - Departmental - Outcome 1					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	15,446	16,281	16,349	16,417	13,797
s74 External Revenue (a)	75	25	25	25	25
Expenses not requiring appropriation in the Budget year (b)	880	880	880	880	880
Departmental total	16,401	17,186	17,254	17,322	14,702
Total expenses for program 1.2	16,401	17,186	17,254	17,322	14,702
Total expenses for Outcome 1	17,141,810	18,219,456	19,142,258	20,606,074	21,897,125

	2020-21	2021-22
Average staffing level (number)	46	50

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, provisions for bad and doubtful debts, amortisation expenses, make good expenses and audit fees.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government.	
Program 1.1 – Australian Office of Financial Management	
Delivery	The AOFM issues AGS debt and makes investments and manages the debt and investments in accordance with policy objectives.
Performance information	
Performance criteria	Targets for 2020-21 and beyond
Meet the budget financing task in a cost-effective manner subject to acceptable risk	
<u>Term issuance</u> - Shortfall in volume (\$) between actual Treasury Bond issuance and planned issuance announced at the Budget and subsequent releases.	Zero
<u>Financing cost (portfolio)</u> - The cost of the long-term debt portfolio compared to the 10-year average of the 10-year bond rate.	Lower
<u>Financing cost (issuance)</u> - The cost of Treasury Bond issuance over the past 12 months compared to the average 10-year bond rate over the same period.	Lower
<u>Tender issuance yields</u> - Weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	Issuance yields at or below the market rate
Facilitate the government's cash outlay requirements as and when they fall due	
<u>Use of the overdraft facility</u> - Number of instances the RBA overdraft facility was utilised.	Zero
A credible custodian of the Australian Government Securities market and other portfolio responsibilities	
<u>A liquid and efficient secondary market</u> - Annual turnover in the secondary market for Treasury Bonds and Treasury Indexed Bonds.	Greater than previous year
<u>Market commitments</u> - Number of times the AOFM failed to take actions consistent with public announcements.	Zero

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Performance criteria (continued)	Targets for 2020-21 and beyond
Efficiently and effectively implement the ABSF and the SFSF programs	
<u>ABSF rate of return</u> – Accrual earnings (net of losses) divided by average drawn (invested) amount.	Greater than or equal to the investment mandate benchmark (Bloomberg AusBond Treasury 0-1 year index)
<u>SME loan level data template in use for securitisation sector investment analysis</u> – SME loan level data template: (i) was agreed to by the industry body; and (ii) populated by sponsor of ABSF investment.	(i) Agreement by 31 March 2021; (ii) data collection commenced by 30 June 2021
<u>SFSF warehouse proposals processed</u> – Number of warehouse proposals from small lenders recommended to the delegate.	Up to 20 per quarter while there are, at any time, outstanding proposals with AOFM for consideration
<u>SFSF leverage ratio</u> – Private sector investment in primary transactions of small lenders, in which AOFM was engaged, divided by SFSF monies applied to public (primary plus secondary) investments.	> 4 for the year overall
Purposes	<p>The AOFM's purpose is articulated through its objectives, which are to:</p> <ul style="list-style-type: none"> • meet the Budget financing task while managing the trade-offs between cost and risks for the cash and debt portfolios over the medium-long term; • enable the government to meet its cash outlay requirements at all times; and • be a credible custodian of the Australian Government Securities (AGS) market and other portfolio responsibilities, including the Australian Business Securitisation Fund (ABSF) and the Structured Finance Support Fund (SFSF).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Departmental

The comprehensive income statement (Table 3.1) includes resources received free of charge from the Australian National Audit Office for audit services. Departmental entity receipts as recorded in the entity resource statement (Table 1.1) exclude the estimated value of these services received free of charge.

The AOFM's estimated departmental expenses as shown in Table 2.1 are itemised in the departmental comprehensive income statement (Table 3.1).

Administered

The AOFM receives administered appropriations to meet operating expenditures and for capital expenditure purposes arising from managing a portfolio of debt and assets. This is reflected in the entity resource statement (Table 1.1). The schedule of budgeted administered cash flows (Table 3.9) itemises these expenditures and classifies them into operating, investing and financing activities.

The AOFM's estimated administered expenses as shown in Table 2.1 are itemised in the schedule of budgeted administered income and expenses (Table 3.7).

3.1.2 Explanatory notes and analysis of budgeted financial statements

Administered

The AOFM produces budget estimates of Australian Government Securities (AGS) debt and certain financial assets. The projections of AGS debt are a consequence of the expenditure, investment and revenue decisions and assumptions made by the government in producing its estimates. Annual debt servicing costs on AGS debt are largely determined after taking into account changes in the volume of AGS debt over the projection period, yields on existing debt and assumptions about yields on new debt issuance over the projection period.

The estimated budgeting impacts of the ABSF and the SFSF are incorporated in the administered budgeted financial statements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	7,806	8,579	8,876	9,171	8,779
Suppliers	7,978	7,993	7,768	7,544	5,320
Depreciation and amortisation (a)	553	553	553	553	553
Finance costs	64	61	57	54	50
Total expenses	16,401	17,186	17,254	17,322	14,702
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	75	25	25	25	25
Other	327	327	327	327	327
Total own-source revenue	402	352	352	352	352
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	402	352	352	352	352
Net (cost of)/contribution by services	(15,999)	(16,834)	(16,902)	(16,970)	(14,350)
Revenue from Government	16,499	16,513	16,590	16,670	14,059
Surplus/(deficit) attributable to the Australian Government	500	(321)	(312)	(300)	(291)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	500	(321)	(312)	(300)	(291)
Total comprehensive income/(loss) attributable to the Australian Government	500	(321)	(312)	(300)	(291)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	828	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	261	261	261	261	261
less: depreciation/amortisation expenses for ROU assets (b)	292	292	292	292	292
add: Principal repayments on leased assets (b)	225	232	241	253	262
Total comprehensive income/(loss) - as per the statement of comprehensive income	500	(321)	(312)	(300)	(291)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under the AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	28,321	28,371	28,421	28,421	28,422
Total financial assets	28,421	28,471	28,521	28,521	28,522
Non-financial assets					
Property, plant and equipment	6,253	6,038	5,830	5,443	5,430
Intangibles	658	687	716	926	764
Other non-financial assets	152	152	152	152	152
Total non-financial assets	7,063	6,877	6,698	6,521	6,346
Total assets	35,484	35,348	35,219	35,042	34,868
LIABILITIES					
Payables					
Suppliers	177	177	177	177	177
Personal benefits	118	118	118	118	118
Total payables	295	295	295	295	295
Interest bearing liabilities					
Leases	4,375	4,145	3,902	3,649	3,388
Total interest bearing liabilities	4,375	4,145	3,902	3,649	3,388
Provisions					
Employee provisions	2,601	2,650	2,701	2,701	2,701
Other provisions	460	460	460	460	460
Total provisions	3,061	3,110	3,161	3,161	3,161
Total liabilities	7,731	7,550	7,358	7,105	6,844
Net assets	27,753	27,798	27,861	27,937	28,024
EQUITY*					
Parent entity interest					
Contributed equity	(8,190)	(7,824)	(7,449)	(7,073)	(6,695)
Reserves	338	338	338	338	338
Retained surplus (accumulated deficit)	35,605	35,284	34,972	34,672	34,381
Total parent entity interest	27,753	27,798	27,861	27,937	28,024
Total equity	27,753	27,798	27,861	27,937	28,024

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	35,605	338	-	(8,190)	27,753
Adjusted opening balance	35,605	338	-	(8,190)	27,753
Comprehensive income					
Surplus/(deficit) for the period	(321)	-	-	-	(321)
Total comprehensive income	(321)	-	-	-	(321)
of which:					
Attributable to the Australian Government	(321)	-	-	-	(321)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	366	366
Sub-total transactions with owners	-	-	-	366	366
Estimated closing balance as at 30 June 2022	35,284	338	-	(7,824)	27,798
Closing balance attributable to the Australian Government	35,284	338	-	(7,824)	27,798

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	15,701	16,489	16,564	16,695	14,083
Sale of goods and rendering of services	75	25	25	25	25
Other	-	-	-	-	-
Total cash received	15,776	16,514	16,589	16,720	14,108
Cash used					
Employees	7,761	8,530	8,825	9,171	8,779
Suppliers	7,651	7,666	7,441	7,217	4,993
Interest payments on lease liability	64	61	57	54	50
s74 External Revenue transferred to the OPA	75	25	25	25	25
Total cash used	15,551	16,282	16,348	16,467	13,847
Net cash from/(used by) operating activities	225	232	241	253	261
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	366	368	373	376	378
Total cash used	366	368	373	376	378
Net cash from/(used by) investing activities	(366)	(368)	(373)	(376)	(378)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	366	368	373	376	378
Total cash received	366	368	373	376	378
Cash used					
Principal payments on lease liability	225	232	241	253	261
Total cash used	225	232	241	253	261
Net cash from/(used by) financing activities	141	136	132	123	117
Net increase/(decrease) in cash held					
	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	100	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	366	368	373	376	378
Total new capital appropriations	366	368	373	376	378
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	366	368	373	376	378
Total items	366	368	373	376	378
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	366	368	373	376	378
TOTAL	366	368	373	376	378
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	366	368	373	376	378
Total cash used to acquire assets	366	368	373	376	378

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021			
Gross book value	2,475	1,721	4,196
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(457)	(1,063)	(1,520)
Accumulated depreciation/amortisation and impairment - ROU assets	(585)	-	(585)
Opening net book balance	6,253	658	6,911
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	176	192	368
By purchase - appropriation ordinary annual services - ROU assets	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-
Total additions	176	192	368
Other movements			
Depreciation/amortisation expense	(99)	(162)	(261)
Depreciation/amortisation on ROU assets	(292)	-	(292)
Total other movements	(391)	(162)	(553)
As at 30 June 2022			
Gross book value	2,651	1,913	4,564
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(556)	(1,226)	(1,782)
Accumulated depreciation/amortisation and impairment - ROU assets	(877)	-	(877)
Closing net book balance	6,038	687	6,725

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7. Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs	17,041,350	18,163,537	19,085,285	20,547,681	21,840,612
Write-down and impairment of assets	2,365	5,932	6,918	8,270	9,010
Other expenses	81,693	32,800	32,800	32,800	32,800
Total expenses administered on behalf of Government before re-measurement	17,125,409	18,202,270	19,125,004	20,588,752	21,882,423
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue	233,208	199,926	201,607	201,837	203,166
Interest					
Total non-taxation revenue	233,208	199,926	201,607	201,837	203,166
Total own-source revenue administered on behalf of Government before re-measurement	233,208	199,926	201,607	201,837	203,166
Total own-sourced income administered on behalf of Government	(16,892,201)	(18,002,344)	(18,923,397)	(20,386,915)	(21,679,257)
Surplus/(deficit) before income tax	(16,892,201)	(18,002,344)	(18,923,397)	(20,386,915)	(21,679,257)
OTHER COMPREHENSIVE INCOME					
Re-measurements					
Net market revaluation gains/(losses)	37,493,938	259,692	(1,050,666)	(1,283,718)	(1,361,354)
Total other comprehensive income	37,493,938	259,692	(1,050,666)	(1,283,718)	(1,361,354)
Total comprehensive income/(loss)	20,601,737	(17,742,652)	(19,974,063)	(21,670,633)	(23,040,611)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents (includes special accounts)	48,328,154	66,854,518	47,434,348	48,221,209	47,831,353
Loans to state and territory governments	1,413,975	1,333,794	1,252,024	1,170,243	1,089,701
Term deposits with RBA	-	-	-	-	-
Structured finance securities	3,242,430	4,741,647	4,991,968	5,491,670	5,991,224
Total financial assets	52,984,559	72,929,959	53,678,340	54,883,122	54,912,278
Total assets administered on behalf of Government	52,984,559	72,929,959	53,678,340	54,883,122	54,912,278
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Other payables	120,701	120,701	120,701	120,701	120,701
Total payables	120,751	120,751	120,751	120,751	120,751
Interest bearing liabilities					
Australian Government securities (at fair value)					
Treasury Bonds	801,622,355	917,613,241	999,099,621	1,104,357,028	1,170,472,905
Treasury Indexed Bonds	53,183,152	53,472,300	57,172,186	62,882,744	66,573,892
Treasury Notes	36,999,191	56,999,406	69,999,352	39,999,584	36,999,614
Other government securities	5,808	5,808	5,808	5,808	5,808
Total interest bearing liabilities	891,810,506	1,028,090,755	1,126,276,967	1,207,245,164	1,274,052,219
Provisions					
Other provisions	965	965	965	965	965
Total provisions	965	965	965	965	965
Total liabilities administered on behalf of Government	891,932,222	1,028,212,471	1,126,398,683	1,207,366,880	1,274,173,935
Net assets/(liabilities)	(838,947,663)	(955,282,512)	(1,072,720,343)	(1,152,483,758)	(1,219,261,657)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and services	-	-	-	-	-
Interest	212,513	183,583	187,338	188,426	190,559
Total cash received	212,513	183,583	187,338	188,426	190,559
Cash used					
Grant	1	1	1	1	1
Suppliers	81,693	32,800	32,800	32,800	32,800
Borrowing costs	21,049,378	21,832,537	22,843,634	23,273,297	25,270,127
Other	-	-	-	-	-
Total cash used	21,131,072	21,865,338	22,876,435	23,306,098	25,302,928
Net cash from/(used by) operating activities	(20,918,559)	(21,681,755)	(22,689,097)	(23,117,672)	(25,112,369)
INVESTING ACTIVITIES					
Cash received					
Proceeds from deposits with RBA	604,950,000	-	-	-	-
Repayments of advances and loans	92,462	93,672	94,784	94,284	92,482
Structured finance securities	1,023,358	1,463,715	3,202,546	3,628,299	3,997,401
Total cash received	606,065,820	1,557,387	3,297,330	3,722,583	4,089,883
Cash used					
Purchases of deposits from RBA	535,000,000	-	-	-	-
Structured finance securities	2,444,391	2,966,012	3,458,530	4,135,364	4,505,298
Total cash used	537,444,391	2,966,012	3,458,530	4,135,364	4,505,298
Net cash from/(used by) investing activities	68,621,429	(1,408,625)	(161,200)	(412,781)	(415,415)

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	345,861,135	710,491,116	942,068,469	790,703,685	605,076,586
Other	77,611	51,530	68,154	12,586	15,014
Total cash received	345,938,746	710,542,646	942,136,623	790,716,271	605,091,600
Cash used					
Net repayments of borrowing	197,521,370	570,282,174	841,174,574	708,293,591	536,201,369
Other	77,611	51,530	68,154	12,586	15,014
Total cash used	197,598,981	570,333,704	841,242,728	708,306,177	536,216,383
Net cash from/(used by) financing activities	148,339,765	140,208,942	100,893,895	82,410,094	68,875,217
Net increase/(decrease) in cash held					
Cash at beginning of reporting period	196,042,635	117,118,562	78,043,598	58,879,641	43,347,433
Cash from Official Public Account for:	13,551,953	48,328,154	66,854,518	47,434,348	48,221,209
- Appropriations	790,443,629	612,912,349	865,568,056	733,612,609	562,272,156
- Special accounts	-	-	-	-	-
Total cash from Official Public Account	790,443,629	612,912,349	865,568,056	733,612,609	562,272,156
Cash to Official Public Account for:	(951,710,063)	(711,504,547)	(963,031,824)	(791,705,389)	(606,009,445)
- Appropriations	-	-	-	-	-
- Special accounts	(951,710,063)	(711,504,547)	(963,031,824)	(791,705,389)	(606,009,445)
Total cash to Official Public Account	(951,710,063)	(711,504,547)	(963,031,824)	(791,705,389)	(606,009,445)
Cash at end of reporting period (a)	48,328,154	66,854,518	47,434,348	48,221,209	47,831,353

Prepared on Australian Accounting Standards basis.

(a) Includes balances of special accounts and the cash management account (CMA) held with the RBA. In recent years, liquidity management investments have been restricted to term deposits with the RBA. In November 2020 the AOFM established a new investment facility to replace term deposits - a cash management account - to more flexibly and more efficiently manage cash liquidity. The balance of the CMA is reported as 'cash' and not as 'investments'.

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AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

Section 1: Entity overview and resources

1.1 Strategic direction statement

The role of the Australian Prudential Regulation Authority (APRA) is to regulate relevant financial institutions in accordance with the laws of the Commonwealth that provide for prudential regulation or retirement income standards. Under the legislation that APRA administers, APRA is tasked with protecting the interests of depositors, policyholders and superannuation fund members. In performing and exercising its functions, APRA is to balance the objectives of financial safety and efficiency, competition, contestability and competitive neutrality, and, in balancing these objectives, is to promote financial system stability in Australia.

APRA's mandate is to protect the Australian community by establishing and enforcing prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions APRA supervises are met within a stable, efficient and competitive financial system.

APRA works closely with other regulatory agencies to achieve its mandate including those that form part of the Council of Financial Regulators (CFR) which includes the Department of the Treasury (the Treasury), the Reserve Bank of Australia (RBA), and the Australian Securities and Investments Commission (ASIC).

APRA places a strong emphasis on an active program of prudential supervision. APRA's supervisory approach is forward-looking, primarily risk-based, consultative, consistent and in line with international best practice. APRA's approach is based on the fundamental premise that the primary responsibility for financial soundness and prudent risk management within an APRA-regulated institution rests with its board of directors and senior management. APRA's role is to promote prudent behaviour by institutions through a robust framework of legislation, prudential standards and prudential guidance, which aims to ensure that risk-taking is conducted within reasonable bounds and that risks are clearly identified and well-managed.

Consistent with the Government's expectations, APRA does not pursue a zero-failure objective. APRA cannot eliminate the risk that any institution might fail and it recognises that attempting to do so would impose an unnecessary burden on institutions and the financial system. APRA seeks to maintain a low incidence of failure of APRA-regulated institutions whilst not unduly hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system. APRA's aim is to identify likely failure of an APRA-regulated institution early enough so that corrective action can be promptly initiated or an orderly exit achieved.

The structure of the Australian financial system continues to evolve and risks to APRA, the institutions and industries it regulates or financial system stability can emerge

quickly. Each year, in setting its strategic priorities, APRA takes into consideration changes in its operating environment and the Government's policy priorities to ensure it continues to effectively deliver on its statutory objectives and APRA's Statement of Intent in response to the Australian Government's Statement of Expectations for APRA.

APRA's strategic priorities are outlined in its rolling four-year Corporate Plan published annually. APRA's 2020-2024 Corporate Plan includes four strategic focus areas to strengthen outcomes for the Australian community: to maintain financial system resilience; improve outcomes for superannuation members; transform governance, culture, remuneration and accountability across all regulated institutions; and improve cyber resilience across the financial system. The plan also includes areas where APRA intends to improve its internal capabilities to deliver on those outcomes.

In 2020 APRA reprioritised its efforts to respond with urgency to COVID-19 and its economic and financial impacts through the significant changes in the external environment. This included APRA focusing on protecting the financial safety and soundness of regulated entities; fostering the operational resilience of regulated entities during a period of significant disruption; and enhancing contingency plans for adverse events.

APRA continues to monitor the impact of COVID-19 and intends to adjust its priorities accordingly including winding down some specific COVID-19 response activities where improvements are evident and the operating environment stabilises. APRA's strategic priorities will be reviewed as part of settling APRA's 2021-2025 Corporate Plan.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by Administered (on behalf of the Government or the public) and Departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Prudential Regulation Authority resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation	3,630	2,680
s74 External Revenue (b)	2,630	4,587
Total departmental special appropriations	6,260	7,267
Special accounts		
Opening balance (c)	72,828	61,686
Appropriation receipts (d)	6,260	7,267
Non-appropriation receipts	182,216	221,744
Total special accounts	261,304	290,697
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	6,260	7,267
Total departmental resourcing	261,304	290,697
Administered		
Special accounts		
Opening balance (c)	835	835
Non-appropriation receipts to Special Accounts (e)	450,000	450,000
Total special account receipts	450,835	450,835
Total administered resourcing	450,835	450,835
Total resourcing for APRA	712,139	741,532
	2020-21	2021-22
Average staffing level (number)	785	829

Table 1.1: Australian Prudential Regulation Authority resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

Third party payments from and on behalf of other entities

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	705	1,205

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Estimated Retained Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Excludes 'Special Public Money'. For further information on special appropriations and special accounts, refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(d) Appropriation receipts include receipts from the Department of Foreign Affairs and Trade, the Reserve Bank of Australia, the Australian Bureau of Statistics, and the Department of Agriculture, Water and the Environment.

(e) Comprises Private Health Insurance risk equalisation receipts which are redistributed to industry.

1.3 BUDGET MEASURES

Budget measures relating to APRA are detailed in Budget Paper No.2 and are summarised below.

Table 1.2: Australian Prudential Regulation Authority 2021-22 Budget measures – Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Receipt measures						
Stronger Consumer Outcomes for Members of Superannuation						
Administered receipt	1.1	-	1,891	2,329	2,665	2,676
Total		-	1,891	2,329	2,665	2,676
Total receipt measures						
Administered		-	1,891	2,329	2,665	2,676
Total		-	1,891	2,329	2,665	2,676
Payment measures						
Stronger Consumer Outcomes for Members of Superannuation						
Departmental payment	1.1	-	1,891	2,329	2,665	2,676
Total		-	1,891	2,329	2,665	2,676
Total payment measures						
Departmental		-	1,891	2,329	2,665	2,676
Total		-	1,891	2,329	2,665	2,676

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

APRA's outcome is described below together with its related program. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide an entity's planned and actual performance.

The most recent corporate plan for APRA can be found at:

(<https://www.apra.gov.au/news-and-publications/apra-2020-2024-corporate-plan>)

The most recent annual performance statement can be found at:

(<https://www.apra.gov.au/news-and-publications/apra-annual-reports>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.

Budgeted expenses for Outcome 1

This table shows how much APRA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Prudential Regulation Authority					
Administered expenses					
Special appropriations (a)	450,000	450,000	450,000	450,000	450,000
Expenses not requiring appropriation in the Budget year	55	55	55	55	55
Administered total	450,055	450,055	450,055	450,055	450,055
Departmental expenses					
Special accounts	189,873	218,308	198,992	199,699	197,297
s74 External Revenue (b)	2,514	4,587	4,542	4,542	4,542
Ordinary annual services (Appropriation Bill No. 1)	3,630	2,680	2,229	2,262	4,815
Expenses not requiring appropriation in the Budget year (c)	240	240	240	240	240
Departmental total	196,257	225,815	206,003	206,743	206,894
Total expenses for program 1.1	646,312	675,870	656,058	656,798	656,949
Total expenses for Outcome 1	646,312	675,870	656,058	656,798	656,949

	2020-21	2021-22
Average staffing level (number)	785	829

(a) Private Health Insurance Industry risk equalisation payments.

(b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(c) Expenses not requiring appropriation in the Budget year are made up of ANAO audit services that are received free of charge, however the expense is recognised along with an equal and offsetting income stream.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Enhanced public confidence in Australia’s financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.</p>		
<p>Program 1.1 – Australian Prudential Regulation Authority To enhance public confidence in Australia’s financial institutions through establishing and enforcing prudential standards and practice and delivering on APRA’s strategic objectives set out in its Corporate Plan.</p>		
<p>Delivery</p>	<p>APRA will focus on delivering its strategic objectives laid out in its 2021-2025 Corporate Plan. To serve the interests of the Australian community, APRA will continue to monitor the impact of COVID-19 and adjust its priorities accordingly including starting to wind down some specific COVID-19 response activities where improvements are evident and the operating environment stabilises.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2020-21 and beyond</p>	<ul style="list-style-type: none"> • Performing Entity Ratio (PER) — the PER is an indicator of the incidence of failure amongst regulated institutions. It is determined as the number of regulated institutions that met their commitments to beneficiaries in a given year divided by the total number of regulated institutions. The higher the percentage, the lower the incidence of failure. • Money Protection Ratio (MPR) — the MPR is an indicator of the incidence of loss in the financial sector. It is determined as the dollar value of liabilities to beneficiaries held in Australia in regulated institutions less any prudential losses to beneficiaries in a given year, divided by the total dollar value of liabilities to beneficiaries in Australia in regulated institutions. The higher the percentage, the lower the incidence of loss. • Percentage of Financial Claims Scheme (FCS) payments paid to account holders within seven calendar days of an FCS declaration. • Number of outstanding claims in the event of an FCS declaration. 	<p>Consistent with the Government’s expectations, APRA does not pursue a ‘zero failure’ target. Rather, APRA’s objective is to maintain a low incidence of failure of regulated institutions while not unnecessarily hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system.</p> <p>APRA measures the efficiency with which it performs its function in relation to the FCS for banks, building societies and credit unions by measuring the percentage of FCS payments paid to account holders within seven calendar days of an FCS declaration. Although the circumstance of each declaration will vary the timeliness of payment, this measure is consistent with APRA’s endeavours to pay most account holders, or enable them to access, their FCS payment within seven days. Given the long tail nature of general insurance claims which do not easily lend themselves to measures of efficiency, APRA reports on the number of</p>

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		outstanding claims in the event of an FCS declaration.
Purposes	The Australian Prudential Regulation Authority (APRA) is an independent statutory authority established for the purpose of prudential supervision of financial institutions and for promoting financial system stability in Australia. In performing this role, APRA is responsible for protecting the interests of depositors, insurance policyholders and superannuation fund members.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of APRA's finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between APRA's resourcing and its financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The departmental comprehensive income statement (Table 3.1) indicates an increase in revenue from Government for 2021-22 as a consequence of new budget measures being appropriated in 2020-21 but to be collected from industry in 2021-22.

