

PORTFOLIO BUDGET STATEMENTS 2022–23
BUDGET RELATED PAPER NO. 1.15

TREASURY PORTFOLIO

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

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THE HON JIM CHALMERS MP

TREASURER

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Ms President

Dear Mr Speaker

I hereby submit the October Portfolio Budget Statements in support of the 2022–23 October 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, appearing to read 'J. Chalmers'.

The Hon Jim Chalmers 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nfp	not for publication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 Tarnya Gersbach, Chief Finance Officer, Department of the Treasury on (02) 6263 3807.

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 October 2022–23 *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.

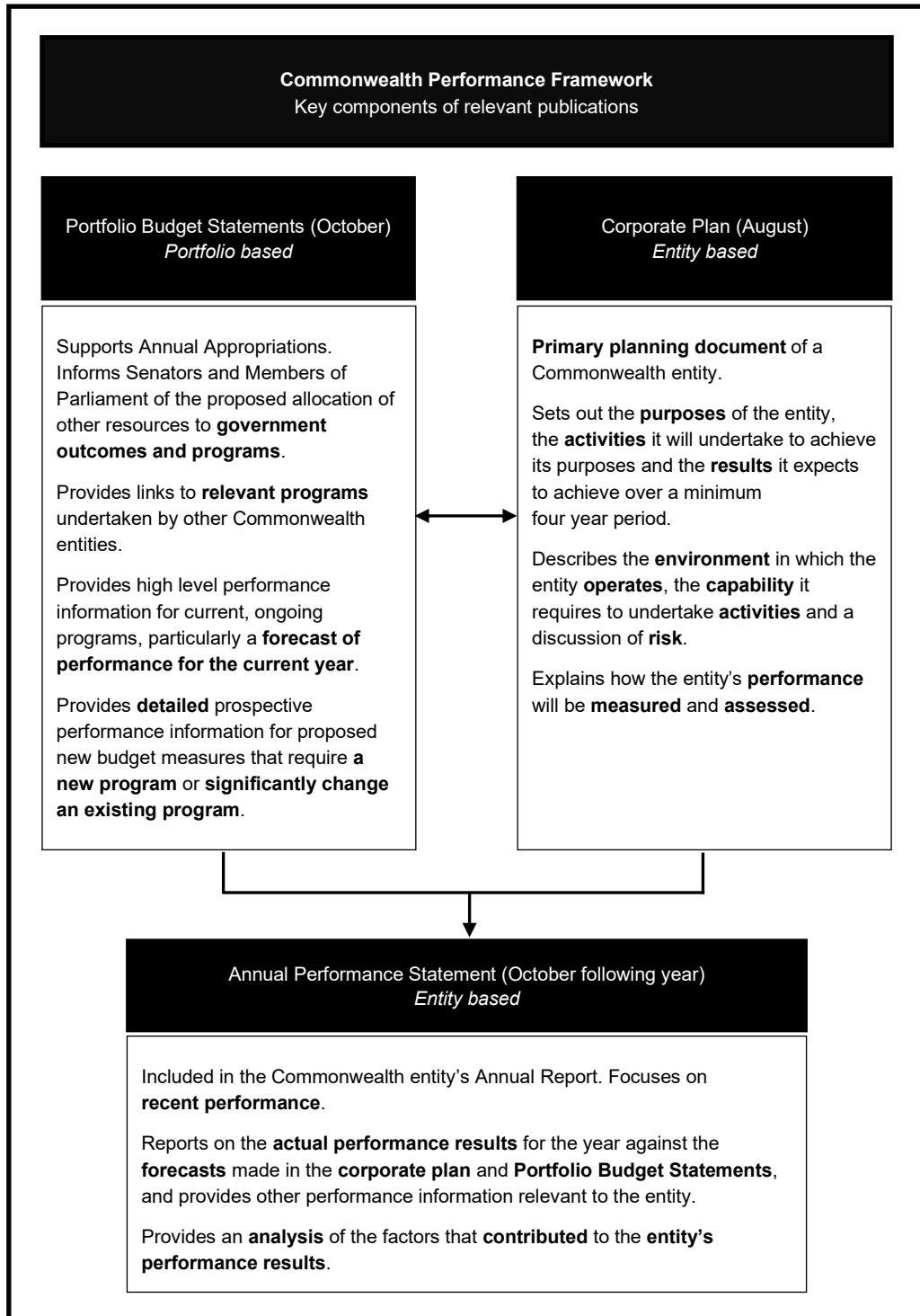
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2022–23 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2022–23 for the parliamentary departments). In this sense, the PB Statements are Budget related 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.



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Portfolio Overview

Treasury 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 15 entities in the general government sector.

The **Department of the Treasury** is the Australian Government's lead economic adviser. Treasury provides advice to Government and implements policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

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

The **Australian Competition and Consumer Commission** is an independent statutory authority which administers the *Competition and Consumer Act 2010* and a range of additional legislation (including national energy legislation and rules through the Australian Energy Regulator), promoting competition, fair trading, consumer protection and regulating national infrastructure for the benefit of all Australians.

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.

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.

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** and Taxation Ombudsman independently investigates taxation actions, decisions, systems and laws to recommend improvements to the administration of 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** administers the Affordable Housing Bond Aggregator, the National Housing Infrastructure Facility (NHIF) and the Home Guarantee Scheme, including the Government's new Regional First Home Buyer Guarantee (which commenced on 1 October 2022); and conducts research into housing demand, supply and affordability. Consistent with the Government's election commitment, NHFIC will be renamed Housing Australia and will also take on primary responsibility for delivering on the Government's commitment to support 30,000 new social and affordable dwellings using returns generated by the Housing Australia Future Fund.

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 **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.

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

Figure 1: Treasury portfolio structure and outcomes

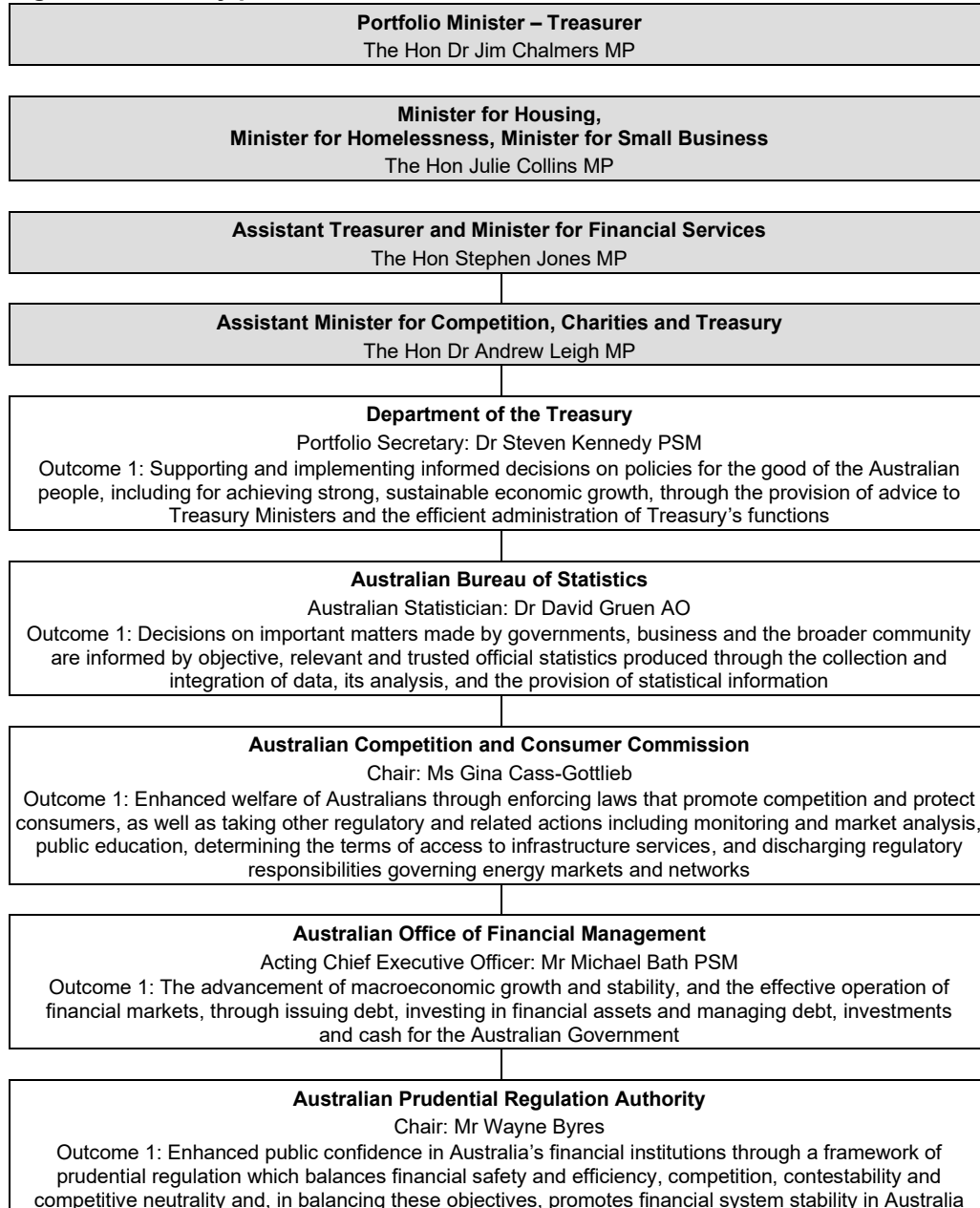
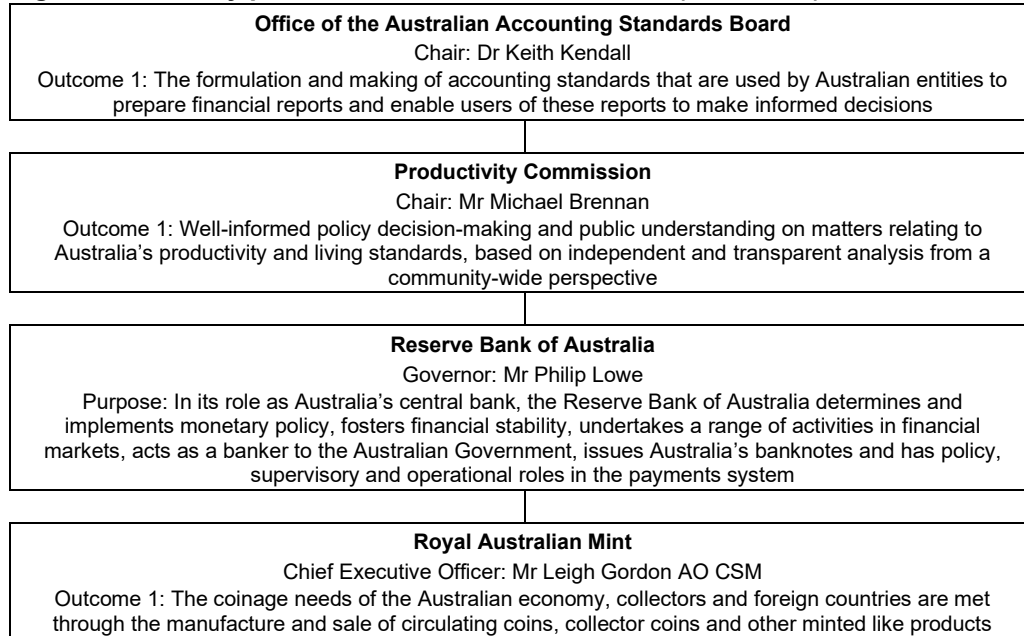


Figure 1: Treasury portfolio structure and outcomes (continued)

<p style="text-align: center;">Australian Reinsurance Pool Corporation Chief Executive Officer: Dr Christopher Wallace Purpose: To protect Australia from economic losses cause by terrorism catastrophe</p>
<p style="text-align: center;">Australian Securities and Investments Commission Chair: Mr Joseph Longo 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</p>
<p style="text-align: center;">Australian Taxation Office Commissioner: Mr Chris Jordan AO 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</p>
<p style="text-align: center;">Commonwealth Grants Commission Secretary: Mr Jonathan Rollings 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 style="text-align: center;">Inspector-General of Taxation Inspector-General of Taxation: Ms Karen Payne Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities</p>
<p style="text-align: center;">National Competition Council President: Ms Julie-Anne Schafer 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 style="text-align: center;">National Housing Finance and Investment Corporation Chair: Mr Adrian Harrington 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 style="text-align: center;">Office of the Auditing and Assurance Standards Board Chair: Mr Bill Edge 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>

Figure 1: Treasury portfolio structure and outcomes (continued)



Entity resources and planned performance

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Department of the Treasury

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

Treasury is the Government's lead economic adviser. Treasury's purpose is to provide advice to the Government and implement policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

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

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

Our priorities to achieve this over 2022–23 include:

- continuing to support Australia's recovery from COVID-19
- delivering the October 2022–23 Budget, the 2023–24 Budget and any other economic updates required by Government
- promoting a stronger, more sustainable tax system in line with Government priorities
- developing a climate modelling capability to examine how climate change is affecting the Australian economy
- delivering the Government's Jobs and Skills Summit and Employment White Paper
- ensuring payments to international financial institutions and the States and Territories are timely and accurate
- ensuring effective implementation of Australia's foreign investment regulatory framework
- designing and delivering policies and programs to support the Government's housing reform agenda, including supporting access to affordable housing and home ownership
- 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 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), by administered (on behalf of the Government or the public) and by departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the October *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 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	84,138	108,488
Departmental appropriation (c)	327,168	344,199
s74 External Revenue (d)	8,484	11,023
Departmental capital budget (e)	10,262	3,480
Annual appropriations – other services – non-operating (f)		
Equity injection	301	303
Total departmental annual appropriations	430,353	467,493
Total departmental resourcing	430,353	467,493
Administered		
Annual appropriations – ordinary annual services (a)		
Outcome 1	98,976	37,277
Payments to corporate entities (g)	39,939	43,899
Annual appropriations – other services – non-operating (f)		
Administered assets and liabilities	165,000	171,153
Total administered annual appropriations	303,915	252,329
Total administered special appropriations	110,249,972	119,573,997
Special accounts (h)		
Opening balance	797,269	1,165,521
Non-appropriation receipts	2,610,870	2,386,691
Adjustments	67,749,510	69,392,368
Total special account receipts	71,157,649	72,944,580
<i>less payments to corporate entities from annual/special appropriations</i>	<i>(39,939)</i>	<i>(43,899)</i>
Total administered resourcing	181,671,597	192,727,007
Total resourcing for Treasury	182,101,950	193,194,500
	2021-22	2022-23
Average staffing level (number)	1,341	1,438

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)	1,436,256	2,114,196
Payments made to corporate entities within the Portfolio		
National Housing Finance and Investment Corporation	39,939	43,899

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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$0.8m 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) 2022–23
- g) Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under 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 the *October 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 Treasury are detailed in the October Budget Paper No. 2 and are summarised below.

Table 1.2: Treasury October 2022–23 Budget measures
Part 1: Measures announced since the 2022–23 March Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
A Better Plan for Forestry and Forest Products Administered payments	1.9	–	–	–	–
Additional Assistance to Ukraine Administered payments	1.4	–	–	–	–
An Ambitious and Enduring APS Reform Plan (a) Departmental payments	1.1	–	(114)	(275)	(303)
Attorney-General's Portfolio – savings Administered payments	1.9	–	(4,424)	(4,495)	–
Bentley Surgicentre Administered payments	1.9	–	–	600	15,000
Bolstering Australia's Biosecurity System – protecting Australia from escalating exotic animal disease risks Administered payments	1.9	–	–	–	–
Building a Better Future through considered Infrastructure Investment Administered payments	1.9	–	(2,880,822)	(4,657,903)	(1,361,194)
Comprehensive Cancer Centres Administered payments	1.9	–	22,000	28,000	95,000
					103,500

Part 1: Measures announced since the 2022–23 March Budget (continued)

		2021-22	2022-23	2023-24	2024-25	2025-26
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Contributions to the International Monetary Fund's Poverty Reduction and Growth Trust and Resilience and Sustainability Trust	1.1, 1.2					
Administered payments		–	295	598	598	598
Departmental payments		–	(295)	(598)	(598)	(598)
COVID-19 Package – hospitals and emergency response	1.9					
Administered payments		–	759,905	–	–	–
COVID-19 Package – vaccines and treatments	1.9					
Administered payments		–	16,064	–	–	–
Disaster Support	1.9					
Administered payments		–	47,190	–	–	–
Enhancing the Pacific Australia Labour Mobility Scheme	1.4					
Administered payments		–	–	–	–	–
Expanding Newborn Screening – world-class newborn bloodspot screening programs	1.9					
Administered payments		–	4,947	6,315	6,366	7,691
Extend ATO Compliance Programs – Shadow Economy Program	1.4					
Administered payments		–	–	87,300	153,700	201,300
First Nations Justice	1.9					
Administered payments		–	2,700	5,400	5,400	–
Fixing the Aged Care Crisis	1.9					
Administered payments		–	1,396	–	–	–
Flinders Medical Centre	1.9					
Administered payments		–	3,000	7,500	20,000	50,000

Part 1: Measures announced since the 2022–23 March Budget (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Funding for Community Legal Centres in Flood and Bushfire Affected Areas	1.9					
Administered payments		–	3,000	3,000	3,000	3,000
Government Spending Audit – National Water Grid Fund – responsible investment	1.9					
Administered payments		–	(369,957)	(279,500)	(430,000)	(593,500)
Improving Primary Care in Rural and Regional Australia	1.9					
Administered payments		–	5,000	7,400	5,400	5,400
Indirect Tax Concession Scheme – diplomatic and consular concessions	1.4					
Administered payments		–	–	–	–	–
Investing in Australia's Indigenous Culture and World Heritage	1.9					
Administered payments		–	2,455	775	790	560
Marine Parks Management	1.9					
Administered payments		–	172	400	850	850
Migration Program – 2022-23 planning levels	1.4					
Administered payments		–	5,000	30,000	50,000	50,000
Murray-Darling Basin – compliance and science	1.9					
Administered payments		–	–	6,000	6,000	6,000
Murray-Darling Basin – delivering on water commitments (b)	1.9					
Administered payments		–	nfp	–	–	–
National Water Grid – delivering commitments	1.9					
Administered payments		–	28,500	78,000	77,850	73,750

Part 1: Measures announced since the 2022–23 March Budget (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Outcomes of the Jobs and Skills Summit (c)	1.1					
Departmental payments		–	4,387	295	–	–
Pacific Engagement Visa	1.4					
Administered payments		–	–	–	5,000	5,000
Pacific Security and Engagement Initiatives	1.4					
Administered payments		–	–	–	–	–
Powering Australia – Electric Car Discount	1.4					
Administered payments		–	(5,000)	(10,000)	(20,000)	(30,000)
Powering Australia – Solar Banks	1.9					
Administered payments		–	–	50,500	50,500	–
Providing certainty on unlegislated tax and superannuation measures announced by the previous government	1.4					
Administered payments		–	(4,100)	–	–	–
Radiation Therapy Centre and Birthing Unit and Maternity Ward	1.9					
Administered payments		–	4,700	880	880	–
Reef 2050 Long-term Sustainability Plan – implementation	1.9					
Administered payments		–	–	4,300	22,100	22,600
Responsible Investment to Grow Our Regions	1.9					
Administered payments		–	6,000	10,000	46,000	46,000
Restoring Funding for Homelands	1.9					
Administered payments		–	25,000	75,000	–	–
Restoring Treasury's Capability on Climate Risks and Opportunities – modelling and reporting standards	1.1					
Departmental payments		–	8,845	9,402	8,501	8,332
Rural and Regional Health	1.9					
Administered payments		–	–	–	–	5,426

Part 1: Measures announced since the 2022–23 March Budget (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Safer and More Affordable Housing	1.1					
Administered payments		–	32,099	603,576	673,268	741,825
Departmental payments		–	5,718	5,691	5,575	5,623
Saving Native Species	1.9					
Administered payments		–	4,200	8,200	6,200	6,200
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (d)	1.1					
Departmental payments		–	(6,917)	–	–	–
Schools Upgrade Fund	1.9					
Administered payments		–	–	215,000	–	–
Scotdesco – water security feasibility study	1.9					
Administered payments		–	250	250	–	–
Strengthening Women’s Health During Pregnancy – stillbirth autopsies	1.9					
Administered payments		–	–	–	–	–
Supporting Small Business Owners	1.1, 1.3					
Administered payments		–	(5,052)	6,672	2,977	(750)
Departmental payments		–	4	174	65	–
Supporting the Supply of Australian Gas	1.9					
Administered payments		–	(15,000)	(15,000)	–	–
Tax Practitioners Board – compliance program to enhance tax system integrity	1.4					
Administered payments		–	–	1,400	3,100	5,500
Treasury – additional funding	1.1					
Departmental payments		–	2,071	–	–	–
Urban Rivers and Catchments Program	1.9					
Administered payments		–	5,000	13,200	22,750	22,750
Urgent Care Clinics	1.9					
Administered payments		–	50,000	50,000	–	–

Part 1: Measures announced since the 2022–23 March Budget (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Vocational Education – fee-free TAFE and TAFE Technology Fund	1.9					
Administered payments		–	350,536	216,915	134,240	136,603
Water for Australia Plan	1.9					
Administered payments		–	(8,024)	8,024	–	–
Women's Safety	1.9					
Administered payments		–	3,000	3,250	250	(750)
Women's Safety – 500 community workers	1.9					
Administered payments		–	18,195	39,899	52,428	54,460
Youpla Group Funeral Benefit Program – establishment	1.1					
Administered payments		–	3,758	952	–	–
Departmental payments		–	1,817	662	–	–
Total		–	(1,872,501)	(3,382,241)	(338,307)	4,753,239
Total payment measures						
Administered		–	(1,888,017)	(3,397,592)	(351,547)	4,739,882
Departmental		–	15,516	15,351	13,240	13,357
Total		–	(1,872,501)	(3,382,241)	(338,307)	4,753,239

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.