Employee benefits of \$160.3 million support an average staffing level (ASL) of 829 in 2021-22. The estimated staffing will enable APRA to supervise regulated institutions, evolve APRA's prudential and supervisory frameworks and practices to respond to key risks, continue to deliver on its longer-term strategic objectives and to serve the interests of the Australian community.

Supplier costs in 2021-22 of \$44.3 million reflect office leasing costs, IT support and maintenance, travel, training and other non-people related expenditures.

Depreciation and Amortisation of \$20.5 million reflects the amortisation of APRA's fixed assets over their useful life.

The budgeted departmental balance sheet (Table 3.2) shows that APRA will maintain sufficient financial assets to meet all known employee and supplier commitments as and when they fall due.

The budgeted departmental statement of cash flows (Table 3.4) reflects the source and application of appropriations and other revenue, as detailed in Table 3.1.

The schedule of budgeted income and expenses administered on behalf of Government (Table 3.7) shows the amounts APRA collects in supervisory levies (the levies) from the finance industry on behalf of the Government under the *Financial Institutions Supervisory Levies Collection Act 1998*.

Apart from the amount required to fund APRA, the levies also include amounts to fund the activities of the Australian Taxation Office (ATO) for unclaimed monies, lost member functions and for the administration of claims for early release of superannuation benefits on compassionate grounds; the Gateway Network Governance Body Ltd (GNGB) for governing and maintaining the superannuation transactions

network; the Australian Securities and Investments Commission (ASIC) to manage superannuation complaints and the Australian Competition and Consumer Commission (ACCC) to enhance competition in the financial system.

In addition, the receipts and distributions relating to the administration of the Private Health Insurance industry risk equalisation processes under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* are included.

The schedule of budgeted assets and liabilities administered on behalf of Government (Table 3.8) reflects residual Financial Assistance Levy funds, the Financial Claims Scheme special account and a \$2.0 million Lloyds security deposit as required by section 92Q of the *Insurance Act 1973*.

The schedule of budgeted administered cash flows (Table 3.9), indicates that cash collected is swept daily from APRA's account to the Official Public Account (OPA), from which APRA, in turn, draws down the amounts appropriated to it by the Parliament (as per Table 3.1), or returns it to the Private Health Insurance industry as quarterly risk equalisation payments. The residual is retained in the OPA to meet the Treasurer's Determinations for the ATO, GNGB, ASIC and the ACCC.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	144,600	160,341	149,908	151,240	151,245
Suppliers	32,699	44,291	33,602	33,412	34,920
Depreciation and amortisation	18,101	20,488	21,953	22,060	20,487
Finance costs	857	695	540	31	242
Total expenses	196,257	225,815	206,003	206,743	206,894
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,801	3,357	3,312	3,312	3,312
Other	953	1,470	1,470	1,470	1,470
Total own-source revenue	2,754	4,827	4,782	4,782	4,782
Total own-source income	2,754	4,827	4,782	4,782	4,782
Net (cost of)/contribution by services	(193,503)	(220,988)	(201,221)	(201,961)	(202,112)
Revenue from Government	185,846	224,424	198,867	199,606	200,035
Surplus/(deficit) attributable to the Australian Government	(7,657)	3,436	(2,354)	(2,355)	(2,077)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(7,657)	3,436	(2,354)	(2,355)	(2,077)
Total comprehensive income/(loss) attributable to the Australian Government	(7,657)	3,436	(2,354)	(2,355)	(2,077)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	1,539	15,171	10,659	10,050	10,119
plus: depreciation/amortisation expenses previously funded through revenue appropriations	9,155	12,020	13,649	13,756	12,915
plus: depreciation/amortisation expenses for ROU assets (a)	8,946	8,468	8,304	8,304	7,572
less: principal repayments on leased assets (a)	8,905	8,753	8,940	9,655	8,291
Total comprehensive income/(loss) - as per the statement of comprehensive income	(7,657)	3,436	(2,354)	(2,355)	(2,077)

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	61,686	58,406	66,516	74,366	81,834
Trade and other receivables	1,955	1,955	1,955	1,955	1,955
Total financial assets	63,641	60,361	68,471	76,321	83,789
Non-financial assets					
Land and buildings	41,876	33,409	25,105	17,651	13,479
Property, plant and equipment	17,524	15,909	13,385	12,070	9,546
Intangibles	48,088	54,083	50,358	45,317	42,326
Other non-financial assets	3,755	3,755	3,755	3,755	3,755
Total non-financial assets	111,243	107,156	92,603	78,793	69,106
Total assets	174,884	167,517	161,074	155,114	152,895
LIABILITIES					
Payables					
Suppliers	6,555	6,555	6,555	6,555	6,555
Other payables	4,105	4,555	5,006	5,906	6,355
Total payables	10,660	11,110	11,561	12,461	12,910
Interest bearing liabilities					
Leases	43,327	34,574	25,634	16,829	11,938
Total interest bearing liabilities	43,327	34,574	25,634	16,829	11,938
Provisions					
Employee provisions	56,034	60,534	64,934	69,234	73,534
Other provisions	10,752	3,752	3,752	3,752	3,752
Total provisions	66,786	64,286	68,686	72,986	77,286
Total liabilities	120,773	109,970	105,881	102,276	102,134
Net assets	54,111	57,547	55,193	52,838	50,761
EQUITY*					
Parent entity interest					
Contributed equity	16,657	16,657	16,657	16,657	16,657
Reserves	22,591	14,591	15,591	16,591	17,591
Retained surplus (accumulated deficit)	14,863	26,299	22,945	19,590	16,513
Total parent entity interest	54,111	57,547	55,193	52,838	50,761
Total equity	54,111	57,547	55,193	52,838	50,761

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	14,863	7,591	15,000	16,657	54,111
Adjusted opening balance	14,863	7,591	15,000	16,657	54,111
Comprehensive income					
Surplus/(deficit) for the period	3,436				3,436
Total comprehensive income	3,436	-	-	-	3,436
Transfers between equity components	8,000		(8,000)		-
Estimated closing balance as at 30 June 2022	26,299	7,591	7,000	16,657	57,547
Closing balance attributable to the Australian Government	26,299	7,591	7,000	16,657	57,547

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	191,322	233,038	206,464	207,186	207,751
Sale of goods and rendering of services	2,514	4,587	4,542	4,542	4,542
Net GST received	3,212	4,277	3,305	3,288	3,424
Other	240	240	240	240	240
Total cash received	197,289	242,141	214,551	215,255	215,958
Cash used					
Employees	(137,097)	(155,391)	(145,058)	(146,040)	(146,495)
Suppliers	(35,545)	(48,318)	(36,654)	(36,446)	(38,090)
Net GST paid	(250)	(250)	(250)	(250)	(250)
Interest payments on lease liability	(857)	(695)	(540)	(31)	(242)
s74 External Revenue transferred to the OPA	(5,476)	(8,614)	(7,597)	(7,580)	(7,716)
Other	(2,000)	(7,000)	-	-	-
Total cash used	(181,225)	(220,267)	(190,099)	(190,347)	(192,793)
Net cash from/(used by) operating activities	16,064	21,874	24,452	24,908	23,164
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	(18,300)	(16,400)	(7,400)	(7,400)	(7,400)
Total cash used	(18,300)	(16,400)	(7,400)	(7,400)	(7,400)
Net cash from/(used by) investing activities	(18,300)	(16,400)	(7,400)	(7,400)	(7,400)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	(8,905)	(8,753)	(8,940)	(9,655)	(8,291)
Total cash used	(8,905)	(8,753)	(8,940)	(9,655)	(8,291)
Net cash from/(used by) financing activities	(8,905)	(8,753)	(8,940)	(9,655)	(8,291)
Net increase/(decrease) in cash held	(11,142)	(3,279)	8,111	7,853	7,473
Cash and cash equivalents at the beginning of the reporting period	72,828	61,686	58,404	66,512	74,361
Cash and cash equivalents at the end of the reporting period	61,686	58,406	66,516	74,365	81,834

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	18,300	16,400	7,400	8,250	10,800
TOTAL	18,300	16,400	7,400	8,250	10,800
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	18,300	16,400	7,400	8,250	10,800
Total cash used to acquire assets	18,300	16,400	7,400	8,250	10,800

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021				
Gross book value	-	33,174	103,960	137,134
Gross book value - ROU assets	59,517	-	-	59,517
Accumulated depreciation/amortisation and impairment	-	(15,650)	(55,872)	(71,522)
Accumulated depreciation/amortisation and impairment - ROU assets	(17,640)	-	-	(17,640)
Opening net book balance	41,877	17,524	48,088	107,489
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	1,427	14,973	16,400
Total additions	-	1,427	14,973	16,400
Other movements				
Depreciation/amortisation expense	-	(3,042)	(8,978)	(12,020)
Depreciation/amortisation on ROU assets	(8,468)	-	-	(8,468)
Total other movements	(8,468)	(3,042)	(8,978)	(20,488)
As at 30 June 2022				
Gross book value	-	34,601	118,933	153,534
Gross book value - ROU assets	59,517	-	-	59,517
Accumulated depreciation/amortisation and impairment	-	(18,692)	(64,850)	(83,542)
Accumulated depreciation/amortisation and impairment - ROU assets	(26,108)	-	-	(26,108)
Closing net book balance	33,409	15,909	54,083	103,401

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Finance costs	55	55	55	55	55
Risk equalisation distributions	450,000	450,000	450,000	450,000	450,000
Total expenses administered on behalf of Government	450,055	450,055	450,055	450,055	450,055
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
<i>Financial Institutions Supervisory Levies Collection Act 1998</i>	222,980	262,941	234,508	235,521	233,765
Interest	55	55	55	55	55
Risk equalisation receipts	450,000	450,000	450,000	450,000	450,000
Total non-taxation revenue	673,035	712,996	684,563	685,576	683,820
Total own-source revenue administered on behalf of Government	673,035	712,996	684,563	685,576	683,820
Total own-sourced income administered on behalf of Government	673,035	712,996	684,563	685,576	683,820
Net (cost of)/contribution by services	(222,980)	(262,941)	(234,508)	(235,521)	(233,765)
Surplus/(deficit)	222,980	262,941	234,508	235,521	233,765
Total comprehensive income/(loss)	222,980	262,941	234,508	235,521	233,765

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	835	835	835	835	835
Receivables	2,197	2,197	2,197	2,197	2,197
Total financial assets	3,032	3,032	3,032	3,032	3,032
Total assets administered on behalf of Government	3,032	3,032	3,032	3,032	3,032
LIABILITIES					
Payables					
Lloyds Security Trust Deposit	2,000	2,000	2,000	2,000	2,000
Total payables	2,000	2,000	2,000	2,000	2,000
Total liabilities administered on behalf of Government	2,000	2,000	2,000	2,000	2,000
Net assets/(liabilities)	1,032	1,032	1,032	1,032	1,032

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Financial Institutions Supervisory Levies	222,980	262,941	234,508	235,521	233,765
Interest	55	55	55	55	55
Risk equalisation levy collections	450,000	450,000	450,000	450,000	450,000
Total cash received	673,035	712,996	684,563	685,576	683,820
Cash used					
Borrowing costs	55	55	55	55	55
Risk equalisation levy payments	450,000	450,000	450,000	450,000	450,000
Total cash used	450,055	450,055	450,055	450,055	450,055
Net cash from/(used by) operating activities	222,980	262,941	234,508	235,521	233,765
Net increase/(decrease) in cash held	222,980	262,941	234,508	235,521	233,765
Cash and cash equivalents at beginning of reporting period	835	835	835	835	835
Cash from Official Public Account for:					
- Risk equalisation collections	450,000	450,000	450,000	450,000	450,000
Total cash from Official Public Account	450,000	450,000	450,000	450,000	450,000
Cash to Official Public Account for:					
- Financial Institutions Supervisory Levies	(222,980)	(262,941)	(234,508)	(235,521)	(233,765)
Risk equalisation payments	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Total cash to Official Public Account	(672,980)	(712,941)	(684,508)	(685,521)	(683,765)
Cash and cash equivalents at end of reporting period	835	835	835	835	835

Prepared on Australian Accounting Standards basis.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Securities and Investments Commission (ASIC) is an independent government body established under the *Australian Securities and Investments Commission Act 2001*.

ASIC's objectives, as set out in the *Australian Securities and Investments Commission Act 2001*, are to:

- maintain, facilitate and improve the performance of the financial system and the entities within that system in the interests of commercial certainty, reducing business costs, and the efficiency and development of the economy;
- promote the confident and informed participation of investors and consumers in the financial system;
- administer the laws that confer functions and powers on it effectively and with a minimum of procedural requirements;
- receive, process and store, efficiently and quickly, the information given to ASIC under the laws that confer functions and powers on it;
- ensure that information is available as soon as practicable for access by the public; and
- take whatever action it can take, and is necessary, to enforce and give effect to the laws of the Commonwealth that confer functions and powers on it.

ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator.

As the financial services and consumer credit regulator, ASIC administers the Australian financial services and credit licensing regime and monitors financial services and credit businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed funds, deposit and payment products, personal lending, insurance, shares and company securities, and derivatives.

As the markets regulator, ASIC assesses how effective operators of financial markets are at ensuring their markets operate in a fair, orderly and transparent way. ASIC also

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exercises delegated authority from the Minister in authorising new markets and approving important changes to market structure. It has responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives markets.

As the corporate regulator, ASIC ensures that companies, schemes and related entities meet their conduct and fundraising disclosure obligations under the *Corporations Act 2001* (Corporations Act). ASIC ensures that company officers comply with their responsibilities. It also takes disciplinary action against company auditors and liquidators. ASIC monitors public companies' financial reporting and disclosure and fundraising activities.

ASIC helps Australians to be in control of their financial lives. Our work aims to support people to make informed financial decisions, manage their money day-to-day, and plan for the future.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Securities and Investments Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	126,031	126,031
Departmental appropriation (b)	441,235	423,034
s74 External Revenue (c)	55,883	16,552
Departmental capital budget (d)	20,856	20,875
Annual appropriations - other services - non-operating (e)		
Equity injection	6,904	1,752
Total departmental annual appropriations	650,909	588,244
Total departmental special appropriations (f)		
Special accounts (f)		
Appropriation receipts (g)	59,221	64,811
Non-appropriation receipts	-	-
Total special accounts	59,221	64,811
less departmental appropriations drawn from annual/special appropriations and credited to special accounts	59,221	64,811
Total departmental resourcing	650,909	588,244

Table 1.1: Australian Securities and Investments Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	9,708	9,952
Total administered annual appropriations	9,708	9,952
Total administered special appropriations	111,585	118,545
Total administered resourcing	121,293	128,497
Total resourcing for ASIC	772,202	716,741
<hr/>		
	2020-21	2021-22
Average staffing level (number)	2,096	1,878

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Appropriation Bill (No. 1) 2021-22.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2021-22.
- (f) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Amounts credited to the special account(s) from ASIC's annual and special appropriations.

1.3 BUDGET MEASURES

ASIC has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for ASIC can be found at: (<https://asic.gov.au/about-asic/what-we-do/our-role/asics-corporate-plan/>)

The most recent annual performance statement can be found in the Annual Reports at: (<http://asic.gov.au/about-asic/corporate-publications/asic-annual-reports/>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,692	7,691	5,226	5,247	5,267
Expenses not requiring appropriation in the Budget year (a)	76,049	80,007	81,217	81,488	82,663
Administered total	83,741	87,698	86,443	86,735	87,930
Departmental expenses					
Departmental appropriation	408,335	390,895	385,038	381,733	380,965
s74 Retained revenue receipts (b)	25,055	16,906	7,785	6,354	5,749
Expenses not requiring appropriation in the Budget year (c)	68,283	65,866	56,155	50,134	52,422
Departmental total	501,673	473,667	448,978	438,221	439,136
Total expenses for program 1.1	585,414	561,365	535,421	524,956	527,066
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts					
Administered expenses					
Companies unclaimed monies - s77 of the PGPA ACT	42,960	39,951	39,978	39,962	39,748
Ordinary annual services (Appropriation Bill No. 1)	2,027	2,261	2,472	2,718	2,935
Special appropriations					
<i>Banking Act 1959 - Banking Unclaimed Moneys</i>	115,368	53,092	54,154	56,398	56,545
<i>Life Insurance Act 1995 - Life Unclaimed Moneys</i>	25,162	4,418	3,540	5,492	5,866
Administered total	185,517	99,722	100,144	104,570	105,094
Total expenses for program 1.2	185,517	99,722	100,144	104,570	105,094

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Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	9,719	9,952	7,698	7,965	8,202
Special appropriations	140,530	57,510	57,694	61,890	62,411
Companies unclaimed monies - s77 of the PGPA ACT	42,960	39,951	39,978	39,962	39,748
Expenses not requiring appropriation in the Budget year (a)	76,049	80,007	81,217	81,488	82,663
Administered total	269,258	187,420	186,587	191,305	193,024
	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Departmental expenses					
Departmental appropriation	408,335	390,895	385,038	381,733	380,965
s74 Retained revenue receipts (b)	25,055	16,906	7,785	6,354	5,749
Expenses not requiring appropriation in the Budget year (c)	68,283	65,866	56,155	50,134	52,422
Departmental total	501,673	473,667	448,978	438,221	439,136
Total expenses for Outcome 1	770,931	661,087	635,565	629,526	632,160

	2020-21	2021-22
Average staffing level (number)	2,096	1,878

(a) Expenses not requiring appropriation in the Budget year are doubtful debts.

(b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 - Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.		
Program 1.1 – Australian Securities and Investments Commission		
<p>Program 1.1 contributes to Outcome 1 by strategically identifying and responding to conduct which presents the greatest risk of harm. This includes:</p> <ul style="list-style-type: none"> • detecting misconduct through risk-based surveillance, breach reports, reports from the whistleblowers and the public, monitoring trends and emerging risks, data gathering and analysis; • understanding and analysing the intelligence we receive to assess harms early and respond quickly; and • responding to misconduct or the risk of misconduct through education, disrupting harmful behaviour, enforcement, engaging with industry and stakeholders, and providing guidance and policy advice. <p>This program also seeks to improve ASIC’s registry services and reduce costs for businesses, consumers and the public.</p>		
Delivery	ASIC will deliver this program through strategic use of a range of regulatory tools most appropriate to disrupt harm and poor behaviour in the financial system.	
Performance information		
Year	Performance criteria	Targets
2020-21	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services act professionally and treat their clients fairly • Entities improve their business practices in response to identified areas of improvement • Fair and efficient processes are in place for the resolution of disputes • Financial markets are fair, strong and efficient • Our published reports and industry messages on surveillance and enforcement outcomes provide transparency to stakeholders about good and poor practices and articulate our standards and expectations, including naming entities where appropriate • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. Where we exercise our product intervention power, we see a reduction in consumer detriment as a result 	<p>On track to meet the performance criteria for 2020-21.</p> <p>Evidenced by qualitative and quantitative measures, including:</p> <p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Stakeholder feedback, measured through external committees and panels such as the ASIC Consultative Panel and Consumer Advisory Panel • Case studies of key matters where entities have improved their business practices • External data (e.g. reports and data published by AFCA) • Measures of the cleanliness of the Australian listed equity market • Operational data (e.g. number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published) • Case studies and other measures of key matters where we have used our regulatory tools to change behaviour in the financial system • Where we exercise our product intervention power, we will evaluate the resulting outcome after 18 months • Project-specific measures resulting from the outputs of our regulatory actions will include published reports

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Performance information		
Year	Performance criteria	Targets
	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services meet their obligations • Misconduct is deterred and community expectations that wrongdoing is punished and consumer harm addressed are met • Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately • We take successful enforcement or other regulatory action (e.g. court enforceable undertakings, infringement notices, cancellation or suspension of licences) in response to identified misconduct • We appropriately sanction individuals who commit misconduct including, when warranted, banning them from providing financial services or taking civil or criminal action against them • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Levels of misconduct can be measured through, for example, reports of misconduct made to ASIC • Remediation can be measured through, for example, the amount of compensation for wrongdoing provided to investors and consumers • Operational data (e.g. number of surveillance and enforcement actions undertaken and results achieved) • Public outcomes (e.g. civil, criminal and administrative actions taken, including bannings) • Published ASIC reports, including the enforcement report and market integrity report • We publish reports and other outputs we plan to deliver • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channels
	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • The regulatory system supports the work of innovative start-ups and the market testing of novel products and services • We promote improved efficiency and reduced compliance costs among our regulated population • We exercise our discretionary powers to grant relief appropriately • We advise the Government on policy issues and law reform options in line with expected community standards • We propose and support international policy initiatives that improve regulatory outcomes for Australia and support cross-border activity • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Digital Finance Advisory Panel • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox • Operational data, including relief applications assessed and legislative instruments made • Publication of consultation papers by ASIC and submissions made by ASIC to government policy consultation processes • Publication of reports by international regulatory bodies to which ASIC has contributed • Case studies and other measures of instances where we have used our regulatory tools to promote the strong and innovative development of the financial system • Project-specific measures resulting from the outputs of our regulatory actions • We publish reports and other outputs we plan to deliver

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Performance information		
Year	Performance criteria	Targets
	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • People can take action based on ASIC's educational materials • We support better financial education across Australia's education system • We provide a range of tools and resources to help people understand money and how to manage it • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • External survey data (e.g. the ANZ Survey of Adult Financial Literacy in Australia and the Australian Financial Attitudes and Behaviour Tracker) • Operational data, including ASIC Moneysmart accessibility and usage • Personal financial capability tools and resources produced • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources • Case studies and other measures of instances where we have helped Australians to be in control of their financial lives • Project-specific measures resulting from the outputs of our regulatory actions
	<p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • Registration is cost-effective and easy for businesses to manage • Businesses comply with their ongoing registration obligations • The public has easy access to information in ASIC registers • Information in our registers is accurate and up to date 	<p>Provide efficient and accessible business registers that make it</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Business Advisory Panel • Performance against the ASIC service charter targets • Progress in migrating registry services online • Operational data (e.g. volume and efficiency of registry activity) • Case studies of instances where we have provided efficient and accessible registration to make it easier for Australians to do business
2021-22	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services act professionally and treat their clients fairly • Entities improve their business practices in response to identified areas of improvement • Fair and efficient processes are in place for the resolution of disputes • Financial markets are fair, strong and efficient • Our industry messages on surveillance and enforcement outcomes provide transparency to stakeholders about good and poor practices and articulate our standards and expectations, 	<p>Evidenced by qualitative and quantitative measures, including:</p> <p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Stakeholder feedback, measured through external committees and panels such as the ASIC Consultative Panel and Consumer Advisory Panel • Case studies of key matters where entities have improved their business practices • External data (e.g. reports and data published by AFCA) • Measures of the cleanliness of the Australian listed equity market • Operational data (e.g. number of meetings and other engagement

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	<p>including naming entities where appropriate</p> <ul style="list-style-type: none"> • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. Where we exercise our product intervention power, we see a reduction in consumer detriment as a result 	<p>with stakeholders, regulatory guidance and industry reports published)</p> <ul style="list-style-type: none"> • Case studies and other measures of key matters where we have used our regulatory tools to change behaviour in the financial system • Where we exercise our product intervention power, we will evaluate the resulting outcome after 18 months • Project-specific measures resulting from the outputs of our regulatory actions will include published reports
	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services meet their obligations • Misconduct is deterred and community expectations that wrongdoing is punished and consumer harm addressed are met • Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately • We take successful enforcement or other regulatory action (e.g. court enforceable undertakings, infringement notices, cancellation or suspension of licences) in response to identified misconduct • We appropriately sanction individuals who commit misconduct including, when warranted, banning them from providing financial services or taking civil or criminal action against them • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Levels of misconduct can be measured through, for example, reports of misconduct made to ASIC • Remediation can be measured through, for example, the amount of compensation for wrongdoing provided to investors and consumers • Operational data (e.g. number of surveillance and enforcement actions undertaken and results achieved) • Public outcomes (e.g. civil, criminal and administrative actions taken, including bannings) • Published ASIC reports, including the enforcement report and market integrity report • We publish reports and other outputs we plan to deliver • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channels
	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • The regulatory system supports the work of innovative start-ups and the market testing of novel products and services • We promote improved efficiency and reduced compliance costs among our regulated population • We exercise our discretionary powers to grant relief appropriately • We advise the Government on policy issues and law reform options in line with expected community standards • We propose and support international policy initiatives that improve regulatory outcomes for 	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Digital Finance Advisory Panel • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox • Operational data, including relief applications assessed and legislative instruments made • Publication of consultation papers by ASIC and submissions made by ASIC to government policy consultation processes • Publication of reports by international regulatory bodies to which ASIC has contributed

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	<p>Australia and support cross-border activity</p> <ul style="list-style-type: none"> • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<ul style="list-style-type: none"> • Case studies and other measures of instances where we have used our regulatory tools to promote the strong and innovative development of the financial system • Project-specific measures resulting from the outputs of our regulatory actions • We publish reports and other outputs we plan to deliver
	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • People can take action based on ASIC's educational materials • We support better financial education across Australia's education system • We provide a range of tools and resources to help people understand money and how to manage it • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • External survey data (e.g. the ANZ Survey of Adult Financial Literacy in Australia and the Australian Financial Attitudes and Behaviour Tracker) • Operational data, including ASIC Moneysmart accessibility and usage • Personal financial capability tools and resources produced • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources • Case studies and other measures of instances where we have helped Australians to be in control of their financial lives • Project-specific measures resulting from the outputs of our regulatory actions
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Table 2.2: Performance criteria for Outcome 1 (continued)

Program 1.2 – Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts.		
ASIC is responsible for the administration of unclaimed money from banking and deposit taking institutions and life insurance institutions		
Delivery	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance criteria	Targets
2020-21	<ul style="list-style-type: none"> • ensure that refunds of unclaimed monies are paid to successful claimants promptly; and • ensure that payments of money from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation. 	Process claims within 28 days of receiving all necessary claim documentation.
2021-22	As per 2020-21	As per 2020-21
2022-23 and beyond	As per 2020-21	As per 2020-21
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Machinery of Government Changes

As part of the Government's deregulation agenda, the Modernisation of Business Registers (MBR) program will establish a new registry service for Government called Australian Business Registry Services (ABRS) that will unify 31 registers administered by ASIC and the Australian Business Register (administered by the ATO) on a contemporary, digital registry system.