Note: Full description and package details for most measures under Program 1.9: National Partnership to the States appear in Budget Paper No. 2, *Budget Measures 2022–23*, under other portfolios. Measures included in the Pre-election Economic and Fiscal Outlook 2022 can be found in that document.

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The financial implications for this measure are not for publication (nfp) due to commercial sensitivities.
- The measure Outcomes of the Jobs and Skills Summit is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio measures.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 measure 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 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

Attorney-General’s Department
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Attorney-General’s Department Operating Expenses – Legal Services and Families • Program 1.4 – Justice Services
Australian Trade and Investment Commission
<p>Program</p> <ul style="list-style-type: none"> • Program 1.2 – Programs to promote Australia’s export and other international economic interests
Department of Agriculture, Fisheries and Forestry
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 – Sustainable Management – Natural Resources • Program 1.3 – Forestry Industry • Program 1.4 – Fishing Industry • Program 1.10 – Agricultural Resources • Program 1.11 – Drought Programs • Program 2.1 – Biosecurity and Export Services • Program 2.2 – Plant and Animal Health
Department of Climate Change, Energy, the Environment and Water
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – Sustainable Management of Natural Resources and the Environment • Program 2.4 – Conservation of Australia’s Heritage and Environment • Program 2.5 – Environmental Regulation • Program 2.6 – Management of Hazardous Wastes, Substances and Pollutants • Program 4.1 – Water Reform

Linked programs (continued)

Department of Education
<p>Program</p> <ul style="list-style-type: none"> • Program 1.5 – Early Learning and Schools Support
Department of Employment and Workplace Relations
<p>Program</p> <ul style="list-style-type: none"> • 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 1.9 – Immunisation • Program 2.5 – Dental Services • Program 3.2 – Aged Care Services • Program 3.3 – Aged Care Quality • Program 4.1 – Sport and Recreation
Department of Home Affairs
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 – National Security and Resilience • Program 1.4 – Counter-Terrorism • Program 1.6 – Emergency Management

Linked programs (continued)

Department of Industry, Science and Resources
<p>Programs</p> <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, Transport, Regional Development and Communications and the Arts
<p>Programs</p> <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
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – Prime Minister and Cabinet
Department of Social Services
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.5 – Working Age Payments • Program 2.1 – Families and Communities • Program 3.2 – National Disability Insurance Scheme • Program 4.1 – Housing and Homelessness
Department of Veterans’ Affairs
<p>Program</p> <ul style="list-style-type: none"> • Program 2.4 – Veterans’ Community Care and Support

Linked programs (continued)

National Emergency Management Agency
<p>Program</p> <ul style="list-style-type: none"> • Program 1.3 – Australian Government Resilience, Preparedness and Disaster Risk Reduction Support
National Indigenous Australians Agency
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Jobs, Land and the Economy • Program 1.2 – Children and Schooling • Program 1.3 – Safety and Wellbeing • Program 1.4 – Culture and Capability • Program 1.5 – Remote Australia Strategies
<p>Contribution to Outcome 1 made by linked programs</p> <p>Treasury Outcome 1 contributes to the above 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.</p>

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.

Detailed information about general revenue assistance (Program 1.4) and payments for specific purposes (Programs 1.5, 1.6, 1.7, 1.8 and 1.9) can be found in Budget Paper No. 3, *Federal Financial Relations 2022–23*.

Table 2.1.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	24,010	8,359	50,418	12,612	12,476
Special accounts					
Medicare Guarantee Fund – Special Account	44,867,877	48,284,209	48,534,068	50,412,906	52,304,307
Payments to corporate entities					
National Housing Finance and Investment Corporation	39,939	43,899	5,109	5,165	4,498
Expenses not requiring appropriation in the Budget year (b)	18,301	49,278	26,739	16,629	15,981
Administered total	44,950,127	48,385,745	48,616,334	50,447,312	52,337,262
Departmental expenses					
Departmental appropriation	315,657	337,605	288,593	265,624	259,471
s74 External Revenue (a)	11,963	15,156	15,156	15,156	15,156
Expenses not requiring appropriation in the Budget year (b)	23,601	13,957	13,931	13,703	13,703
Departmental total	351,221	366,718	317,680	294,483	288,330
Total expenses for program 1.1	45,301,348	48,752,463	48,934,014	50,741,795	52,625,592

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.2: Payments to International Financial Institutions					
Administered expenses					
Special appropriations					
<i>International Monetary Agreements Act 1947</i>	37,357	338,882	370,945	370,774	370,775
Expenses not requiring appropriation in the Budget year (b)	753,836	901,492	-	-	-
Administered total	791,193	1,240,374	370,945	370,774	370,775
Total expenses for program 1.2	791,193	1,240,374	370,945	370,774	370,775
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	33,174	28,703	15,490	11,668	7,941
Expenses not requiring appropriation in the Budget year (b)	254,523	24,383	23,055	21,157	17,580
Administered total	287,697	53,086	38,545	32,825	25,521
Total expenses for program 1.3	287,697	53,086	38,545	32,825	25,521
Program 1.4: General Revenue Assistance					
Administered expenses					
Special appropriations					
<i>Federal Financial Relations Act 2009</i>	74,338,522	87,002,406	90,322,538	93,528,967	95,639,725
Special accounts					
COAG Reform Fund	3,192,136	1,449,089	1,225,353	1,033,422	787,431
Administered total	77,530,658	88,451,495	91,547,891	94,562,389	96,427,156
Total expenses for program 1.4	77,530,658	88,451,495	91,547,891	94,562,389	96,427,156

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.5: Assistance to the States for Healthcare Services and Public Hospitals					
Administered expenses					
Special appropriations					
<i>Federal Financial Relations Act 2009</i>	24,059,543	26,546,733	28,325,267	30,030,318	31,982,470
Special accounts					
COAG Reform Fund	170,308	28,018	-	-	-
Administered total	24,229,851	26,574,751	28,325,267	30,030,318	31,982,470
Total expenses for program 1.5	24,229,851	26,574,751	28,325,267	30,030,318	31,982,470
Program 1.6: Assistance to the States for Skills and Workforce Development					
Administered expenses					
Special appropriations					
<i>Federal Financial Relations Act 2009</i>	1,577,500	1,607,788	1,661,086	1,694,391	1,724,212
Administered total	1,577,500	1,607,788	1,661,086	1,694,391	1,724,212
Total expenses for program 1.6	1,577,500	1,607,788	1,661,086	1,694,391	1,724,212
Program 1.7: Assistance to the States for Disability Services					
Administered expenses					
Special appropriations					
<i>Federal Financial Relations Act 2009</i>	-	-	-	-	-
Administered total	-	-	-	-	-
Total expenses for program 1.7	-	-	-	-	-
Program 1.8: Assistance to the States for Affordable Housing					
Administered expenses					
Special appropriations					
<i>Federal Financial Relations Act 2009</i>	1,616,172	1,646,057	1,630,251	1,661,226	1,689,467
Administered total	1,616,172	1,646,057	1,630,251	1,661,226	1,689,467
Total expenses for program 1.8	1,616,172	1,646,057	1,630,251	1,661,226	1,689,467

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.9: National Partnership Payments to the States					
Administered expenses					
Special appropriations					
<i>Federal Financial Relations Act 2009</i>	5,817,903	1,820,138	-	-	-
Special accounts					
COAG Reform Fund	23,278,850	20,123,082	18,922,458	17,168,636	15,093,278
Expenses not requiring appropriation in the Budget year (b)	1,013,299	737,968	99,904	50,312	5,437
Administered total	30,110,052	22,681,188	19,022,362	17,218,948	15,098,715
Total expenses for program 1.9	30,110,052	22,681,188	19,022,362	17,218,948	15,098,715
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	57,184	37,062	65,908	24,280	20,417
Special appropriations	107,446,997	118,962,004	122,310,087	127,285,677	131,406,649
Special accounts	71,509,171	69,884,398	68,681,879	68,614,964	68,185,016
Payments to corporate entities	39,939	43,899	5,109	5,165	4,498
Expenses not requiring appropriation in the Budget year (b)	2,039,959	1,713,121	149,698	88,097	38,998
Administered total	181,093,250	190,640,484	191,212,681	196,018,183	199,655,578
Departmental expenses					
Departmental appropriation	315,657	337,605	288,593	265,624	259,471
s74 External Revenue (a)	11,963	15,156	15,156	15,156	15,156
Expenses not requiring appropriation in the Budget year (b)	23,601	13,957	13,931	13,703	13,703
Departmental total	351,221	366,718	317,680	294,483	288,330
Total expenses for Outcome 1	181,444,471	191,007,202	191,530,361	196,312,666	199,943,908

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Movement of administered funds between years (c)					
Outcome 1:					
Program 1.1: Department of the Treasury	-	(19,271)	12,371	(86)	1,627
Program 1.3: Support for Markets and Business	-	505	-	-	-
Program 1.9: National Partnership Payments to the States	-	329,618	799,856	452,822	(36,520)
Total movement of administered funds	-	310,852	812,227	452,736	(34,893)

	2021-22	2022-23
Average staffing level (number)	1,341	1,438

- 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 and amortisation expenses, claims against guarantee provisions, foreign exchange losses, revaluation of grants provisions and unwinding of present value discounts.
- c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1 – Department of the Treasury		
The objective of this program is to support Ministers to effectively manage the Australian economy by:		
<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, influence strong sustainable economic growth and improve social inclusion and wellbeing • developing effective taxation and retirement income arrangements consistent with the Government’s reform priorities • developing well-functioning markets that support business, investor and consumer confidence. 		
Key Activities (a)	<p>A strong and sustainable economic and fiscal environment:</p> <ul style="list-style-type: none"> • Activity 1 Provide informed, influential and impactful policy advice and analysis • Activity 2 Ensure effective Government spending arrangements. <p>Effective Government policies, programs and regulation:</p> <ul style="list-style-type: none"> • Activity 3 Effective markets, financial and taxation systems, and program delivery associated with the Government’s economic priorities • Activity 4 Deliver the Government’s legislative agenda associated with the Treasury portfolio • Activity 5 Administer Treasury’s regulator functions. 	
Year	Performance measures	Actual Performance Results (b)
Prior Year 2021–22	Percentage of feedback from Treasury ministers, key government entities and stakeholders that indicate our advice was impactful.	Target: Baseline established Result: Baseline has been established at 80% Treasury achieved an effectiveness result ¹ of 95% from Treasury ministers or their chiefs of staff and 85% from key stakeholders.
	Quality of engagements or consultations with stakeholders to inform policy advice and analysis.	Target: Baseline established Result: Baseline has been established at 70% Treasury achieved an effectiveness result of 77% for the quality of engagement or consultation from stakeholders.

1 The effectiveness result is survey respondents’ rating of Treasury against set questions as an indicator of effectiveness. The performance result is calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

Table 2.1.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Actual Performance Results (b)
Prior Year 2021–22 (continued)	Forecasting activities are based on best practice and deliver outcomes that inform our economic policy advice.	Target: Positive assessment and identified areas for improvement are actioned Result: Population forecasting: Substantially achieved Macroeconomic forecasting: Substantially achieved Revenue forecasting: Substantially achieved Substantially achieved means Treasury's forecasting activities were based on best practice and most areas for improvement were actioned.
	Delivered within the required timeframes in line with the Charter of Budget Honesty.	Target: 100% Result: Achieved All 4 deliverables (100%) were released within the timeframes as required under the <i>Charter of Budget Honesty Act 1998</i> .
	Treasury ministers confirm that our program delivery is timely and in line with the Government's economic priorities.	Target: Delivery is aligned to Government priorities Result: Achieved Treasury achieved an effectiveness result ² of 100% from Treasury ministers or their chiefs of staff who confirmed that our program delivery is timely and in line with the Government's economic priorities.
	Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the number actually delivered.	Target: 90% Result: Achieved Treasury delivered an average of 94% of measures committed for delivery across the sitting periods.
	Percentage of key stakeholders agree that regulator activities are responsive to the environment and builds trust.	Target: 70% Result: Foreign Investment Review Framework: Not achieved Payment Times Reporting Scheme: Not achieved Treasury achieved an effectiveness result of 42% from stakeholders surveyed.

2 The effectiveness result is survey respondents' rating of Treasury against set questions as an indicator of effectiveness. The performance result is calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

Table 2.1.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Actual Performance Results (b)
Prior Year 2021–22 (continued)	Percentage of key stakeholders agree that regulatory activities are risk based and data driven.	Target: 70% Result: Foreign Investment Review Framework: Not achieved Treasury achieved an effectiveness result of 32% from stakeholders surveyed. Payment Times Reporting Scheme: Not achieved Treasury achieved an effectiveness result of 25% from stakeholders surveyed.
	Percentage of key stakeholders who have a high level of satisfaction with regulator services, engagement and consultation.	Target: 70% Result: Foreign Investment Review Framework: Partially achieved Treasury achieved an effectiveness result of 62% from stakeholders surveyed. Payment Times Reporting Scheme: Achieved Treasury achieved an effectiveness result of 71% from stakeholders surveyed.
	Proportion of clients that are satisfied with the delivery of specialist services and advice.	Target: 80% Result: Australian Government Actuary: Achieved Australian Government Actuary achieved a client satisfaction result ³ of 96%. Infrastructure and Project Financing Authority (known as Infrastructure and Commercial Advisory): Substantially achieved Infrastructure and Commercial Advisory achieved a client satisfaction result of 77%.
Year	Performance measures (c)	Planned Performance Results
Budget Year 2022–23	<i>Proportion of Treasury ministers, key government entities and stakeholders that rate Treasury advice highly.</i>	<i>Target: 80%</i> <i>An end of cycle stakeholder feedback survey and structured interviews will be conducted with Treasury ministers or their delegate at the end of the period to assess this performance measure for reporting in the 2022–23 Annual Performance Statements.</i> <i>Expected to be achieved.</i>
	<i>Variance between actual real Gross Domestic Product (GDP) and forecast real GDP.</i>	<i>Target: Real GDP falls within 70% confidence interval of forecast real GDP.</i> <i>Expected to be achieved.</i>

3 The client satisfaction result is survey respondents’ rating of Treasury against set questions as an indicator of satisfaction. The client satisfaction result is calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

Table 2.1.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<i>Variance between actual Total Tax Receipts (excluding Company Tax) and forecast.</i>	<i>Target: Total Tax Receipts (excluding company tax) for 2022–23 falls within 70% confidence interval of forecast at the 2022–23 Budget. Expected to be achieved.</i>
	Delivered in line with the requirements of the <i>Charter of Budget Honesty Act 1998</i> .	Target: 100% Expected to be achieved.
	<i>No disorderly failures of prudentially regulated institutions.</i>	<i>Target: No disorderly failures of prudentially regulated institutions. Expected to be achieved.</i>
	<i>Treasury contributes to the development of the Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1.</i>	<i>Target: Contribution to delivery of Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1 Pillars One and Two. Expected to be achieved.</i>
	<i>Proportion of Treasury ministers, Treasury portfolio agencies and regulators, and key stakeholders that highly rate working with the Treasury.</i>	<i>Target: 70% An end of cycle stakeholder feedback survey and structured interviews will be conducted with Treasury ministers or their delegate at the end of the period to assess this performance measure for reporting in the 2022–23 Annual Performance Statements. Expected to be achieved.</i>
	Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the actual number delivered.	Target: 90% Expected to be achieved.
	<i>Proportion of stakeholders that report a high level of satisfaction regarding:</i> <ul style="list-style-type: none"> <i>• the clarity, transparency, and consistent application of Treasury’s regulatory frameworks (Regulator Performance Guide (RPG) Principle 1)</i> <i>• risk-based, data driven decision making (RPG Principle 2)</i> <i>• Treasury’s responsive communication and collaboration (RPG Principle 3)</i> 	<i>Target: 65% An end of cycle stakeholder feedback survey will be conducted to assess this performance measure for reporting in the 2022–23 Annual Performance Statements. Expected to be achieved.</i>
Forward Estimates 2023–26	<i>Proportion of Treasury ministers, key government entities and stakeholders that rate Treasury advice highly.</i>	Target: 85%
	<i>Variance between actual real Gross Domestic Product (GDP) and forecast real GDP.</i>	As per 2022–23

Table 2.1.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Forward Estimates 2023–26 (continued)	<i>Variance between actual Total Tax Receipts (excluding Company Tax) and forecast.</i>	As per 2022–23
	Delivered in line with the requirements of the <i>Charter of Budget Honesty Act 1998</i> .	As per 2022–23
	<i>No disorderly failures of prudentially regulated institutions.</i>	As per 2022–23
	<i>Treasury contributes to the development of the Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1.</i>	<i>Target: Target to be determined following Australia's development of implementation plans for Pillars One and Two.</i>
	<i>Proportion of Treasury ministers, Treasury portfolio agencies and regulators, and key stakeholders that highly rate working with the Treasury.</i>	2023–24 Target: 75% 2024–26 Target: 80%
	Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the actual number delivered.	As per 2022–23
	<i>Proportion of stakeholders that report a high level of satisfaction regarding:</i> <ul style="list-style-type: none"> • <i>the clarity, transparency, and consistent application of Treasury's regulatory frameworks (Regulator Performance Guide (RPG) Principle 1)</i> • <i>risk-based, data driven decision making (RPG Principle 2)</i> • <i>Treasury's responsive communication and collaboration (RPG Principle 3)</i> 	Target: 70%
Material changes to Program 1.1 resulting from 2022–23 Budget Measures: Nil		

- a) Refers to updated key activities that are reflected in the 2022–23 *Corporate Plan* as shown.
- b) The details of Treasury's performance results for 2021–22 are reported in the Annual Performance Statements in the *Annual Report 2021–22*.
- c) Refers to updated performance measures that are reflected in the 2022–23 *Corporate Plan* as shown in *italics*.

Table 2.1.2: Performance measure for Outcome 1 (continued)

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.		
Program 1.2 – Payments to International Financial Institutions The objective of this program is to make payments to international financial institutions on behalf of Government to: <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 • support multilateral debt relief. 		
Key Activities	A strong and sustainable economic and fiscal environment: <ul style="list-style-type: none"> • Activity 2: Ensure effective Government spending arrangements. 	
Year	Performance measures	Actual Performance Results (a)
Prior Year 2021–22	Percentage of payments administered within agreed requirements and timeframes.	Target: 100% Result: Achieved Twenty one payments (100%) were administered to international financial institutions within agreed requirements and timeframes.
Year	Performance measures (b)	Planned Performance Results
Budget Year 2022–23	<i>Proportion of payments to international financial institutions are transferred within legislated requirements and agreements.</i>	<i>Target: 100%</i> <i>Expected to be achieved.</i>
Forward Estimates 2023–26	<i>As per 2022–23</i>	<i>As per 2022–23</i>
Material changes to Program 1.2 resulting from 2022–23 Budget Measures: Nil		

- a) The details of Treasury’s performance results for 2021–22 are reported in the Annual Performance Statements in the *Annual Report 2021–22*.
- b) Refers to updated performance measures that are reflected in the *Corporate Plan 2022–23* as shown in *italics*.

Table 2.1.2: Performance measure for Outcome 1 (continued)

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.		
Program 1.3 – Support for Markets and Business (a)		
The objective of this program is to support economic competition and markets and small to medium businesses.		
Key Activities (b)	Effective Government policies, programs and regulation: <ul style="list-style-type: none"> • Activity 3: Effective markets, financial and taxation systems, and program delivery associated with the Government’s economic priorities • Activity 5: Administer Treasury’s regulator functions 	
Year	Performance measures	Actual Performance Results (c) (d)
Prior year 2021–22	Percentage of payments administered within agreed requirements and timeframes.	Target: 100% Result: Substantially achieved Twenty Commonwealth Grant Agreements payments (100%) were administered within agreed requirements. Eighteen Commonwealth Grant Agreements payments (90%) were administered within agreed timeframes.
	Number of small businesses assisted.	Target: 17,000 Result: Partially achieved 11,725 small business (68% of the target) were assisted through the Digital Solutions – Australian Small Business Advisory Services program.
Year	Performance measures (e)	Planned Performance Results
Budget Year 2022–23	<i>Australia maintains or improves its score on markets related inputs to the World Competitiveness Ranking produced by the Institute for Management Development.</i>	<i>Target: To be developed This is the first year Treasury will assess performance using this methodology and external data source. Treasury will develop the competitiveness score based on 15 criteria of the World Competitiveness Rankings. The target will be set for the first year in the first half of the reporting period. Treasury will report against the target at the end of year in the Annual Performance Statements 2022–23.</i>
	<i>Proportion of stakeholders that report a high level of satisfaction regarding:</i> <ul style="list-style-type: none"> • <i>the clarity, transparency, and consistent application of Treasury’s regulatory frameworks (Regulator Performance Guide (RPG) Principle 1)</i> • <i>risk-based, data driven decision making (RPG Principle 2)</i> • <i>Treasury’s responsive communication and collaboration (RPG Principle 3).</i> 	<i>Target: 65% An end of cycle stakeholder feedback survey will be conducted to assess this performance measure for reporting in the Annual Performance Statements 2022–23. Expected to be achieved.</i>
	<i>Proportion of regulated entities registered with the Payment Times Reporting Regulator as a reporting entity (Regulator Performance Guide Principle 1 and 2).</i>	<i>Target: 80% Expected to be achieved.</i>

Table 2.1.2: Performance measure for Outcome 1 (continued)

Year	Performance measures (e)	Planned Performance Results
Forward Estimates 2023–26	<i>Australia maintains or improves its score on markets related inputs to the World Competitiveness Ranking produced by the Institute for Management Development.</i>	<i>Target: Maintain or improve competitiveness score</i>
	Proportion of stakeholders that report a high level of satisfaction regarding: <ul style="list-style-type: none"> • <i>the clarity, transparency, and consistent application of Treasury’s regulatory frameworks (Regulator Performance Guide (RPG) Principle 1)</i> • <i>risk-based, data driven decision making (RPG Principle 2)</i> • <i>Treasury’s responsive communication and collaboration (RPG Principle 3).</i> 	<i>Target: 70%</i>
	<i>Proportion of regulated entities registered with the Payment Times Reporting Regulator as a reporting entity (Regulator Performance Guide Principle 1 and 2).</i>	<i>2023–24 Target: 85% 2024–26 Target: 90%</i>
Material changes to Program 1.3 resulting from 2022–23 Budget Measures: Nil		

- a) Refers to updated program objective to align the *2022–23 Corporate Plan* as shown.
- b) Refers to updated key activities that are reflected in the *2022–23 Corporate Plan* as shown.
- c) The details of Treasury’s performance results for 2021–22 are reported in the Annual Performance Statements in the *Annual Report 2021–22*.
- d) The 2021–22 target for the number of small businesses assisted involves additional funding allocated to support small businesses during the COVID-19 pandemic.
- e) Refers to updated performance measures that are reflected in the *Corporate Plan 2022–23* as shown in *italics*.

Table 2.1.2: Performance measure for Outcome 1 (continued)

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.		
Program 1.4 to 1.9 – Department of the Treasury		
<p>a) 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.</p> <p>b) Program 1.4 – General Revenue Assistance. The Treasury, on behalf of the Government, will make general revenue assistance payments to the States and Territories.</p> <p>c) 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.</p> <p>d) 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.</p> <p>e) 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.</p> <p>f) 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.</p> <p>g) 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. This contributes to the linked programs by making payment on behalf of the following:</p> <p>Attorney-General’s Department Department of Agriculture, Fisheries and Forestry Department of Climate Change, Energy, the Environment and Water Department of Defence Department of Education Department of Employment and Workplace Relations Department of Finance Department of Health and Aged Care Department of Home Affairs Department of Industry, Science, and Resources Department of Infrastructure, Transport, Regional Development, Communications and the Arts Department of the Prime Minister and Cabinet Department of Social Services, and Department of Veterans’ Affairs.</p>		
Key Activities	A strong and sustainable economic and fiscal environment: <ul style="list-style-type: none"> Activity 2 Ensure effective Government spending arrangements. 	
Year	Performance measures	Actual Performance Results (a)
Prior year 2021–22	Percentage of payments administered within agreed requirements and timeframes.	Target: 100% Result: Substantially achieved There were 639 (99.5%) payments administered within the requirements. There were 642 (100%) payments administered within the required timeframes.

Table 2.1.2: Performance measure for Outcome 1 (continued)

Year	Performance measures (b)	Planned Performance Results
Budget Year 2022–23	<i>Proportion of payments to the States are delivered within requirements of the Intergovernmental Agreement on Federal Financial Relations and other relevant agreements between the Commonwealth and the States.</i>	<i>Target: 100% Expected to be achieved.</i>
Forward Estimates 2023–26	<i>As per 2022–23</i>	<i>As per 2022–23</i>
Material changes to Program 1.4 to 1.9 resulting from 2022–23 Budget Measures: Nil		

- a) The details of Treasury’s performance results for 2021–22 are reported in the Annual Performance Statements in the *Annual Report 2021–22*.
- b) Refers to updated performance measures that are reflected in the *Corporate Plan 2022–23* as shown in *italics*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 in 2022–23 and over the forward estimates, after non appropriated expenses such as depreciation are removed. The apparent budgeted operating surplus in 2022–23 reflects Revenue from Government to pay for expenses budgeted in 2021–22 under the March 2022–23 Budget measure *Treasury Portfolio – resourcing for Government priorities*.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	208,866	223,033	195,090	189,253	183,775
Suppliers	114,460	127,440	106,376	89,248	88,573
Grants	2,295	555	555	555	555
Depreciation and amortisation (a)	23,601	13,957	13,931	13,703	13,703
Finance costs	1,869	1,733	1,728	1,724	1,724
Losses from asset sales	126	-	-	-	-
Other expenses	4	-	-	-	-
Total expenses	351,221	366,718	317,680	294,483	288,330
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,373	10,251	10,251	10,251	10,251
Other	3,590	4,954	4,954	4,954	4,905
Total own-source revenue	11,963	15,205	15,205	15,205	15,156
Gains					
Sale of assets	6	-	-	-	-
Total gains	6	-	-	-	-
Total own-source income	11,969	15,205	15,205	15,205	15,156
Net (cost of)/contribution by services	(339,252)	(351,513)	(302,475)	(279,278)	(273,174)
Revenue from Government	325,706	344,199	294,060	270,656	264,552
Surplus/(deficit) attributable to the Australian Government	(13,546)	(7,314)	(8,415)	(8,622)	(8,622)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(250)	-	-	-	-
Total other comprehensive income	(250)	-	-	-	-
Total comprehensive income/(loss)	(13,796)	(7,314)	(8,415)	(8,622)	(8,622)
Total comprehensive income/(loss) attributable to the Australian Government	(13,796)	(7,314)	(8,415)	(8,622)	(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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(13,796)	(7,314)	(8,415)	(8,622)	(8,622)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	11,104	7,225	13,494	13,476	13,703
plus: depreciation/amortisation expenses for ROU assets (b)	12,497	6,732	437	227	-
less: lease principal repayments (b)	13,148	5,498	5,516	5,081	5,081
Net Cash Operating Surplus/ (Deficit)	(3,343)	1,145	-	-	-

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.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	424	1,557	1,557	1,557	1,557
Trade and other receivables	115,232	110,822	110,822	110,822	110,822
Total financial assets	115,656	112,379	112,379	112,379	112,379
Non-financial assets					
Land and buildings	152,341	143,784	135,272	126,997	118,718
Property, plant and equipment	11,220	13,692	16,345	19,322	22,249
Intangibles	8,420	9,490	9,468	9,475	9,453
Other non-financial assets	4,655	4,655	4,655	4,655	4,655
Total non-financial assets	176,636	171,621	165,740	160,449	155,075
Total assets	292,292	284,000	278,119	272,828	267,454
LIABILITIES					
Payables					
Suppliers	11,717	11,717	11,717	11,717	11,717
Other payables	8,589	8,619	8,619	8,619	8,619
Total payables	20,306	20,336	20,336	20,336	20,336
Interest bearing liabilities					
Leases	140,241	134,743	129,227	124,146	119,065
Total interest bearing liabilities	140,241	134,743	129,227	124,146	119,065
Provisions					
Employee provisions	72,192	72,899	72,899	72,899	72,899
Other provisions	5,704	5,704	5,704	5,704	5,704
Total provisions	77,896	78,603	78,603	78,603	78,603
Total liabilities	238,443	233,682	228,166	223,085	218,004
Net assets	53,849	50,318	49,953	49,743	49,450
EQUITY*					
Parent entity interest					
Contributed equity	120,335	124,118	132,168	140,580	148,909
Reserves	14,093	14,093	14,093	14,093	14,093
Retained surplus (accumulated deficit)	(80,579)	(87,893)	(96,308)	(104,930)	(113,552)
Total parent entity interest	53,849	50,318	49,953	49,743	49,450
Total equity	53,849	50,318	49,953	49,743	49,450

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(80,579)	14,093	120,335	53,849
Adjusted opening balance	(80,579)	14,093	120,335	53,849
Comprehensive income				
Surplus/(deficit) for the period	(7,314)	-	-	(7,314)
Total comprehensive income	(7,314)	-	-	(7,314)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	303	303
Departmental Capital Budget (DCB)	-	-	3,480	3,480
Sub-total transactions with owners	-	-	3,783	3,783
Estimated closing balance as at 30 June 2023	(87,893)	14,093	124,118	50,318
Closing balance attributable to the Australian Government	(87,893)	14,093	124,118	50,318

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	338,613	348,609	294,060	270,656	264,552
Sale of goods and rendering of services	5,493	10,251	10,251	10,251	10,251
Net GST received	9,769	-	-	-	-
Other	3,335	772	772	772	772
Total cash received	357,210	359,632	305,083	281,679	275,575
Cash used					
Employees	204,530	222,296	195,090	189,253	183,775
Suppliers	96,688	123,258	102,194	85,066	84,440
Net GST paid	9,966	-	-	-	-
Interest payments on lease liability	1,837	1,732	1,727	1,724	1,724
s74 External Revenue transferred to the OPA	33,962	-	-	-	-
Other	2,295	555	555	555	555
Total cash used	349,278	347,841	299,566	276,598	270,494
Net cash from/(used by) operating activities	7,932	11,791	5,517	5,081	5,081
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	6	-	-	-	-
Total cash received	6	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	6,547	8,943	8,051	8,412	8,329
Total cash used	6,547	8,943	8,051	8,412	8,329
Net cash from/(used by) investing activities	(6,541)	(8,943)	(8,051)	(8,412)	(8,329)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	5,641	3,783	8,050	8,412	8,329
Other	5,780	-	-	-	-
Total cash received	11,421	3,783	8,050	8,412	8,329
Cash used					
Principal payments on lease liability	13,148	5,498	5,516	5,081	5,081
Total cash used	13,148	5,498	5,516	5,081	5,081
Net cash from/(used by) financing activities	(1,727)	(1,715)	2,534	3,331	3,248
Net increase/(decrease) in cash held	(336)	1,133	-	-	-
Cash and cash equivalents at the beginning of the reporting period	760	424	1,557	1,557	1,557
Cash and cash equivalents at the end of the reporting period	424	1,557	1,557	1,557	1,557

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	10,262	3,480	7,745	8,107	8,024
Equity injections – Bill 2	301	303	305	305	305
Total new capital appropriations	10,563	3,783	8,050	8,412	8,329
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	10,563	3,783	8,050	8,412	8,329
Total items	10,563	3,783	8,050	8,412	8,329
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	301	303	305	305	305
Funded by capital appropriation - DCB (b)	10,262	8,639	7,745	8,107	8,024
TOTAL	10,563	8,942	8,050	8,412	8,329
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,563	8,942	8,050	8,412	8,329
Total cash used to acquire assets	10,563	8,942	8,050	8,412	8,329

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	25,269	14,972	28,122	68,363
Gross book value – ROU assets	160,997	56	-	161,053
Accumulated depreciation/amortisation and impairment	(3,452)	(3,775)	(19,702)	(26,929)
Accumulated depreciation/amortisation and impairment – ROU assets	(30,473)	(33)	-	(30,506)
Opening net book balance	152,341	11,220	8,420	171,981
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	303	303
By purchase – appropriation ordinary annual services (b)	453	4,791	3,395	8,639
Total additions	453	4,791	3,698	8,942
Other movements				
Depreciation/amortisation expense	(2,278)	(2,319)	(2,628)	(7,225)
Depreciation/amortisation on ROU assets	(6,732)	-	-	(6,732)
Total other movements	(9,010)	(2,319)	(2,628)	(13,957)
As at 30 June 2023				
Gross book value	25,722	19,763	31,820	77,305
Gross book value – ROU assets	160,997	56	-	161,053
Accumulated depreciation/amortisation and impairment	(5,730)	(6,094)	(22,330)	(34,154)
Accumulated depreciation/amortisation and impairment – ROU assets	(37,205)	(33)	-	(37,238)
Closing net book balance	143,784	13,692	9,490	166,966

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022–23, including Collection Development Acquisition Budget.
- b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2022–23 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	18,095	8,145	8,229	4,534	807
Grants	135,096,561	140,933,123	142,143,680	145,136,706	146,936,193
Medicare Guarantee Fund	44,867,877	48,284,209	48,534,068	50,412,906	52,304,307
Finance costs	348,010	405,270	470,849	421,086	376,212
Payments to corporate entities	39,939	43,899	5,109	5,165	4,498
Foreign exchange losses	449,944	888,924	-	-	-
Other expenses	272,824	76,914	50,746	37,786	33,561
Total expenses administered on behalf of Government	181,093,250	190,640,484	191,212,681	196,018,183	199,655,578
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	593,408	655,181	476,000	476,339	479,165
Fees and fines	-	949	1,018	1,018	1,018
Interest	71,951	341,738	369,335	374,980	378,099
Dividends	1,965	-	-	-	-
COAG revenue from other government agencies	1,432,659	2,114,196	1,163,843	-	-
Other revenue	199,569	188,669	185,650	182,508	191,735
Total non-taxation revenue	2,299,552	3,300,733	2,195,846	1,034,845	1,050,017
Total own-source revenue administered on behalf of Government	2,299,552	3,300,733	2,195,846	1,034,845	1,050,017

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Gains					
Foreign exchange gains	597,353	315,664	-	-	-
Total gains administered on behalf of Government	597,353	315,664	-	-	-
Total own-sourced income administered on behalf of Government	2,896,905	3,616,397	2,195,846	1,034,845	1,050,017
Net (cost of)/contribution by services	178,196,345	187,024,087	189,016,835	194,983,338	198,605,561
Total comprehensive income/(loss)	(178,196,345)	(187,024,087)	(189,016,835)	(194,983,338)	(198,605,561)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,165,521	1,061,046	927,439	570,971	923,566
Trade and other receivables	2,218,277	2,122,895	2,138,991	2,397,646	1,958,395
Other investments	29,063,996	28,762,104	28,821,848	28,821,850	28,834,769
Total financial assets	32,447,794	31,946,045	31,888,278	31,790,467	31,716,730
Total assets administered on behalf of Government	32,447,794	31,946,045	31,888,278	31,790,467	31,716,730
LIABILITIES					
Payables					
Grants	1,252,276	88,899	76,031	58,378	47,906
Other payables	843,791	1,074,444	679,885	635,978	474,709
Total payables	2,096,067	1,163,343	755,916	694,356	522,615
Interest bearing liabilities					
Loans	8,657,223	8,823,713	9,207,849	9,207,849	9,207,849
Other	18,151,520	17,837,492	17,837,492	17,837,492	17,837,492
Total interest bearing liabilities	26,808,743	26,661,205	27,045,341	27,045,341	27,045,341
Provisions					
Other provisions	5,572,180	4,498,524	1,027,287	181,038	126,264
Total provisions	5,572,180	4,498,524	1,027,287	181,038	126,264
Total liabilities administered on behalf of Government	34,476,990	32,323,072	28,828,544	27,920,735	27,694,220
Net assets/(liabilities)	(2,029,196)	(377,027)	3,059,734	3,869,732	4,022,510

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	1,064	777	-	-	-
Interest	45,671	300,329	361,591	368,650	372,887
Dividends	2,670,965	-	-	-	-
Net GST received	1,535,732	1,636,544	1,725,910	1,794,853	1,857,767
COAG revenue Government Agencies	1,436,256	2,114,196	1,163,843	-	-
Other receipts from Government Agencies	25,146,829	27,029,427	28,306,395	29,482,103	30,607,214
Other	113,294	95,128	94,453	94,487	94,522
Total cash received	30,949,811	31,176,401	31,652,192	31,740,093	32,932,390
Cash used					
Grants paid	158,412,232	169,643,637	173,580,009	175,065,475	177,137,214
Medicare Guarantee Fund	44,867,877	48,284,209	48,534,068	50,412,906	52,304,307
Suppliers	18,115	8,145	8,229	4,534	807
Net GST paid	1,535,497	1,636,544	1,725,910	1,794,853	1,857,767
Borrowing costs	17,833	301,311	370,775	370,775	370,775
Payments to corporate entities	39,939	43,899	5,109	5,165	4,498
Other	5,685	50,208	35,500	68,956	188,563
Total cash used	204,897,178	219,967,953	224,259,600	227,722,664	231,863,931
Net cash from/(used by) operating activities	(173,947,367)	(188,791,552)	(192,607,408)	(195,982,571)	(198,931,541)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	338,887	418,699	213,555	189,235	736,977
Investments	5,950	-	-	-	-
Total cash received	344,837	418,699	213,555	189,235	736,977
Cash used					
Advances and loans made	735,362	183,123	133,607	356,468	211,180
Investments	355,551	59,754	59,744	-	-
Other	165,000	165,000	-	-	-
Total cash used	1,255,913	407,877	193,351	356,468	211,180
Net cash from/(used by) investing activities	(911,076)	10,822	20,204	(167,233)	525,797
Net increase/(decrease) in cash held	(174,858,443)	(188,780,730)	(192,587,204)	(196,149,804)	(198,405,744)
Cash and cash equivalents at beginning of reporting period	797,269	1,165,521	1,061,046	927,439	570,971
Cash from Official Public Account for:					
- Appropriations	108,464,854	119,713,850	122,104,687	126,784,088	131,629,605
- Special accounts	69,992,128	71,883,534	72,162,352	69,661,620	67,769,345
Total cash from Official Public Account	178,456,982	191,597,384	194,267,039	196,445,708	199,398,950
Cash to Official Public Account for:					
- Appropriations	619,417	534,438	649,599	652,372	640,611
- Special accounts	2,610,870	2,386,691	1,163,843	-	-
Total cash to Official Public Account	3,230,287	2,921,129	1,813,442	652,372	640,611
Cash and cash equivalents at end of reporting period	1,165,521	1,061,046	927,439	570,971	923,566

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered Assets and Liabilities – Bill 2	165,000	171,153	-	-	-
Total new capital appropriations	165,000	171,153	-	-	-
<i>Provided for:</i>					
<i>Funding to the National Housing Finance and Investment Corporation</i>	165,000	165,000	-	-	-
<i>Loan to the Australian Energy Market Operator</i>	-	6,153	-	-	-
Total items	165,000	171,153	-	-	-

Prepared on Australian Accounting Standards basis.