The Commissioner of Taxation was appointed as the Commonwealth Registrar of the ABRS and the ASIC Registry functions have been transferred to the ATO. The budgeted financial statements presented reflect resultant funding, expenses, assets, liabilities and average staffing levels associated with the transfer.

Budgeted departmental income statement

ASIC is budgeting for a \$9.4 million operating surplus for 2021-22, after adding back non-appropriated depreciation and amortisation expenses, depreciation of right of use assets and principal repayments of lease liabilities. The operating surplus is a combination of other revenue received from the Department of Home Affairs (DHA) and the Australian Taxation Office (ATO) for the purpose of funding capital expenditure, less additional spending of the Enforcement Special Account reserves from prior years. The funding from DHA and ATO continues in the forward years.

Budgeted departmental balance sheet

This statement shows the financial position of ASIC. It helps decision-makers to track the management of ASIC's assets and liabilities.

ASIC's budgeted equity (or net asset position) for 2021-22 is \$134 million.

The 2021-22 equity position reflects the cumulative effect of capital injections of \$1.7 million received during 2021-22.

Budgeted departmental statement of cash flows

The budgeted statement of cash flows provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental statement of changes in equity — summary of movement

This statement shows the changes in the equity position of ASIC. It helps decision-makers to track the management of ASIC's equity.

Departmental Capital Budget statement

This statement shows details of capital appropriations received by ASIC. It helps decision-makers to track the acquisition of new non-financial assets.

Statement of asset movements — departmental

This statement shows details of gross asset movements during the year. It helps decision-makers to analyse movements of non-financial assets.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The schedule of budgeted income and expenses administered on behalf of government shows the revenue and expenses associated with the collection of revenue under the *Corporations Act 2001* and ASIC's responsibilities in administering unclaimed monies under the *Banking Act 1959*, the *Life Insurance Act 1995* and s77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In addition, ASIC collects taxation and non-taxation revenue under the *ASIC Supervisory Cost Recovery Levy Act 2017* and the *ASIC Supervisory Cost Recovery Levy Regulations 2017*.

Other non-taxation revenue represents the amount of fees and charges budgeted to be levied under the *Corporations Act 2001* and estimated receipts of unclaimed monies under the *Banking Act 1959*, the *Life Insurance Act 1995* and the *Corporations Act 2001*.

Expenses represent budgeted payments of unclaimed monies, refund of overpaid fees and charges levied under the *Corporations Act 2001*, bad debt expense, administered advertising expenses and grant payments to registered insolvency practitioners to investigate breaches of directors' duties and fraudulent conduct.

Schedule of budgeted assets and liabilities administered on behalf of government

The amount shown for receivables in 2021-22 and in the forward estimates is the estimated amount of taxation revenue fees and charges remaining unpaid at 30 June.

The amounts shown in other payables for 2021-22 and the forward estimates represent the estimated amount of refunds relating to the overpayments of annual review and other fees under the *Corporations Act 2001*, estimated claims payable under the *Banking Act 1959* and the *Life Insurance Act 1995* and companies unclaimed monies under s77 of the PGPA Act.

Schedule of budgeted administered cash flows

Budgeted administered cash flows provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	279,733	256,624	240,932	240,154	239,513
Suppliers	151,437	147,697	148,454	144,544	145,964
Depreciation and amortisation (a)	68,283	65,866	56,155	50,134	52,422
Finance costs	2,220	3,480	3,437	3,389	1,237
Total expenses	501,673	473,667	448,978	438,221	439,136
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,000	2,000	2,000	2,000	2,000
Rental income	625	625	605	605	-
Royalties	165	165	165	165	165
Other revenue	22,265	14,116	5,015	3,584	3,584
Total own-source revenue	25,055	16,906	7,785	6,354	5,749
Net (cost of)/contribution by services	(476,618)	(456,761)	(441,193)	(431,867)	(433,387)
Revenue from Government	441,235	423,034	408,541	409,630	410,085
Surplus/(deficit) attributable to the Australian Government	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)
Total comprehensive income/(loss) attributable to the Australian Government	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	7,575	9,363	640	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	41,523	39,106	29,395	23,374	25,662
plus: depreciation/amortisation expenses for ROU assets (b)	26,760	26,760	26,760	26,760	26,760
less: principal repayments on leased assets (b)	25,325	22,776	22,863	27,897	29,120
Total comprehensive income/(loss) - as per the statement of comprehensive income	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies to leases under AASB 16 Leases.

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Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	30,307	30,307	30,307	30,307	30,307
Trade and other receivables	136,497	132,008	131,701	131,394	130,258
Total financial assets	166,804	162,315	162,008	161,701	160,565
Non-financial assets					
Land and buildings	247,516	221,678	195,563	169,098	139,142
Property, plant and equipment	13,113	7,818	4,342	3,517	3,165
Intangibles	77,379	78,818	75,071	73,284	72,309
Other non-financial assets	17,706	17,706	17,706	17,706	17,706
Total non-financial assets	355,714	326,020	292,682	263,605	232,322
Total assets	522,518	488,335	454,690	425,306	392,887
LIABILITIES					
Payables					
Suppliers	28,754	27,618	26,482	25,346	25,346
Other payables	31,031	31,031	31,031	31,031	29,895
Total payables	59,785	58,649	57,513	56,377	55,241
Interest bearing liabilities					
Leases	222,225	199,449	176,586	148,689	119,569
Total interest bearing liabilities	222,225	199,449	176,586	148,689	119,569
Provisions					
Employee provisions	82,255	82,255	82,255	82,255	82,255
Other provisions	12,749	13,578	14,407	15,236	15,236
Total provisions	95,004	95,833	96,662	97,491	97,491
Total liabilities	377,014	353,931	330,761	302,557	272,301
Net assets	145,504	134,404	123,929	122,749	120,586
EQUITY*					
Parent entity interest					
Contributed equity	502,393	525,020	547,197	568,254	589,393
Reserves	22,500	22,500	22,500	22,500	22,500
Retained surplus (accumulated deficit)	(379,389)	(413,116)	(445,768)	(468,005)	(491,307)
Total parent entity interest	145,504	134,404	123,929	122,749	120,586
Total equity	145,504	134,404	123,929	122,749	120,586

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(379,389)	22,500	502,393	145,504
Adjusted opening balance	(379,389)	22,500	502,393	145,504
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(33,727)	-	-	(33,727)
Total comprehensive income	(33,727)	-	-	(33,727)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,752	1,752
Departmental Capital Budget (DCB)	-	-	20,875	20,875
Sub-total transactions with owners	-	-	22,627	22,627
Estimated closing balance as at 30 June 2022	(413,116)	22,500	525,020	134,404
Closing balance attributable to the Australian Government	(413,116)	22,500	525,020	134,404

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	441,235	423,341	408,848	409,937	411,221
Sale of goods and rendering of services	40,803	2,625	2,605	2,605	2,000
Net GST received	-	-	-	-	-
Other	15,080	13,927	4,826	3,395	3,395
Total cash received	497,118	439,893	416,279	415,937	416,616
Cash used					
Employees	279,733	256,624	240,932	240,154	239,513
Suppliers	153,310	148,479	149,236	145,326	146,746
Interest payments on lease liability	2,210	2,651	2,608	2,560	1,237
s74 External Revenue transferred to the OPA	-	-	-	-	-
Total cash used	435,253	407,754	392,776	388,040	387,496
Net cash from/(used by) operating activities	61,865	32,139	23,503	27,897	29,120
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	70,962	36,172	22,817	21,057	21,139
Total cash used	70,962	36,172	22,817	21,057	21,139
Net cash from/(used by) investing activities	(70,962)	(36,172)	(22,817)	(21,057)	(21,139)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	23,578	26,809	22,177	21,057	21,139
Total cash received	23,578	26,809	22,177	21,057	21,139
Cash used					
Principal payments on lease liability	25,325	22,776	22,863	27,897	29,120
Total cash used	25,325	22,776	22,863	27,897	29,120
Net cash from/(used by) financing activities	(1,747)	4,033	(686)	(6,840)	(7,981)
Net increase/(decrease) in cash held	(10,844)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	41,151	30,307	30,307	30,307	30,307
Cash and cash equivalents at the end of the reporting period	30,307	30,307	30,307	30,307	30,307

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-2021 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	20,856	20,875	20,975	21,057	21,139
Equity injections - Bill 2	6,904	1,752	1,202	-	-
Total new capital appropriations	27,760	22,627	22,177	21,057	21,139
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	27,750	21,798	21,348	20,228	21,139
<i>Other Items</i>	10	829	829	829	-
Total items	27,760	22,627	22,177	21,057	21,139
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	9,548	5,446	1,202	-	-
Funded by capital appropriation - DCB (b)	20,368	21,363	20,975	21,057	21,139
Funded internally from departmental resources (c)	41,046	9,363	640	-	-
TOTAL	70,962	36,172	22,817	21,057	21,139
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	70,962	36,172	22,817	21,057	21,139
Total cash used to acquire assets	70,962	36,172	22,817	21,057	21,139

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets; and
- s74 External Revenue.

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Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	136,876	71,298	429,769	637,943
Gross book value - ROU assets	228,075	-	-	228,075
Accumulated depreciation/ amortisation and impairment	(75,215)	(58,185)	(352,390)	(485,790)
Accumulated depreciation/amortisation and impairment - ROU assets	(42,220)	-	-	(42,220)
Opening net book balance	247,516	13,113	77,379	338,008
Capital asset additions or replacement assets				
By purchase - appropriation equity (a)	-	-	5,446	5,446
By purchase - appropriation ordinary annual services (b)	-	550	26,547	27,097
By purchase - other - ROU assets	-	-	-	-
By purchase - other	3,629	-	-	3,629
Total additions	3,629	550	31,993	36,172
Other movements				
Depreciation/amortisation expense	(6,247)	(5,845)	(30,554)	(42,646)
Depreciation/amortisation on ROU assets	(23,220)	-	-	(23,220)
Total other movements	(29,467)	(5,845)	(30,554)	(65,866)
As at 30 June 2022				
Gross book value	140,505	71,848	461,762	674,115
Gross book value - ROU assets	228,075	-	-	228,075
Accumulated depreciation/ amortisation and impairment	(81,462)	(64,030)	(382,944)	(528,436)
Accumulated depreciation/amortisation and impairment - ROU assets	(65,440)	-	-	(65,440)
Closing net book balance	221,678	7,818	78,818	308,314

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Suppliers	574	575	577	579	581
Grants	7,118	7,116	4,649	4,668	4,686
Write-down and impairment of assets	76,049	80,007	81,217	81,488	82,663
Interest expense	3,935	4,591	4,864	5,479	5,938
Other expenses	181,582	95,131	95,280	99,091	99,156
Total expenses administered on behalf of Government	269,258	187,420	186,587	191,305	193,024
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other levies	61,853	76,937	82,490	77,499	78,582
Other taxes	855,473	883,980	906,694	930,053	954,077
Total taxation revenue	917,326	960,917	989,184	1,007,552	1,032,659
Non-taxation revenue					
Fines and penalties	276,899	207,859	208,838	209,838	210,859
Other fees from regulatory services	287,930	188,174	188,174	188,174	187,999
Other revenue	271,791	301,247	301,116	288,213	292,246
Total non-taxation revenue	836,620	697,280	698,128	686,225	691,104
Total own-source revenue administered on behalf of Government	1,753,946	1,658,197	1,687,312	1,693,777	1,723,763
Total own-sourced income administered on behalf of Government	1,753,946	1,658,197	1,687,312	1,693,777	1,723,763
Net (cost of)/contribution by services	1,484,688	1,470,777	1,500,725	1,502,472	1,530,739
Surplus/(deficit)	1,484,688	1,470,777	1,500,725	1,502,472	1,530,739
Total comprehensive income/(loss)	1,484,688	1,470,777	1,500,725	1,502,472	1,530,739

Prepared on Australian Accounting Standards basis.

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Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,418	1,418	1,418	1,418	1,418
Taxation receivables	215,104	237,967	231,757	241,428	244,914
Trade and other receivables	285,681	316,568	317,350	300,975	303,793
Total financial assets	502,203	555,953	550,525	543,821	550,125
Total assets administered on behalf of Government	502,203	555,953	550,525	543,821	550,125
LIABILITIES					
Payables					
Suppliers	30,729	32,273	32,870	32,975	33,102
Grants	3,992	3,992	3,992	3,992	3,992
Other payables	7,521	7,914	8,066	8,093	8,010
Total payables	42,242	44,179	44,928	45,060	45,104
Provisions					
Other provisions	499,188	488,104	490,766	497,654	505,093
Total provisions	499,188	488,104	490,766	497,654	505,093
Total liabilities administered on behalf of Government	541,430	532,283	535,694	542,714	550,197
Net assets/(liabilities)	(39,227)	23,670	14,831	1,107	(72)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	346,166	247,896	247,524	247,158	246,623
Taxes	829,216	862,852	919,058	921,288	951,431
Net GST received	-	-	-	-	-
Other	479,510	413,692	444,941	450,547	436,742
Total cash received	1,654,892	1,524,440	1,611,523	1,618,993	1,634,796
Cash used					
Grant	7,118	7,116	4,649	4,668	4,686
Suppliers	(826)	(969)	(20)	474	454
Borrowing costs	3,935	4,591	4,864	5,479	5,938
Other	99,669	105,822	92,466	92,176	91,800
Total cash used	109,896	116,560	101,959	102,797	102,878
Net cash from/(used by) operating activities	1,544,996	1,407,880	1,509,564	1,516,196	1,531,918
Net increase/(decrease) in cash held	1,544,996	1,407,880	1,509,564	1,516,196	1,531,918
Cash and cash equivalents at beginning of reporting period	1,435	1,418	1,418	1,418	1,418
Cash from Official Public Account for:					
- Appropriations	121,304	128,497	112,708	112,929	112,922
Total cash from Official Public Account	121,304	128,497	112,708	112,929	112,922
Cash to Official Public Account for:					
- Appropriations	(1,666,317)	(1,536,377)	(1,622,272)	(1,629,125)	(1,644,840)
Total cash to Official Public Account	(1,666,317)	(1,536,377)	(1,622,272)	(1,629,125)	(1,644,840)
Cash and cash equivalents at end of reporting period	1,418	1,418	1,418	1,418	1,418

Prepared on Australian Accounting Standards basis.

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The role of the Australian Taxation Office (ATO) is to effectively manage and shape the tax and superannuation systems that support and fund services for Australians. Our vision is to be a leading tax and superannuation administration, known for our contemporary service, expertise and integrity.

Our strategic direction centres on fostering community participation in the tax and superannuation systems. We do this by ensuring integrity, building confidence in the administration of these systems, and by being streamlined, integrated and data driven.

We will continue to work with the community and other government agencies to support our country's economic recovery by delivering government measures, improving small business tax performance and harnessing data and technology to make interactions with the ATO and government more seamless. We will maintain a focus on cyber security and strive to become a more purposeful organisation to maximise value for the ATO and the community.

Our progress is monitored through the perspectives of our strategic objectives, focusing on client experience and participation in the tax and superannuation systems as our ultimate measures of success.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1 tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Taxation Office resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	403,081	397,569
Departmental appropriation (c)	3,886,135	3,682,694
s74 External Revenue (d)	107,011	125,104
Departmental capital budget (e)	117,686	118,051
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	36,570	61,846
Equity injection	126,249	88,741
Total departmental annual appropriations	<u>4,676,732</u>	<u>4,474,005</u>
Special accounts (g)		
Opening balance	5,441	5,499
Appropriation receipts (h)	19,766	18,676
Total special accounts	<u>25,207</u>	<u>24,175</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>19,766</u>	<u>18,676</u>
Total departmental resourcing	<u>4,682,173</u>	<u>4,479,504</u>
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	7,915	5,814
Total administered annual appropriations	<u>7,915</u>	<u>5,814</u>
Special appropriations		
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>	120,000	120,000
<i>Product Grants and Benefits Administration Act 2000 - Product stewardship for oil</i>	84,800	77,000
<i>Superannuation Guarantee (Administration) Act 1992</i>	951,840	417,000
<i>Taxation Administration Act 1953 - section 16 (i)</i>	101,568,449	13,210,567
Total administered special appropriations	<u>102,725,089</u>	<u>13,824,567</u>
Special accounts (g)		
Opening balance	75,657	76,857
Appropriation receipts (h)	25,000	26,300
Total special account receipts	<u>100,657</u>	<u>103,157</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>25,000</u>	<u>26,300</u>
Total administered resourcing	<u>102,808,661</u>	<u>13,907,238</u>
Total resourcing for Australian Taxation Office	<u>107,490,834</u>	<u>18,386,742</u>
	<u>2020-21</u>	<u>2021-22</u>
Average staffing level (number)	18,131	18,349

Table 1.1: Australian Taxation Office resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

Third party payments from and on behalf of other entities

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	218,158	215,801
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	86,007	98,447
Payments made to corporate entities within the Portfolio Reserve Bank of Australia	77,795	91,351

Prepared on a resourcing (that is, appropriations available) basis

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2021-22.
- (b) Excludes \$4.9m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2021-22.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from ATO's annual and special appropriations.
- (i) These figures relate to administered expenses such as the Economic response to the coronavirus payments, fuel tax credit, research and development tax incentives, and Australian screen and digital game production incentive. Estimated tax refunds for 2020-21 are \$120.4 billion including \$20 million made on behalf of the ATO by the Department of Home Affairs. Estimated tax refund items for 2021-22 are \$129.3 billion including \$120 million made on behalf of the ATO by the Department of Home Affairs.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the ATO are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Australian Taxation Office 2021-22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook
(MYEFO)**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Payment measures						
COVID 19 Response Package — additional arts sector support						
Administered payment	1.5	-	5,000	15,000	25,000	30,000
Digital Economy Strategy						
Administered payment	1.1	-	1,132	3,455	3,700	11,600
Departmental payment	1.1	-	6,725	7,134	2,383	-
Early release for victims of family and domestic violence (a)						
Departmental payment	1.1	(9,024)	(13,927)	(12,357)	(12,235)	(12,235)
First Home Super Saver Scheme - technical changes (b)						
Departmental payment	1.1	-	14,547	4,345	2,221	1,389
Flexible Super — repealing the work test for voluntary superannuation contributions						
Departmental payment	1.1	-	1,390	1,347	347	162
GovERP — Common Corporate Australian Public Service System						
Departmental payment	1.1	-	nfp	-	-	-
Heavy Vehicle Road User Charge						
Administered payment	1.7	-	(16,000)	(19,000)	(19,000)	(19,000)
Junior Minerals Exploration Incentive — extension						
Administered payment	1.6	-	-	-	19,400	19,400
Modernising the individual residency rules (c)						
Departmental payment	1.1	-	-	1,024	-	-
Not for profits — enhancing the transparency of income tax exemptions(d)						
Departmental payment	1.1	-	-	1,862	-	-

**Table 1.2: Australian Taxation Office 2021-22 Budget measures (continued)
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook
(MYEFO)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	
Patent Box — tax concession for Australian medical and biotechnology innovations (e)						
Departmental payment	1.1	-	1,274	2,682	1,216	1,188
Removing the \$450 per month threshold for superannuation guarantee eligibility						
Administered payment	1.11	-	-	-	10,000	10,000
Departmental payment	1.1	-	1,970	4,804	3,842	909
Self managed superannuation funds — Legacy retirement product conversions						
Departmental payment	1.1	-	5,944	2,573	2,080	-
Transfer of superannuation to the KiwiSaver Scheme (f)						
Departmental payment	1.1	-	7,578	1,209	1,165	1,001
Treasury Portfolio - resourcing for Government priorities						
Departmental payment	1.1	-	946	855	806	-
Total		(9,024)	16,579	14,933	40,925	44,414
Total payment measures						
Administered payment		-	(9,868)	(545)	39,100	52,000
Departmental payment		(9,024)	29,772	15,478	1,825	(7,586)
Total		(9,024)	16,579	14,933	40,925	44,414

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) This measure includes reduction of capital funding of \$1.9 million for the ATO in 2020-21 and 2021-22.
- (b) This measure includes capital funding for the ATO of \$10.3 million over the Budget and forward years.
- (c) This measure includes capital funding for the ATO of \$1.0 million in 2022-23.
- (d) This measure includes capital funding for the ATO of \$1.9 million in 2022-23.
- (e) This measure includes capital funding for the ATO of \$1.8 million in 2022-23.
- (f) This measure includes capital funding for the ATO of \$1.7 million in 2021-22.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The ATO's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Australian Taxation Office can be found at: (<https://www.ato.gov.au/About-ATO/About/corporate-plan/>)

The most recent annual performance statement can be found at: (<https://www.ato.gov.au/about-ato/commitments-and-reporting/annual-report-and-other-reporting-to-parliament/annual-report/>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

Confidence in the administration of aspects of Australia's taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services.

Linked programs

Australian Criminal Intelligence Commission

Program 1.1 - Australian Criminal Intelligence Commission

Contribution to Outcome 1 made by linked programs

The Australian Criminal Intelligence Commission (ACIC) works collaboratively with the ATO to protect the financial system from criminal abuse, including through joint operations and task forces and the sharing of data and intelligence. The ACIC's special operations and investigations focus on the highest risk TSOC activities impacting Australia, including money laundering and serious financial crime.

Australian Federal Police

Program 1.1 - Federal Policing - Investigations

Contribution to Outcome 1 made by linked programs

The Australian Federal Police (AFP) relies on ATO intelligence and expertise for investigations, policy and taskforces combating serious financial crimes and its harm.

Australian Financial Security Authority

Program 1.1 - Personal Insolvency and Trustee Services

Contribution to Outcome 1 made by linked programs

Australian Financial Security Authority exchanges information with the ATO and administers the bankruptcy notices and payment arrangements to support this service.

<p>Australian Securities and Investments Commission</p>
<p>Program 1.1 – Australian Securities and Investment Commission</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Securities and Investments Commission (ASIC) exchanges information with the ATO in relation to self-managed superannuation fund auditor registration, and financial crime intelligence. ASIC contributes to the management and governance of the Standard Business Reporting program.</p>
<p>Australian Transaction Reports and Analysis Centre</p>
<p>Program 1.1 – AUSTRAC</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Transaction Reports and Analysis Centre (AUSTRAC) exchanges information with the ATO and delivers financial crime intelligence that assist key stakeholder agencies to make operational and intelligence decisions.</p>
<p>Department of Agriculture, Water and the Environment</p>
<p>Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Agriculture, Water and the Environment (DAWE) works with the Australian Taxation Office to administer financial aspects of the Product Stewardship for Oil program, pays the benefits on recycled motor oil and collects the levy on new oil entering the market from domestic sources.</p>
<p>Department of Education, Skills and Employment</p>
<p>Program 2.4 – Higher Education Loan Program</p> <p>Program 3.1 – Building Skills and Capability</p> <p>Program 3.2 – VET Student Loans</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Education, Skills and Employment exchanges information with the ATO in relation to the Higher Education Loans Program and Trade Support Loans.</p>

<p>Department of Health</p> <hr/> <p>Program 2.1 – Medical Benefits</p> <p>Program 2.3 – Pharmaceutical Benefits</p> <p>Program 2.4 – Private Health Insurance</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Health (DoH) contributes to the administrative arrangements for the Government’s Private Health Insurance Rebate. DoH also works with the ATO to deliver the Multi-agency Data Integration Project.</p>
<p>Department of Home Affairs</p> <hr/> <p>Program 3.3 – Border-Revenue Collection</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Home Affairs exchanges information with the ATO, administers the Tourist Refund Scheme and collects border revenue for: Excise Equivalent Goods, Goods and Services Tax, Luxury Car Tax and Wine Equalisation Tax on behalf of the ATO.</p>
<p>Department of Industry, Science, Energy and Resources</p> <hr/> <p>Program 1.1 – Investing in science, technology and commercialisation</p> <p>Program 1.2 – Growing innovative and competitive businesses, industries and regions</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Industry, Science, Energy and Resources work together with the ATO to enable the growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.</p>
<p>Department of the Treasury</p> <hr/> <p>Program 1.1 – Department of the Treasury</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Treasury (Treasury) contributes to the administration of the National Tax Equivalent Regime. Treasury co-regulates the <i>Foreign Acquisitions and Takeovers Act 1975</i> with the ATO, which also maintains current registers of foreign ownership.</p>

Services Australia

Program 1.1 – Services to the Community – Social Security and Welfare

Program 1.2 – Services to the Community – Health

Program 1.3 – Child Support

Contribution to Outcome 1 made by linked programs

Services Australia supports individuals, families and communities to achieve greater self-sufficiency by providing administration and payments services on behalf of the ATO.