Australian Bureau of Statistics

Entity resources and planned performance

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 insights from effective and safe use of available data. In 2022–23, the ABS will:

- release data from the 2021 Census of Population and Housing and the 2020–21 Agricultural Census
- increase the use of non-survey data to reduce the burden on providers while continuing to deliver important statistics
- use new data sources to address emerging information needs, augment existing products, and validate existing methodologies
- use big data to deliver more timely indicators of the Australian economy
- increase the frequency and detail of data measuring the barriers and incentives to participating in the labour market
- help small to medium business respond to ABS surveys by using their existing accounting software
- update the Australian and New Zealand Standard Classification of Occupations (ANZSCO) to reflect changes in the labour market
- enhance regional labour market statistics and provide more detailed geographic breakdowns.

The ABS is continuing to adapt our practices and statistical products in response to the changing conditions in which we operate, the needs of our partners, and the expectations of our clients. Within this environment, the ABS is responding to an increasing demand for quality data, exploring and embracing emergent alternate sources of data, forming new partnerships with business, innovating through new technologies, and increasing our 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), by administered (on behalf of the Government or the public) and by 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 2022–23 as at October Budget 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	90,808	89,096
Departmental appropriation (c)	579,470	368,608
s74 External Revenue (d)	62,653	80,242
Departmental capital budget (e)	12,576	483
Annual appropriations – other services – non-operating (f)		
Prior year appropriations available (b)	2,243	287
Equity injection (g)	9,526	2,244
Total departmental annual appropriations	757,276	540,960
Total resourcing for Australian Bureau of Statistics	757,276	540,960
	2021-22	2022-23
Average staffing level (number)	3,364	2,678

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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$19.4m 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). The 2022–23 figure includes the reclassification of \$5m from equity injections and \$12m from 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'. The 2022–23 figure reflects the impact of a \$12m reclassification from DCB to operating appropriations.
- f) Appropriation Bill (No. 2) 2022–23, Supply Bill (No. 4) 2022–23 and *Supply Act (No. 2) 2022–23*.
- g) The 2022–23 figure includes the impact of a \$5m reclassification from equity injections to operating appropriations. Please refer to Table 3.5 for further details.

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 October 2022–23 Budget measures
Part 1: Measures announced since the March 2022–23 Budget**

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	
Payment measures						
An Ambitious and Enduring APS Reform Plan (a)						
Departmental payments	1.1	-	(125)	(356)	(443)	-
Outcomes of the Jobs and Skills Summit (b)						
Departmental payments	1.1	-	827	1,207	713	1,232
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (c)						
Departmental payments	1.1	-	(6,119)	-	-	-
Total		-	(5,417)	851	270	1,232
Total payment measures						
Departmental		-	(5,417)	851	270	1,232
Total		-	(5,417)	851	270	1,232

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.

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The measure Outcomes of the Jobs and Skills Summit is a cross-portfolio measure. The full measure description and package details appear the Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio measures.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 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:
(<https://www.transparency.gov.au/annual-reports/australian-bureau-statistics/reporting-year/2020-21>).

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Bureau of Statistics					
Departmental expenses					
Departmental appropriation	568,311	370,250	365,764	376,579	428,678
s74 External Revenue (a)	61,500	71,198	63,126	40,610	40,571
Expenses not requiring appropriation in the Budget year (b)	32,497	27,410	23,723	25,440	22,746
Departmental total	662,308	468,858	452,613	442,629	491,995
Total expenses for program 1.1	662,308	468,858	452,613	442,629	491,995
Total expenses for Outcome 1	662,308	468,858	452,613	442,629	491,995
	2021-22	2022-23			
Average staffing level (number)	3,364	2,678			

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 in the course of the budget year as government priorities change.

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Key Activities	Produce key economic, industry, environmental, labour, population, and social statistics, as well as conduct of the five-yearly Census of Population and Housing and Agricultural Census. Undertake data integration projects including those supported by the Business Longitudinal Analysis Data Environment (BLADE) and the Multi-Agency Data Integration Project (MADIP). Use administrative and alternate data sources to deliver more timely economic indicators. Provide access to ABS statistics through a range of avenues including the ABS website, machine-to-machine access through an application programming interface, the DataLab, TableBuilder, and customised data requests. Deliver data capability initiatives across the Australian Public Service (APS) developed under the Data Profession Stream. Lead recruitment of data graduates for the APS. Investigate options for reducing burden on data providers.	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	Decision making by governments, business, and the community is informed by high quality statistics. Target: The ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund (IMF) against the <i>Special Data Dissemination Standard</i> .(a)	100% compliance with Special Data Dissemination Standard (SDDS) for in-scope collections.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23	Decision making by governments, business, and the community is informed by high quality statistics. Target: 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 <i>Special Data Dissemination Standard</i> .(a)	100% compliance with SDDS for in-scope collections.
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
There are no budget measures that materially impact on Program 1.1 – Australian Bureau of Statistics.		

- a) *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 – including the coverage, frequency, and timeliness of the statistics that are published. 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 October 2022–23 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 2022–23 after adjusting for non-appropriated expenses of depreciation and amortisation and omitting the impact of AASB 16 Leases.

Total appropriation revenue in 2022–23 is estimated to be \$368.6 million, with Own Source Income of \$71.1 million. Appropriations have increased from the \$355.7 million reported in the *2022–23 Portfolio Budget Statements*, due to the reclassification of capital appropriations to operating and new measures as outlined in Table 1.2.

- Outcomes of the Jobs and Skills Summit – \$0.8 million increase.
- An Ambitious and Enduring APS Reform Plan – \$0.1 million decrease.
- Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses – \$6.1 million decrease.

Total operating expenses in 2022–23 are estimated to be \$468.9 million. This has increased from the \$462.6 million reported in the *2022–23 Portfolio Budget Statements*. The increase predominantly reflects activities relating to expenditure from the new measures outlined in Table 1.2 and the reclassification of capital appropriations to operating, offset by savings.

The total capital budget in 2022–23 is estimated to be \$18.6 million. This has reduced from the \$19.2 million reported in the *2022–23 Portfolio Budget Statements*. This movement reflects the rollover of unspent capital funding and the reclassification of capital appropriations to operating.

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	444,497	297,379	315,742	309,854	341,385
Suppliers	163,275	125,531	94,968	86,454	105,465
Depreciation and amortisation (a)	52,157	44,474	40,568	44,966	43,939
Finance costs	1,608	1,474	1,335	1,355	1,206
Write-down and impairment of assets	290	-	-	-	-
Losses from asset sales	481	-	-	-	-
Total expenses	662,308	468,858	452,613	442,629	491,995
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	59,353	70,064	61,954	40,000	40,000
Sublease income	762	1,034	1,072	510	471
Other	1,385	-	-	-	-
Total own-source revenue	61,500	71,098	63,026	40,510	40,471
Gains					
Sale of assets	-	100	100	100	100
Other	197	126	126	126	126
Total gains	197	226	226	226	226
Total own-source income	61,697	71,324	63,252	40,736	40,697
Net (cost of)/contribution by services	(600,611)	(397,534)	(389,361)	(401,893)	(451,298)
Revenue from Government	579,470	368,608	364,990	375,667	429,079
Surplus/(deficit) attributable to the Australian Government	(21,141)	(28,926)	(24,371)	(26,226)	(22,219)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	1,746	-	-	-	-
Total other comprehensive income	1,746	-	-	-	-
Total comprehensive income/(loss)	(19,395)	(28,926)	(24,371)	(26,226)	(22,219)
Total comprehensive income/(loss) attributable to the Australian Government	(19,395)	(28,926)	(24,371)	(26,226)	(22,219)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(19,395)	(28,926)	(24,371)	(26,226)	(22,219)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	31,214	27,284	23,597	25,314	22,620
plus: depreciation/amortisation expenses for ROU assets (b)	20,943	17,190	16,971	19,652	21,319
less: lease principal repayments (b)	18,330	15,548	16,197	18,740	21,720
Net Cash Operating Surplus/ (Deficit)	14,432	-	-	-	-

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,744	3,500	3,500	3,500	3,500
Trade and other receivables	119,571	104,156	102,987	103,541	103,859
Total financial assets	124,315	107,656	106,487	107,041	107,359
Non-financial assets					
Land and buildings	118,598	105,149	88,179	96,107	74,788
Property, plant and equipment	38,214	38,262	39,701	38,666	35,196
Intangibles	70,362	61,650	53,343	45,545	42,475
Other non-financial assets	14,333	13,842	13,802	13,248	12,930
Total non-financial assets	241,507	218,903	195,025	193,566	165,389
Total assets	365,822	326,559	301,512	300,607	272,748
LIABILITIES					
Payables					
Suppliers	8,855	8,682	12,599	11,602	8,298
Other payables	60,715	64,145	63,745	64,823	66,959
Total payables	69,570	72,827	76,344	76,425	75,257
Interest bearing liabilities					
Leases	127,149	115,294	99,097	107,937	86,217
Total interest bearing liabilities	127,149	115,294	99,097	107,937	86,217
Provisions					
Employee provisions	110,844	106,349	105,041	104,929	106,065
Other provisions	1,087	1,116	1,146	1,177	1,209
Total provisions	111,931	107,465	106,187	106,106	107,274
Total liabilities	308,650	295,586	281,628	290,468	268,748
Net assets	57,172	30,973	19,884	10,139	4,000
EQUITY*					
Parent entity interest					
Contributed equity	432,592	435,319	448,601	465,082	481,162
Reserves	35,239	35,239	35,239	35,239	35,239
Retained surplus (accumulated deficit)	(410,659)	(439,585)	(463,956)	(490,182)	(512,401)
Total parent entity interest	57,172	30,973	19,884	10,139	4,000
Total equity	57,172	30,973	19,884	10,139	4,000

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(410,659)	35,239	432,592	57,172
Adjusted opening balance	(410,659)	35,239	432,592	57,172
Comprehensive income				
Surplus/(deficit) for the period	(28,926)	-	-	(28,926)
Total comprehensive income	(28,926)	-	-	(28,926)
Contributions by owners				
Equity injection – Appropriation	-	-	2,244	2,244
Departmental Capital Budget (DCB)	-	-	483	483
Sub-total transactions with owners	-	-	2,727	2,727
Estimated closing balance as at 30 June 2023	(439,585)	35,239	435,319	30,973
Closing balance attributable to the Australian Government	(439,585)	35,239	435,319	30,973

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	614,256	376,798	365,952	375,099	429,079
Sale of goods and rendering of services	60,741	80,142	62,797	40,376	40,352
Net GST received	17,220	6,959	7,699	7,691	11,750
Other	1,590	-	-	-	-
Total cash received	693,807	463,899	436,448	423,166	481,181
Cash used					
Employees	450,754	304,382	317,299	308,754	337,994
Suppliers	167,461	125,058	90,855	86,740	108,293
Net GST paid	16,233	7,453	7,376	7,677	12,068
Interest payments on lease liability	1,595	1,474	1,335	1,355	1,206
s74 External Revenue transferred to the OPA	40,900	-	-	-	-
Other	68	-	-	-	-
Total cash used	677,011	438,367	416,865	404,526	459,561
Net cash from/(used by) operating activities	16,796	25,532	19,583	18,640	21,620
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	181	100	100	100	100
Total cash received	181	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	10,906	18,668	16,730	16,481	16,080
Total cash used	10,906	18,668	16,730	16,481	16,080
Net cash from/(used by) investing activities	(10,725)	(18,568)	(16,630)	(16,381)	(15,980)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	12,495	7,340	13,244	16,481	16,080
Total cash received	12,495	7,340	13,244	16,481	16,080
Cash used					
Principal payments on lease liability	18,330	15,548	16,197	18,740	21,720
Total cash used	18,330	15,548	16,197	18,740	21,720
Net cash from/(used by) financing activities	(5,835)	(8,208)	(2,953)	(2,259)	(5,640)
Net increase/(decrease) in cash held	236	(1,244)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,508	4,744	3,500	3,500	3,500
Cash and cash equivalents at the end of the reporting period	4,744	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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	12,576	483	9,265	15,474	16,080
Equity injections – Bill 2	9,526	2,244	4,017	1,007	-
Total new capital appropriations	22,102	2,727	13,282	16,481	16,080
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	22,102	2,727	13,282	16,481	16,080
Total items	22,102	2,727	13,282	16,481	16,080
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	9,526	6,202	4,017	1,007	-
Funded by capital appropriation - DCB (b)	19,461	12,466	12,713	15,474	16,080
TOTAL	28,987	18,668	16,730	16,481	16,080

Prepared on Australian Accounting Standards basis.

- a) Does not include annual finance lease costs. Includes both current Bill 2 and prior year Act 2/4/6 appropriations.
- b) Includes purchase from current and previous years' Department Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2022–23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	-	40,563	273,034	313,597
Gross book value – ROU assets	166,635	184	-	166,819
Accumulated depreciation/amortisation and impairment	-	(2,398)	(202,672)	(205,070)
Accumulated depreciation/amortisation and impairment – ROU assets	(48,037)	(135)	-	(48,172)
Opening net book balance	118,598	38,214	70,362	227,174
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	1,259	4,943	6,202
By purchase – appropriation ordinary annual services (b)	-	9,104	3,362	12,466
By purchase – appropriation ordinary annual services – ROU assets	3,693	-	-	3,693
Total additions	3,693	10,363	8,305	22,361
Other movements				
Depreciation/amortisation expense	-	(10,267)	(17,017)	(27,284)
Depreciation/amortisation on ROU assets	(17,142)	(48)	-	(17,190)
Total other movements	(17,142)	(10,315)	(17,017)	(44,474)
As at 30 June 2023				
Gross book value	-	50,926	281,339	332,265
Gross book value – ROU assets	170,328	184	-	170,512
Accumulated depreciation/amortisation and impairment	-	(12,665)	(219,689)	(232,354)
Accumulated depreciation/amortisation and impairment – ROU assets	(65,179)	(183)	-	(65,362)
Closing net book balance	105,149	38,262	61,650	205,061

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Bill (No. 2) 2022–23.
- b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for Departmental Capital Budgets (DCBs).

Australian Competition and Consumer Commission

**Entity resources and
planned performance**

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 to identify and address the risk of serious injury and death from unsafe consumer products.

The ACCC continues to prioritise work to educate and inform consumers about their rights under the Australian Consumer Law, as well as our work educating and informing consumers about the risks associated with scams.

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 2022–23 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, childcare, domestic aviation, agriculture, financial services, private health insurance and home, contents and strata insurance in northern Australia.

When undertaking all 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
- 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. The AER has functions in all states and territories except Western Australia. We place consumers at the heart of our work, and are focused on ensuring a secure, reliable and affordable energy future for Australia as it transitions to net zero emissions.

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:

- 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 the October *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 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	53,877	81,663
Departmental appropriation (b)	288,855	290,455
s74 External Revenue (c)	4,534	3,410
Departmental capital budget (d)	32,172	31,666
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	24,128	24,128
Equity injection	1,100	14,000
Total departmental annual appropriations	404,666	445,322
Administered		
Special appropriations (f)	20	20
Total administered resourcing	20	20
Total resourcing for ACCC	404,686	445,342
	2021-22	2022-23
Average staffing level (number)	1,245	1,332

Table 1.1: Australian Competition and Consumer Commission resource statement – Budget estimates for 2022–23 as at October Budget 2022 (continued)

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

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Estimate \$'000</i>
Payments made on behalf of the NCC (as disclosed in the NCCs resource statement)	1,731	1,683
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- 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) 2022–23, Supply Bill (No. 4) 2022–23 and *Supply Act (No. 2) 2022–23*.
- f) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

1.3 Budget measures

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

Table 1.2: Australian Competition and Consumer Commission October 2022–23 Budget measures

Part 1: Measures announced since the 2022–23 March Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Receipt measures					
More Competition, Better Prices – increase penalties	1.1				
Administered receipt		-	-	7,178	55,432
Total		-	-	7,178	55,432
Total receipt measures					
Administered		-	-	7,178	55,432
Total		-	-	7,178	55,432
Payment measures					
An Ambitious and Enduring APS Reform Plan (a)					
Departmental payment	1.1	-	(64)	(165)	-
Departmental payment	1.2	-	(37)	(92)	-
Fighting Online Scams					
Departmental payment	1.1	-	-	-	-
Murray Darling Basin – water market reform (b)(c)					
Departmental payment	1.1	-	nfp	nfp	nfp
Plan for Cheaper Child Care (d)					
Departmental payment	1.1	-	7,789	3,045	-
Powering Australia - Community Batteries for Household Solar (e)					
Departmental payment	1.2	-	627	1,097	781
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (f)					
Departmental payment	1.1	-	(4,108)	-	-
Departmental payment	1.2	-	(2,414)	-	-
Support for the Australian Energy Regulator to Implement Regulatory Changes					
Departmental payment	1.2	-	3,168	6,454	6,822
				6,822	6,381

**Table 1.2: Australian Competition and Consumer Commission October 2022–23
Budget measures (continued)**

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Supporting the Supply of Australian Gas (g)						
Departmental payment	1.1	-	-	6,283	2,990	4,804
Total		-	4,961	16,622	10,305	11,966
Total payment measures						
Departmental		-	4,961	16,622	10,305	11,966
Total		-	4,961	16,622	10,305	11,966

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) The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- b) The full measure description and package details for the measure Murray Darling Basin – water market reform appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Climate Change, Energy, the Environment and Water portfolio.
- c) The financial implications for this measure are not for publication (nfp) due to commercial sensitivities.
- d) The lead entity for measure Plan for Cheaper Child Care is Services Australia. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Education portfolio.
- e) The lead entity for measure Powering Australia – Community Batteries for Household Solar is the Department of Climate Change, Energy, the Environment and Water. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Climate Change, Energy, the Environment and Water portfolio.
- f) The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in the Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio measures.
- g) The lead entity for measure Supporting the Supply of Australian Gas is the Department of Industry, Science and Resources. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Industry, Science and Resources 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.

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 measure 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:
(<https://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 Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	212,569	210,628	202,332	193,359	186,692
s74 External Revenue (a)	2,111	2,585	1,285	1,285	1,285
Expenses not requiring appropriation in the Budget year (b)	16,249	27,066	23,624	22,637	22,141
Departmental total	230,929	240,279	227,241	217,281	210,118
Total expenses for program 1.1	230,929	240,279	227,241	217,281	210,118
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	75,258	79,827	73,436	74,256	74,504
Departmental total	75,258	79,827	73,436	74,256	74,504
Total expenses for program 1.2	75,258	79,827	73,436	74,256	74,504
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	287,827	290,455	275,768	267,615	261,196
s74 External Revenue (a)	2,111	2,585	1,285	1,285	1,285
Expenses not requiring appropriation in the Budget year (b)	16,249	27,066	23,624	22,637	22,141
Departmental total	306,187	320,106	300,677	291,537	284,622
Total expenses for Outcome 1	306,187	320,106	300,677	291,537	284,622
	2021-22	2022-23			
Average staffing level (number)	1,245	1,332			

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 measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<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>Key Activities</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 competition and choice by facilitating safe and secure data sharing by consumers through the Consumer Data Right (a): <ul style="list-style-type: none"> – deliver the enabling technology solutions for Consumer Data Right – support Consumer Data Right participants, including through assistance with testing and on-boarding – accredit Consumer Data Right data recipients – promote compliance with and enforce the Consumer Data Right rules and standards. 4. Protect consumers 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 and alerting them to the risk of scams.

Table 2.2: Performance measure for Outcome 1 (continued)

Key Activities	<p>5. Protect consumers from unsafe products:</p> <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. <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, improve the reliability, flexibility and security of our business and data systems and enhance our data capabilities; – adapt our ways of working to allow resources to be used flexibly to meet changing priorities and to adopt innovative practices 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. 	
Year	Performance measures	Expected Performance Results (b)
Prior year 2021-22	<p>Number of competition enforcement interventions (court proceedings 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 and industry codes enforcement interventions (court proceedings commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions).</p> <p>Number of small business Info centre contacts served.</p>	<p>5</p> <p>94%</p> <p>100%</p> <p>40</p> <p>8,843</p>

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22	Number of Info centre contacts served (includes Info centre contacts served and webforms received). Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation, ports and stevedoring sectors).	379,902 28
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	Number of competition enforcement interventions (court proceedings commenced, section 87B undertakings accepted, administrative resolutions). Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment. Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding). Number of Australian Consumer Law and industry codes enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions). Number of small business Info centre contacts served. Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation, ports, and stevedoring sectors).	Target is 6+ Target is 80% to 95% Target is 100% Target is 40+ Target is 7,000 Target is 31
Forward Estimates 2023–26	As per 2022-23	As per 2022–23

(a) The wording of this strategic objective has been revised to assist with clarity.