Budgeted expenses for Outcome 1

This table shows how much the ATO intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,915	5,814	6,196	295	-
Administered total	7,915	5,814	6,196	295	-
Departmental expenses					
Departmental appropriation	3,621,096	3,487,095	3,283,872	2,765,363	2,777,328
s74 External Revenue (a)	99,785	125,499	114,745	115,188	119,118
Expenses not requiring appropriation in the Budget year (b)	218,197	209,471	203,494	189,141	188,939
Departmental total	3,939,078	3,822,065	3,602,111	3,069,692	3,085,385
Total expenses for program 1.1	3,946,993	3,827,879	3,608,307	3,069,987	3,085,385
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	22,954	20,841	19,517	19,578	19,633
Departmental total	22,954	20,841	19,517	19,578	19,633
Total expenses for program 1.2	22,954	20,841	19,517	19,578	19,633
Program 1.3: Australian Business Register					
Departmental expenses					
Departmental appropriation	122,852	156,082	157,016	157,630	158,238
Departmental total	122,852	156,082	157,016	157,630	158,238
Total expenses for program 1.3	122,852	156,082	157,016	157,630	158,238
Program 1.4: Australian Charities and Not-for-profits Commission					
Departmental expenses					
Special accounts					
Australian Charities and Not-for-profits Commission Special Accounts	19,766	18,676	18,551	17,398	17,452
Departmental total	19,766	18,676	18,551	17,398	17,452
Total expenses for program 1.4	19,766	18,676	18,551	17,398	17,452

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.5: Australian Screen and Digital Game Production Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	397,000	620,600	566,900	482,600	492,300
Administered total	397,000	620,600	566,900	482,600	492,300
Total expenses for program 1.5	397,000	620,600	566,900	482,600	492,300
Program 1.6: Junior Minerals Exploration Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	27,200	25,000	25,000	25,000	25,000
Administered total	27,200	25,000	25,000	25,000	25,000
Total expenses for program 1.6	27,200	25,000	25,000	25,000	25,000
Program 1.7: Fuel Tax Credit Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	7,623,130	8,071,968	8,449,993	9,117,133	9,859,999
Administered total	7,623,130	8,071,968	8,449,993	9,117,133	9,859,999
Total expenses for program 1.7	7,623,130	8,071,968	8,449,993	9,117,133	9,859,999
Program 1.8: National Rental Affordability Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	199,897	151,601	124,764	90,602	46,740
Administered total	199,897	151,601	124,764	90,602	46,740
Total expenses for program 1.8	199,897	151,601	124,764	90,602	46,740
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special Appropriations					
<i>Product Grants and Benefits Administration Act 2000 - product stewardship (oil) benefits</i>	84,800	77,000	78,000	78,000	78,000
Administered total	84,800	77,000	78,000	78,000	78,000
Total expenses for program 1.9	84,800	77,000	78,000	78,000	78,000

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.10: Research & Development Tax Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	3,084,572	2,728,645	2,758,778	2,891,360	3,030,241
Administered total	3,084,572	2,728,645	2,758,778	2,891,360	3,030,241
Total expenses for program 1.10	3,084,572	2,728,645	2,758,778	2,891,360	3,030,241
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	605,000	693,000	725,000	745,000	759,000
Administered total	605,000	693,000	725,000	745,000	759,000
Total expenses for program 1.11	605,000	693,000	725,000	745,000	759,000
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	240,000	251,000	257,000	264,000	271,191
Administered total	240,000	251,000	257,000	264,000	271,191
Total expenses for program 1.12	240,000	251,000	257,000	264,000	271,191
Program 1.13: Superannuation Co-contribution Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	127,000	124,000	124,000	117,000	114,000
Administered total	127,000	124,000	124,000	117,000	114,000
Total expenses for program 1.13	127,000	124,000	124,000	117,000	114,000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	951,840	417,000	447,000	480,000	518,000
Administered total	951,840	417,000	447,000	480,000	518,000
Total expenses for program 1.14	951,840	417,000	447,000	480,000	518,000

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.15: Targeted assistance through the taxation system					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>					
	22,000	19,000	5,000	5,000	5,000
Administered total	22,000	19,000	5,000	5,000	5,000
Total expenses for program 1.15	22,000	19,000	5,000	5,000	5,000
Program 1.16: Interest on Overpayment and Early Payments					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>					
	80,000	100,000	100,000	100,000	100,000
Administered total	80,000	100,000	100,000	100,000	100,000
Total expenses for program 1.16	80,000	100,000	100,000	100,000	100,000
Program 1.17: Bad & Doubtful Debts & Remissions					
Administered expenses					
Expenses not requiring appropriation in the budget year (b)					
	4,335,000	6,653,000	6,967,000	7,182,000	7,551,000
Administered total	4,335,000	6,653,000	6,967,000	7,182,000	7,551,000
Total expenses for program 1.17	4,335,000	6,653,000	6,967,000	7,182,000	7,551,000
Program 1.18: Seafarer Tax Offset					
Administered expenses					
Seafarer Tax Offset					
	9,000	9,000	9,000	9,000	9,000
Administered total	9,000	9,000	9,000	9,000	9,000
Total expenses for program 1.18	9,000	9,000	9,000	9,000	9,000
Program 1.19: Economic Response to the Coronavirus					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16</i>					
<i>Boosting cash flow for employers</i>	12,159,218	-	-	-	-
<i>JobKeeper Payment</i>	57,241,113	-	-	-	-
<i>JobMaker Hiring Credit</i>	34,000	47,000	12,000	-	-
Administered total	69,434,331	47,000	12,000	-	-
Total expenses for program 1.19	69,434,331	47,000	12,000	-	-

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,915	5,814	6,196	295	-
Special appropriations	82,885,770	13,334,814	13,682,435	14,404,695	15,308,471
Expenses not requiring appropriation in the Budget year (b)	4,335,000	6,653,000	6,967,000	7,182,000	7,551,000
Administered total	87,228,685	19,993,628	20,655,631	21,586,990	22,859,471
Departmental expenses					
Departmental appropriation (a)	3,766,902	3,664,018	3,460,405	2,942,571	2,955,199
s74 External Revenue (b)	99,785	125,499	114,745	115,188	119,118
Special accounts	19,766	18,676	18,551	17,398	17,452
Expenses not requiring appropriation in the Budget year (b)	218,197	209,471	203,494	189,141	188,939
Departmental total	4,104,650	4,017,664	3,797,195	3,264,298	3,280,708
Total expenses for Outcome 1	91,333,335	24,011,292	24,452,826	24,851,288	26,140,179
	2020-21	2021-22			
Average staffing level (number)	18,131	18,349			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees, and other resources received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1</p> <p>Confidence in the administration of aspects of Australia's taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services.</p>	
<p>Program 1.1 – Australian Taxation Office</p> <p>The objective of the ATO is to administer aspects of Australia's tax and superannuation systems providing confidence that the right amount of payments are being made and collected.</p>	
<p>Delivery</p>	<p>The ATO will deliver their objective by:</p> <ul style="list-style-type: none"> • collecting revenue; • making it easy for the community to understand and comply with obligations; • administering the goods and services tax on behalf of the Australian States and Territories; and • administering major aspects of Australia's superannuation system.
<p>Purposes</p>	<p>The ATO contributes to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems.</p> <p>We achieve this by:</p> <ul style="list-style-type: none"> • building trust and confidence • being streamlined, integrated and data driven
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Confidence — Community confidence in the ATO</p>	<p>Result (2019-20): 66/100</p> <p>Target 2020-21: 65/100</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Registration — Proportion of companies and individuals registered in the system	<p>Result (2019-20): Companies registered in the system: 66.1%. Individuals registered in the system: 106.0%</p> <p>Target 2020-21: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Lodgement — Proportion of activity statements and income tax returns lodged on time	<p>Result (2019-20): activity statements: 74.6%. income tax returns: 83.9% (2018-19 returns)</p> <p>Target: 2020-21: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Payment — Proportion of liabilities paid on time by value	<p>Result (2019-20): 88.7%</p> <p>Target 2020-21: 88%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Correct reporting – Tax gap as a proportion of revenue	<p>Result (2019-20): refer to Commissioner of Taxation Annual Report 2019-20 (pages 62-64) for detailed information</p> <p>Target 2020-21: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Debt — Ratio of collectable debt to net tax collections (a)	<p>Result (2019-20): 6.7%</p> <p>Target 2020-21: Below 5.5%</p> <p>Target 2021-22: Below 8.0%</p> <p>Target 2022-23: Below 7.5%</p> <p>Target 2023-24: Below 6.5%</p> <p>Target 2024-25: Below 6.0%</p>
Total revenue effects — Tax revenue from all compliance activities	<p>Result (2019-20): \$13.7 billion</p> <p>Target 2020-21: \$15 billion</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Tax assured — Proportion of the tax base where the ATO has justified trust that tax paid is correct based on the proportion of income, deductions and tax offsets assured	<p>Result (2019-20): 47.6% (2017–18 year). Refer to Commissioner of Taxation Annual Report 2019-20 (page 65) for detailed information</p> <p>Target 2020-21: Increase the proportion of the tax base where the ATO has justified trust to a level as high as practicable given the nature and complexity of the law and resources available.</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Influence — Government and Treasury perceptions of the ATO and the quality of our advice	<p>Result (2019-20): Very good</p> <p>Target 2020-21: Good</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Compliance cost — Adjusted median cost to individual taxpayers of managing their tax affairs	<p>Result (2019-20): 2.5% decrease (2018-19 returns)</p> <p>Target 2020-21: Remain steady</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

- (a) Debt target has been increased due to the broader economic environment, which has been impacted by droughts, bushfires and the COVID-19 pandemic.

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Working together — Partner perceptions of how the ATO is working together with them to administer the tax and superannuation system	<p>Result (2019-20): 67/100</p> <p>Target 2020-21: Equal to or better than the 2018-19 result (64/100)</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Digital — Proportion of inbound transactions received digitally for key services	<p>Result (2019-20): 91%</p> <p>Target 2020-21: 90%</p> <p>Target 2021-22: 92%</p> <p>Target 2022-23: 93.5%</p> <p>Target 2023-24: 95%</p> <p>Target 2024-25: 95%</p>
Availability — Key digital systems availability	<p>Result (2019-20): 99.7%</p> <p>Target 2020-21: 99.5% (excluding planned outages)</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Culture — Level of employee engagement	<p>Result (2019-20): 78%</p> <p>Target 2020-21: Equal to or better than the average result for large agencies</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Gender equality — Female representation in the senior executive service (SES) and executive level (EL) classifications	<p>Result (2019-20): SES 46.6% female, 53.4% male and EL 50.2% female and 49.8% male</p> <p>Target 2020-21: Approx. 50% of SES and approx. 50% of EL staff</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Indigenous representation — Proportion of ATO staff who identify as Indigenous	<p>Result (2019-20): 2.3%</p> <p>Target 2020-21: 2.5%</p> <p>Target 2021-22 and beyond: 3%</p>

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Staff experience – Employee perceptions around whether they have access to the tools and resources needed to perform well	<p>Result (2019-20): 86%</p> <p>Target 2020-21: Equal or better than the average result for large agencies</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Tax returns – Proportion of pre-filled data items unchanged</p> <p>Tax returns – Proportion of pre-filled items accepted without change</p> <p>(Note: change to measure name for 2021-22)</p>	<p>Result (2019-20): 87.1%</p> <p>Target 2020-21: 85%</p> <p>Target 2021-22: 90%</p> <p>Target 2022-23 and beyond: As per 2021-22</p>
Budget — ATO manages its operating budget to balance	<p>Result (2019-20): 0.2% surplus</p> <p>Target 2020-21: +/-0.6% of budget allocation</p> <p>Target 2021-22: +/-1.0% of budget allocation</p> <p>Target 2022-23 and beyond: As per 2021-22</p>
Cost of collection - Cost to collect \$100	<p>Result (2019-20): \$0.66 (incl GST) \$0.62 (excl GST)</p> <p>Target 2020-21: Consistent with trend</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.2 – Tax Practitioners Board (TPB)</p> <p>The TPB has the general administration of the <i>Tax Agent Services Act 2009</i> (TASA) and is responsible for the registration and regulation of tax practitioners. These include tax agents, business activity statement (BAS) agents and tax (financial) advisers.</p> <p>The TPB's establishment, functions and powers are defined in the TASA. The TPB's role is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.</p>	
<p>Delivery</p>	<p>The TPB has overarching strategies to deliver its program:</p> <ul style="list-style-type: none"> • Client Services will provide confidence to consumers of tax practitioner services by ensuring that registered tax practitioners meet and maintain the necessary competence and personal attributes for the tax practitioner profession. • Technology will support business outcomes with digital and IT solutions for clients and staff, including improved data analytics. • Law and Compliance unit will implement data-driven compliance activities that focus on the highest risk and unregistered tax practitioners. • Law and Policy will manage our litigation work program, develop policy and guidance, and work closely with Treasury to develop and implement the legislative changes that are expected to arise from the TASA review. • Corporate Services will implement and provide a complete and uniform governance framework that includes budgeting, people management, planning, risk assessment, communication, change management, and corporate strategy.
<p>Purpose</p>	<p>The TPB seeks to protect consumers of taxation services by regulating tax practitioners in a fair, consistent and practical way, thereby strengthening the integrity of the tax practitioner profession by:</p> <ol style="list-style-type: none"> 1. Efficient registration of tax practitioners 2. Effective compliance through deterrence and education 3. Innovation and preparation for the future

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Performance information 2020-21	
Performance criteria	Targets
Protect consumers of tax practitioner services	
1.1 Support consumers through targeted communications that raise awareness of consumer rights and tax professionals' obligations	<p>Effective communication is used to highlight risk, protect consumers and educate the profession.</p> <p>Forecast: We continued to see increased use across many of our communication channels.</p>
1.2 Deliver a complaints resolution framework that supports consumer protection	<p>Complaints are handled effectively.</p> <p>Forecast: Case closure rates continue to improve as we increase our complex technical capabilities.</p>
1.3 Manage an effective public register that is readily accessible	<p>The TPB Register is current and contemporary.</p> <p>Forecast: The public register remains available 99% of the time.</p>
Enhance the integrity of the registered tax practitioner profession	
2.1 Provide guidance and advice to tax practitioners on their eligibility and obligations	<ul style="list-style-type: none"> • Useful advice and guidance are provided. • Processing of all tax practitioner applications is timely. <p>Forecast: Continue to engage effectively with our external stakeholders.</p> <p>Forecast: The TPB will continue to meet registrations targets.</p>
2.2 Target the highest risk tax practitioners with investigations and compliance programs	<p>Data and intelligence target the highest risk tax practitioners.</p> <p>Forecast: The TPB continues to refine its ability to access and use data in compliance work.</p>
2.3 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct	<p>Litigation cases that clarify the law and support TPB's goals.</p> <p>Forecast: The TPB has successfully achieved litigation outcomes.</p>

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Performance information 2020-21	
Performance criteria	Targets
Implement the government's reform program	
3.1 Work with government to design and implement statutory reform	The TPB influences legislative reform. Forecast: The TPB continues to collaborate productively with the Government.
3.2 Ensure the public is confident to use tax practitioner services	The Australian public continue to show high levels of trust and satisfaction with tax practitioners. Forecast: The TPB will continue activities to maintain consumer confidence.
3.3 Be an effective and efficient regulator	The TPB is recognised as an efficient and effective regulator. Forecast: Feedback from the external forums continues to be positive.
Performance information 2021-22	
Performance criteria	Targets
Efficient registration of tax practitioners	
1.1 Improve the registration experience for tax practitioners	Improve the experience by streamlining processes and increasing automation.
1.2 Tax practitioner applications and enquiries are treated efficiently	The majority of applications are processed within service standards. Response to enquiries is appropriate and timely.
Effective compliance through deterrence and education	
2.1 Provide guidance and advice to tax practitioners on their eligibility requirements and obligations under the <i>Tax Agent Services Act 2009</i>	Useful advice and guidance are provided.
2.2 Provide support through targeted communications that educate tax practitioners	Effective communication is used to assist consumer protection and educate the profession.
2.3 Impede misconduct by tax practitioners and unregistered preparers through our compliance programs	Data and intelligence are used to deliver an effective compliance program.
2.4 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct	Litigation cases that clarify the law and support the TPB's goals.

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Performance information 2021-22	
Performance criteria	Targets
Innovation and preparation for the future	
3.1 Work with Treasury and Government to design and implement reforms to the TASA and the TPB (including funding requirements)	Treasury considers submissions from the TPB and works collaboratively with the TPB on new law design.
3.2 Deliver an ongoing technology program to support enhanced services and drive operational efficiency	System upgrades are contemporary and engaging.
3.3 Support our people by delivering a comprehensive People Program	Implementation of a reward and recognition program.
Performance information 2022-23 and beyond	
Performance criteria	Targets
As per 2021-22	As per 2021-22

<p>Program 1.3 — Australian Business Register</p> <p>The Commissioner of Taxation is the Registrar of the Australian Business Register (ABR), and has a number of separate and distinct registry functions and powers under the <i>A New Tax System (Australian Business Number) Act 1999</i>, the <i>Commonwealth Registers Act 2020</i> and the <i>Treasury Laws Amendment (Registries Modernisation and Other Measures) Act 2020</i>.</p> <p>The ABR program contributes to micro-economic reform initiatives as the custodian of trusted business information and provider of associated services used by businesses, government and communities to unlock economic and social value for Australia. Registry streamlining processes have commenced, with registry staff from ASIC moving to the ATO in April 2021.</p> <p>The ABR program encompasses:</p> <ul style="list-style-type: none"> • the register of Australian Business Numbers (ABNs), which is a trusted national business dataset and business registry service; • Standard Business Reporting, which defines a common language for business information and standards for digital information exchange and sharing with businesses and government; and • the introduction of Director Identification Numbers as part of the Modernising Business Registers Program, which will provide traceability of a director's relationships over time, and across companies, to assist regulators and external administrators to investigate a director's involvement in illegal phoenix activity. 	
<p>Delivery</p>	<p>The ABR program works with Government, Digital Service Providers, the business community and other key stakeholders to support a fairer business environment that fosters greater economic growth and job creation. This will be achieved through increase use of a trusted national business dataset and use of consistent information exchange standards</p>
<p>Purpose</p>	<p>The ABR program contributes to improving national productivity by:</p> <ul style="list-style-type: none"> • delivering effective and efficient business registry services that provide trusted and accessible national business data • encourage trust and confidence in the broader use of national business data, by the community, businesses and government to promote the development of new and better services for businesses, using the ABN as a key identifier • reducing the administrative cost to businesses in their dealings with other businesses and government.

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Increased use of the ABR as the national business dataset	<p>Result (2019-20): 405 agencies using ABR Explorer (10% increase) 27 agencies using ABR Connect (58% increase) 1,519 million ABN Lookup searches (5% increase)</p> <p><u>Target 2020-21:</u> ABR Explorer — 400 ABR Connect — 16 ABN Lookup — 1.5 billion</p> <p><u>Target 2021-22:</u> ABR Explorer — 420 ABR Connect — 18 ABN Lookup — 1.8 billion</p> <p><u>Target 2022-23 and beyond:</u> As per 2021-22</p>
Reduction in the administrative cost to businesses and government in dealing with each other	<p>Result (2019-20): \$1.95 billion</p> <p><u>Target 2020-21:</u> Total — \$1.98 billion</p> <p><u>Target 2021-22:</u> Total — \$2.00 billion</p> <p><u>Target 2022-23 and beyond:</u> As per 2021-22</p>

Program 1.4 — Australian Charities and Not-for-profits Commission		
The Australian Charities and Not-for-profits Commission (ACNC) is the independent national regulator of charities. The ACNC Commissioner (the Commissioner) has a number of statutory functions and regulatory powers set out in the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (ACNC Act), the Charities Act 2013 (Cth) (the Charities Act) and accompanying regulations.		
Delivery	The ACNC effectively manage a regulatory system for the Australian charitable sector by: <ul style="list-style-type: none"> • registering eligible not-for-profit entities as charities in accordance with the ACNC Act and the Charities Act. • providing information, guidance and advice about good governance practices and to assist charities to meet their obligations to maintain charity registration. • assess concerns raised about registered charities, investigate where appropriate and initiate compliance action against charities that contravene the ACNC Act, the Charities Act, Governance Standards or External Conduct Standards. • working with other Government agencies (Commonwealth, state and territory) to reduce unnecessary regulation on charities and align regulatory obligations through various mechanisms, including the ACNC's Charity Passport. 	
Purposes	The ACNC has the following objects (included in the ACNC Act) which contribute to a charity sector that inspires confidence and respect. The objects are: <ul style="list-style-type: none"> • to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector; • to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector; • to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector. 	
Performance information		
Year	Performance criteria	Targets
2021-22	Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector	
	Percentage of new charity registrations completed within agreed timeframes	90% Forecast 2020-21: On track to be met or partially met by 30 June 2021
	Percentage of charities complying with timeliness of Annual Information Statement submission requirements	75% Forecast 2020-21: Results not yet available
	Percentage of investigations finalised within 12 months	75% Forecast 2020-21: On track to be met or partially met by 30 June 2021

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Performance information		
Year	Performance criteria	Targets
2021-22	Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
	The ACNC will collect new information, about the programs charities conduct, using a consistent taxonomy classification, where they conduct those programs and who those programs will benefit. Once collected, this information will be accessible to government and the public.	2020-21 Target: Launch of enhanced charities register. 2021-22 Target: Searchable program data available. Forecast 2020-21: On track to be met or partially met by 30 June 2021
	Percentage of time phone calls are answered within 4 minutes.	80% Forecast 2020-21: On track to be met or partially met by 30 June 2021
	Information and guidance materials are reviewed and updated or published for the first time on the ACNC website to assist charities in understanding their obligations	Information and guidance materials reviewed and updated or published for the first time as required Forecast 2020-21: On track to be met or partially met by 30 June 2021
2021-22	Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
	Reduce unnecessary regulation for charities by simplifying and streamlining reporting	The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities Forecast 2020-21: On track to be met or partially met by 30 June 2021
2022-23 and beyond	As per 2021-22	As per 2021-22

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Program 1.5 – 1.19 Administered programs	
The ATO administers a range of payments and transfers on behalf of the Australian Government, including incentives and rebates delivered through the taxation and superannuation systems.	
Delivery	Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the taxation and superannuation systems.
Purpose	The ATO contributes to the economic and social wellbeing of Australians through governing a range of programs that result in transfers and benefits back to the community.