(b) Actual performance results against measures for 2021–22 as described in *2021–22 Portfolio Budget Statements*.

The above program is linked to the Department of Health and Aged Care (Program 1.8 – Health Protection, Emergency Response and Regulation), the Department of Industry, Science and Resources (Program 1.2 – Growing innovative and competitive businesses, industries and regions), and the Department of Climate Change, Energy, the Environment and Water (Program 1.3 – Supporting reliable, secure and affordable energy).

Table 2.2: Performance measure for Outcome 1 (continued)

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.		
Program 1.2 – Australian Energy Regulator		
The AER exists so that energy consumers are better off, now and in the future. We focus on ensuring a secure, reliable and affordable energy future for Australia as it transitions to net zero emissions. We regulate wholesale and retail energy markets, and energy networks, under national energy legislation and rules. The AER has functions in all states and territories except Western Australia.		
Key Activities	The AER achieves Outcome 1 by: <ul style="list-style-type: none"> • consumer protection: enabling consumers to make informed choices about their energy supplier, including through 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 administering a retailer of last resort scheme if a retailer fails • 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. We also provide a price comparison website – Energy Made Easy – to help consumers find the best energy offers for their needs • 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 quality of engagement with customers, projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards • policy and advocacy: advocating for policy changes and improvements to energy laws and rules that protect and promote the interests of energy consumers. 	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	Proportion of stakeholder survey respondents that agree with the statements: <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. Number of people completing their plan search on Energy Made Easy (EME). Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information.	78% 55% 970,000+ 100%

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)	<p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information (a).</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>71%(authorisations) 80% (exemptions)</p> <p>76%</p> <p>100%</p>
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	<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 (a).</p> <p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information (a).</p> <p>Percentage of market reports published within agreed/statutory timeframes.</p> <p>Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes.</p>	<p>Target is ≥ 2021-22 result</p> <p>Target is ≥ 2021-22 result</p> <p>Target is ≥ 2021-22 result</p> <p>Target is 100%</p> <p>Target is 100%</p> <p>Target is 100%</p> <p>Target is 100 %</p>
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

a) Noting that service standards may not be met for complex applications that have greater due diligence requirements.

The above program is linked to the Department of Climate Change, Energy, the Environment and Water (Program 1.3 – 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 2022–23 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

The ACCC is budgeting for an approved operating loss of \$4.9m to support the development of its Consumer Data Right program after excluding depreciation, amortisation and the impact of AASB16 – Leases in 2022–23. This has been reflected in the Comprehensive Income Statement in Table 3.1

Total appropriation revenue for 2022–23 is estimated to be \$290.5 million. This has increased from \$286.9 million as reported in the March 2022–23 *Portfolio Budget Statements*. The total capital budget for 2022–23, which exists to cover the purchase of non-financial assets, is estimated to be \$31.7m. This has increased from \$30m as reported in the March 2022–23 *Portfolio Budget Statements*. 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
- 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	172,181	185,033	172,227	166,588	166,230
Suppliers	103,158	102,729	94,416	90,519	83,726
Depreciation and amortisation (a)	29,729	31,599	33,559	33,823	33,952
Finance costs	1,022	745	475	607	714
Losses from asset sales	97	-	-	-	-
Total expenses	306,187	320,106	300,677	291,537	284,622
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,045	2,536	1,246	1,256	1,256
Rental income	66	-	-	-	-
Sublease interest income	-	49	39	29	29
Total own-source revenue	2,111	2,585	1,285	1,285	1,285
Gains					
Other	2,126	115	115	115	115
Total gains	2,126	115	115	115	115
Total own-source income	4,237	2,700	1,400	1,400	1,400
Net (cost of)/contribution by services	(301,950)	(317,406)	(299,277)	(290,137)	(283,222)
Revenue from Government	288,855	290,455	275,768	267,615	261,196
Surplus/(deficit) attributable to the Australian Government	(13,095)	(26,951)	(23,509)	(22,522)	(22,026)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(823)	-	-	-	-
Total comprehensive income/(loss)	(13,918)	(26,951)	(23,509)	(22,522)	(22,026)
Total comprehensive income/(loss) attributable to the Australian Government	(13,918)	(26,951)	(23,509)	(22,522)	(22,026)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(13,918)	(26,951)	(23,509)	(22,522)	(22,026)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	17,187	21,443	23,590	24,062	24,233
plus: depreciation/amortisation expenses for ROU assets (b)	12,542	10,156	9,969	9,761	9,719
less: lease principal repayments (b)	14,702	10,373	10,925	11,301	11,926
Net Cash Operating Surplus/ (Deficit) (c)	1,109	(5,725)	(875)	-	-

Prepared on Australian Accounting Standards basis.

- 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.
- Applies leases under AASB 16 Leases.
- The 2022–23 operating result includes approval for an operating loss of \$4.9m to support the development of the Consumer Data Right program.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,113	2,113	2,113	2,113	2,113
Trade and other receivables	105,791	112,256	102,293	100,559	99,478
Total financial assets	107,904	114,369	104,406	102,672	101,591
Non-financial assets					
Land and buildings	82,926	84,457	72,987	61,833	50,485
Property, plant and equipment	2,899	4,382	5,009	4,475	3,995
Intangibles	42,408	53,872	52,518	41,709	32,086
Other non-financial assets	2,452	2,452	2,452	2,452	2,452
Total non-financial assets	130,685	145,163	132,966	110,469	89,018
Total assets	238,589	259,532	237,372	213,141	190,609
LIABILITIES					
Payables					
Suppliers	14,426	13,216	8,805	7,960	6,379
Other payables	8,521	8,521	8,521	8,521	8,521
Total payables	22,947	21,737	17,326	16,481	14,900
Interest bearing liabilities					
Leases	78,673	82,111	71,583	60,282	48,356
Total interest bearing liabilities	78,673	82,111	71,583	60,282	48,356
Provisions					
Employee provisions	51,413	51,413	46,236	44,847	44,847
Other provisions	2,902	2,902	2,902	2,902	2,902
Total provisions	54,315	54,315	49,138	47,749	47,749
Total liabilities	155,935	158,163	138,047	124,512	111,005
Net assets	82,654	101,369	99,325	88,629	79,604
EQUITY*					
Parent entity interest					
Contributed equity	216,743	262,409	283,874	295,700	308,701
Reserves	3,738	3,738	3,738	3,738	3,738
Retained surplus (accumulated deficit)	(137,827)	(164,778)	(188,287)	(210,809)	(232,835)
Total parent entity interest	82,654	101,369	99,325	88,629	79,604
Total equity	82,654	101,369	99,325	88,629	79,604

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(137,827)	3,738	216,743	82,654
Adjusted opening balance	(137,827)	3,738	216,743	82,654
Comprehensive income				
Surplus/(deficit) for the period	(26,951)	-	-	(26,951)
Total comprehensive income	(26,951)	-	-	(26,951)
Transactions with owners				
Distributions to owners				
Equity injection - Appropriation	-	-	14,000	14,000
Departmental Capital Budget (DCB)	-	-	31,666	31,666
Sub-total transactions with owners	-	-	45,666	45,666
Estimated closing balance as at 30 June 2023	(164,778)	3,738	262,409	101,369
Closing balance attributable to the Australian Government	(164,778)	3,738	262,409	101,369

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	294,651	314,973	300,793	282,220	274,648
Sale of goods and rendering of services	4,534	3,410	2,156	1,282	1,282
Net GST received	11,486	14,183	12,406	11,089	10,589
Other	2,074	-	-	-	-
Total cash received	312,745	332,566	315,355	294,591	286,519
Cash used					
Employees	171,820	185,033	177,404	167,977	166,230
Suppliers	98,397	104,450	99,458	91,120	85,063
Net GST paid	10,308	14,437	12,531	11,215	10,715
Interest payments on lease liability	1,022	-	-	-	-
s74 External Revenue transferred to the OPA	22,693	17,588	14,562	12,371	11,871
Other	3,475	685	475	607	714
Total cash used	307,715	322,193	304,430	283,290	274,593
Net cash from/(used by) operating activities	5,030	10,373	10,925	11,301	11,926
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	24,263	32,266	20,965	11,326	12,501
Total cash used	24,263	32,266	20,965	11,326	12,501
Net cash from/(used by) investing activities	(24,263)	(32,266)	(20,965)	(11,326)	(12,501)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	33,272	32,266	20,965	11,326	12,501
Other	698	-	-	-	-
Total cash received	33,970	32,266	20,965	11,326	12,501
Cash used					
Principal payments on lease liability	14,702	10,373	10,925	11,301	11,926
Total cash used	14,702	10,373	10,925	11,301	11,926
Net cash from/(used by) financing activities	19,268	21,893	10,040	25	575
Net increase/(decrease) in cash held	35	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,078	2,113	2,113	2,113	2,113
Cash and cash equivalents at the end of the reporting period	2,113	2,113	2,113	2,113	2,113

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	32,172	31,666	20,365	10,726	11,901
Equity injections - Bill 2	1,100	14,000	1,100	1,100	1,100
Total new capital appropriations	33,272	45,666	21,465	11,826	13,001
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	32,772	32,266	20,965	11,326	12,501
<i>Other Items</i>	500	13,400	500	500	500
Total items	33,272	45,666	21,465	11,826	13,001
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	3,350	6,099	600	600
Funded by capital appropriation - DCB (b)	32,172	28,916	14,866	10,726	11,901
TOTAL	32,772	32,266	20,965	11,326	12,501
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	32,772	32,266	20,965	11,326	12,501
Total cash used to acquire assets	32,772	32,266	20,965	11,326	12,501

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	20,667	4,309	68,024	93,000
Gross book value - ROU assets	95,559	-	-	95,559
Accumulated depreciation/ amortisation and impairment	(2,886)	(1,410)	(25,616)	(29,912)
Accumulated depreciation/amortisation and impairment - ROU assets	(30,414)	-	-	(30,414)
Opening net book balance	82,926	2,899	42,408	128,233
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	600	600
By purchase - appropriation ordinary annual services (b)	785	3,363	27,518	31,666
By purchase - appropriation equity - ROU assets	13,811	-	-	13,811
Total additions	14,596	3,363	28,118	46,077
Other movements				
Depreciation/amortisation expense	(2,909)	(1,880)	(16,654)	(21,443)
Depreciation/amortisation on ROU assets	(10,156)	-	-	(10,156)
Total other movements	(13,065)	(1,880)	(16,654)	(31,599)
As at 30 June 2023				
Gross book value	20,667	4,309	68,624	93,600
Gross book value - ROU assets	110,155	3,363	27,518	141,036
Accumulated depreciation/ amortisation and impairment	(5,795)	(3,290)	(42,270)	(51,355)
Accumulated depreciation/amortisation and impairment - ROU assets	(40,570)	-	-	(40,570)
Closing net book balance	84,457	4,382	53,872	142,711

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022–23, including Collection Development Acquisition Budget.
- b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Write-down and impairment of assets	159,243	-	-	-	-
Total expenses administered on behalf of Government	159,243	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Non-taxation revenue					
Fines and costs	260,549	120,724	137,498	156,694	207,244
Total non-taxation revenue	260,549	120,724	137,498	156,694	207,244
Total own-source revenue administered on behalf of Government	260,549	120,724	137,498	156,694	207,244
Net (cost of)/contribution by services	(101,306)	(120,724)	(137,498)	(156,694)	(207,244)
Surplus/(deficit)	101,306	120,724	137,498	156,694	207,244

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	55,991	55,991	55,991	55,991	55,991
Total financial assets	55,991	55,991	55,991	55,991	55,991
Non-financial assets					
Total assets administered on behalf of Government	55,991	55,991	55,991	55,991	55,991
Net assets/(liabilities)	55,991	55,991	55,991	55,991	55,991

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fines and costs	91,329	120,724	137,498	156,694	207,244
Total cash received	91,329	120,724	137,498	156,694	207,244
Net cash from/(used by) operating activities					
	91,329	120,724	137,498	156,694	207,244
Net increase/(decrease) in cash held					
	91,329	120,724	137,498	156,694	207,244
- Transfers from other entities (Finance - Whole of Government)	(91,329)	(120,724)	(137,498)	(156,694)	(207,244)
<i>Total cash from Official Public Account</i>	<i>(91,329)</i>	<i>(120,724)</i>	<i>(137,498)</i>	<i>(156,694)</i>	<i>(207,244)</i>
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Australian Office of Financial Management

Entity resources and planned performance

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 managing Australian Government debt and certain financial assets. It issues Treasury Bonds, Treasury Indexed Bonds and Treasury Notes (collectively called Australian Government Securities or AGS), manages the government's cash balances and invests in financial assets as directed by government policy.

The government requires that AOFM finance Budget deficits and maturing debt in a cost-effective manner subject to acceptable risk; ensure government cash outlay requirements are always met; and conduct its financing operations in a way that supports a well-functioning AGS market. The AOFM's main financing instrument is Treasury Bonds but Treasury Indexed Bonds and Treasury Notes also play a role.

The AOFM influences the cost structure of the debt portfolio chiefly through the maturity profile of Treasury Bonds that are issued. Issuance is undertaken according to an annual debt management strategy that aims to balance portfolio risks (such as future interest rate volatility and funding risks) and borrowing costs. Through its issuance and associated activities, the AOFM also aims to support domestic financial market integrity, stability and liquidity. The AOFM has lengthened the duration of its Treasury Bond portfolio over the last decade through longer term issuance and by extending the yield curve. Most issuance is achieved using competitive tenders. Where appropriate, the AOFM also undertakes issuance through syndications (large volume point-in-time transactions using a 'book building' process conducted by a panel of banks appointed by the AOFM).

Between mid-2016 and early 2020 the AOFM conducted regular buy-backs of short-dated Treasury Bonds. This program aimed to reduce the size of bond lines ahead of their maturity dates; it was suspended in March 2020 when the RBA commenced its own large bond buying operations. The AOFM will review relevant market and financial system considerations each year to determine the appropriateness of restarting this program.

Issuing Treasury Indexed Bonds facilitates diversification of the investor base. It has a heavy domestic (Australian based) investor focus. The AOFM aims to issue sufficient volumes to meet demand, and to support the liquidity and functioning of the market.

The AOFM manages the government’s cash balances to ensure it can meet all financial obligations when they fall due. Treasury Bonds and Treasury Indexed Bonds issuance tends to be at a relatively steady rate throughout the year. Therefore, fluctuations in the cash balances through the year are managed using deposits with the RBA and the issuance of Treasury Notes. Cash balance fluctuations arise from the difference in timing of revenue collections and outlays. The AOFM also maintains a ‘cash buffer’ to cover unforeseen circumstances, such as a large unanticipated change to forecasts or a temporary deterioration in financial market conditions that could impact the ability to issue AGS at any time.

In April 2019 the then Government established the Australian Business Securitisation Fund (ABSF). The Structured Finance Support Fund (SFSF) was established as part of the *Structured Finance Support (Coronavirus Economic Response Package) Bill 2020*, in response to the COVID-19 pandemic. The AOFM is responsible for the administration of both funds.

Australian Business Securitisation Fund

The Australian Business Securitisation Fund (ABSF) is a \$2 billion investment fund established by the *Australian Business Securitisation Fund Act 2019*. The policy aim is to enhance access to finance for small and medium-sized enterprises (SMEs) through targeted securitisation market investments. This will promote more competition between smaller lenders and the major banks and other lenders; and fill niche gaps in the lending market that are otherwise underserved in Australia.

While the securitisation market for residential mortgages in Australia is well developed, the Australian SME securitisation market is constrained by a lack of scale. Low volumes of capital raisings tend to deter potential investors from committing to the task of due diligence needed to enter the market. The ABSF is used to invest in SME loan securitisations and over time this will help to establish a track record in lending against the type of collateral new to the securitisation market. It will also help SME lenders to obtain credit ratings and in turn promote broader investor interest.

Structured Finance Support Fund

This Fund provides for up to \$15 billion to facilitate continued access to funding markets by SME lenders impacted by the economic effects of the COVID-19 pandemic. In particular, smaller lenders were assessed as vulnerable to loss of access to funding from markets during the period of pandemic disruption. These smaller lenders did not have access to the RBA's term funding facility. The policy aim of the Structured Finance Support Fund (SFSF) has been achieved through targeted government investments in structured finance markets.

There are three key elements to the SFSF implementation strategy:

- 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
- 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)
- 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 were in COVID-19 related hardship from April 2020 and March 2021, to provide liquidity support during the pandemic.

1.2 Entity resource statement

Table 1.1 shows total funding from all sources available to the entity for its operations and for delivery of 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 is presented on a resourcing basis (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 2022–23 as at October Budget 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	28,672	32,646
Departmental appropriation (b)	16,513	16,379
s74 External Revenue (c)	181	25
Departmental capital budget (d)	368	377
Total departmental annual appropriations	45,734	49,427
Total departmental resourcing	45,734	49,427
Administered		
Total administered special appropriations (e)	143,967,515	420,337,532
Special accounts (f)		
Opening balance	13,703,985	15,289,647
Appropriation receipts (g)	500,000	500,000
Non-appropriation receipts	1,449,385	444,374
Total special account receipts	15,653,370	16,234,021
Total administered resourcing	159,620,885	436,571,553
Total resourcing for AOFM	159,666,619	436,620,980
	2021-22	2022-23
Average staffing level (number)	44	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) 2022–23, Supply Bill (No. 3) 2022-23 and *Supply Act (No. 1) 2022–23*.
- 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. Refer to Table 3.5 for 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), investing expenditures such as acquisition of financial assets, and financing expenditures such as maturity of AGS.
- f) The AOFM administers three special accounts – the Debt Retirement Reserve Trust Account (DRRTA), the ABSF Special Account and the SFSF Special Account. Figures include the ABSF and SFSF special accounts only. For further information on special accounts refer to *Budget Paper No. 4 – Agency Resourcing*. Table 2.1 has further information on outcome and program expenses broken down by various funding sources, that is, annual appropriations, special appropriations and special accounts.
- g) Comprises amounts credited to the ABSF Special Account under section 14 of the *Australian Business Securitisation Fund Act 2019*.

1.3 Budget measures

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

Table 1.2: AOFM October 2022–23 Budget measures
Part 1: Measures announced since the 2022–23 March Budget

	Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
An Ambitious and Enduring APS Reform Plan (a)	1.2				
Departmental payments		(6)	(17)	(17)	-
Savings from External Labour and Savings from Advertising, Travel and Legal Expenses (b)	1.2				
Departmental payments		(352)	-	-	-
Total		(358)	(17)	(17)	-
Total payment measures					
Departmental		(358)	(17)	(17)	-
Total		(358)	(17)	(17)	-

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.

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 AOFM outcome is described below, together with 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 measure 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>).