Program 1.5 — Australian Screen and Digital Game Production Incentive	
<p>The Australian Screen Production Incentive comprises three refundable film tax offsets: the Producer Offset, the Location Offset, and the Post, Digital and Visual Effects (PDV) Offset. These offsets are designed to ensure Australia remains competitive in attracting high budget film and television productions and are aimed at providing increased opportunities for Australian casts, crew, post-production companies and other services to participate in these productions.</p> <p>The Digital Game Offset is a new tax incentive, commencing from 1 July 2022 that would provide a refundable tax offset for qualifying Australian games expenditure to eligible businesses.</p> <p>The Ministry for the Arts, along with Screen Australia and the ATO, have co-administration responsibilities for the program. Screen Australia has responsibility for the Producer Offset while the Ministry for the Arts has responsibility for the Location, PDV and Digital Game Offset. The ATO conducts verification and reconciliation with the certificates provided by the government agencies before the offset is paid to the taxpayer.</p>	
Performance information 2020-21 and beyond	
Performance criteria	Targets
Value of tax offsets processed	<p>Result (2019-20): \$349.4 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.6 — Junior Minerals Exploration Incentive</p> <p>The Junior Minerals Exploration Incentive allows small mineral exploration companies with no taxable income to provide exploration credits, paid as a refundable tax offset, to their Australian resident shareholders for greenfield mineral exploration.</p>	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing</p>	<p>Result (2019-20): Target met</p> <p>Target 2020-21: 100% notifications issued within 28 calendar days of the application period closing</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued</p>	<p>Result (2019-20): Target met</p> <p>Target 2020-21: Within 56 calendar days of the application period closing</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.7— Fuel Tax Credits Scheme</p> <p>The objective of the Fuel Tax Credits Scheme is to remove or reduce the incidence of fuel tax levied on taxable fuels by providing a credit for fuel used for:</p> <ul style="list-style-type: none"> • business activities in machinery, plant and equipment and vehicles; • the domestic generation of electricity by taxpayers not in business. 	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of claims</p>	<p>Result (2019-20): \$7.4 billion</p> <p>Target 2020-21: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.8 — National Rental Affordability Scheme</p> <p>The Department of Social Services has policy responsibility for the National Rental Affordability Scheme. The objectives are to:</p> <ul style="list-style-type: none"> • increase the supply of new affordable rental housing; • reduce rental costs for low and moderate income households — National Rental Affordability Scheme homes rented to eligible tenants at a rate that is at least 20 per cent below the market value rent; and • encourage large-scale investment and innovative delivery of affordable housing through the provision of the following incentives: <ul style="list-style-type: none"> — an Australian Government incentive per dwelling per year as a tax offset or direct payment; and — a State or Territory Government incentive as a direct payment per dwelling per year or in-kind financial support. 	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of tax offsets processed</p>	<p>Result (2019-20): \$160.0 million</p> <p>Target 2020-21: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.9 — Product Stewardship for Oil</p> <p>The objective of the Product Stewardship for Oil Program is to:</p> <ul style="list-style-type: none"> • provide incentives to increase used oil recycling; and • encourage the environmentally sustainable management and re-refining of used oil and its re-use. <p>These objectives are met through the payment of a levy by producers and importers of petroleum based oils and their synthetic equivalents. Benefits are paid to oil recyclers as an incentive to undertake increased recycling of used oil.</p> <p>The Department of the Environment and Energy has policy responsibility for the program, with the ATO administering the program on its behalf.</p>	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of revenue collected</p>	<p>Result (2019-20): \$31.4 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Value of payments processed</p>	<p>Result (2019-20): \$90.4 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

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<p>Program 1.10 — Research and Development Tax Incentive</p> <p>The Research and Development (R&D) Tax Incentive is an ongoing scheme designed to increase the level of research and development being conducted by Australian companies.</p> <p>The Department of Industry, Innovation and Science has the primary policy responsibility for the program with the aim of increasing both the number of companies investing in innovation and the value of innovation investment over time.</p> <p>The ATO has an important supporting role in processing claims through the tax system for the R&D offset.</p>	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)</p>	<p>Result (2019-20): \$2.1 billion tax offset paid</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Value of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)</p>	<p>Result (2019-20): \$2.3 billion tax offset paid</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Number of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)</p>	<p>Result (2019-20): 1,468</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Number of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)	<p>Result (2019-20): 10,017</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Proportion of offsets processed within service standard timeframes	<p>Result (2019-20): 85.6%</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

Performance information 2020-21 and beyond	
Performance criteria	Targets
Value of entitlements paid	<p>Result (2019-20): \$703.2 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.12 — Private Health Insurance Rebate</p> <p>The objective of the Private Health Insurance Rebate is to provide access to a benefit to eligible individuals with private health insurance and to act as an incentive to take up private health insurance.</p> <p>The Department of Health has policy responsibility for the program, and the administration of the program is split between the ATO and registered health insurers, depending on the claim method.</p>	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of rebates processed</p>	<p>Result (2019-20): \$235.5 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.13 — Superannuation Co-contribution Scheme</p> <p>The Superannuation Co-contribution Scheme is to help low-and-middle income earners save for their retirement. Eligible individuals who make personal superannuation contributions to a complying superannuation fund or retirement savings account receive a co-contribution from the Government up to certain limits.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program and provides information and support to individuals and superannuation funds through marketing and education services.</p>	
<p>Performance information 2020-21 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of entitlements paid</p>	<p>Result (2019-20): \$120.8 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

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Program 1.14 — Superannuation Guarantee Scheme	
<p>Under the <i>Superannuation Guarantee (Administration) Act 1992</i> (SGAA), most employers must pay superannuation contributions into a complying superannuation fund or retirement savings account.</p> <p>Non-compliance with the SGAA by employers means that eligible employees will not receive their entitlements to, and benefits of, superannuation in their retirement.</p>	
Performance information 2020-21 and beyond	
Performance criteria	Targets
Superannuation guarantee gap as a proportion of superannuation guarantee contributions	<p>Result (2019-20): 4.0% or \$2,440 million (2017–18)</p> <p>Target 2020-21: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Value of superannuation guarantee charge:</p> <ul style="list-style-type: none"> • raised (including penalties and interest) • collected 	<p>Result (2019-20): \$1,033.5 million raised; \$674.0 million collected</p> <p>(Raised)</p> <p>Target 2020-21: \$1,020 million Target 2021-22: \$812 million Target 2022-23: \$845 million Target 2023-24: \$902 million Target 2024-25: \$974 million</p> <p>(Collected)</p> <p>Target 2020-21: \$516 million Target 2021-22: \$462 million Target 2022-23: \$478 million Target 2023-24: \$513 million Target 2024-25: \$554 million</p>
Value of superannuation guarantee entitlements distributed to individuals or superannuation funds	<p>Result (2019-20): \$611.2 million</p> <p>Target 2020-21: \$485 million Target 2021-22: \$421 million Target 2022-23: \$414 million Target 2023-24: \$445 million Target 2024-25: \$480 million</p>

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Performance information 2020-21 and beyond	
Performance criteria	Targets
Value of superannuation guarantee debt on hand and the amount of superannuation guarantee debt irrecoverable at law or uneconomical to pursue	<p>Result (2019-20): \$2.4 billion debt on hand; \$74.6 million irrecoverable at law or uneconomical to pursue</p> <p>Debt on hand:</p> <p>Target 2020-21: \$2,800 million</p> <p>Target 2021-22: \$2,700 million</p> <p>Target 2022-23: \$2,900 million</p> <p>Target 2023-24: \$3,100 million</p> <p>Target 2024-25: \$3,300 million</p> <p>Irrecoverable at law or uneconomical to pursue:</p> <p>Target 2020-21: \$203 million</p> <p>Target 2021-22: \$195 million</p> <p>Target 2022-23: \$198 million</p> <p>Target 2023-24: \$203 million</p> <p>Target 2024-25: \$209 million</p>

Program 1.15 — Targeted Assistance Through the Taxation System	
<p>Under the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i>, superannuation funds must identify certain types of lost and former temporary resident accounts as unclaimed superannuation money and transfer amounts to the ATO every six months.</p> <p>Since 1 July 2013, any unclaimed superannuation money payments from the ATO to individuals includes interest, at a rate equivalent to the consumer price index, to preserve the value of these accounts. While the Treasury has policy responsibility, the ATO administers the program.</p>	
Performance information 2020-21 and beyond	
Performance criteria	Targets
Value of interest payments processed	<p>Result (2019-20): \$92.0 million</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

Program 1.16 — Interest on Overpayment and Early Payments of Tax	
<p>The objective of the program is to apply credit interest to taxpayers' accounts where they are entitled under the law.</p> <p>The application of credit interest is non-discretionary where an entitlement exists under the <i>Taxation (Interest on Overpayments and Early Payments) Act 1983</i>. Administered interest regimes include:</p> <ul style="list-style-type: none"> • interest on overpayments of tax; • delayed refund interest; and • interest on early payments of tax. 	
Performance information 2020-21 and beyond	
Performance criteria	Targets
Value of credit interest applied to client accounts due to processing performance	Result (2019-20): \$121.0 million
Value of credit interest applied to client accounts (Note: change to measure name for 2020-21)	Target 2020-21: The ATO aims to administer the program in accordance with the law
	Target 2021-22 and beyond: As per 2020-21

Program 1.17 — Bad and Doubtful Debts and Remissions	
<p>The primary objective of the program is to help ensure that the value of tax receivables reported is a true and fair estimate of what can be collected on behalf of the Australian Government.</p> <p>The ATO may not be able to collect all tax liabilities due. The ATO estimates the amount it does not expect to recover and, in accordance with Australian Accounting Standards, creates an impairment allowance provision for this amount. This provision is one of the amounts offset against the gross total taxation receivables to determine the net total taxation receivables, which is a true and fair estimate of what can be collected on behalf of the Australian Government.</p>	
Performance information 2019-20 and 2020-21	
Performance criteria	Targets
Proportion of total tax receivables unlikely to be collected (provision)	Result (2019-20): 35%
	Target 2020-21: Below 35%
	Target 2021-22 and beyond: not applicable
Performance information 2021-22 and beyond	
Performance criteria	Targets
Ratio of debt uneconomical to pursue to ATO net tax collections	Target 2021-22: Below 1%
(Note: change to measure for 2021-22. Previously proportion of total tax receivables unlikely to be collected (provision))	Target 2022-23 and beyond: As per 2021-22

Program 1.18 — Seafarer Tax Offset	
The Seafarer Tax Offset commenced from 1 July 2012 and is designed to stimulate employment opportunities for Australian seafarers to gain maritime skills. The offset will provide a refundable tax offset for qualifying companies employing eligible seafarers. A Bill to abolish the Seafarer Tax Offset was tabled in Parliament but has now lapsed. There has been no Government announcement on the future of the Seafarer Tax Offset since the lapsing of the Bill.	
Performance information 2020-21 and beyond	
Performance criteria	Targets
Seafarer Tax Offset	
Eligible taxpayers are aware of how to claim the offset	Result (2019-20): 100% Target 2020-21: 100% Target 2021-22 and beyond: As per 2020-21

Program 1.19 — Economic Response to the Coronavirus	
The objective of the program is to support taxpayers and businesses through the coronavirus (COVID-19) pandemic. JobMaker Hiring Credit is a broad scheme to encourage job creation by employers in the COVID-19 recovery. JobMaker Hiring Credit is aimed at supporting young people (aged 16 to 35 years) into employment. This program also covered the JobKeeper Payment scheme and Boosting cash flow for employers , both of which ceased in the 2020-21 year. The Treasury has policy responsibility for the program, while the ATO administers the program.	
Performance information 2020-21 and beyond	
Performance criteria	Targets
Value of JobKeeper paid	Result (2019-20): \$20.6 billion Target 2020-21: The ATO aims to administer the program in accordance with the law Target 2021-22: Not applicable (the program ceased in 2020–21)
Value of Cash flow boost paid	Result (2019-20): \$14.5 billion Target 2020-21: The ATO aims to administer the program in accordance with the law Target 2021-22: Not applicable (the program ceased in 2020–21)
Value of Hiring credit paid	Result (2019-20): Not applicable Target 2020-21: The ATO aims to administer the program in accordance with the law Target 2021-22 and beyond: As per 2020-21

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The budgeted financial statements have been prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ATO's total operating revenue for 2021-22 is estimated at \$3.8 billion while expenditure is estimated to be \$4.0 billion, inclusive of unfunded depreciation. These budgeted amounts have increased since the 2020-21 Budget mainly due to new Budget measure funding to support Government initiatives.

Departmental balance sheet (Table 3.2)

ATO's net assets as at 30 June 2022 is expected to be \$231.3 million. Net assets have increased by \$3.7 million since 2020-21 Budget mainly due to increases in Trade and other receivables.

Departmental capital budget statement (Table 3.5)

Total capital appropriations in 2021-22 have increased by \$9.4 million since the 2020-21 Budget, as a result of new capital measures.

Total purchase of non-financial assets in 2021-22 have increased by \$11.1 million since the 2020-21 Budget, primarily due to new capital measures.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	2,119,106	2,184,457	2,187,098	1,955,938	1,956,000
Suppliers	1,548,309	1,388,595	1,159,831	870,000	886,390
Depreciation and amortisation (a)	424,543	432,837	433,462	419,671	419,671
Finance costs	12,692	11,775	16,804	18,689	18,647
Total expenses	4,104,650	4,017,664	3,797,195	3,264,298	3,280,708
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	73,555	87,371	91,583	96,305	100,107
Sublease income	16,497	15,792	13,234	10,789	10,985
Sublease interest income	326	244	171	94	26
Other	9,407	22,092	9,757	8,000	8,000
Total own-source revenue	99,785	125,499	114,745	115,188	119,118
Gains					
Other	3,000	3,000	3,000	3,000	3,000
Total gains	3,000	3,000	3,000	3,000	3,000
Total own-source income	102,785	128,499	117,745	118,188	122,118
Net (cost of)/contribution by services	(4,001,865)	(3,889,165)	(3,679,450)	(3,146,110)	(3,158,590)
Revenue from Government	3,827,668	3,682,694	3,478,956	2,959,969	2,972,651
Surplus/(deficit) attributable to the Australian Government	(174,197)	(206,471)	(200,494)	(186,141)	(185,939)
Total comprehensive income/(loss)	(174,197)	(206,471)	(200,494)	(186,141)	(185,939)
Total comprehensive income/(loss) attributable to the Australian Government	(174,197)	(206,471)	(200,494)	(186,141)	(185,939)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	41,000	-	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	198,811	199,368	186,519	174,308	174,308
plus: depreciation/amortisation expenses for ROU (b)	225,732	233,469	246,943	245,363	245,363
less: principal repayments on leased assets (b)	209,346	226,366	232,968	233,530	233,732
Total comprehensive income/(loss) - as per the statement of comprehensive income	(174,197)	(206,471)	(200,494)	(186,141)	(185,939)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	36,184	36,243	36,243	36,243	36,243
Trade and other receivables	519,245	520,793	532,345	525,536	533,414
Total financial assets	555,429	557,036	568,588	561,779	569,657
Non-financial assets					
Land and buildings	1,118,907	1,164,827	1,471,644	1,376,265	1,111,043
Property, plant and equipment	45,876	45,511	47,683	42,499	41,787
Intangibles	562,465	565,012	510,090	481,319	447,909
Other non-financial assets	4,524	5,024	5,528	5,528	5,528
Total non-financial assets	1,731,772	1,780,374	2,034,945	1,905,611	1,606,267
Total assets	2,287,201	2,337,410	2,603,533	2,467,390	2,175,924
LIABILITIES					
Payables					
Suppliers	241,324	243,414	245,518	245,518	245,518
Employees	44,042	52,863	62,815	56,006	63,884
Other payables	3,454	3,459	3,459	3,459	3,459
Total payables	288,820	299,736	311,792	304,983	312,861
Interest bearing liabilities					
Leases	1,030,065	1,072,146	1,386,668	1,319,166	1,085,434
Total interest bearing liabilities	1,030,065	1,072,146	1,386,668	1,319,166	1,085,434
Provisions					
Employee provisions	727,857	727,916	727,916	727,916	727,916
Other provisions	9,439	6,271	6,271	6,271	6,271
Total provisions	737,296	734,187	734,187	734,187	734,187
Total liabilities	2,056,181	2,106,069	2,432,647	2,358,336	2,132,482
Net assets	231,020	231,341	170,886	109,054	43,442
EQUITY*					
Parent entity interest					
Contributed equity	2,115,520	2,322,312	2,462,351	2,586,660	2,706,987
Reserves	122,807	122,807	122,807	122,807	122,807
Retained surplus (accumulated deficit)	(2,007,307)	(2,213,778)	(2,414,272)	(2,600,413)	(2,786,352)
Total equity	231,020	231,341	170,886	109,054	43,442

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity — summary of movement
(Budget year 2021-22)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(2,007,307)	122,807	2,115,520	231,020
Adjusted opening balance	(2,007,307)	122,807	2,115,520	231,020
Comprehensive income				
Surplus/(deficit) for the period	(206,471)	-	-	(206,471)
Total comprehensive income	(206,471)	-	-	(206,471)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	88,741	88,741
Departmental Capital Budget (DCB)	-	-	118,051	118,051
Total transactions with owners	-	-	206,792	206,792
Estimated closing balance as at 30 June 2022	(2,213,778)	122,807	2,322,312	231,341
Closing balance attributable to the Australian Government	(2,213,778)	122,807	2,322,312	231,341

Prepared on Australian Accounting Standards basis

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,848,974	3,681,962	3,466,385	2,966,778	2,964,773
Sale of goods and rendering of services	107,011	125,104	114,332	115,188	119,118
Net GST received	132,476	131,034	130,218	128,786	128,786
Total cash received	4,088,461	3,938,100	3,710,935	3,210,752	3,212,677
Cash used					
Employees	2,147,047	2,188,693	2,185,961	1,962,747	1,948,122
Suppliers	1,536,244	1,374,057	1,146,416	867,000	883,390
Borrowing costs	12,692	11,775	16,804	18,689	18,647
Net GST paid	130,902	131,450	128,786	128,786	128,786
Total cash used	3,826,885	3,705,975	3,477,967	2,977,222	2,978,945
Net cash from/(used by) operating activities	261,576	232,125	232,968	233,530	233,732
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	269,914	212,492	140,039	124,309	120,327
Total cash used	269,914	212,492	140,039	124,309	120,327
Net cash from/(used by) investing activities	(269,914)	(212,492)	(140,039)	(124,309)	(120,327)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	217,742	206,792	140,039	124,309	120,327
Total cash received	217,742	206,792	140,039	124,309	120,327
Cash used					
Principal payments on lease liability	209,346	226,366	232,968	233,530	233,732
Total cash used	209,346	226,366	232,968	233,530	233,732
Net cash from/(used by) financing activities	8,396	(19,574)	(92,929)	(109,221)	(113,405)
Net increase/(decrease) in cash held	58	59	-	-	-
Cash and cash equivalents at the beginning of the reporting period	36,126	36,184	36,243	36,243	36,243
Cash and cash equivalents at the end of the reporting period	36,184	36,243	36,243	36,243	36,243

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	117,686	118,051	120,343	119,599	120,327
Equity injections - Bill 2	100,056	88,741	19,696	4,710	-
Total new capital appropriations	217,742	206,792	140,039	124,309	120,327
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>217,742</i>	<i>206,792</i>	<i>140,039</i>	<i>124,309</i>	<i>120,327</i>
Total items	217,742	206,792	140,039	124,309	120,327
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	128,460	93,203	18,455	4,710	-
Funded by capital appropriation - DCB (b)	141,454	119,289	121,584	119,599	120,327
TOTAL	269,914	212,492	140,039	124,309	120,327
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	269,914	212,492	140,039	124,309	120,327
Total cash used to acquire assets	269,914	212,492	140,039	124,309	120,327

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	234,987	75,215	2,052,722	2,362,924
Gross book value - ROU assets	1,397,739	8,667	-	1,406,406
Accumulated depreciation/ amortisation and impairment	(70,040)	(35,966)	(1,490,257)	(1,596,263)
Accumulated depreciation/amortisation and impairment - ROU assets	(443,779)	(2,040)	-	(445,819)
Opening net book balance	1,118,907	45,876	562,465	1,727,248
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	93,203	93,203
By purchase - appropriation ordinary annual services (b)	45,125	15,010	59,154	119,289
By purchase - appropriation ordinary annual services - ROU assets	268,447	-	-	268,447
Total additions	313,572	15,010	152,357	480,939
Other movements				
Depreciation/amortisation expense	(34,183)	(15,375)	(149,810)	(199,368)
Depreciation/amortisation on ROU assets	(233,469)	-	-	(233,469)
Total other movements	(267,652)	(15,375)	(149,810)	(432,837)
As at 30 June 2022				
Gross book value	280,112	90,225	2,205,079	2,575,416
Gross book value - ROU assets	1,666,186	8,667	-	1,674,853
Accumulated depreciation/ amortisation and impairment	(104,223)	(51,341)	(1,640,067)	(1,795,631)
Accumulated depreciation/amortisation and impairment - ROU assets	(677,248)	(2,040)	-	(679,288)
Closing net book balance	1,164,827	45,511	565,012	1,775,350

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Subsidies	80,859,930	11,730,814	12,024,435	12,693,695	13,541,280
Personal benefits	972,000	1,068,000	1,106,000	1,126,000	1,144,191
Penalty and interest charge remission expense	1,330,000	1,330,000	1,390,000	1,490,000	1,600,000
Write-down and impairment of assets	3,005,000	5,323,000	5,577,000	5,692,000	5,951,000
Interest on overpayments	80,000	100,000	100,000	100,000	100,000
Superannuation Guarantee Charge	951,840	417,000	447,000	480,000	518,000
Unclaimed superannuation monies interest	22,000	19,000	5,000	5,000	5,000
Other Expenses	7,915	5,814	6,196	295	-
Total expenses administered on behalf of Government	87,228,685	19,993,628	20,655,631	21,586,990	22,859,471
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	341,702,382	329,417,815	334,053,289	365,704,705	392,117,952
Indirect tax	96,880,000	100,700,000	104,660,000	109,670,000	115,100,000
Other taxes	3,215,000	3,099,680	3,187,434	3,277,311	3,090,636
Total taxation revenue	441,797,382	433,217,495	441,900,723	478,652,016	510,308,588
Non-taxation revenue					
Unclaimed Superannuation Monies	434,000	205,000	93,000	123,000	88,000
Other Revenue	16,408	16,416	17,016	20,031	20,447
Total non-taxation revenue	450,408	221,416	110,016	143,031	108,447
Total own-source revenue administered on behalf of Government	442,247,790	433,438,911	442,010,739	478,795,047	510,417,035
Net (cost of)/contribution by services	355,019,105	413,445,283	421,355,108	457,208,057	487,557,564
Surplus/(deficit) before income tax	355,019,105	413,445,283	421,355,108	457,208,057	487,557,564

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	546,126	546,126	546,126	546,126	546,126
Total financial assets	546,126	546,126	546,126	546,126	546,126
Non-financial assets					
Taxation Receivables	35,084,063	38,091,441	40,582,862	42,960,967	45,499,829
Other Receivables	241,625	241,625	241,625	241,625	241,625
Accrued Revenues	13,903,242	15,023,242	15,103,242	15,873,242	16,218,242
Total non-financial assets	49,228,930	53,356,308	55,927,729	59,075,834	61,959,696
Total assets administered on behalf of Government	49,775,056	53,902,434	56,473,855	59,621,960	62,505,822
LIABILITIES					
Payables					
Subsidies	45,211	45,211	45,211	45,211	45,211
Personal benefits	8,281	8,281	8,281	8,281	8,281
Superannuation guarantee charge	43,290	43,290	43,290	43,290	43,290
Taxation refunds due	1,216,301	1,216,301	1,216,301	1,216,301	1,216,301
Superannuation holding account	76,857	93,157	108,557	120,257	133,557
Other payables	2,815	2,815	2,815	2,815	2,815
Total payables	1,392,756	1,409,056	1,424,456	1,436,156	1,449,456

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June) (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Provisions					
Subsidies	4,600,059	4,428,052	4,417,761	4,600,446	4,889,787
Personal Benefits	1,100,000	1,136,000	1,178,000	1,202,000	1,227,047
Income Taxation refunds provided for	1,610,209	1,610,209	1,610,209	1,610,209	1,610,209
Indirect Taxation refunds provided for	278,368	278,368	278,368	278,368	278,368
Superannuation guarantee payments	868,069	864,069	897,069	932,069	970,069
Unclaimed superannuation payments	715,100	725,100	328,100	217,100	145,100
Targeted Assistance through the Taxation Program	36,500	52,500	60,500	47,500	40,500
Provision for interest on overpayments of taxes	18,975	18,975	18,975	18,975	18,975
Other provisions	39,237	31,237	10,237	16,237	18,237
Total provisions	9,266,517	9,144,510	8,799,219	8,922,904	9,198,292
Total liabilities administered on behalf of Government	10,659,273	10,553,566	10,223,675	10,359,060	10,647,748
Net assets/(liabilities)	39,115,783	43,348,868	46,250,180	49,262,900	51,858,074

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	435,948,222	422,657,117	431,992,302	468,331,911	499,848,726
Other	260,608	27,716	98,416	33,731	74,747
Total cash received	436,208,830	422,684,833	432,090,718	468,365,642	499,923,473
Cash used					
Subsidies paid	99,894,138	11,902,821	12,034,726	12,511,010	13,251,939
Personal benefits	1,039,000	1,032,000	1,064,000	1,102,000	1,119,144
Suppliers	7,915	5,814	6,196	295	-
Interest	80,000	100,000	100,000	100,000	100,000
Other	867,421	432,000	432,000	457,000	490,000
Total cash used	101,888,474	13,472,635	13,636,922	14,170,305	14,961,083
Net cash from/(used by) operating activities	334,320,356	409,212,198	418,453,796	454,195,337	484,962,390
Net increase/(decrease) in cash held	334,320,356	409,212,198	418,453,796	454,195,337	484,962,390
Cash and cash equivalents at beginning of reporting period	546,126	546,126	546,126	546,126	546,126
Cash from Official Public Account for:					
- Appropriations	102,008,474	13,592,635	13,756,922	14,290,305	15,081,083
- Special accounts	23,800	10,000	11,600	13,100	14,300
Total cash from Official Public Account	102,032,274	13,602,635	13,768,522	14,303,405	15,095,383
Cash to Official Public Account for:					
- Administered receipts	(436,327,630)	(422,788,533)	(432,195,318)	(468,473,942)	(500,030,173)
- Special accounts	(25,000)	(26,300)	(27,000)	(24,800)	(27,600)
Total cash to Official Public Account	(436,352,630)	(422,814,833)	(432,222,318)	(468,498,742)	(500,057,773)
Cash and cash equivalents at end of reporting period	546,126	546,126	546,126	546,126	546,126

Prepared on Australian Accounting Standards basis.

COMMONWEALTH GRANTS COMMISSION

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COMMONWEALTH GRANTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Grants Commission (the Commission) is a statutory authority operating under the *Commonwealth Grants Commission Act 1973*.

The Commission's main role is to inquire into and report to the Australian Government on the allocation of goods and services tax (GST) revenue among the states and territories. Terms of reference for these inquiries are determined by the Australian Government in consultation with the states and territories.

The Commission or its staff may also be asked to report on the finances of Australia's external territories, local government matters and the financing of services for Indigenous people. Where required, terms of reference for these inquiries are developed by relevant Australian Government entities and the reports are considered by their Ministers.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Commonwealth Grants Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021

	<i>2020-21 Estimated actual \$'000</i>	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	8,287	8,312
Departmental appropriation (b)	8,482	8,216
Departmental capital budget (c)	1,102	1,102
Total departmental annual appropriations	<u>17,871</u>	<u>17,630</u>
Total departmental resourcing	17,871	17,630
Total resourcing for the Commonwealth Grants Commission	17,871	17,630
	<hr/>	<hr/>
Average staffing level (number)	<i>2020-21</i> 23	<i>2021-22</i> 34

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Excludes departmental capital budget (DCB).

(c) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

The CGC has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The Commonwealth Grants Commission's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Commonwealth Grants Commission can be found at: (www.cgcc.gov.au)

The most recent annual performance statement can be found at: (www.cgcc.gov.au)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Commonwealth Grants Commission					
Departmental expenses					
Departmental appropriation	8,482	8,216	7,967	7,849	7,873
Expenses not requiring appropriation in the Budget year (a)	183	380	511	525	545
Departmental total	8,665	8,596	8,478	8,374	8,418
Total expenses for program 1.1	8,665	8,596	8,478	8,374	8,418
Total expenses for Outcome 1	8,665	8,596	8,478	8,374	8,418
	2020-21	2021-22			
Average staffing level (number)	23	34			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue.		
Program 1.1 – The Commission makes recommendations on the distribution of the GST pool, which are considered by Government.		
Delivery	The Commission will prepare a report, on an annual basis, recommending the distribution of the GST pool to the states and territories.	
Performance information		
Year	Performance criteria	Actual Achievement/Targets
2020-21	Excellent research and analysis Stakeholder engagement Responsiveness to government	Achieved
2021-22 and beyond	Excellent research and analysis Stakeholder engagement Responsiveness to government	Recognised analytical work of a technically high quality Consultation in accordance with the agreed engagement plan Timely provision of advice in accordance with terms of reference
Purpose	The purpose of the Commonwealth Grants Commission (CGC) is to provide advice and recommendations to the Australian Government on the relative fiscal capacities of the states and territories as the basis for distributing GST revenue to achieve fiscal equalisation among the states and territories.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the financial information presented in the Budget Papers (most notably *Budget Paper No. 1: Budget Strategy and Outlook*) and Portfolio Budget Statements as a result of differences between whole-of-government level financial reporting.