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

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, and 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 2.1.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Commonwealth Debt Management					
Administered expenses					
Special appropriations					
<i>Commonwealth Inscribed Stock Act 1911</i>	18,516,788	22,420,864	24,164,854	27,700,984	31,993,112
<i>Financial Agreement Act 1994</i>	7	6	6	6	6
<i>Public Governance, Performance and Accountability Act 2013</i>	692	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	30,339	2,378	2,090	2,544	2,914
Administered total	18,547,826	22,423,248	24,166,950	27,703,534	31,996,032
Total expenses for program 1.1	18,547,826	22,423,248	24,166,950	27,703,534	31,996,032

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.2: AOFM - Departmental - Outcome 1					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	12,583	15,238	15,415	14,584	14,757
s74 External Revenue (a)	51	25	25	25	25
Expenses not requiring appropriation in the Budget year (b)	834	813	813	813	813
Departmental total	13,468	16,076	16,253	15,422	15,595
Total expenses for program 1.2	13,468	16,076	16,253	15,422	15,595
Total expenses for Outcome 1	18,561,294	22,439,324	24,183,203	27,718,956	32,011,627

	2021-22	2022-23
Average staffing level (number)	44	50

- a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- b) Administered expenses not requiring appropriation comprises provision for bad and doubtful debts and accrual losses on repurchase of debt. Departmental expenses not requiring appropriation are made up of depreciation expenses, amortisation expenses, make good expenses and ANAO 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 2.1.2: Performance measure for Outcome 1

Table 2.1.2 provides performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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 The AOFM issues AGS debt, makes investments and manages debt and investments in accordance with policy objectives.		
Purpose 1.1.1: Meet the government’s annual financing task while managing the trade-offs between costs and risks.		
Key Activities	Establish a debt management strategy; execute the debt issuance program; settle transactions and coupon and redemption payments; monitor the costs and risks of the portfolio of assets and liabilities.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Annual debt management strategy: formulate an annual debt management strategy and advise the Secretary to the Treasury with supporting analysis.	Prior to start of fiscal year
	Term issuance: the shortfall in volume in dollar terms for the fiscal year between actual Treasury Bond issuance and planned issuance announced at the most recent official Budget related update.	Zero
	New issuance yields: the weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	At or below mid-market yields
	Tender coverage ratio: the average tender coverage ratio across all tenders for the fiscal year.	Greater than 2.5 times
	Settlement of AGS transactions: number of times AGS transactions fail to settle in a complete, timely and accurate manner where the AOFM is responsible for the failure.	Zero
	Settlement of AGS coupons and redemptions: number of times AGS coupon and redemption payments fail to occur in a complete, timely and accurate manner where the AOFM is responsible for the failure.	Zero
	Financing costs – issuance: the cost of Treasury Bond issuance in percentage terms over the past 12 months compared to the average 10-year bond rate over the same period.	Lower

Table 2.1.2: Performance measure for Outcome 1 (continued)

Purpose 1.1.2: Ensure the government can always meet its cash outlay requirements.		
Key Activities	Establish a liquidity management strategy; conduct the cash management task.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Annual liquidity management strategy: formulate an annual liquidity management strategy and advise the Secretary to the Treasury with supporting analysis.	Prior to start of fiscal year
	Use of overdraft facility: the number of instances the RBA overdraft facility was utilised.	Zero
Purpose 1.1.3: Conducting market facing activities in a manner that supports a well-functioning AGS market.		
Key Activities	Communicate AOFM operations clearly and consistently to the market; conduct a market engagement program; support financial market liquidity.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Market commitments: the number of times the AOFM failed to conduct issuance operations consistent with prior market announcements.	Zero
	Investor publications: number of times investor targeted information publications are updated and made available on the AOFM website.	At least twice per year
	Secondary market turnover: the annual turnover in dollar value terms in the secondary market for Treasury Bonds and Treasury Indexed Bonds in a fiscal year.	Greater than previous fiscal year
Purpose 1.1.4: Meet the priorities of the Australian Business Securitisation Fund (ABSF) and the Structured Finance Support Fund (SFSF).		
Key Activities	Manage the ABSF program; manage the SFSF program.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	ABSF rate of return: the accrual earnings (net of losses) for a fiscal year divided by the average drawn (invested) amount in percentage point terms.	Greater than Bloomberg AusBond Treasury 0-1 year index
	SFSF losses: gross credit losses for a fiscal year divided by the average drawn amount in percentage point terms.	Zero

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 the debt and asset portfolios. These are 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) liabilities (debt) and certain financial assets. The projections of AGS debt are a consequence of forecasts arising from the expenditure, investment and revenue decisions incorporated in the Budget. Annual debt servicing costs on AGS debt are largely determined after considering changes in the volume of AGS debt over the projection period, yields on existing debt and technical assumptions about yields on new debt to be issued over the projection period.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	7,618	9,614	9,812	9,358	9,673
Suppliers	5,215	5,852	5,834	5,461	5,323
Depreciation and amortisation (a)	574	553	553	553	553
Finance costs	61	57	54	50	46
Total expenses	13,468	16,076	16,253	15,422	15,595
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	51	25	25	25	25
Other	260	260	260	260	260
Total own-source revenue	311	285	285	285	285
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	311	285	285	285	285
Net (cost of)/contribution by services	(13,157)	(15,791)	(15,968)	(15,137)	(15,310)
Revenue from Government	16,513	16,379	17,468	14,845	15,022
Surplus/(deficit) attributable to the Australian Government	3,356	588	1,500	(292)	(288)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(23)	-	-	-	-
Total other comprehensive income	(23)	-	-	-	-
Total comprehensive income/(loss)	3,333	588	1,500	(292)	(288)
Total comprehensive income/(loss) attributable to the Australian Government	3,333	588	1,500	(292)	(288)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	3,333	588	1,500	(292)	(288)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	282	261	261	261	261
plus: depreciation/amortisation expenses for ROU assets (b)	292	292	292	292	292
less: lease principal repayments (b)	233	241	253	261	265
Net Cash Operating Surplus/ (Deficit)	3,674	900	1,800	-	-

Prepared on Australian Accounting Standards basis.

- a) In 2010-11, the Government introduced net cash appropriation arrangements. This means Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) are replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, 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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	32,560	33,511	35,311	35,312	35,313
Total financial assets	32,660	33,611	35,411	35,412	35,413
Non-financial assets					
Property, plant and equipment	5,730	5,526	5,157	5,165	5,178
Intangibles	433	461	671	509	347
Other non-financial assets	280	280	280	280	280
Total non-financial assets	6,443	6,267	6,108	5,954	5,805
Total assets	39,103	39,878	41,519	41,366	41,218
LIABILITIES					
Payables					
Suppliers	906	906	906	906	906
Personal benefits	540	545	545	545	545
Total payables	1,446	1,451	1,451	1,451	1,451
Interest bearing liabilities					
Leases	4,142	3,901	3,648	3,387	3,122
Total interest bearing liabilities	4,142	3,901	3,648	3,387	3,122
Provisions					
Employee provisions	2,311	2,357	2,357	2,357	2,357
Other provisions	483	483	483	483	483
Total provisions	2,794	2,840	2,840	2,840	2,840
Total liabilities	8,382	8,192	7,939	7,678	7,413
Net assets	30,721	31,686	33,580	33,688	33,805
EQUITY*					
Parent entity interest					
Contributed equity	(8,664)	(8,287)	(7,893)	(7,494)	(7,090)
Reserves	315	315	315	315	315
Retained surplus (accumulated deficit)	39,070	39,658	41,158	40,867	40,580
Total parent entity interest	30,721	31,686	33,580	33,688	33,805
Total equity	30,721	31,686	33,580	33,688	33,805

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	39,070	315	-	(8,664)	30,721
Adjusted opening balance	39,070	315	-	(8,664)	30,721
Comprehensive income					
Surplus/(deficit) for the period	588				588
Total comprehensive income	588	-	-	-	588
of which:					
Attributable to the Australian Government	588	-	-	-	588
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	377	377
Sub-total transactions with owners	-	-	-	377	377
Estimated closing balance as at 30 June 2023	39,658	315	-	(8,287)	31,686
Closing balance attributable to the Australian Government	39,658	315	-	(8,287)	31,686

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,905	15,453	15,693	14,869	15,046
Sale of goods and rendering of services	181	25	25	25	25
Total cash received	13,086	15,478	15,718	14,894	15,071
Cash used					
Employees	7,757	9,563	9,812	9,357	9,672
Suppliers	4,854	5,592	5,574	5,201	5,063
Interest payments on lease liability	61	57	54	50	46
s74 External Revenue transferred to the OPA	181	25	25	25	25
Total cash used	12,853	15,237	15,465	14,633	14,806
Net cash from/(used by) operating activities	233	241	253	261	265
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	6	377	394	399	404
Total cash used	6	377	394	399	404
Net cash from/(used by) investing activities	(6)	(377)	(394)	(399)	(404)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	6	377	394	399	404
Total cash received	6	377	394	399	404
Cash used					
Principal payments on lease liability	233	241	253	261	265
Total cash used	233	241	253	261	265
Net cash from/(used by) financing activities	(227)	136	141	138	139
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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	368	377	394	399	404
Total new capital appropriations	368	377	394	399	404
<i>Provided for:</i>					
Purchase of non-financial assets	6	377	394	399	404
Total items	6	377	394	399	404
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	6	377	394	399	404
TOTAL	6	377	394	399	404
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	6	377	394	399	404
Total cash used to acquire assets	6	377	394	399	404

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 departmental asset movements (Budget year 2022–23)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022			
Gross book value	2,314	1,696	4,010
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(527)	(1,263)	(1,790)
Accumulated depreciation/amortisation and impairment - ROU assets	(877)	-	(877)
Opening net book balance	5,730	433	6,163
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	187	190	377
Total additions	187	190	377
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 2023			
Gross book value	2,501	1,886	4,387
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(626)	(1,425)	(2,051)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,169)	-	(1,169)
Closing net book balance	5,526	461	5,987

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2022-23 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses..

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs (a)	18,536,344	22,395,869	24,154,859	27,690,989	31,983,117
Write-down and impairment of assets	(3,821)	2,378	2,090	2,544	2,914
Other expenses	15,302	25,000	10,000	10,000	10,000
Total expenses administered on behalf of Government before re-measurement	18,547,826	22,423,248	24,166,950	27,703,534	31,996,032
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	228,321	1,143,153	1,202,558	1,212,930	1,103,285
Total non-taxation revenue	228,321	1,143,153	1,202,558	1,212,930	1,103,285
Total own-source revenue administered on behalf of Government before re-measurement	228,321	1,143,153	1,202,558	1,212,930	1,103,285
Total own-sourced income administered on behalf of Government	228,321	1,143,153	1,202,558	1,212,930	1,103,285
Net (cost of)/contribution by services	(18,319,505)	(21,280,095)	(22,964,392)	(26,490,604)	(30,892,747)
Surplus/(deficit) before income tax	(18,319,505)	(21,280,095)	(22,964,392)	(26,490,604)	(30,892,747)
OTHER COMPREHENSIVE INCOME					
Re-measurements					
Net market revaluation gains/(losses)	115,931,023	(2,433,721)	(11,642,880)	(10,716,190)	(9,797,423)
Total other comprehensive income	115,931,023	(2,433,721)	(11,642,880)	(10,716,190)	(9,797,423)
Total comprehensive income/(loss)	97,611,518	(23,713,816)	(34,607,272)	(37,206,794)	(40,690,170)

Prepared on Australian Accounting Standards basis.

a) Includes \$34.2 million of accrual losses on repurchase of debt in 2021-22.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents (includes special accounts)	101,375,450	54,946,205	66,233,213	66,792,346	62,606,887
Loans to state and territory governments	1,333,393	1,251,623	1,169,842	1,089,300	1,004,018
Structured finance securities	803,174	925,648	896,075	1,060,816	1,244,714
Securities issued but not settled	2,490,549	-	-	-	-
Accrued interest on cash management account	53,308	57,645	70,000	70,940	65,264
Total financial assets	106,055,874	57,181,121	68,369,130	69,013,402	64,920,883
Total assets administered on behalf of Government	106,055,874	57,181,121	68,369,130	69,013,402	64,920,883
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Total payables	50	50	50	50	50
Interest bearing liabilities					
Australian Government securities (at fair value)					
Treasury Bonds	775,775,427	780,934,861	858,646,402	950,197,984	1,030,075,410
Treasury Indexed Bonds	45,223,825	50,030,026	56,745,878	61,036,778	53,400,586
Treasury Notes	27,450,825	46,976,788	47,473,511	44,974,905	43,975,464
Other government securities	5,392	5,358	5,358	5,358	5,358
Total interest bearing liabilities	848,455,469	877,947,033	962,871,149	1,056,215,025	1,127,456,818
Provisions					
Other provisions	628	628	628	628	628
Total provisions	628	628	628	628	628
Total liabilities administered on behalf of Government	848,456,147	877,947,711	962,871,827	1,056,215,703	1,127,457,496
Net assets/(liabilities)	(742,400,273)	(820,766,590)	(894,502,697)	(987,202,301)	(1,062,536,613)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	174,138	1,124,368	1,176,118	1,198,782	1,097,299
Net GST received	1,134	-	-	-	-
Other	1,570	-	-	-	-
Total cash received	176,842	1,124,368	1,176,118	1,198,782	1,097,299
Cash used					
Grant	-	1	1	1	1
Suppliers	17,435	25,000	10,000	10,000	10,000
Borrowing costs	21,431,860	22,568,959	23,607,102	26,742,775	33,983,338
Total cash used	21,449,295	22,593,960	23,617,103	26,752,776	33,993,339
Net cash from/(used by) operating activities	(21,272,453)	(21,469,592)	(22,440,985)	(25,553,994)	(32,896,040)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	93,672	94,784	94,284	92,482	96,565
Structured finance securities	1,416,857	400,886	389,460	272,651	327,695
Total cash received	1,510,529	495,670	483,744	365,133	424,260
Cash used					
Structured finance securities	363,723	524,304	360,395	438,668	514,128
Total cash used	363,723	524,304	360,395	438,668	514,128
Net cash from/(used by) investing activities	1,146,806	(28,634)	123,349	(73,535)	(89,868)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	198,264,155	426,496,542	674,028,196	718,708,907	685,309,162
Other	45,634	69,152	16,676	43,625	13,534
Contributed equity	500,000	500,000	500,000	-	-
Total cash received	198,809,789	427,065,694	674,544,872	718,752,532	685,322,696
Cash used					
Net repayments of borrowing	121,901,423	396,775,060	601,294,716	637,029,435	621,864,572
Other	45,349	69,152	16,676	43,625	13,534
Total cash used	121,946,772	396,844,212	601,311,392	637,073,060	621,878,106
Net cash from/(used by) financing activities	76,863,017	30,221,482	73,233,480	81,679,472	63,444,590
Net increase/(decrease) in cash held	56,737,370	8,723,256	50,915,844	56,051,943	30,458,682
Cash at beginning of reporting period	70,256,058	101,375,450	54,946,205	66,233,213	66,792,346
Cash from Official Public Account for:					
- Appropriations	143,967,515	420,337,532	625,844,677	665,366,218	657,219,893
- CMA transfers	29,533,564	-	10,709,252	672,174	-
Total cash from Official Public Account	173,501,079	420,337,532	636,553,929	666,038,392	657,219,893
Cash to Official Public Account for:					
- Appropriations	(199,119,057)	(428,640,474)	(676,182,765)	(721,531,202)	(687,803,554)
- CMA transfers	-	(46,849,559)	-	-	(4,060,480)
Total cash to Official Public Account	(199,119,057)	(475,490,033)	(676,182,765)	(721,531,202)	(691,864,034)
Cash at end of reporting period (a)	101,375,450	54,946,205	66,233,213	66,792,346	62,606,887

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 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 'investment'.

Australian Prudential Regulation Authority

Entity resources and planned performance

Australian Prudential Regulation Authority

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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 is the financial sector's prudential supervisor. Its purpose is to ensure Australians' financial interests are protected and the financial system is stable, competitive and efficient.

APRA seeks to achieve this purpose by adopting a supervision-led approach. APRA undertakes prudential supervision with a view to (i) identifying risks and vulnerabilities within the financial system that might jeopardise its purpose, and (ii) acting to ensure those risks and vulnerabilities are mitigated. By employing a supervision-led approach, APRA seeks to be forward-looking, risk-based, and outcomes focused – addressing potential problems before they adversely impact those APRA is tasked to protect. A supervision-led approach also assists in minimising regulatory burden and facilitating competition and innovation.

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 financial institution early enough so that corrective action can be promptly initiated or an orderly exit achieved.

The shape and structure of the Australian financial system is rapidly evolving and risks to APRA, financial institutions, the financial system and the broader Australian community 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 2022–23 Corporate Plan is focused on two strategic themes: 'protecting the Australian community today' and working to ensure that the Australian financial system is 'prepared for tomorrow'. These themes are designed to drive organisational focus on delivering APRA's purpose and key outcomes for the Australian community so as to ensure resilient and prudently managed financial institutions; promote the stability of the Australian financial system; and contribute to the Australian community's ability to achieve good financial outcomes.

APRA's 2022–2023 Corporate Plan involves building on much of its work over the past year by focusing its efforts on delivering existing strategic priorities whilst keeping a watchful eye on changes in its operating environment and responding as needed.

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 the October *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 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation	2,680	2,973
s74 External Revenue (b)	4,365	5,842
Total departmental annual appropriations	7,045	8,815
Special accounts		
Opening balance (c)	64,403	75,700
Appropriation receipts	2,680	2,973
Non-appropriation receipts (d)	4,365	5,842
Adjustments	229,806	215,908
Total special accounts	301,254	300,423
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	7,045	8,815
Total departmental resourcing	301,254	300,423
Administered		
Special accounts		
Opening balance (c)	785	970
Non-appropriation receipts to Special Accounts (e)	400,105	450,000
Total special account receipts	400,890	450,970
Total administered resourcing	400,890	450,970
Total resourcing for APRA	702,144	751,393
	2021-22	2022-23
Average staffing level (number)	815	846

Table 1.1: Australian Prudential Regulation Authority resource statement – Budget estimates for 2022–23 as at October Budget 2022 (continued)

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	484	910

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

- a) Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No.1) 2022–23*.
- 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 2023–24*. 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, and the Australian Bureau of Statistics.
- e) Comprises Private Health Insurance risk equalisation receipts which are redistributed to industry.

1.3 Budget measures

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

Table 1.2: Australian Prudential Regulation Authority October 2022–23 Budget measures

Part 1: Measures announced since the 2022–23 March Budget

		2021-22	2022-23	2023-24	2024-25	2025-26
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Payment measures						
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (a)	1.1					
Departmental payment		-	(35)	-	-	-
Total		-	(35)	-	-	-
Total payment measures						
Departmental		-	(35)	-	-	-
Total		-	(35)	-	-	-

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) The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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.

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/apra-2022-23-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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Prudential Regulation Authority					
Administered expenses					
Special appropriations (a)	399,920	450,000	450,000	450,000	450,000
Expenses not requiring appropriation in the Budget year (b)	55	55	55	55	55
Administered total	399,975	450,055	450,055	450,055	450,055
Departmental expenses					
Special accounts	206,388	224,032	220,258	218,827	223,209
s74 External Revenue (c)	5,319	5,842	5,242	4,542	4,542
Ordinary annual services (Appropriation Bill No. 1)	2,680	2,973	8,412	12,583	11,265
Expenses not requiring appropriation in the Budget year (d)	240	240	240	240	240
Departmental total	214,627	233,087	234,152	236,192	239,256
Total expenses for program 1.1	614,602	683,142	684,207	686,247	689,311
Total expenses for Outcome 1	614,602	683,142	684,207	686,247	689,311

	2021-22	2022-23
Average staffing level (number)	815	846

- a) Private Health Insurance Industry risk equalisation payments.
b) Expenses not requiring appropriation in the Budget year are made up of Finance costs.
c) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
d) 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.

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.		
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.		
Key Activities	APRA will focus on delivering its strategic objectives including its core role of preserving the financial and operational resilience of Australia’s banks, insurers and superannuation funds, so that Australians’ financial interests are protected today. APRA will also ensure the Australian financial system is prepared for tomorrow by dedicating regulatory attention to the evolving financial landscape in Australia including helping to find solutions to important challenges by working with key stakeholders in Government, other regulatory agencies and industry.	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	Performing Entity Ratio.	APRA seeks to maintain a low incidence of failure of financial institutions while not unnecessarily hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system. APRA aims to identify likely failures early enough so that corrective action can be promptly initiated or orderly exit achieved.
	Money Protection Ratio.	
	Percentage of Financial Claims Scheme (FCS) payments paid to account holders within seven days of an FCS declaration for Authorised deposit-taking Institutions (ADIs).	100% for ADIs.
	Number of outstanding claims in the event of an FCS declaration for general insurers.	Nil

Table 2.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23	Performing Entity Ratio.	APRA seeks to maintain a low incidence of failure of financial institutions while not unnecessarily hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system. APRA aims to identify likely failures early enough so that corrective action can be promptly initiated or orderly exit achieved.
	Money Protection Ratio.	
	Capital ratios for Authorised deposit-taking Institutions (ADIs) and Insurers.	
	Reduction in the number of: superannuation members exposed to unsustainable funds; funds with sub-standard practices; MySuper and Choice superannuation members in high fee or poor performing offerings.	
	Actual versus budget for the reporting period.	
Forward Estimates 2023–26	As per 2022–23.	As per 2022–23.
Material changes to Program 1.1 resulting from October 2022–23 Budget Measures: Not applicable.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of APRA’s finances for the 2022–23 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 a decrease in revenue from Government for 2022–23. This is due to the 2021–22 estimated actual including revenue related to a prior year budget measure.

Employee benefits of \$159.2 million support an average staffing level (ASL) of 846 in 2022–23. 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 2022–23 of \$50.3 million reflect office leasing costs, IT support and maintenance, travel, training and other non-people related expenditures.