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	5,564	5,417	5,472	5,547	5,642
Suppliers	2,612	2,509	2,348	2,148	2,076
Depreciation and amortisation (a)	489	670	658	679	700
Total expenses	8,665	8,596	8,478	8,374	8,418
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	45	45	45	45	45
Total own-source revenue	45	45	45	45	45
Total own-source income	45	45	45	45	45
Net (cost of)/contribution by services	(8,620)	(8,551)	(8,433)	(8,329)	(8,373)
Revenue from Government	8,482	8,216	7,967	7,849	7,873
Surplus/(deficit) attributable to the Australian Government	(138)	(335)	(466)	(480)	(500)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	(200)	-	-
Total other comprehensive income	-	-	(200)	-	-
Total comprehensive income/(loss)	(138)	(335)	(666)	(480)	(500)
Total comprehensive income/(loss) attributable to the Australian Government	(138)	(335)	(666)	(480)	(500)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	(200)	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	139	320	447	468	489
plus: depreciation/amortisation expenses for ROU (b)	350	350	211	211	211
less: principal repayments on leased assets (b)	351	335	192	199	200
Total comprehensive income/(loss) - as per the statement of comprehensive income	(138)	(335)	(666)	(480)	(500)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	8,323	8,347	7,671	7,671	7,671
Total financial assets	8,423	8,447	7,771	7,771	7,771
Non-financial assets					
Land and buildings	428	-	1,868	1,557	1,246
Property, plant and equipment	89	89	89	89	89
Software	1,056	1,916	1,833	1,731	1,609
Prepayments	48	24	-	-	-
Total non-financial assets	1,621	2,029	3,790	3,377	2,944
Assets held for sale					
Total assets	10,044	10,476	11,561	11,148	10,715
LIABILITIES					
Payables					
Suppliers	128	128	128	128	128
Other payables	109	109	109	109	109
Total payables	237	237	237	237	237
Interest bearing liabilities					
Leases	335	-	1,287	1,088	888
Total interest bearing liabilities	335	-	1,287	1,088	888
Provisions					
Employee provisions	1,412	1,412	1,412	1,412	1,412
Other provisions	109	109	109	109	109
Total provisions	1,521	1,521	1,521	1,521	1,521
Total liabilities	2,093	1,758	3,045	2,846	2,646
Net assets	7,951	8,718	8,516	8,302	8,069
EQUITY*					
Parent entity interest					
Contributed equity	1,988	3,090	3,354	3,620	3,887
Reserves	200	200	-	-	-
Retained surplus (accumulated deficit)	5,763	5,428	5,162	4,682	4,182
Total equity	7,951	8,718	8,516	8,302	8,069

Prepared on Australian Accounting Standards basis.

*‘Equity’ is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	5,763	200	1,988	7,951
Adjusted opening balance	5,763	200	1,988	7,951
Comprehensive income				
Surplus/(deficit) for the period	(335)	-	-	(335)
Total comprehensive income	(335)	-	-	(335)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,102	1,102
Sub-total transactions with owners	-	-	1,102	1,102
Estimated closing balance as at 30 June 2022	5,428	200	3,090	8,718
Closing balance attributable to the Australian Government	5,428	200	3,090	8,718

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	8,458	8,192	8,643	7,849	7,873
Total cash received	8,458	8,192	8,643	7,849	7,873
Cash used					
Employees	5,564	5,417	5,472	5,547	5,642
Suppliers	2,543	2,440	2,279	2,103	2,031
Total cash used	8,107	7,857	7,751	7,650	7,673
Net cash from/(used by) operating activities	351	335	892	199	200
INVESTING ACTIVITIES					
Cash used					
Purchase of non-financial assets	1,102	1,102	964	266	267
Total cash used	1,102	1,102	964	266	267
Net cash from/(used by) investing activities	(1,102)	(1,102)	(964)	(266)	(267)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,102	1,102	264	266	267
Total cash received	1,102	1,102	264	266	267
Cash used					
Principal payments on lease liability	351	335	192	199	200
Total cash used	351	335	192	199	200
Net cash from/(used by) financing activities	751	767	72	67	67
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	100	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,102	1,102	264	266	267
Total new capital appropriations	1,102	1,102	264	266	267
<i>Provided for:</i>					
Purchase of non-financial assets	1,102	1,102	264	266	267
Total items	1,102	1,102	264	266	267
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,102	1,102	264	266	267
Funded internally from departmental resources (b)	-	-	700	-	-
TOTAL	1,102	1,102	964	266	267
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,102	1,102	964	266	267
Total cash used to acquire assets	1,102	1,102	964	266	267

Prepared on Australian Accounting Standards basis.

- (a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).
- (b) Includes funding from current and prior year Act 1 appropriations (excluding amounts from the DCB).

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	156	357	1,063	1,576
Gross book value - ROU assets	1,050	-	-	1,050
Accumulated depreciation/ amortisation and impairment	(78)	(268)	(7)	(353)
Accumulated depreciation/amortisation and impairment - ROU assets	(700)	-	-	(700)
Opening net book balance	428	89	1,056	1,573
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	61	1,041	1,102
Total additions	-	61	1,041	1,102
Other movements				
Depreciation/amortisation expense	(78)	(61)	(181)	(320)
Depreciation/amortisation on ROU assets	(350)	-	-	(350)
Total other movements	(428)	(61)	(181)	(670)
As at 30 June 2022				
Gross book value	156	418	2,104	2,678
Gross book value - ROU assets	1,050	-	-	1,050
Accumulated depreciation/ amortisation and impairment	(156)	(329)	(188)	(673)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,050)	-	-	(1,050)
Closing net book balance	-	89	1,916	2,005

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

INSPECTOR-GENERAL OF TAXATION

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INSPECTOR-GENERAL OF TAXATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The objective of the Inspector-General of Taxation (IGT) is to improve tax administration through investigation of tax complaints, conducting broader reviews, public reporting and independent advice to Government and its relevant entities.

The IGT's strategic direction for 2021-22 is to achieve this by delivering independent advice for improvement through:

- providing a specialised tax complaints investigation service to the Australian community;
- identifying and prioritising areas of tax administration for improvement through our complaints investigation service and consultations with the community; and
- conducting review investigations into these areas and providing independent advice and recommendations to Government, the Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB) through public reporting.

Our effectiveness in achieving our purpose is dependent on our ability to manage and adapt to the environment in which we operate.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Inspector General of Taxation resource statement – Budget estimates for 2021-22 as at Budget May 2021

	2020-21 <i>Estimated actual</i> \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	5,608	5,630
Departmental appropriation (b)	6,477	6,502
Departmental capital budget (c)	31	32
Total departmental annual appropriations	<u>12,116</u>	<u>12,164</u>
Total departmental resourcing	<u>12,116</u>	<u>12,164</u>
Total resourcing for entity Inspector-General of Taxation	<u>12,116</u>	<u>12,164</u>
<hr/>		
Average staffing level (number)	<u>35</u>	<u>35</u>

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Excludes departmental capital budget (DCB).

(c) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

The IGT has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The IGT's outcome is described below together with its related program. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for the IGT can be found at:
(<https://www.igt.gov.au/news-publications/news/corporate-plan-fy21-fy24>)

The most recent annual performance statement can be found at:
(<https://www.igt.gov.au/news-and-publications/annual-reports/annual-report-2019-20>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Inspector-General of Taxation					
Departmental expenses					
Departmental appropriation	6,477	6,502	6,535	6,560	6,586
s74 External Revenue (a)	60	60	60	60	60
Expenses not requiring appropriation in the Budget year (b)	295	309	240	46	46
Departmental total	6,832	6,871	6,835	6,666	6,692
Total expenses for program 1.1	6,832	6,871	6,835	6,666	6,692
<hr/>					
	2020-21	2021-22			
Average staffing level (number)	35	35			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities.		
Program 1.1 – To improve tax administration through investigation of complaints, consulting with stakeholders to prioritise areas of tax administration for review as well as providing independent advice to the Government, the ATO and the TPB.		
Delivery	<ul style="list-style-type: none"> • effective handling of tax administration complaints • identify and prioritise areas of tax administration for improvement • conduct reviews and make independent recommendations for improvement to Government, the ATO and the TPB 	
Performance information		
Year	Performance criteria	Targets
2020-21	<ul style="list-style-type: none"> • effective handling of tax administration complaints • efficient conduct of reviews into tax administration issues • publication of reports on tax administration • independent advice to Government and relevant entities on improvements to tax administration 	<ul style="list-style-type: none"> • tax administration complaint responses • positive feedback on complaints handling and broader reviews from community stakeholders including taxpayers, tax practitioners, other citizens and relevant government entities • areas of tax administration for improvement identified and prioritised through complaints handling and stakeholder consultation • reviews, reports and recommendations on areas of tax administration
2021-22	As per 2020-21	As per 2020-21
2022-23 and beyond	As per 2020-21	As per 2020-21
Purposes	<p>The IGT is an independent statutory agency. Our role is to:</p> <ul style="list-style-type: none"> • improve the administration of taxation laws for the benefit of the community; and • provide independent advice (to the Minister and the Government, the ATO or TPB) and assurance (to individual taxpayers, practitioners, agencies or the community in general) through complaint enquiries and investigation, review investigations and reporting that Australian taxation administration laws are operating consistently, effectively and in accordance with community expectations. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

The IGT is budgeting for a break-even operating result in 2021-22.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	4,840	4,801	4,798	4,818	4,843
Suppliers	1,244	1,287	1,343	1,385	1,386
Depreciation and amortisation (a)	731	775	694	463	463
Finance costs	17	8	-	-	-
Total expenses	6,832	6,871	6,835	6,666	6,692
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	60	60	60	60	60
Total own-source revenue	60	60	60	60	60
Net (cost of)/contribution by services	(6,772)	(6,811)	(6,775)	(6,606)	(6,632)
Revenue from Government	6,477	6,502	6,535	6,560	6,586
Surplus/(deficit) attributable to the Australian Government	(295)	(309)	(240)	(46)	(46)
Total comprehensive income/(loss) attributable to the Australian Government	(295)	(309)	(240)	(46)	(46)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss)					
less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	281	325	281	46	46
plus: depreciation/amortisation expenses for ROU (b)	450	450	413	417	417
less: principal repayments on leased assets (b)	436	466	454	417	417
Total comprehensive income/(loss) - as per the statement of comprehensive income	(295)	(309)	(240)	(46)	(46)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	42	42	42	42	42
Trade and other receivables	5,617	5,617	5,617	5,617	5,617
Total financial assets	5,659	5,659	5,659	5,659	5,659
Non-financial assets					
Land and buildings	1,372	670	11	1,346	918
Property, plant and equipment	267	226	223	188	153
Intangibles	-	-	-	31	62
Other non-financial assets	54	54	54	54	54
Total non-financial assets	1,693	950	288	1,619	1,187
Assets held for sale					
Total assets	7,352	6,609	5,947	7,278	6,846
LIABILITIES					
Payables					
Suppliers	217	217	217	217	217
Other payables	75	75	75	75	75
Total payables	292	292	292	292	292
Interest bearing liabilities					
Leases	923	457	3	1,349	932
Total interest bearing liabilities	923	457	3	1,349	932
Provisions					
Employee provisions	1,655	1,655	1,655	1,655	1,655
Other provisions	173	173	173	173	173
Total provisions	1,828	1,828	1,828	1,828	1,828
Total liabilities	3,043	2,577	2,123	3,469	3,052
Net assets	4,309	4,032	3,824	3,809	3,794
EQUITY*					
Parent entity interest					
Contributed equity	1,353	1,385	1,417	1,448	1,479
Reserves	453	453	453	453	453
Retained surplus (accumulated deficit)	2,503	2,194	1,954	1,908	1,862
Total equity	4,309	4,032	3,824	3,809	3,794

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	2,503	453	1,353	4,309
Adjusted opening balance	2,503	453	1,353	4,309
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(309)	-	-	(309)
Total comprehensive income	(309)	-	-	(309)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	32	32
Sub-total transactions with owners	-	-	32	32
Closing balance attributable to the Australian Government	2,194	453	1,385	4,032

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,477	6,502	6,535	6,560	6,586
Total cash received	6,477	6,502	6,535	6,560	6,586
Cash used					
Employees	4,840	4,801	4,798	4,818	4,843
Suppliers	1,184	1,227	1,283	1,325	1,326
Interest payments on lease liability	17	8	-	-	-
Total cash used	6,041	6,036	6,081	6,143	6,169
Net cash from/(used by) operating activities	436	466	454	417	417
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	31	32	32	31	31
Total cash used	31	32	32	31	31
Net cash from/(used by) investing activities	(31)	(32)	(32)	(31)	(31)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	31	32	32	31	31
Total cash received	31	32	32	31	31
Cash used					
Principal payments on lease liability	436	466	454	417	417
Total cash used	436	466	454	417	417
Net cash from/(used by) financing activities	(405)	(434)	(422)	(386)	(386)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	42	42	42	42	42
Cash and cash equivalents at the end of the reporting period	42	42	42	42	42

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	31	32	32	31	31
Total new capital appropriations	31	32	32	31	31
<i>Provided for:</i>					
Purchase of non-financial assets	31	32	32	31	31
Total items	31	32	32	31	31
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	31	32	32	31	31
TOTAL	31	32	32	31	31
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	31	32	32	31	31
Total cash used to acquire assets	31	32	32	31	31

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	1,503	513	471	2,487
Gross book value - ROU assets	1,776	-	-	1,776
Accumulated depreciation/ amortisation and impairment	(1,004)	(246)	(471)	(1,721)
Accumulated depreciation/amortisation and impairment - ROU assets	(903)	-	-	(903)
Opening net book balance	1,372	267	-	1,639
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	32	-	32
Total additions	-	32	-	32
Other movements				
Depreciation/amortisation expense	(252)	(73)	-	(325)
Depreciation/amortisation on ROU assets	(450)	-	-	(450)
Total other movements	(702)	(73)	-	(775)
As at 30 June 2022				
Gross book value	1,503	545	471	2,519
Gross book value - ROU assets	1,776	-	-	1,776
Accumulated depreciation/ amortisation and impairment	(1,256)	(319)	(471)	(2,046)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,353)	-	-	(1,353)
Closing net book balance	670	226	-	896

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22, including Collection Development Acquisition Budget.

NATIONAL COMPETITION COUNCIL

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NATIONAL COMPETITION COUNCIL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Competition Council (NCC) makes recommendations under the National Access Regime in Part IIIA of the *Competition and Consumer Act 2010* (CCA) and recommendations and decisions under the National Gas Law (NGL).

The National Access Regime promotes competition, efficiency and productivity in markets that depend on the use of services provided by monopoly infrastructure facilities. Within this regime the NCC may recommend the declaration of a service provided by a monopoly facility but only if all of the 'declaration criteria' specified in the CCA are met. Where a service is declared, the Australian Competition and Consumer Commission (ACCC) is empowered to arbitrate access disputes if the parties seeking access and the facility owner are unable to agree on access arrangements including prices.

As an alternative to the National Access Regime, state and territory governments may implement access regimes specific to their circumstances or implement (cooperatively) parallel regulation in each jurisdiction (as has occurred for the gas and electricity industries). The NCC is responsible for recommending whether a state or territory access regime should be certified as effective, with the result that services covered by that access regime are exempt from declaration under the CCA.

Under the NGL, the NCC recommends on whether particular natural gas pipeline systems should be subject to access regulation (coverage determination under the NGL). The NCC also recommends in relation to the price regulation and greenfields pipeline exemptions available under the NGL. As well as these recommendatory roles, the NCC is responsible for determining whether covered pipelines should be subject to full regulation or light regulation and for classifying pipelines as transmission or distribution pipelines.

On 1 July 2014, the NCC entered into a Memorandum of Understanding with the ACCC under which staff and other support for the NCC's operations are provided by the ACCC. The NCC remains an independent entity, however, under this arrangement, it does not employ staff directly. The NCC maintains responsibility for its recommendations, decisions and other functions under the CCA and NGL, and ensures that its websites, guidelines and other information resources remain relevant and available to all stakeholders.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*. Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: National Competition Council resource statement — Budget estimates for 2021-22 as at Budget May 2021

	<i>2020-21 Estimated actual \$'000</i>	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	3,690	3,690
Departmental appropriation (c)	1,701	1,731
Total departmental resourcing	5,391	5,421
Total resourcing for the National Competition Council	5,391	5,421
	<i>2020-21</i>	2021-22
Average staffing level (number)	1	1

Third party payments from and on behalf of other entities

	<i>2020-21 Estimated actual \$'000</i>	2021-22 Estimate \$'000
Payments made by the ACCC on behalf of the NCC	1,701	1,731
Payments made to the ACCC for the provision of corporate and professional services	850	850

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Appropriation Bill (No. 1) 2021-22.
- (b) For 2020-21, excludes \$4.9m subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
- (c) Excludes departmental capital budget (DCB).

1.3 BUDGET MEASURES

The NCC has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the National Competition Council can be found at: (http://ncc.gov.au/about/strategic_plan)

The most recent annual performance statement can be found at:
(<http://ncc.gov.au/publications/C41>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of, and investment in infrastructure.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: National Competition Council					
Departmental expenses					
Departmental appropriation	1,701	1,731	1,755	1,763	1,769
Expenses not requiring appropriation in the Budget year (b)	34	34	34	34	34
Departmental total	1,735	1,765	1,789	1,797	1,803
Total expenses for Program 1.1	1,735	1,765	1,789	1,797	1,803
Total expenses for Outcome 1	1,735	1,765	1,789	1,797	1,803

	2020-21	2021-22
Average staffing level (number)	1	1

(a) Expenses not requiring appropriation in the Budget year represent audit services received free of charge from the Australian National Audit Office (ANAO).

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.		
Program 1.1 – The NCC's objective is to provide advice to Governments and make decisions on infrastructure access issues that accord with statutory requirements (including time limits) and good regulatory practice, and ensuring that advice meets requirements of decision making ministers, such that Australia achieves a consistent approach to access regulation that promotes the efficient operation of, use of and investment in infrastructure thereby promoting effective competition.		
Delivery	<p>Program 1.1 aims to:</p> <ul style="list-style-type: none"> • Make recommendations to ministers pursuant to Part IIIA of the CCA in relation to applications for the declaration of services provided by monopoly infrastructure and the certification of state and territory access regimes; • Make recommendations to ministers pursuant to the NGL in relation to application for coverage of natural gas pipelines and for price regulation and greenfields pipeline exemptions; • Make decisions pursuant to the NGL relating to the form of regulation and classification of natural gas pipelines; and • Advise the Parliament on the operation of the National Access Regime in accordance with section 290(f) of the CCA. 	
Performance information		
Performance criteria	2020-21	Forward Year Targets
Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.	As per 2020-21.
Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.	As per 2020-21.
Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.	All recommendations and decisions are forecast to be made within the statutory time limits.	As per 2020-21.

National Competition Council Budget Statements

Performance information (continued)		
Performance criteria	2020-21	Forward Year Targets
Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is forecast to hold all documents relevant to the Council's functions.	As per 2020-21.
Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.	Guidelines are forecast to be updated within 30 days of relevant decisions or developments in case law.	As per 2020-21.
Case law developments, legislative amendments and developments in the NCC's processes or policies are reflected in the NCC's information resources within 30 days.	Case law developments, legislative amendments and developments in Council processes or policies are forecast to be reflected in Council information resources within 30 days.	As per 2020-21.
The NCC's annual report to the Parliament includes a comprehensive report that meets the requirements of s29O of the CCA and is provided within the timeframe required by the PGPA Act (i.e. by the 15th day of the fourth month after the end of the reporting period).	The Council annual report provides comprehensive information on the National Access Regime and NGL, addresses all matters required under section 29O of the CCA and is forecast to be provided within the required timeframe.	As per 2020-21.
Purposes	<p>The NCC is a Commonwealth statutory agency established by section 29A of the <i>Competition and Consumer Act 2010</i> (CCA). It was created in 1995 following agreement by the Council of Australian Governments (COAG) to a National Competition Policy (NCP). NCP places competition at the forefront as a means of promoting productivity and economic growth to enhance the economic welfare of Australians.</p> <p>The NCC makes recommendations under the National Access Regime in Part IIIA of the CCA and recommendations and decisions under the NGL. The National Access Regime provides for access to the services of monopoly infrastructure facilities on appropriate terms, through the declaration of services. The NCC's role is to make recommendations to relevant ministers in relation to applications for declaration of services and also the certification of state or territory access regimes.</p> <p>The NCC has a similar role under the NGL, contained in the Schedule to the <i>National Gas (South Australia) Act 2008</i>, where it makes recommendations on the coverage of natural gas pipeline systems. Under the NGL, the NCC also has responsibility for deciding the form of regulation applying to natural gas pipeline systems (light or full regulation), classifying pipeline (as transmission or distribution) and making recommendations in relation to various exemptions for greenfields gas pipelines.</p> <p>Both the National Access Regime and the NGL seek to promote the efficient operation of, use of, and investment in significant bottleneck infrastructure, and to promote competition, efficiency and productivity in markets that depend on the use of services provided by significant bottleneck infrastructure facilities.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between agency resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The NCC is budgeting for a break-even operating result for 2021-22 and the forward years. The financial statements have been prepared on an Australian Accounting Standards basis.

The NCC is estimated to receive own source income of \$8,000 in 2021-22 being fees for applications made to it under the NGL.

The NCC's assets are mainly financial assets consisting of appropriation receivables and cash.

Councillor members do not receive leave entitlements. Councillor remuneration is established through *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2020 Compilation No.5*, which is set by the Remuneration Tribunal, an independent statutory authority established under the *Remuneration Tribunal Act 1973*.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	100	102	104	106	108
Suppliers	1,635	1,663	1,685	1,691	1,695
Total expenses	1,735	1,765	1,789	1,797	1,803
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	34	34	34	34	34
Total gains	34	34	34	34	34
Total own-source income	34	34	34	34	34
Net (cost of)/contribution by services	(1,701)	(1,731)	(1,755)	(1,763)	(1,769)
Revenue from Government	1,701	1,731	1,755	1,763	1,769
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	50	50	50	50	50
Trade and other receivables	3,640	3,640	3,640	3,640	3,640
Total financial assets	3,690	3,690	3,690	3,690	3,690
Non-financial assets					
Other non-financial assets	213	213	213	213	213
Total non-financial assets	213	213	213	213	213
Total assets	3,903	3,903	3,903	3,903	3,903
LIABILITIES					
Payables					
Suppliers	2	2	2	2	2
Other payables	1	1	1	1	1
Total payables	3	3	3	3	3
Total liabilities	3	3	3	3	3
Net assets	3,900	3,900	3,900	3,900	3,900
EQUITY*					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,819	3,819	3,819	3,819	3,819
Total equity	3,900	3,900	3,900	3,900	3,900

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021			
Balance carried forward from previous period	3,819	81	3,900
Adjusted opening balance	3,819	81	3,900
Comprehensive income			
Surplus/(deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2022	3,819	81	3,900
Closing balance attributable to the Australian Government	3,819	81	3,900

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,701	1,731	1,755	1,763	1,769
Net GST received	156	162	165	166	167
Total cash received	1,857	1,893	1,920	1,929	1,936
Cash used					
Employees	100	102	104	106	108
Suppliers	1,601	1,629	1,651	1,657	1,661
Net GST paid	156	162	165	166	167
Total cash used	1,857	1,893	1,920	1,929	1,936
Net cash from/(used by) operating activities	-	-	-	-	-
Net increase/(decrease) in cash held					
	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	50	50	50	50	50
Cash and cash equivalents at the end of the reporting period	50	50	50	50	50

Prepared on Australian Accounting Standards basis.

Table 3.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	-	8	8	8	8
Total non-taxation revenue	-	8	8	8	8
Total own-source revenue administered on behalf of Government	-	8	8	8	8
Net (cost of)/contribution by services	-	(8)	(8)	(8)	(8)
Surplus/(deficit) after income tax	-	8	8	8	8

Prepared on Australian Accounting Standards basis.

Table 3.6: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	-	8	8	8	8
Total cash received	-	8	8	8	8
Net cash from/(used by) operating activities	-	8	8	8	8
Net increase/(decrease) in cash held	-	8	8	8	8
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	-	(8)	(8)	(8)	(8)
Total cash to Official Public Account	-	(8)	(8)	(8)	(8)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis

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OFFICE OF THE AUDITING AND ASSURANCE STANDARDS BOARD

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Auditing and Assurance Standards Board (AUASB) is an Australian Government entity under the *Australian Securities and Investments Commission Act 2001*.