Depreciation and Amortisation of \$23 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 security deposit relating to Lloyds 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	153,366	159,214	168,926	176,932	181,084
Suppliers	35,973	50,330	42,702	36,662	35,342
Depreciation and amortisation	24,580	23,000	22,143	22,340	22,740
Finance costs	708	543	381	258	90
Total expenses	214,627	233,087	234,152	236,192	239,256
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,938	4,612	4,012	3,312	3,312
Other	621	1,470	1,470	1,470	1,470
Total own-source revenue	5,559	6,082	5,482	4,782	4,782
Total own-source income	5,559	6,082	5,482	4,782	4,782
Net (cost of)/contribution by services	(209,068)	(227,005)	(228,670)	(231,410)	(234,474)
Revenue from Government	226,501	218,881	226,315	229,334	232,591
Surplus/(deficit) attributable to the Australian Government	17,433	(8,124)	(2,355)	(2,076)	(1,883)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(254)	-	-	-	-
Total other comprehensive income	(254)	-	-	-	-
Total comprehensive income/(loss)	17,179	(8,124)	(2,355)	(2,076)	(1,883)
Total comprehensive income/(loss) attributable to the Australian Government	17,179	(8,124)	(2,355)	(2,076)	(1,883)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	17,179	(8,124)	(2,355)	(2,076)	(1,883)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	12,607	14,613	13,756	13,715	14,115
plus: depreciation/amortisation expenses for ROU assets (a)	8,482	8,387	8,387	8,625	8,625
less: lease principal repayments (a)	7,866	8,321	8,839	9,200	9,672
Net Cash Operating Surplus/ (Deficit)	30,402	6,555	10,949	11,064	11,185

Prepared on Australian Accounting Standards basis.

a) Applies leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	75,700	65,156	73,205	82,869	92,654
Trade and other receivables	3,871	3,871	3,871	3,871	3,871
Total financial assets	79,571	69,027	77,076	86,740	96,525
Non-financial assets					
Land and buildings	33,545	25,158	23,921	61,296	52,671
Property, plant and equipment	15,518	13,730	15,037	13,318	11,718
Intangibles	48,023	48,598	42,935	39,339	35,224
Other non-financial assets	4,632	4,632	4,632	4,632	4,632
Total non-financial assets	101,718	92,118	86,525	118,585	104,245
Total assets	181,289	161,145	163,601	205,325	200,770
LIABILITIES					
Payables					
Suppliers	5,786	5,786	5,786	5,786	5,786
Other payables	4,235	4,736	4,736	5,235	5,735
Total payables	10,021	10,522	10,522	11,021	11,521
Interest bearing liabilities					
Leases	35,854	27,533	25,844	62,644	52,972
Total interest bearing liabilities	35,854	27,533	25,844	62,644	52,972
Provisions					
Employee provisions	55,814	51,614	58,114	64,615	71,115
Other provisions	8,172	8,172	8,172	8,172	8,172
Total provisions	63,986	59,786	66,286	72,787	79,287
Total liabilities	109,861	97,841	102,652	146,452	143,780
Net assets	71,428	63,304	60,949	58,873	56,990
EQUITY*					
Parent entity interest					
Contributed equity	16,657	16,657	16,657	16,657	16,657
Reserves	8,764	9,764	10,764	11,764	12,764
Retained surplus (accumulated deficit)	46,007	36,883	33,528	30,452	27,569
Total parent entity interest	71,428	63,304	60,949	58,873	56,990
Total equity	71,428	63,304	60,949	58,873	56,990

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 2022–23)

	Retained earnings	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	46,007	8,764	16,657	71,428
Adjusted opening balance	46,007	8,764	16,657	71,428
Comprehensive income				
Surplus/(deficit) for the period	(8,124)	-	-	(8,124)
Total comprehensive income	(8,124)	-	-	(8,124)
Transfers between equity				
Transfers between equity components	(1,000)	1,000	-	-
Estimated closing balance as at 30 June 2023	36,883	9,764	16,657	63,304
Closing balance attributable to the Australian Government	36,883	9,764	16,657	63,304

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	226,504	218,881	226,315	229,334	232,591
Sale of goods and rendering of services	4,024	4,612	4,012	3,312	3,312
Net GST received	5,985	-	-	-	-
Other	338	1,230	1,230	1,230	1,230
Total cash received	236,851	224,723	231,557	233,876	237,133
Cash used					
Employees	148,190	162,914	162,426	169,931	174,084
Suppliers	40,154	50,089	42,462	36,423	35,102
Net GST paid	6,052	-	-	-	-
s74 External Revenue transferred to the OPA	695	543	381	258	90
Other	6,500	-	-	-	-
Total cash used	201,591	213,546	205,269	206,612	209,276
Net cash from/(used by) operating activities	35,260	11,177	26,288	27,264	27,857
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	16,098	13,400	9,400	8,400	8,400
Total cash used	16,098	13,400	9,400	8,400	8,400
Net cash from/(used by) investing activities	(16,098)	(13,400)	(9,400)	(8,400)	(8,400)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	7,865	8,321	8,839	9,200	9,672
Total cash used	7,865	8,321	8,839	9,200	9,672
Net cash from/(used by) financing activities	(7,865)	(8,321)	(8,839)	(9,200)	(9,672)
Net increase/(decrease) in cash held	11,297	(10,544)	8,049	9,664	9,785
Cash and cash equivalents at the beginning of the reporting period	64,403	75,700	65,156	73,205	82,869
Cash and cash equivalents at the end of the reporting period	75,700	65,156	73,205	82,869	92,654

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	20,400	13,400	16,550*	54,400*	8,400
TOTAL	20,400	13,400	16,550	54,400	8,400
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	20,400	13,400	16,550*	54,400*	8,400
Total cash used to acquire assets	20,400	13,400	16,550	54,400	8,400

Prepared on Australian Accounting Standards basis.

* Largely due to accounting entries required for right of use assets under AASB16.

Table 3.6: Statement of asset movements (Budget year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	-	31,448	107,500	138,948
Gross book value - ROU assets	58,452	-	-	58,452
Accumulated depreciation/ amortisation and impairment	-	(15,930)	(59,477)	(75,407)
Accumulated depreciation/amortisation and impairment - ROU assets	(24,907)	-	-	(24,907)
Opening net book balance	33,545	15,518	48,023	97,086
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	1,254	12,146	13,400
Total additions	-	1,254	12,146	13,400
Other movements				
Depreciation/amortisation expense	-	(3,042)	(11,571)	(14,613)
Depreciation/amortisation on ROU assets	(8,387)	-	-	(8,387)
Total other movements	(8,387)	(3,042)	(11,571)	(23,000)
As at 30 June 2023				
Gross book value	-	32,702	119,646	152,348
Gross book value - ROU assets	58,452	-	-	58,452
Accumulated depreciation/ amortisation and impairment	-	(18,972)	(71,048)	(90,020)
Accumulated depreciation/amortisation and impairment - ROU assets	(33,294)	-	-	(33,294)
Closing net book balance	25,158	13,730	48,598	87,486

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Finance costs	55	55	55	55	55
Risk equalisation distributions	399,920	450,000	450,000	450,000	450,000
Total expenses administered on behalf of Government	399,975	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>	264,921	263,722	260,804	260,026	264,839
Interest	55	55	55	55	55
Risk equalisation receipts	399,920	450,000	450,000	450,000	450,000
Other	185	-	-	-	-
Total non-taxation revenue	665,081	713,777	710,859	710,081	714,894
Total own-source revenue administered on behalf of Government	665,081	713,777	710,859	710,081	714,894
Total own-sourced income administered on behalf of Government	665,081	713,777	710,859	710,081	714,894
Net (cost of)/contribution by services	(265,106)	(263,722)	(260,804)	(260,026)	(264,839)
Surplus/(deficit)	265,106	263,722	260,804	260,026	264,839
Total comprehensive income/(loss)	265,106	263,722	260,804	260,026	264,839

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	970	970	970	970	970
Receivables	2,205	2,205	2,205	2,205	2,205
Total financial assets	3,175	3,175	3,175	3,175	3,175
Total assets administered on behalf of Government	3,175	3,175	3,175	3,175	3,175
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)	1,175	1,175	1,175	1,175	1,175

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Financial Institutions Supervisory Levies	264,914	263,722	260,804	260,026	264,839
Interest	-	55	55	55	55
Other	185	-	-	-	-
Risk equalisation levy collections	399,920	450,000	450,000	450,000	450,000
Total cash received	665,019	713,777	710,859	710,081	714,894
Cash used					
Borrowing costs	-	55	55	55	55
Risk equalisation levy payments	399,920	450,000	450,000	450,000	450,000
Total cash used	399,920	450,055	450,055	450,055	450,055
Net cash from/(used by) operating activities	265,099	263,722	260,804	260,026	264,839
Net increase/(decrease) in cash held	265,099	263,722	260,804	260,026	264,839
Cash and cash equivalents at beginning of reporting period	785	970	970	970	970
Cash from Official Public Account for:					
- Risk equalisation collections	399,920	450,000	450,000	450,000	450,000
Total cash from Official Public Account	399,920	450,000	450,000	450,000	450,000
Cash to Official Public Account for:					
- Financial Institutions Supervisory Levies	(264,914)	(263,722)	(260,804)	(260,026)	(264,839)
- Risk equalisation payments	(399,920)	(450,000)	(450,000)	(450,000)	(450,000)
Total cash to Official Public Account	(664,834)	(713,722)	(710,804)	(710,026)	(714,839)
Cash and cash equivalents at end of reporting period	970	970	970	970	970

Prepared on Australian Accounting Standards basis.

Australian Securities and Investments Commission

Entity resources and planned performance

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
- 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.

ASIC also monitors and promotes market integrity and consumer protection in relation to the Australian financial system and payments system.

As the financial services and consumer credit regulator, ASIC administers the Australian financial services (AFS) 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 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.

In August 2022, ASIC released its Corporate Plan for 2022–2026 (*ASIC Corporate Plan 2022–26: Focus 2022–23*).

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 the October *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 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	105,195	130,349
Departmental appropriation (b) (c)	422,001	426,323
s74 External Revenue (d)	75,066	24,408
Departmental capital budget (e)	25,544	21,058
Annual appropriations – other services – non-operating (f)		
Equity injection	3,530	5,824
Total departmental annual appropriations	631,336	607,962
Special accounts (g)		
Opening balance	45,174	71,137
Appropriation receipts (h)	64,811	55,246
Non-appropriation receipts	20,643	3,000
Total special accounts	130,628	129,383
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	64,811	55,246
Total departmental resourcing	697,153	682,099

Table 1.1: Australian Securities and Investments Commission resource statement – Budget estimates for 2022-23 as at October Budget 2022 (continued)

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Administered		
Annual appropriations – ordinary annual services (a)		
Outcome 1	9,952	7,925
Total administered annual appropriations	9,952	7,925
Total administered special appropriations	113,607	136,859
Total administered resourcing	123,559	144,784
Total resourcing for ASIC	820,712	826,883
<hr/>		
	2021-22	2022-23
Average staffing level (number)	1,947	1,998

Third party payments from and on behalf of other entities

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	40,581	22,013

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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$4.669m 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) 2022–23, Supply Bill (No. 4) 2022–23 and *Supply Act (No. 2) 2022–23*.
- 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 October *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 from ASIC's annual appropriations.

1.3 Budget measures

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

Table 1.2: ASIC October 2022–23 Budget measures

Part 1: Measures announced since the 2022–23 March Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Receipt measures					
Providing certainty on unlegislated tax and superannuation measures announced by the previous Government	1.1				
Administered receipt	-	-	-	-	-
Treasury – additional funding	1.1				
Administered receipt	-	441	441	-	-
Total	-	441	441	-	-
Total receipt measures					
Administered	-	441	441	-	-
Total	-	441	441	-	-
Payment measures					
Fraud Fusion Taskforce (a)	1.1				
Departmental payment	-	230	945	956	965
Modernising Business Registers – program funding, director ID sustainment and registry stabilisation	1.1				
Departmental payment (b)	-	25,545	5,535	6,917	6,802
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (c)	1.1				
Departmental payment	-	(8,728)	-	-	-
Treasury – additional funding	1.1				
Administered payment	-	379	(9,610)	(10,058)	-
Departmental payment (d)	-	(1,339)	(279)	(2,081)	-
Total	-	16,569	(2,939)	(4,266)	7,767
Total payment measures					
Administered	-	379	(9,610)	(10,058)	-
Departmental	-	16,190	6,671	5,792	7,767
Total	-	16,569	(2,939)	(4,266)	7,767

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.

- The lead entity for measure Fraud Fusion Taskforce is the National Disability Insurance Agency. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022-23*, under the Social Services portfolio.
- This measure includes capital for ASIC of \$4.6m in 2022–23, \$1.0m in 2023–24, \$2.1m in 2024-25 and \$2.6m in 2025-26.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022-23*, under Cross Portfolio measures.
- This measure includes a reduction in capital for ASIC of \$1.3m in 2022–23 and \$0.8m in 2024-25.

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 measure 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 ASIC can be found at:
([ASIC Corporate Plan 2022–26: Focus 2022–26](#)).

The most recent annual performance statement can be found at:
([ASIC Annual Report 2021–22](#)).

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.

Linked programs

Australian Taxation Office
<ul style="list-style-type: none"> • Program 1.1 Australian Taxation Office • Program 1.3 Australian Business Register
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Australian Taxation Office (ATO) exchanges information with ASIC in relation to self-managed superannuation funds auditor registrations, and financial crime intelligence. ATO contributes funding for the latter as well as for the Modernising Business Registers program.</p>

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	5,766	5,627	6,045	5,760	5,519
Expenses not requiring appropriation in the Budget year (a)	62,392	67,186	66,859	65,548	66,202
Administered total	68,158	72,813	72,904	71,308	71,721
Departmental expenses					
Departmental appropriation	333,198	389,782	402,092	404,143	409,542
s74 External Revenue (b)	67,873	27,762	5,749	5,749	5,749
Expenses not requiring appropriation in the Budget year (c)	64,689	61,183	55,871	56,521	55,611
Departmental total	465,760	478,727	463,712	466,413	470,902
Total expenses for program 1.1	533,918	551,540	536,616	537,721	542,623
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	25,300	54,822	40,051	40,287	40,460
Ordinary annual services (Appropriation Bill No. 1)	1,145	2,298	2,538	2,766	3,034
Special appropriations					
<i>Banking Act 1959</i> – Banking Unclaimed Moneys	52,312	85,165	85,446	85,691	85,894
<i>Life Insurance Act 1995</i> – Life Unclaimed Moneys (d)	(1,250)	1,261	4,442	5,063	5,358
Administered total	77,507	143,546	132,477	133,807	134,746
Total expenses for program 1.2	77,507	143,546	132,477	133,807	134,746

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,911	7,925	8,583	8,526	8,553
Special appropriations	51,062	86,426	89,888	90,754	91,252
Companies unclaimed monies – s77 of the PGPA ACT	25,300	54,822	40,051	40,287	40,460
Expenses not requiring appropriation in the Budget year (a)	62,392	67,186	66,859	65,548	66,202
Administered total	145,665	216,359	205,381	205,115	206,467
Departmental expenses					
Departmental appropriation	333,198	389,782	402,092	404,143	409,542
s74 External Revenue (b)	67,873	27,762	5,749	5,749	5,749
Expenses not requiring appropriation in the Budget year (c)	64,689	61,183	55,871	56,521	55,611
Departmental total	465,760	478,727	463,712	466,413	470,902
Total expenses for Outcome 1	611,425	695,086	669,093	671,528	677,369

	2021-22	2022-23
Average staffing level (number)	1,947	1,998

- 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 and amortisation expenses.
- d) The negative expense is a result of the revaluation of the unclaimed moneys 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: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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 Program 1.1 contributes to Outcome 1 by strategically identifying and responding to conduct which presents the greatest risk of harm.	
Key Activities	<p>Our external priorities target the most significant threats and harms in our regulatory environment:</p> <ul style="list-style-type: none"> • product design and distribution • sustainable finance • retirement decision making • technology risks. <p>To deliver on our external priorities, we will undertake a number of projects, including eight core strategic projects. We will also continue our ongoing regulatory work.</p> <p>Core strategic projects:</p> <ul style="list-style-type: none"> • scams • sustainable finance practices • crypto-assets • design and distribution obligations • breach reporting • cyber and operational resilience • Financial Accountability Regime (FAR) • digital technology and data.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
<p>Prior year 2021–22</p>	<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. • Entities have fair and efficient dispute resolution processes in place. • Financial markets are fair, strong and efficient. • Through the use of our regulatory tools (for example, licensing, supervision and surveillance, enforcement, engagement and guidance) we communicate, maintain and enforce standards and expectations to protect consumers and promote fair and efficient markets. • 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>Performance criteria met for 2021–22 as evidenced by qualitative and quantitative measures, including: Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Operational data (for example, number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published). • 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. • Detailed, tailored measures of the impact of ASIC’s major projects on reducing harms for consumers and investors. • External data (for example, reports and data published by Australian Financial Complaints Authority). • Measures of the cleanliness of the Australian listed equity market. • 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 outcomes resulting from the outputs of our regulatory actions. • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channel.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)	<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 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>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 while minimising the risk of harm to consumers. • We promote reduced compliance costs and improved efficiency among our regulated population. 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Operational data (for example, number of surveillance and enforcement actions undertaken and results achieved). • Public outcomes (for example, civil, criminal and administrative actions taken, including bannings). • 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. <p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Operational data, including relief applications assessed and legislative instruments made. • Stakeholder feedback measured through external committees and panels such as the ASIC Consultative Panel and the Digital Finance Advisory Panel.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Case studies of deregulatory initiatives that promote economic recovery, reduce compliance costs and improve efficiency. • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox. • Ongoing compliance with licensing and registration obligations measured through, for example, case studies and operational data on ASIC’s decisions to grant, vary or cancel Australian financial services and credit licences and other professional registrations. • 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.
Prior year 2021–22 (continued)	Help Australians to be in control of their financial lives <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. 	Help Australians to be in control of their financial lives <ul style="list-style-type: none"> • Operational data, including ASIC Moneysmart accessibility and usage. • Increased evidence on how consumers and investors make financial decisions. • Feedback through the stakeholder network • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources. • Personal financial education and decision-making tools and resources produced. • 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.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Budget Year 2022–23	<p>Enforcement and surveillance</p> <ul style="list-style-type: none"> Financial firms and individuals providing financial services meet their obligations, act professionally and treat their clients fairly. Entities improve their business practices in response to identified areas for improvement, with these changes reducing harms or improving consumer outcomes. Entities have fair and efficient dispute resolution processes in place. Misconduct is identified and addressed, wrongdoing is punished. Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately. 	<p>Evidenced by qualitative and quantitative measures, including:</p> <ul style="list-style-type: none"> Case studies (e.g. where we have used our regulatory tools to change behaviour in the financial system). Measures of the cleanliness of the Australian listed equity market. Operational data (e.g. number of enforcement actions undertaken and results achieved, number of industry reports published). External data (e.g. data published by Australian Financial Complaints Authority). Number and nature of misconduct-related complaints. The amount of compensation for wrongdoing provided to investors and consumers. Where we exercise our product intervention power, evaluation of the resulting outcome within 18 months. Metrics from our impact assessment methodology.
	<p>Guidance</p> <ul style="list-style-type: none"> Assist our regulated population to comply with their obligations, and to drive better compliance. 	<p>Evidenced by qualitative and quantitative measures, including:</p> <ul style="list-style-type: none"> Operational data (e.g. number of regulatory guides published, number of times guides are accessed). Case studies (e.g. where we have published guidance to drive better compliance among our regulated population).
	<p>Licensing</p> <ul style="list-style-type: none"> We act as an effective frontline gatekeeper to ensure that a licence or registration is granted to applicants who are competent, fit and proper. 	<p>Evidenced by qualitative and quantitative measures, including:</p> <ul style="list-style-type: none"> Operational data (e.g. decisions to grant, vary or cancel Australian financial services and credit licences and other professional registrations, number of applications with additional conditions imposed, service charter results). Case studies (e.g. how we have exercised our licensing powers).