The strategic directions of the AUASB are:

- Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on the International Auditing and Assurance Standards Board (IAASB) equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC).
- Develop and maintain Australian specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.
- Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards
- In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia.
- Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.
- Partner with the Australian Accounting Standards Board (AASB) and others to reform the Australian external reporting and assurance frameworks.
- Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

The vision and mission of the AUASB is to contribute to stakeholder confidence and enhance the credibility of external reporting in the Australian economy and capital markets by:

- Developing, issuing and maintaining in the public interest, Australian auditing and assurance standards and guidance that aid in reducing the cost of capital and enable

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Australian entities to compete effectively domestically and internationally through enhancing audit and assurance consistency and quality; and

- Contributing to the development of a single set of auditing and assurance standards and guidance for worldwide use.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Office of the Auditing and Assurance Standards Board resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	1,073	1,373
Departmental appropriation (b)	2,386	2,388
Departmental capital budget (c)	21	24
Total departmental annual appropriations	3,480	3,785
Total departmental resourcing	3,480	3,785
Total resourcing for AUASB	3,480	3,785
	2020-21	2021-22
Average staffing level (number)	8	8

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Excludes departmental capital budget (DCB).

(c) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

The AUASB has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The AUASB's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for AUASB can be found at
(https://www.transparency.gov.au/sites/default/files/reports/aasb-auasb_corporateplan_2020-21.pdf)

The most recent annual performance statement can be found at:
(<https://www.transparency.gov.au/annual-reports/office-auditing-and-assurance-standards-board/reporting-year/2019-20>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Office of the Auditing and Assurance Standards Board					
Departmental expenses					
Departmental appropriation	2,065	2,388	2,116	2,124	2,133
Expenses not requiring appropriation in the Budget year (a)	115	129	134	139	144
Departmental total	2,180	2,517	2,250	2,263	2,277
Total expenses for program 1.1	2,180	2,517	2,250	2,263	2,277
	2020-21	2021-22			
Average staffing level (number)	8	8			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and services received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements</p>	
<p>Program 1.1 – The key strategies to achieve Outcome 1 are:</p> <ul style="list-style-type: none"> • Developing, issuing and maintaining in the public interest, Australian auditing and assurance standards and guidance that aid in reducing the cost of capital and enable Australian entities to compete effectively domestically and internationally through enhancing audit and assurance consistency and quality. • Contributing to the development of a single set of auditing and assurance standards and guidance for world-wide use. 	
<p>Delivery</p>	<ul style="list-style-type: none"> • Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC). • Develop and maintain Australian specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required. • Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards • In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia. • Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance. • Partner with the AASB and others to reform the Australian external reporting and assurance frameworks. • Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

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Performance information		
Year	Performance criteria	Targets
2020-21	<ul style="list-style-type: none"> • Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC). • Develop and maintain Australian specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required. • Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards. • In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia. • Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance. • Partner with the AASB and others to reform the Australian external reporting and assurance frameworks. • Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards. 	<ul style="list-style-type: none"> • Issue all IAASB based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders. • Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews. • Issue Australian specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders. • Seek feedback on relevance, effectiveness and public interest of Australian specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews. • Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these. • Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters, particularly New Zealand and Canada. • Demonstrate the AUASB's influence on major international auditing and assurance developments by implementing the AUASB's International Strategy. • Provide input to the international standard setting process through responding to international pronouncements using input from Australian stakeholders.

Office of the Auditing and Assurance Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
		<ul style="list-style-type: none"> • Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols. • With the FRC, devise and complete activities to implement the FRC's Audit Quality Action Plan and contribute to improved audit quality outcomes in the Australian auditing environment. • Work with ASIC, the AASB, practitioners and other stakeholders to identify and address significant inspection findings associated with accounting and auditing standards. • Develop thought leadership and implement strategic projects to improve auditing and assurance practice in priority areas such as Extended External Reporting, Audits of Less Complex Entities and the use of Technology in the Audit. • Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting Strategy. • Seek feedback on proposed changes to assurance requirements to ensure they are fit for the intended purpose and support changes to the external reporting framework. • Support initiatives that promote consistency and understanding of the nature and extent of assurance required for external reporting requirements in Australia. • Increase engagement with stakeholders through new and existing AUASB communications activities and events.

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Performance information		
Year	Performance criteria	Targets
2021-22	<i>As per 2020-21</i>	<i>As per 2020-21</i>
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	The functions of the AUASB are to: <ul style="list-style-type: none"> • make auditing standards under section 336 of the <i>Corporations Act 2001</i> for the purposes of the corporations legislation; • formulate auditing and assurance standards for other purposes; • formulate guidance on auditing and assurance matters; • participate in and contribute to the development of a single set of auditing standards for world-wide use; and advance and promote the main objectives of part 12 of the <i>Australian Securities and Investments Commission Act 2001</i>. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The AUASB and the Office of the Australian Accounting Standards Board (AASB) have an arrangement where the AASB provides corporate services for both entities. Under the arrangement, AASB charges AUASB a management fee for providing corporate support.

The comprehensive income statement is comprised mainly of employee expenses relating to technical staff and supplier expenses relating to AASB management fee. These items are projected to be steady over the budget and forwarded years.

The balance sheet is predominantly comprised of receivables and provisions relating to the accounting of unspent appropriation and employees.

Other financial items are immaterial in movements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	1,244	1,381	1,409	1,437	1,466
Suppliers	915	1,112	817	802	787
Depreciation and amortisation (a)	21	24	24	24	24
Total expenses	2,180	2,517	2,250	2,263	2,277
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	94	105	110	115	120
Total gains	94	105	110	115	120
Total own-source income	94	105	110	115	120
Net (cost of)/contribution by services	(2,086)	(2,412)	(2,140)	(2,148)	(2,157)
Revenue from Government	2,386	2,388	2,116	2,124	2,133
Surplus/(deficit) attributable to the Australian Government	300	(24)	(24)	(24)	(24)
Total comprehensive income/(loss) attributable to the Australian Government	300	(24)	(24)	(24)	(24)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	321	-	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	21	24	24	24	24
Total comprehensive income/(loss) - as per the statement of comprehensive income	300	(24)	(24)	(24)	(24)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	273	273	273	273	273
Trade and other receivables	1,147	1,147	1,147	1,147	1,147
Total financial assets	1,420	1,420	1,420	1,420	1,420
Non-financial assets					
Other non-financial assets	13	13	13	13	13
Total non-financial assets	13	13	13	13	13
Assets held for sale					
Total assets	1,433	1,433	1,433	1,433	1,433
LIABILITIES					
Payables					
Suppliers	221	221	221	221	221
Total payables	221	221	221	221	221
Provisions					
Employee provisions	264	264	264	264	264
Total provisions	264	264	264	264	264
Total liabilities	485	485	485	485	485
Net assets	948	948	948	948	948
EQUITY*					
Parent entity interest					
Contributed equity	302	326	350	374	398
Retained surplus (accumulated deficit)	646	622	598	574	550
Total equity	948	948	948	948	948

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021			
Balance carried forward from previous period	646	302	948
Adjustment for changes in accounting policies	-	-	-
Adjusted opening balance	646	302	948
Comprehensive income			
Other comprehensive income			-
Surplus/(deficit) for the period	(24)	-	(24)
Total comprehensive income	(24)	-	(24)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	24	24
Sub-total transactions with owners	-	24	24
Estimated closing balance as at 30 June 2022	622	326	948
Closing balance attributable to the Australian Government	622	326	948

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,239	2,388	2,116	2,124	2,133
Total cash received	1,239	2,388	2,116	2,124	2,133
Cash used					
Employees	1,244	1,381	1,409	1,437	1,466
Suppliers	795	1007	707	687	667
Total cash used	2,039	2,388	2,116	2,124	2,133
Net cash from/(used by) operating activities	(800)	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	21	24	24	24	24
Total cash used	21	24	24	24	24
Net cash from/(used by) investing activities	(21)	(24)	(24)	(24)	(24)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	21	24	24	24	24
Total cash received	21	24	24	24	24
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	21	24	24	24	24
Net increase/(decrease) in cash held	(800)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,073	273	273	273	273
Cash and cash equivalents at the end of the reporting period	273	273	273	273	273

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	21	24	24	24	24
Total new capital appropriations	21	24	24	24	24
<i>Provided for:</i>					
Purchase of non-financial assets	21	24	24	24	24
Total items	21	24	24	24	24
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	21	24	24	24	24
TOTAL	21	24	24	24	24
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	21	24	24	24	24
Total cash used to acquire assets	21	24	24	24	24

Prepared on Australian Accounting Standards basis.

(a) 2020-21 Bill 1 DCB has been reallocated from Capital to Operating.

Table 3.6: Statement of asset movements (Budget year 2020-21)

	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021		
Gross book value	24	24
Accumulated depreciation/ amortisation and impairment	(24)	(24)
Opening net book balance	-	-
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation equity (a)	24	24
Total additions	24	24
Other movements		
Depreciation/amortisation expense	(24)	(24)
Total other movements	(24)	(24)
As at 30 June 2022		
Gross book value	48	48
Accumulated depreciation/ amortisation and impairment	(48)	(48)
Closing net book balance	-	-

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22, including CDABs.

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OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Australian Accounting Standards Board (AASB) is an Australian Government entity under the *Australian Securities and Investments Commission Act 2001*.

The strategic directions of the AASB are to:

- Develop, issue and maintain principle based accounting standards and reporting guidelines that meet the needs of external report users;
- In partnership with the Auditing and Assurance Standards Board (AUASB) play a lead role in reshaping the Australian external reporting framework;
- Actively influence international accounting standards and reporting guidance;
- Attain significant key stakeholder engagement;
- Influence initiatives to develop standards and guidance that meet the user's needs for external reporting beyond financial reporting;
- Monitor and respond to emerging issues impacting the development of external reporting standards and guidance; and
- Develop guidance and education initiatives to enhance the consistent application of external reporting and accounting standards guidance.
- Build a high performing team that operates efficiently, effectively in the delivery of organisation goals and objectives.

The vision of the AASB is to contribute to stakeholder confidence in the Australian economy, including Australian capital markets and in external reporting.

This is achieved by developing, issuing and maintaining principle -based Australian accounting and external reporting standards, together with guidance that meets the needs of external users and enhances the consistency and quality of external reporting.

We use our expertise and influence to contribute to the development of a single set of accounting and external reporting standards for world-wide use.

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This is achieved by developing, issuing and maintaining in the public interest high quality Australian auditing and assurance standards and guidance that meet user needs and enhanced audit and assurance consistency and quality.

We use our expertise and influence to contribute to the development of a single set of auditing and assurance standards and guidance for worldwide use.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Office of the Australian Accounting Standards Board resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	1,584	1,543
Departmental appropriation (b)	3,565	3,568
s74 External Revenue (c)	1,043	1,124
Departmental capital budget (d)	51	51
Total departmental annual appropriations	6,243	6,286
Total departmental resourcing	6,243	6,286
	2020-21	2021-22
Average staffing level (number)	22	22

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the *PGPA Act*.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'

1.3 BUDGET MEASURES

The AASB has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The AASB's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for AASB can be found at:
(https://www.transparency.gov.au/sites/default/files/reports/aasb-auasb_corporateplan_2020-21_0.pdf)

The most recent annual performance statement can be found at:
(<https://www.transparency.gov.au/annual-reports/office-australian-accounting-standards-board/reporting-year/2019-20>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Office of the Australian Accounting Standards Board					
Departmental expenses					
Departmental appropriation	2,999	3,194	3,273	3,287	3,300
s74 External Revenue	1,037	1,136	1,153	1,050	1,050
Expenses not requiring appropriation in the Budget year (a)	361	546	486	487	489
Departmental total	4,397	4,876	4,912	4,824	4,839
Total expenses for program 1.1	4,397	4,876	4,912	4,824	4,839

	2020-21	2021-22
Average staffing level (number)	22	22

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and services received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.</p>	
<p>Program 1.1 –</p> <ul style="list-style-type: none"> • Develop, issue and maintain principles-based Australian accounting and external reporting standards and guidance that meet user needs and enhance external reporting consistency and quality. • Contribute to the development of a single set of accounting and external reporting standards for world-wide use. 	
<p>Delivery</p>	<p>To achieve program 1 the AASB:</p> <ul style="list-style-type: none"> • Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users. For 'publicly accountable' entities maintain International Financial Reporting Standards (IFRS) compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance • With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on: <ul style="list-style-type: none"> • who prepares external reports (including financial reports) • the nature and extent of assurance required on these external reports. • Actively influence International Accounting Standards Board (IASB), International Public Sector Accounting Standards Board (IPSASB) standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships. • Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach. • Influence initiatives to develop standards and guidance that meet user needs for external reporting beyond financial reporting. • Monitor and respond to emerging issues impacting the development of accounting and external reporting standards and guidance, including changing technologies. • Develop guidance and education initiatives, or promote development by others, to enhance consistent application of accounting and external reporting standards and guidance. • Build a high performing team that operates efficiently, effectively and within budget, complying with all relevant legislation and Commonwealth Government requirements.

Office of the Australian Accounting Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
2020-21	<ul style="list-style-type: none"> IASB equivalent Standards issued in the same timeframe of the release of the IFRS and in accordance with legislative drafting and registration requirements. Develop Australian specific Standards and/or guidance for topics not specifically addressed by IFRS Standards within timelines in project plans agreed with the Board. Develop consultative documents in relation to the Australian Financial Reporting Framework, to develop objective criteria for which entities in the for-profit sector and the not-for profit sector prepare external reports including financial reports and the type of assurance needed for these reports. Includes working with policy makers in the for-profit and not-for-profit sectors (including public sector policy makers). Maintain Australia/New Zealand convergence in accordance with Trans-Tasman requirements for for-profit entities by harmonising, wherever possible given the different regulatory environments, Australian and New Zealand Accounting Standards through working actively with the New Zealand Accounting Standards Board (NZASB). Maintain and enhance key international relationships (IASB, IPSASB and Asian-Oceanian Standard-Setters Group (AOSSG)). Complete projects for external reporting beyond financial reporting as per timelines in project plans agreed with the Board. Consider emerging issues and impact of changing technologies in all AASB submissions and each major AASB project. Education initiatives, such as webinars and presentations for new major Standards issued considered effective by stakeholders. Promote the development of education initiatives by others (for example Accounting Charities and Not-for-profits Commission (ACNC) by providing, technical input to their initiatives and co-presenting at their education sessions. Develop staff publications, and frequently asked questions (FAQs) to help with consistent application of accounting and external reporting standards as agreed with the Board. 	<ul style="list-style-type: none"> Timely release of relevant standards and guidance. The identification and development of Australian specific standards and Guidance to meet the needs of external reporting users. An increase in engagement of Australian constituents in the standard setting process, Development and implementation of an annual performance and service benchmark to measure improvements. Build data analytics that indicate the use and impact of external reporting on the confidence levels of the economy and capital markets. Enhanced research program to inform, educate and influence domestic and international standard setting. As per 2020-21 IASB equivalent Standards issued within two months of the release of the IFRS. Australian specific Standards for the projects outlined below: <ul style="list-style-type: none"> insurance in the Not-for-Profit (NFP_ public sector. implement the IASB Revised Conceptual Framework in Australia for other entities. other topics coming out of agenda consultation process. Consultative Documents outlined below: <ul style="list-style-type: none"> NFP private sector development of tiering proposal in conjunction with ACNC and state and territory regulators. NFP public sector consultation on AASB Discussion Paper

Office of the Australian Accounting Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
	<ul style="list-style-type: none"> Conduct agenda consultation, usually in connection with IASB agenda consultation, to seek formal input on AASB's work program. The AASB has a thorough awareness of ideas and concerns of Australian Stakeholders through effective engagement. Stakeholder satisfaction survey net promoter score used to obtain initial year results to benchmark for performance improvement including of Board and staff. Improved levels of stakeholder engagement. <p>Monitor through press coverage, Minister, Financial Reporting Council (FRC) and other stakeholder feedback, Australian Securities and Investments Commission (ASIC), Australian Prudential Regulation Authority (APRA) and other regulator surveillance program results that there is no evidence that confidence in the Australian economy, including its capital market has been lost due to accounting standard issues.</p>	<ul style="list-style-type: none"> Improving Financial Reporting for Australian Public Sector, including discussion with parliamentary accounts committees. Present at least two papers to Accounting Standards Advisory Forum (ASAF), International Forum of Accounting Standard Setters (IFASS) and/or AOSSG and receive positive feedback on the paper. Commence the following projects for external reporting: <ul style="list-style-type: none"> reporting service performance information. remuneration reporting. management commentary. Conduct formal agenda consultation. <p>The AASB expects to meet all its targets and expectations implied by performance criteria in 2020-21</p>
2021-22	As per 2020-21	As per 2020-21
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	<p>Make accounting standards under the <i>Corporations Act 2001</i> for corporations and for other purposes. Participate in and contribute to the development of a single set of accounting standards for world-wide use. In a financial reporting context, enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including its capital markets; having regard to the interests of Australian corporations raising capital in major international financial centres.</p>	
<p>Material changes to Program 1.1 resulting from the following measures:</p> <ul style="list-style-type: none"> Measure title – AASB does not have any measures. 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The AUASB and the Office of the Australian Accounting Standards Board (AASB) have an arrangement where the AASB provides corporate services for both entities. Under the arrangement, AASB charges AUASB a management fee for providing corporate support.

The comprehensive income statement is comprised mainly of employee expenses relating to technical staff and supplier expenses relating to AASB management fee. These items are projected to be steady over the budget and forwarded years.

The balance sheet is predominantly comprised of receivables and provisions relating to the accounting of unspent appropriation and employees.

Other financial items are immaterial in movements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	2,889	3,320	3,376	3,444	3,513
Suppliers	1,243	1,084	1,122	970	920
Depreciation and amortisation (a)	261	425	363	364	364
Finance	4	47	51	46	42
Total expenses	4,397	4,876	4,912	4,824	4,839
LESS:					
OWN-SOURCE INCOME					
Sale of goods and rendering of services	537	636	653	550	550
Other	600	621	623	623	625
Total gains	1,137	1,257	1,276	1,173	1,175
Total own-source income	1,137	1,257	1,276	1,173	1,175
Net (cost of)/contribution by services	(3,260)	(3,619)	(3,636)	(3,651)	(3,664)
Revenue from Government	3,565	3,568	3,585	3,599	3,612
Surplus/(deficit) attributable to the Australian Government	305	(51)	(51)	(52)	(52)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	305	(51)	(51)	(52)	(52)
Total comprehensive income/(loss) attributable to the Australian Government	305	(51)	(51)	(52)	(52)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	364	12	46	35	24
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	51	51	51	52	52
plus: depreciation/amortisation expenses for ROU (b)	219	374	312	312	312
add principal repayments on leased assets (b)	211	362	266	277	288
Total comprehensive income/(loss) - as per the statement of comprehensive income	305	(51)	(51)	(52)	(52)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	300	300	300	300	300
Trade and other receivables	2,493	2,502	2,544	2,579	2,593
Total financial assets	2,793	2,802	2,844	2,879	2,893
Non-financial assets					
Buildings Right of Use (ROU)	140	3,262	2,950	2,638	2,326
Property, plant and equipment	153	153	153	153	153
Other non-financial assets	128	129	133	133	143
Total non-financial assets	421	3,544	3,236	2,924	2,622
Total assets	3,214	6,346	6,080	5,803	5,515
LIABILITIES					
Payables					
Suppliers	106	104	104	104	104
Other payables	150	150	150	150	150
Total payables	256	254	254	254	254
Interest bearing liabilities					
Leases	147	3,281	3,015	2,738	2,450
Total interest bearing liabilities	147	3,281	3,015	2,738	2,450
Provisions					
Employee provisions	304	304	304	304	304
Total provisions	304	304	304	304	304
Total liabilities	707	3,839	3,573	3,296	3,008
Net assets	2,507	2,507	2,507	2,507	2,507
EQUITY*					
Parent entity interest					
Contributed equity	702	753	804	856	908
Retained surplus (accumulated deficit)	1,805	1,754	1,703	1,651	1,599
Total equity	2,507	2,507	2,507	2,507	2,507

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021			
Balance carried forward from previous period	1,805	702	2,507
Adjustment for changes in accounting policies	-	-	-
Adjusted opening balance	1,805	702	2,507
Comprehensive income			
Other comprehensive income			-
Surplus/(deficit) for the period	(51)	-	(51)
Total comprehensive income	(51)	-	(51)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	51	51
Sub-total transactions with owners	-	51	51
Estimated closing balance as at 30 June 2022	1,754	753	2,507
Closing balance attributable to the Australian Government	1,754	753	2,507

Prepared on Australian Accounting Standards basis

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,331	3,559	3,543	3,564	3,598
Sale of goods and rendering of services	537	636	653	550	550
Other	500	500	500	500	500
Total cash received	2,368	4,695	4,696	4,614	4,648
Cash used					
Employees	2,889	3,320	3,376	3,444	3,513
Suppliers	1147	966	1003	847	805
Interest payments on lease liabilities	4	47	51	46	42
Total cash used	4,040	4,333	4,430	4,337	4,360
Net cash from/(used by) operating activities	(1,672)	362	266	277	288
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	51	51	51	52	52
Total cash used	51	51	51	52	52
Net cash from/(used by) investing activities	(51)	(51)	(51)	(52)	(52)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	51	51	51	52	52
Total cash received	51	51	51	52	52
Cash used					
Principal payments on lease liability	211	362	266	277	288
Total cash used	211	362	266	277	288
Net cash from/(used by) financing activities	(160)	(311)	(215)	(225)	(236)
Net increase/(decrease) in cash held	(1,883)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,183	300	300	300	300
Cash and cash equivalents at the end of the reporting period	300	300	300	300	300

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	51	51	51	52	52
Total new capital appropriations	51	51	51	52	52
Provided for:					
Purchase of non-financial assets	51	51	51	52	52
Total items	51	51	51	52	52
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	51	51	51	52	52
TOTAL	51	51	51	52	52
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	51	51	51	52	52
Total cash used to acquire assets	51	51	51	52	52

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021				
Gross book value	-	260	68	328
Gross book value - ROU assets	560	-	-	560
Accumulated depreciation/amortisation and impairment	-	(107)	(68)	(175)
Accumulated depreciation/amortisation and impairment - ROU assets	(420)	-	-	(420)
Opening net book balance	140	153	-	293
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	51	-	51
By purchase - appropriation equity - ROU assets	3,496	-	-	3,496
Total additions	3,496	51	-	3,547
Other movements				
Depreciation/amortisation expense	-	(51)	-	(51)
Depreciation/amortisation on ROU assets	(374)	-	-	(374)
Total other movements	(374)	(51)	-	(425)
As at 30 June 2022				
Gross book value	-	311	68	379
Gross book value - ROU assets	4,056	-	-	4,056
Accumulated depreciation/amortisation and impairment	-	(158)	(68)	(226)
Accumulated depreciation/amortisation and impairment - ROU assets	(794)	-	-	(794)
Closing net book balance	3,262	153	-	3,415

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22, including CDABs.

PRODUCTIVITY COMMISSION

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PRODUCTIVITY COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Productivity Commission (the Commission) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. The Commission's work encompasses all sectors of the economy as well as social and environmental issues. Its activities cover all levels of government responsibility – Federal, State and Territory and Local.

As a review and advisory body, the Commission does not have responsibility for implementing government programs. It carries out inquiry, research, advising and incidental functions prescribed under the *Productivity Commission Act 1998*.

The Commission contributes to well-informed policy decision-making and public understanding on matters relating to Australia's economic performance and community wellbeing, based on independent and transparent analysis that takes a broad view encompassing the interests of the community as a whole, rather than just particular industries or groups. The Commission has four broad components of work:

- government commissioned projects;
- performance reporting and other services to government bodies;
- competitive neutrality complaints activities; and
- self-initiated research and statutory annual reporting.

In 2021-22 and the forward years, the Commission will continue to examine a variety of economic, social and environmental issues through its public inquiry and commissioned research. Commissioned projects underway in 2021-22 include inquiries into *Consumers' Right to Repair* and the *Register of Foreign-owned Water Entitlements*.

The Commission will also operate the Performance Reporting Dashboard and undertake further reviews of nationally significant sector-wide Commonwealth-State agreements. The Commission will continue to progress case studies on productivity reform within Australia for the Council on Federal Financial Relations, with the purpose of informing and diffusing knowledge and practices across governments and identifying reform opportunities.

Productivity Commission Budget Statements

The Commission will continue to provide cross-jurisdictional reporting on the performance of government services; indicators of disadvantage experienced by Aboriginal and Torres Strait Islander people; and expenditure on services to Aboriginal and Torres Strait Islander people.

As part of its new functions under the *National Agreement on Closing the Gap*, the Commission will develop and maintain a publicly accessible dashboard and annual data compilation report, underpinned by an information repository to inform reporting on progress on Closing the Gap. The Commission will also undertake an independent review of progress every three years, which will be complementary to a three-yearly Aboriginal and Torres Strait Islander-led review.

The Australian Government Competitive Neutrality Complaints Office (AGCNCO) is an autonomous office located within the Commission. It receives and investigates complaints, and advises the Treasurer on the application of competitive neutrality arrangements. AGCNCO also provides informal advice on, and assists agencies in, implementing competitive neutrality requirements.

The Commission has a mandate to undertake research to complement its other activities. A full list of the Commission's research reports and supporting research is provided on the Commission's website.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Commission.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Productivity Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	34,503	30,672
Departmental appropriation (c)	33,297	36,616
s74 Retained revenue receipts (d)	310	10
Departmental capital budget (e)	2,327	829
Total departmental annual appropriations	70,437	68,127
Total departmental resourcing	70,437	68,127
Total resourcing for the Productivity Commission	70,437	68,127
<hr/>		
Average staffing level (number)	2020-21 162	2021-22 190

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021-22.

(b) Excludes \$0.3m 2017-18 DCB which lapsed on 1 July 2020

(c) Excludes departmental capital budget (DCB).

(d) Estimated External Revenue receipts under section 74 of the PGPA Act.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

The Productivity Commission has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The Commission's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Commission can be found at: (<http://www.pc.gov.au/about/governance/corporate-plan>.)

The most recent annual performance statement can be found at: (<https://www.pc.gov.au/about/governance/annual-reports/2019-20>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

Budgeted expenses for Outcome 1

This table shows how much the Commission intends to spend (on an accrual basis) on achieving the outcome.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Productivity Commission					
Departmental expenses					
Departmental appropriation	35,322	36,982	37,548	36,683	36,637
s74 Retained revenue receipts (a)	310	10	10	10	10
Expenses not requiring appropriation in the Budget year (b)	1,100	1,100	1,100	1,100	1,100
Departmental total	36,732	38,092	38,658	37,793	37,747
Total expenses for program 1.1	36,732	38,092	38,658	37,793	37,747
Total expenses for Outcome 1	36,732	38,092	38,658	37,793	37,747
	2020-21	2021-22			
Average staffing level (number)	162	190			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and other resources received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for the program associated with Outcome 1 and summarises how that program is delivered.

Outcome 1 – Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective	
Program 1.1 – The Commission provides governments and the Australian community with information and advice that better informs policy decisions to improve Australians’ wellbeing.	
Delivery	The Commission undertakes inquiries, research, and performance reporting and analysis. It provides robust analysis and advice on a range of economic, social and environmental issues, taking a community-wide perspective. The Commission engages widely, including through hearings, release of draft reports, roundtables, seminars and submissions, to seek informed input to its reports.
Performance information	
Performance criteria	2021-22 and forward years
The Commission aims to be a valuable source of robust evidence-based analysis to inform public policy; to generate effective public debate; and have recognition that our approach to evidence-based policy analysis is worthy of consideration by other governments. In doing so, it seeks to engage effectively with the community, have open and transparent processes, and provide timely reporting.	A range of indicators inform the Commission’s performance assessment, including the Commission’s work being widely referenced in public policy forums; projects and reports meeting commissioned timelines; and open and transparent processes being followed.
Purposes	The Commission’s purpose, as embodied in the <i>Productivity Commission Act 1998</i> , is to provide governments and the Australian community with information and advice that better inform policy decisions to improve Australians’ wellbeing.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Commission is budgeting for a break-even result in 2021-22 and the forward years.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	28,350	29,912	30,269	29,387	29,430
Suppliers	3,849	4,695	4,942	4,999	4,954
Depreciation and amortisation	4,181	3,179	3,179	3,179	3,179
Finance costs	352	306	268	228	184
Total expenses	36,732	38,092	38,658	37,793	37,747
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	310	10	10	10	10
Other	50	50	50	50	50
Total own-source revenue	360	60	60	60	60
Total own-source income	360	60	60	60	60
Net (cost of)/contribution by services	(36,372)	(38,032)	(38,598)	(37,733)	(37,687)
Revenue from Government	33,297	36,616	37,308	36,555	36,667
Surplus/(deficit) attributable to the Australian Government	(3,075)	(1,416)	(1,290)	(1,178)	(1,020)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(1,500)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,050	1,050	1,050	1,050	1,050
less: depreciation/amortisation expenses for ROU assets (b)	3,131	2,129	2,129	2,129	2,129
add: Principal repayments on leased assets (b)	2,606	1,763	1,889	2,001	2,159
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,075)	(1,416)	(1,290)	(1,178)	(1,020)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	288	288	288	288	288
Trade and other receivables	30,549	31,308	32,068	32,531	32,693
Total financial assets	30,837	31,596	32,356	32,819	32,981
Non-financial assets					
Land and buildings	20,744	17,965	15,186	12,407	9,628
Property, plant and equipment	1,284	1,074	866	978	1,395
Intangibles	146	146	146	126	106
Other non-financial assets	294	294	294	294	294
Total non-financial assets	22,468	19,479	16,492	13,805	11,423
Total assets	53,305	51,075	48,848	46,624	44,404
LIABILITIES					
Payables					
Suppliers	270	270	270	270	270
Total payables	270	270	270	270	270
Interest bearing liabilities					
Leases	16,746	14,983	13,094	11,093	8,934
Total interest-bearing liabilities	16,746	14,983	13,094	11,093	8,934
Provisions					
Employee provisions	12,126	12,246	12,366	12,486	12,606
Other provisions	-	-	-	-	-
Total provisions	12,126	12,246	12,366	12,486	12,606
Total liabilities	29,142	27,499	25,730	23,849	21,810
Net assets	24,163	23,576	23,118	22,775	22,594
EQUITY*					
Parent entity interest					
Contributed equity	11,311	12,140	12,972	13,807	14,646
Reserves	1,593	1,593	1,593	1,593	1,593
Retained surplus (accumulated deficit)	11,259	9,843	8,553	7,375	6,355
Total equity	24,163	23,576	23,118	22,775	22,594

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	11,259	1,593	11,311	24,163
Adjusted opening balance	11,259	1,593	11,311	24,163
Comprehensive income				
Surplus/(deficit) for the period	(1,416)	-	-	(1,416)
Total comprehensive income	(1,416)	-	-	(1,416)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	829	829
Sub-total transactions with owners	-	-	829	829
Estimated closing balance as at 30 June 2020	9,843	1,593	12,140	23,576
Closing balance attributable to the Australian Government	9,843	1,593	12,140	23,576

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	35,478	36,496	37,188	36,435	36,547
Sale of goods and rendering of services	310	10	10	10	10
Net GST received	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	35,788	36,506	37,198	36,445	36,557
Cash used					
Employees	28,130	29,792	30,149	29,267	29,310
Suppliers	4,413	4,645	4,892	4,949	4,904
Interest payments on lease liability	341	306	268	228	184
Total cash used	32,884	34,743	35,309	34,444	34,398
Net cash from/(used by) operating activities	2,904	1,763	1,889	2,001	2,159
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,275	190	192	492	797
Total cash used	4,275	190	192	492	797
Net cash from/(used by) investing activities	(4,275)	(190)	(192)	(492)	(797)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	3,977	190	192	492	797
Total cash received	3,977	190	192	492	797
Cash used					
Return of contributed equity	-	-	-	-	-
Principal payments on lease liability	2,606	1,763	1,889	2,001	2,159
Total cash used	2,606	1,763	1,889	2,001	2,159
Net cash from/(used by) financing activities	1,371	(1,573)	(1,697)	(1,509)	(1,362)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	288	288	288	288	288
Cash and cash equivalents at the end of the reporting period	288	288	288	288	288

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	2,327	829	832	835	839
Total new capital appropriations	2,327	829	832	835	839
<i>Provided for:</i>					
Purchase of non-financial assets	2,327	190	192	492	797
Other items		639	640	343	42
Total items	2,327	829	832	835	839
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	3,977	190	192	492	797
Funded internally from departmental resources (b)	298				
TOTAL	4,275	190	192	492	797
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,275	190	192	492	797
Total cash used to acquire assets	4,275	190	192	492	797

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	7,061	2,742	822	10,625
Gross book value - ROU assets	21,811	-	-	21,811
Accumulated depreciation/amortisation and impairment	(2,487)	(1,458)	(676)	(4,621)
Accumulated depreciation/amortisation and impairment - ROU assets	(5,641)	-	-	(5,641)
Opening net book balance	20,744	1,284	146	22,174
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	170	20	190
By purchase - other - ROU assets	-	-	-	-
Total additions	-	170	20	190
Other movements				
Depreciation/amortisation expense	(650)	(380)	(20)	(1,050)
Depreciation/amortisation on ROU assets	(2,129)			(2,129)
Total other movements	(2,779)	(380)	(20)	(3,179)
As at 30 June 2022				
Gross book value	7,061	2,912	842	10,815
Gross book value - ROU assets	21,811	-	-	21,811
Accumulated depreciation/amortisation and impairment	(3,137)	(1,838)	(696)	(5,671)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,770)	-	-	(7,770)
Closing net book balance	17,965	1,074	146	19,185

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021-22 for depreciation/amortisation expenses, DCBs or other operational expenses.

ROYAL AUSTRALIAN MINT

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ROYAL AUSTRALIAN MINT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Royal Australian Mint (the Mint) is a listed entity operating under the *Public Governance, Performance and Accountability Act 2013*. The Mint's vision is to achieve excellence as the world's best performing Mint. Its goal is to meet the circulating coin and collector coin needs of Australia and selected international markets. The Mint is also the custodian of Australia's National Coin Collection and through the gallery as a national institution, provides educational and tourist services to local and overseas visitors.

2021-22 will incorporate a strategic plan which acknowledges the long-term decline in the demand for circulating coin, the opportunities for growth in the collectible business and how the Mint delivers public value as a National Institution. With a foundation based on a commitment to excellence, safety and effective resource management, the following key strategies have been identified for inclusion in this plan:

- Optimisation of the return on core business;
- Profitable growth of the collector and investment business;
- Further enhancement of the visitor experience at the Mint and its related programs;

As the sole supplier of Australia's circulating coin requirements, the Mint is responsible for the continuous review of Australian coinage and for providing advice to the Treasury and the Government on coin related issues.

In 2021-22, the Mint will continue to target profitable revenue growth opportunities for circulating and collectables activities.

Across the forward estimates, the Mint will be focussed on effectively managing its return to Commonwealth generated through seigniorage returns from circulation coin sales, surpluses from continued growth in the collectible business and the provision of tourism and education services to the public.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government. The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (i.e. cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Royal Australian Mint resource statement – Budget estimates for 2021-22 as Budget May 2021

	2020-21 <i>Estimated actual</i>	2021-22 Estimate
	\$'000	\$'000
Departmental		
Special accounts (a)		
Opening balance	54,841	59,053
Non-appropriation receipts	125,978	150,821
<i>Total special accounts</i>	<u>180,819</u>	<u>209,874</u>
Total departmental resourcing	<u>180,819</u>	<u>209,874</u>
Total resourcing for the Royal Australian Mint	<u>180,819</u>	<u>209,874</u>
	<u>2020-21</u>	<u>2021-22</u>
Average staffing level (number)	239	239

Prepared on a resourcing (i.e. appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Excludes trust money and "other CRF money" held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

The Mint has no new budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The Mint's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Royal Australian Mint can be found at: (<https://www.ramint.gov.au/corporate-plan>)

The most recent annual performance statement can be found inside the latest annual report at: (<https://www.ramint.gov.au/annual-reports>)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Royal Australian Mint Special Account	32,921	34,967	33,458	33,072	33,003
Administered total	32,921	34,967	33,458	33,072	33,003
Departmental expenses					
Special accounts					
Royal Australian Mint Special Account	118,157	127,121	133,541	139,373	145,177
Departmental total	118,157	127,121	133,541	139,373	145,177
Total expenses for program 1.1	151,078	162,088	166,999	172,445	178,180
Total expenses for Outcome 1	151,078	162,088	166,999	172,445	178,180
<hr/>					
	2020-21	2021-22			
Average staffing level (number)	239	239			

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.			
Program 1.1 – Royal Australian Mint: To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.			
Delivery	<ul style="list-style-type: none"> • Production, maintenance and sales to meet demand for: <ul style="list-style-type: none"> ○ Australian circulating coins; ○ Foreign country circulating coins; ○ Numismatic products; and ○ Other custom minted products. • Maintenance of Australia's National Coin Collection. • Tourism and education services to public and school groups: <ul style="list-style-type: none"> ○ Maintenance of the Mint's visitor gallery, including building and surrounds; ○ Educational programs to school students who visit the Mint; and ○ Promote public understanding about the cultural and historical significance of coins. 		
Performance information			
Performance criteria	2020-21	2021-22	2023-25 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage: \$45m Volume: 175 mpcs	Seigniorage: \$41m Volume: 159 mpcs	Seigniorage: \$36m; \$m; \$33m; \$30m Volume: 143 mpcs; 136 mpcs; 129 mpcs
Optimum return on investment	Return on Net Assets: 28%	Return on Net Assets: 30%	Return on Net Assets: 30%
Collectibles orders placed are produced and delivered within agreed delivery time	Delivered on time and in full: 95%	Delivered on time and in full: 90%	Delivered on time and in full: 90%
Visitor satisfaction rating of Mint experience	Survey result: N/A (COVID-19 Impacted)	Survey result: 95%	Survey result: 95%
Visitor numbers	Visitors: 112,000 (COVID-19 Impacted)	Visitors: 164,500 (COVID-19 Impacted)	Visitors: 385,000; 440,000; 485,000

Royal Australian Mint Budget Statements

Performance criteria	2020-21	2021-22	2023-25 and the forward estimates
Provide a safe, secure and sustainable operational environment	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil
Build on brand awareness	Net Promoter Score: 70%	Net Promoter Score: 70%	Net Promoter Score: 70%
Have engaged, motivated and committed staff	Staff satisfaction survey: 79%	Staff satisfaction survey: 80%	Staff satisfaction survey: 80%
Purposes	To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Mint has two streams of revenue. One stream comes from production and subsequent sale of circulating coins at face value to commercial banks. The second stream comes from sale of collectible products (numismatic, foreign circulating coins and other minted products).

The Mint's Departmental projected results for the 2021-22 and forward years reflect the Mint's focus on identifying opportunities in its collectible business (refer to table 3.1). The ongoing implementation of 'lean' principles will enable the Mint to manufacture its products in a more efficient manner which is expected to deliver a reduction in cost and improved business effectiveness.

An after-tax surplus is budgeted on the sale of collectible products. It is expected to rise from \$12 million in 2020-2021 to \$21 million in 2024-25 and will contribute to the total return to Commonwealth.

The Administered surplus from seigniorage is expected to decline over the next four years from \$32 million in 2020-21 to \$27 million in 2024-25 (refer to table 3.7).

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	26,302	24,618	25,111	25,611	26,124
Suppliers	82,562	93,026	98,654	103,866	108,987
Depreciation and amortisation	7,058	7,208	7,488	7,588	7,758
Finance costs	999	999	999	999	999
Other expenses	1,236	1,270	1,289	1,309	1,309
Total expenses	118,157	127,121	133,541	139,373	145,177
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	134,200	149,719	162,164	170,828	174,540
Rental income	240	552	582	456	475
Royalties	482	100	100	100	100
Other	820	630	630	630	630
Total own-source revenue	135,742	151,001	163,476	172,014	175,745
Total own-source income	135,742	151,001	163,476	172,014	175,745
Net (cost of)/contribution by services	17,585	23,880	29,935	32,641	30,568
Notional income tax expense	5,276	7,164	8,981	9,792	9,170
Total comprehensive income/(loss) - as per the statement of comprehensive income	12,310	16,716	20,955	22,849	21,398

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	71,513	77,756	93,368	102,243	124,999
Trade and other receivables	1,052	1,052	1,052	1,052	1,052
Total financial assets	72,565	78,808	94,420	103,295	126,051
Non-financial assets					
Buildings	36,816	35,479	34,161	32,863	31,585
Property, plant and equipment	27,587	30,132	28,720	26,231	21,613
Intangibles	2,034	2,241	2,448	2,632	1,962
Heritage and cultural	22,030	22,030	22,030	22,030	22,030
Inventories	84,712	83,334	84,067	90,807	96,692
Tax assets	782	782	782	782	782
Other non-financial assets	3,688	3,688	3,688	3,688	3,688
Total non-financial assets	177,649	177,686	175,896	179,033	178,352
Total assets	250,214	256,494	270,316	282,328	304,403
LIABILITIES					
Payables					
Suppliers	2,972	2,972	2,972	2,972	2,972
Tax liabilities	3,054	3,300	4,584	6,976	8,653
Other payables	36,769	30,772	31,130	26,910	26,027
Total payables	42,795	37,044	38,686	36,858	37,652
Interest bearing liabilities					
Leases	38,562	37,732	36,809	35,789	34,672
Total interest bearing liabilities	38,562	37,732	36,809	35,789	34,672
Provisions					
Employee provisions	6,961	7,095	7,232	7,232	7,232
Other provisions	812	823	834	845	845
Total provisions	7,773	7,918	8,066	8,077	8,077
Total liabilities	89,130	82,694	83,561	80,724	80,401
Net assets	161,084	173,800	186,755	201,604	224,002
EQUITY*					
Parent entity interest					
Contributed equity	77,903	77,903	77,903	77,903	77,903
Reserves	40,616	40,616	40,616	40,616	40,616
Retained surplus (accumulated deficit)	42,565	55,281	68,236	83,085	105,483
Total equity	161,084	173,800	186,755	201,604	224,002

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	42,565	20,616	20,000	77,903	161,084
Opening balance	42,565	20,616	20,000	77,903	161,084
Comprehensive income					
Surplus/(deficit) for the period	16,716	-	-	-	16,716
Total comprehensive income	16,716	-	-	-	16,716
Distributions to owners					
Returns on capital:					
Dividends	(4,000)	-	-	-	(4,000)
Sub-total transactions with owners	(4,000)	-	-	-	(4,000)
Estimated closing balance as at 30 June 2021	55,281	20,616	20,000	77,903	173,800
Closing balance attributable to the Australian Government	55,281	20,616	20,000	77,903	173,800

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	167,150	179,856	188,246	171,284	175,015
Net GST received	8,802	9,440	9,450	9,450	-
Interest received	-	-	-	-	-
Other	1,122	550	550	550	550
Total cash received	177,074	189,846	198,246	181,284	175,565
Cash used					
Employees	26,085	24,396	24,882	25,611	26,124
Suppliers	98,055	96,977	101,095	110,426	114,692
Net GST paid	9,440	9,440	9,450	9,450	-
Borrowing and other financing costs	988	988	988	988	988
Other	11,112	30,746	22,884	4,491	1,309
Total cash used	145,680	162,547	159,299	150,966	143,113
Net cash from/(used by) operating activities	31,394	27,299	38,947	30,318	32,452
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	5,200	7,877	4,200	3,200	398
Total cash used	5,200	7,877	4,200	3,200	398
Net cash from/(used by) investing activities	(5,200)	(7,877)	(4,200)	(3,200)	(398)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,468	1,576	1,688	1,805	1,922
Payments to Commonwealth - return of capital	8,054	11,603	17,447	16,438	7,376
Total cash used	9,522	13,179	19,135	18,243	9,298
Net cash from/(used by) financing activities	(9,522)	(13,179)	(19,135)	(18,243)	(9,298)
Net increase/(decrease) in cash held	16,672	6,243	15,612	8,875	22,756
Cash and cash equivalents at the beginning of the reporting period	54,841	71,513	77,756	93,368	102,243
Cash and cash equivalents at the end of the reporting period	71,513	77,756	93,368	102,243	124,999

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	5,200	7,000	8,500	8,500	7,000
TOTAL	5,200	7,000	8,500	8,500	7,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,200	7,000	8,500	8,500	7,000
Total cash used to acquire assets	5,200	7,000	8,500	8,500	7,000

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020					
Gross book value - ROU assets	40,970	-	-	-	40,970
Gross book value	-	36,233	22,030	8,902	67,165
Accumulated depreciation/ amortisation and impairment	12	(8,646)	-	(6,868)	(15,502)
Accumulated depreciation/ amortisation and impairment - ROU assets	(4,166)	-	-	-	(4,166)
Opening net book balance	36,816	27,587	22,030	2,034	88,467
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	7,000	-	877	7,877
Total additions	-	7,000	-	877	7,877
Other movements					
Depreciation/amortisation expense - ROU	(2,083)	-	-	-	(2,083)
Depreciation/amortisation expense	-	(4,455)	-	(670)	(5,125)
Other - ROU assets	746	-	-	-	746
Total other movements	(1,337)	(4,455)	-	(670)	(6,462)
As at 30 June 2021					
Gross book value - ROU assets	41,716	-	-	-	-
Gross book value	-	43,233	22,030	9,779	75,042
Accumulated depreciation/ amortisation and impairment - ROU	(6,249)	-	-	-	(6,249)
Accumulated depreciation/ amortisation and impairment	12	(13,101)	-	(7,538)	(20,627)
Closing net book balance	35,479	30,132	22,030	2,241	89,882

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Suppliers	31,000	32,850	31,299	30,870	30,757
Other expenses	1,921	2,117	2,159	2,202	2,246
Total expenses administered on behalf of Government	32,921	34,967	33,458	33,072	33,003
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	65,000	74,184	66,811	63,493	60,341
Total non-taxation revenue	65,000	74,184	66,811	63,493	60,341
Total own-source revenue administered on behalf of Government	65,000	74,184	66,811	63,493	60,341
Total own-sourced income administered on behalf of Government	65,000	74,184	66,811	63,493	60,341
Net cost of/(contribution by) services	(32,079)	(39,217)	(33,353)	(30,421)	(27,338)
Surplus/(deficit)	32,079	39,217	33,353	30,421	27,338

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	32,079	39,217	33,353	30,421	27,338
Total financial assets	32,079	39,217	33,353	30,421	27,338
Non-financial assets					
Inventories	2,210	2,210	2,210	2,210	2,210
Total non-financial assets	2,210	2,210	2,210	2,210	2,210
Total assets administered on behalf of Government	34,289	41,427	35,563	32,631	29,548
LIABILITIES					
Payables					
Other payables	-	-	-	-	-
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-
Net assets/(liabilities)	34,289	41,427	35,563	32,631	29,548

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	24,637	32,079	39,217	33,353	30,421
Total cash received	24,637	32,079	39,217	33,353	30,421
Net cash from/(used by) operating activities	24,637	32,079	39,217	33,353	30,421
Net increase/(decrease) in cash held	24,637	32,079	39,217	33,353	30,421
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(24,637)	(32,079)	(39,217)	(33,353)	(30,421)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Portfolio Glossary

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the Consolidated Revenue Fund (CRF) at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.
Appropriation	A law of the Australian Parliament that provides authority for Commonwealth entities to spend money from the CRF for a particular purpose. Entities may not spend money without an appropriation authorising that expenditure and, where necessary, other legislation authorising the specified purpose.
Appropriation Bill (No. 1)	This Bill proposes spending from the CRF for the ordinary annual services of government. Bills proposing appropriations for ordinary annual services cannot be amended by the Senate under Section 53 of the Australian Constitution. Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 1).
Appropriation Bill (No. 2)	This Bill proposes spending from the CRF for purposes other than the ordinary annual services of government. Under existing arrangements between the two Houses of Parliament, this Bill includes appropriation funding of administered expenses for new outcomes, for payments to the states and territories, and for departmental or administered capital. Funding for extensions to existing programs can be included in Appropriation Bill (No. 1). Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 2).

Glossary

Term	Meaning
Appropriation Bills (Nos. 3 and 4)	If an amount provided in Appropriation Acts (Nos. 1 or 2) is not enough to meet approved expenditure in a financial year, supplementary appropriation may be sought in Appropriation Bills (Nos. 3 or 4). Once these Bills are passed by Parliament and given royal assent, they become the Appropriation Acts (Nos. 3 and 4). They are also commonly referred to as the Additional Estimates Bills.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Average staffing level	The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole-of-government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on federal funding provided to the states and territories.
Budget Paper 4 (BP4)	Entity Resourcing. Details total resourcing available to agencies.
Capital expenditure	Expenditure by an entity on capital projects; for example, purchasing a building.

Term	Meaning
Consolidated Revenue Fund	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Capital Budget (DCB)	Net cash appropriation arrangements involve the cessation of funding for depreciation, amortisation and make good expenses. Funding for these expenses has been replaced with a collection development and acquisition budget (CDAB) for designated collection institutions (DCIs), and departmental capital budgets (DCBs).
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity chief executive officers control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Entity	A department, agency, company or authority under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) or any other Commonwealth statutory authority.
Estimated actual expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.

Glossary

Term	Meaning
Expenditure	Spending money from the Consolidated Revenue Fund or a notional payment to a PGPA entity.
Expense	Decreases in economic benefits in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed; for example, ANAO audit services. The ANAO does not charge for audit services; however, the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Forward estimates period	The three years following the Budget year. For example if 2020-21 is the Budget year, 2021-22 is forward year 1, 2022-23 is forward year 2 and 2023-24 is forward year 3.
Funds	Money that has been appropriated but not drawn from the Consolidated Revenue Fund.
Income	Total value of resources earned or received to cover the production of goods and services.
Make good	Make good is the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. A common example of make good in the public sector is the restoration of office premises at the end of a lease period.

Term	Meaning
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
'Movement of Funds' between years	A 'movement of funds' process is carried out twice each year in relation to un-expensed administered operating appropriations. This involves portfolio ministers submitting requests to the Finance Minister advising of timing changes to funding requirements. If agreed by the Finance Minister, there will be an increase in the amount appropriated in later year(s).
Net cash appropriation arrangements	<p>The net cash framework, implemented from the 2010-11 Budget, replaces funding for depreciation and amortisation expenses with a departmental capital budget (DCB) and the funding of make good expenses will cease to be paid in advance.</p> <p>The net cash framework applies to general government sector entities that receive funding from annual appropriations directly or via a special account, with the exception of the Department of Defence.</p>
Non-operating	Sometimes called 'capital' costs.
Official Public Account (OPA)	The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Operating	Normally related to ongoing, or recurring expenses, such as paying salaries or making program payments.
Operating result	Equals income less expenses.

Glossary

Term	Meaning
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.
<i>Public Governance, Performance and Accountability Act 2013</i>	The PGPA Act is the principal legislation concerning the governance, performance and accountability of, and the use and management of public resources by the Commonwealth.
Portfolio Budget Statements	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program support	The entity running costs allocated to a program. This is funded as part of the entity's departmental appropriations.
Special account	Balances existing within the CRF that are supported by standing appropriations, PGPA Act s.78, s.79 and s.80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account can only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (s. 78 of the PGPA Act) or through an Act of Parliament (referred to in s. 80 of the PGPA Act).

Term	Meaning
Special appropriations (including standing appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from the CRF does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a subcategory consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>