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Budget Year 2022–23 (continued)	Engagement <ul style="list-style-type: none"> We consult with various stakeholders to undertake our work more effectively and efficiently. The regulatory system supports the work of innovative start-up businesses and the market testing of novel products and services, while minimising the risk of harm to consumers. We promote reduced compliance costs and improved efficiency among our regulated population. 	Evidenced by qualitative and quantitative measures, including: <ul style="list-style-type: none"> Case studies (e.g. initiatives that reduce compliance costs and improve efficiency). Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox. Operational data (e.g. number of engagements in a year, joint-agency initiatives, consultation papers published, relief applications assessed and legislative instruments made). Performance against the ASIC service charter targets.
	Regulatory relief <ul style="list-style-type: none"> We exercise our discretionary powers to grant relief or make a legislative instrument appropriately. 	Evidenced by qualitative and quantitative measures, including: <ul style="list-style-type: none"> Operational data, including relief applications assessed and legislative instruments made, including performance against the ASIC service charter targets.
	Education <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. 	Evidenced by qualitative and quantitative measures, including: <ul style="list-style-type: none"> Operational data, including ASIC Moneysmart accessibility and usage. Case studies (e.g. where we have helped Australians to understand money and how to manage it).
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

Table 2.2: Performance measures 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		
Key activities	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance measures	Expected performance results
Prior Year 2021–22	<ul style="list-style-type: none"> Ensure that refunds of unclaimed monies are paid to successful claimants promptly. 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.
Budget Year 2022–23	As per 2021–22	As per 2021–22
Forward Estimates 2023–26	As per 2021–22	As per 2021–22

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

ASIC is budgeting for a \$24.6 million operating deficit in 2022–23. The operating deficit is due to unfunded depreciation and amortisation expenses, depreciation of right of use assets and principal repayments of lease liabilities. After adjusting for the impact of the government’s net cash appropriation framework, ASIC is budgeting for a net cash surplus of \$13.7m, reflecting non-appropriation revenue from other government agencies provided for the purpose of funding capital expenditure.

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 2022–23 is \$218.8 million. The 2022–23 equity position reflects the cumulative effect of capital injections of \$5.8 million received during 2022–23.

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.

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 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 departmental asset movements

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

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 2022–23 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 2022–23 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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	269,139	288,772	282,019	287,156	292,498
Suppliers	129,993	127,088	124,350	121,479	121,708
Depreciation and amortisation (a)	64,689	61,183	55,871	56,521	55,611
Finance costs	1,719	1,684	1,472	1,257	1,085
Write-down and impairment of assets	220	-	-	-	-
Total expenses	465,760	478,727	463,712	466,413	470,902
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,281	2,000	2,000	2,000	2,000
Royalties	211	165	165	165	165
Other	66,381	25,597	3,584	3,584	3,584
Total own-source revenue	67,873	27,762	5,749	5,749	5,749
Total own-source income	67,873	27,762	5,749	5,749	5,749
Net (cost of)/contribution by services	(397,887)	(450,965)	(457,963)	(460,664)	(465,153)
Revenue from Government	422,001	426,323	429,989	433,263	436,339
Surplus/(deficit) attributable to the Australian Government	24,114	(24,642)	(27,974)	(27,401)	(28,814)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	3,680	-	-	-	-
Total other comprehensive income	3,680	-	-	-	-
Total comprehensive income/(loss)	27,794	(24,642)	(27,974)	(27,401)	(28,814)
Total comprehensive income/(loss) attributable to the Australian Government	27,794	(24,642)	(27,974)	(27,401)	(28,814)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	27,794	(24,642)	(27,974)	(27,401)	(28,814)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	43,441	39,775	34,463	35,113	34,203
plus: depreciation/amortisation expenses for ROU assets (b)	21,248	21,408	21,408	21,408	21,408
less: lease principal repayments (b)	19,070	22,863	27,897	29,120	26,797
Net Cash Operating Surplus/ (Deficit)	73,413	13,678	-	-	-

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*.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	72,743	72,743	72,743	72,743	72,743
Trade and other receivables	142,066	135,259	134,952	134,952	134,972
Total financial assets	214,809	208,002	207,695	207,695	207,715
Non-financial assets					
Land and buildings	190,642	166,611	141,783	117,932	93,004
Property, plant and equipment	24,414	19,379	17,097	15,783	14,163
Intangibles	105,375	120,318	115,390	109,185	106,019
Other non-financial assets	14,332	14,332	14,332	14,332	14,332
Total non-financial assets	334,763	320,640	288,602	257,232	227,518
Total assets	549,572	528,642	496,297	464,927	435,233
LIABILITIES					
Payables					
Suppliers	29,510	29,178	28,851	28,831	28,831
Other payables	35,345	35,345	35,345	35,345	35,345
Total payables	64,855	64,523	64,196	64,176	64,176
Interest-bearing liabilities					
Leases	185,524	162,661	134,764	105,644	78,847
Total interest-bearing liabilities	185,524	162,661	134,764	105,644	78,847
Provisions					
Employee provisions	77,490	77,490	77,490	77,490	77,490
Other provisions	5,131	5,156	5,176	5,196	5,216
Total provisions	82,621	82,646	82,666	82,686	82,706
Total liabilities	333,000	309,830	281,626	252,506	225,729
Net assets	216,572	218,812	214,671	212,421	209,504
EQUITY*					
Parent entity interest					
Contributed equity	525,368	552,250	576,083	601,234	627,131
Reserves	26,180	26,180	26,180	26,180	26,180
Retained surplus (accumulated deficit)	(334,976)	(359,618)	(387,592)	(414,993)	(443,807)
Total parent entity interest	216,572	218,812	214,671	212,421	209,504
Total equity	216,572	218,812	214,671	212,421	209,504

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 2022–23)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(334,976)	26,180	525,368	216,572
Adjusted opening balance	(334,976)	26,180	525,368	216,572
Comprehensive income				
Surplus/(deficit) for the period	(24,642)	-	-	(24,642)
Total comprehensive income	(24,642)	-	-	(24,642)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	5,824	5,824
Departmental Capital Budget (DCB)	-	-	21,058	21,058
Sub-total transactions with owners	-	-	26,882	26,882
Estimated closing balance as at 30 June 2023	(359,618)	26,180	552,250	218,812
Closing balance attributable to the Australian Government	(359,618)	26,180	552,250	218,812

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations					
Receipts from Government	500,469	433,130	430,296	434,399	436,339
Sale of goods and rendering of services	1,281	2,000	2,000	864	1,980
Net GST received	14,851	15,323	14,743	14,928	12,972
Other	92,136	25,408	3,395	3,395	3,395
Total cash received	608,737	475,861	450,434	453,586	454,686
Cash used					
Employees	269,991	288,762	282,009	287,146	292,498
Suppliers	153,167	142,399	139,076	136,083	134,326
Interest payments on lease liability	1,689	1,659	1,452	1,237	1,065
s74 External Revenue transferred to the OPA	108,063	-	-	-	-
Total cash used	532,910	432,820	422,537	424,466	427,889
Net cash from/(used by) operating activities	75,827	43,041	27,897	29,120	26,797
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	59,424	47,060	23,833	25,151	25,897
Total cash used	59,424	47,060	23,833	25,151	25,897
Net cash from/(used by) investing activities	(59,424)	(47,060)	(23,833)	(25,151)	(25,897)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	29,106	26,882	23,833	25,151	25,897
Total cash received	29,106	26,882	23,833	25,151	25,897
Cash used					
Principal payments on lease liability	19,070	22,863	27,897	29,120	26,797
Total cash used	19,070	22,863	27,897	29,120	26,797
Net cash from/(used by) financing activities	10,036	4,019	(4,064)	(3,969)	(900)
Net increase/(decrease) in cash held	26,439	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	46,304	72,743	72,743	72,743	72,743
Cash and cash equivalents at the end of the reporting period	72,743	72,743	72,743	72,743	72,743

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	25,544	21,058	22,804	23,070	23,272
Equity injections – Bill 2	3,530	5,824	1,029	2,081	2,625
Total new capital appropriations	29,074	26,882	23,833	25,151	25,897
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	29,049	26,857	23,813	25,131	25,877
<i>Other Items</i>	25	25	20	20	20
Total items	29,074	26,882	23,833	25,151	25,897
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	7,224	5,824	1,029	2,081	2,625
Funded by capital appropriation - DCB (b)	21,032	26,058	22,804	23,070	23,272
Funded internally from departmental resources (c)	28,567	15,178	-	-	-
TOTAL	56,823	47,060	23,833	25,151	25,897
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	56,823	47,060	23,833	25,151	25,897
Total cash used to acquire assets	56,823	47,060	23,833	25,151	25,897

Prepared on Australian Accounting Standards basis.

- a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
- b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).
- c) Includes the following s74 external receipts:
 - internally developed assets; and
 - lease incentives.

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	57,879	59,271	490,877	608,027
Gross book value – ROU assets	205,465	-	-	205,465
Accumulated depreciation/amortisation and impairment	(21,616)	(34,857)	(385,502)	(441,975)
Accumulated depreciation/amortisation and impairment – ROU assets	(51,086)	-	-	(51,086)
Opening net book balance	190,642	24,414	105,375	320,431
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	5,824	5,824
By purchase – appropriation ordinary annual services (b)	-	550	39,361	39,911
By purchase – other	1,325	-	-	1,325
Total additions	1,325	550	45,185	47,060
Other movements				
Depreciation/amortisation expense	(3,948)	(5,585)	(30,242)	(39,775)
Depreciation/amortisation on ROU assets	(21,408)	-	-	(21,408)
Total other movements	(25,356)	(5,585)	(30,242)	(61,183)
As at 30 June 2023				
Gross book value	59,204	59,821	536,062	655,087
Gross book value – ROU assets	205,465	-	-	205,465
Accumulated depreciation/amortisation and impairment	(25,564)	(40,442)	(415,744)	(481,750)
Accumulated depreciation/amortisation and impairment – ROU assets	(72,494)	-	-	(72,494)
Closing net book balance	166,611	19,379	120,318	306,308

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022–23.
- b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	575	959	987	604	609
Grants	5,191	4,668	5,058	5,156	4,910
Write-down and impairment of assets	62,392	67,186	66,859	65,548	66,202
Interest expense	3,772	5,225	5,888	6,444	7,082
Other expenses	73,735	138,321	126,589	127,363	127,664
Total expenses administered on behalf of Government	145,665	216,359	205,381	205,115	206,467
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other levies	73,497	72,016	126,667	94,674	93,426
Other taxes	943,822	957,393	979,173	1,003,539	1,029,293
Total taxation revenue	1,017,319	1,029,409	1,105,840	1,098,213	1,122,719
Non-taxation revenue					
Fees and fines	418,234	217,257	206,350	205,318	209,194
Other fees from regulatory services	289,011	233,067	211,067	210,626	210,626
Other revenue	240,218	266,064	289,647	301,977	304,966
Total non-taxation revenue	947,463	716,388	707,064	717,921	724,786
Total own-source revenue administered on behalf of Government	1,964,782	1,745,797	1,812,904	1,816,134	1,847,505
Net (cost of)/contribution by services	1,819,117	1,529,438	1,607,523	1,611,019	1,641,038
Total comprehensive income/(loss)	1,819,117	1,529,438	1,607,523	1,611,019	1,641,038

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,380	1,380	1,380	1,380	1,380
Taxation receivables	223,900	255,950	252,930	254,549	248,574
Trade and other receivables	252,110	244,145	265,647	270,662	272,272
Total financial assets	477,390	501,475	519,957	526,591	522,226
Total assets administered on behalf of Government	477,390	501,475	519,957	526,591	522,226
LIABILITIES					
Payables					
Suppliers	35,828	37,135	38,492	39,900	41,361
Grants	4,196	4,196	4,196	4,196	4,196
Other payables	8,336	8,411	8,411	8,411	8,411
Total payables	48,360	49,742	51,099	52,507	53,968
Provisions					
Other provisions	458,953	473,342	478,016	485,801	494,817
Total provisions	458,953	473,342	478,016	485,801	494,817
Total liabilities administered on behalf of Government	507,313	523,084	529,115	538,308	548,785
Net assets/(liabilities)	(29,923)	(21,609)	(9,158)	(11,717)	(26,559)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	367,540	300,287	271,048	269,033	270,362
Taxes	939,674	933,185	1,045,018	1,034,076	1,065,492
Net GST received	26	-	-	-	-
Other	585,130	421,054	411,497	440,843	449,814
Total cash received	1,892,370	1,654,526	1,727,563	1,743,952	1,785,668
Cash used					
Grant	5,217	4,668	5,058	5,156	4,910
Suppliers	(3,677)	(348)	(370)	(804)	(852)
Borrowing costs	3,772	5,225	5,888	6,444	7,082
Other	106,357	123,857	121,915	119,578	118,648
Total cash used	111,669	133,402	132,491	130,374	129,788
Net cash from/(used by) operating activities	1,780,701	1,521,124	1,595,072	1,613,578	1,655,880
Net increase/(decrease) in cash held	1,780,701	1,521,124	1,595,072	1,613,578	1,655,880
Cash and cash equivalents at beginning of reporting period	1,524	1,380	1,380	1,380	1,380
Cash from Official Public Account					
- Appropriations	120,285	144,784	143,848	141,782	141,249
Total cash from Official Public	120,285	144,784	143,848	141,782	141,249
Cash to Official Public Account for:					
- Appropriations	(1,901,130)	(1,665,908)	(1,738,920)	(1,755,360)	(1,797,129)
Total cash to Official Public Account	(1,901,130)	(1,665,908)	(1,738,920)	(1,755,360)	(1,797,129)
Cash and cash equivalents at end of reporting period	1,380	1,380	1,380	1,380	1,380

Prepared on Australian Accounting Standards basis.

Australian Taxation Office

Entity resources and planned performance

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 wellbeing by delivering government measures, improving 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 the October *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 2022–23 as at Budget October 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	497,092	397,460
Departmental appropriation (c)	3,770,651	3,979,581
s74 External Revenue (d)	111,012	139,306
Departmental capital budget (e)	102,239	111,465
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	55,080	77,049
Equity injection	78,892	23,522
Total departmental annual appropriations	4,614,966	4,728,383
Special accounts (g)		
Opening balance	10,913	13,229
Appropriation receipts (h)	19,381	18,608
Total special accounts	30,294	31,837
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	19,381	18,608
Total departmental resourcing	4,625,879	4,741,612
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available		
Outcome 1	851	13,134
Total administered annual appropriations	851	13,134
Special appropriations		
<i>Product Grants and Benefits Administration Act 2000 - Product stewardship for oil</i>	89,057	92,394
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>	57,158	120,000
<i>Small Superannuation Accounts Act 1995</i>	113	-
<i>Superannuation Guarantee (Administration) Act 1992</i>	675,887	593,000
<i>Taxation Administration Act 1953 - section 16 (Non-refund items) (i)</i>	11,932,212	12,844,185
Total administered special appropriations	12,754,427	13,649,579
Special accounts (g)		
Opening balance	75,907	78,333
Appropriation receipts (h)	16,479	16,300
Total special account receipts	92,386	94,633
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	16,479	16,300
Total administered resourcing	12,831,185	13,741,046
Total resourcing for Australian Taxation Office	17,457,064	18,482,658
	2021-22	2022-23
Average staffing level (number)	18,445	19,693

Table 1.1: Australian Taxation Office resource statement – Budget estimates for 2022–23 as at Budget October 2022 (continued)

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual \$'000</i>	2022-23 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	227,126	223,517
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	104,184	114,785
Payments made to corporate entities within the Portfolio Reserve Bank of Australia	88,703	105,103

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) Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$54.7 million 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 Supply Act (No. 1) and 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) *Supply Act (No.2) 2022–23* and Appropriation Bill (No. 2) 2022–23.
- 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 *October 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 account.
- h) Amounts credited to the special account(s) from the ATO's annual and special appropriations.
- i) These figures relate to administered expenses such as the fuel tax credit, the refundable research and development tax incentive, and the Australian screen and digital game production incentive. Estimated tax refunds for 2021–22 are \$128 billion including \$47 million made on behalf of the ATO by the Department of Home Affairs. Estimated tax refunds for 2022–23 are \$142 billion including \$160 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 2022–23 October Budget measures
Part 1: Measures announced since the 2022–23 March Budget

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
An Ambitious and Enduring APS Reform Plan (a)	1.1, 1.2, 1.3, 1.4					
Departmental payment		-	(1,314)	(3,409)	(4,064)	-
Cyber Hubs pilot – extension	1.1					
Departmental payment		-	5,648	-	-	-
Extend ATO Compliance Programs – Personal Income Taxation Compliance Program	1.1					
Departmental payment		-	-	39,893	40,363	-
Extend ATO Compliance Programs – Shadow Economy Program	1.1					
Departmental payment		-	-	79,620	81,006	82,329
Extend ATO Compliance Programs – Tax Avoidance Taskforce	1.1					
Departmental payment		-	200,457	201,627	203,202	534,522
Fraud Fusion Taskforce (b)	1.1					
Departmental payment		-	2,489	2,984	2,801	2,826
Heavy Vehicle Road User Charge – increase	1.7					
Administered payment		-	(38,259)	(57,535)	(59,848)	(60,043)
Modernising Business Registers – program funding, director ID sustainment and registry stabilisation (c)	1.1					
Departmental payment		-	74,141	16,003	16,367	14,823
Multinational Tax Integrity Package – amending Australia's interest limitation (thin capitalisation) rules	1.1					
Departmental payment		-	1,267	3,618	258	154
Multinational Tax Integrity Package – denying deductions for payments relating to intangibles held in low or no tax jurisdictions	1.1					
Departmental payment		-	-	5,261	811	589

**Table 1.2: Australian Taxation Office 2022–23 October Budget measures
Part 1: Measures announced since the 2022–23 March Budget (continued)**

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Multinational Tax Integrity Package – improved tax transparency	1.1					
Departmental payment		-	263	2,859	1,262	638
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (d)	1.1, 1.2, 1.3, 1.4					
Departmental payment		-	(65,141)	-	-	-
Tax Practitioners Board – compliance program to enhance tax system integrity	1.2					
Departmental payment		-	-	4,376	6,785	9,577
Treasury – additional funding (e)	1.1					
Departmental payment		-	-	(573)	(3,285)	(422)
Total		-	179,551	294,724	285,658	584,993
Total payment measures						
Administered		-	(38,259)	(57,535)	(59,848)	(60,043)
Departmental		-	217,810	352,259	345,506	645,036
Total		-	179,551	294,724	285,658	584,993

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) The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- b) The lead entity for measure Fraud Fusion Taskforce is the National Disability Insurance Agency. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Social Services portfolio.
- c) This measure includes a reduction of capital funding for the ATO of \$17.4 million in 2022–23.
- d) The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in the Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio measures.
- e) This measure includes a reduction of capital funding for the ATO of \$1.6 million in 2024–25.

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 measure 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-our-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

<p>Australian Criminal Intelligence Commission</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Australian Criminal Intelligence Commission</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Australian Federal Police</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Federal Policing – Investigations</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Australian Federal Police (AFP) provides ATO with intelligence and expertise for investigations, policy and taskforces combating serious financial crimes and its harm.</p>
<p>Australian Financial Security Authority</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Personal Insolvency and Trustee Services</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Financial Security Authority (AFSA) exchanges information with the ATO and administers the bankruptcy notices and payment arrangements to support this service.</p>

Linked programs (continued)

<p>Australian Securities and Investments Commission</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Australian Securities and Investment Commission</i> <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>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>AUSTRAC</i> <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 assists partner agency operations.</p>
<p>Department of Climate Change, Energy, the Environment and Water</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Reducing Australia's Greenhouse gas emissions</i> • Program 2.6 – <i>Management of Hazardous Wastes, Substances and Pollutants</i> <p>Contribution to Outcomes 1 and 2 made by linked programs</p> <p>The Department of Climate Change, Energy, the Environment and Water (DCCEEW) works with the Australian Taxation Office in the following ways:</p> <ul style="list-style-type: none"> • DCCEEW shares information with the ATO to confirm trees meet certain conditions when a taxpayer claims a deduction under the Carbon Sink Forest measure. • ATO administers 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.

Linked programs (continued)

<p>Department of Education</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.4 – <i>Higher Education Loan Program</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Education exchanges information with the ATO in relation to the Higher Education Loans Program.</p>
<p>Department of Employment and Workplace Relations</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – <i>Building Skills and Capability</i> • Program 2.2 – <i>VET Student Loans</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Employment and Workplace Relations exchanges information with the ATO in relation to the VET Student Loans and Trade Support Loans.</p>
<p>Department of Health and Aged Care</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – <i>Medical Benefits</i> • Program 2.3 – <i>Pharmaceutical Benefits</i> • Program 2.4 – <i>Private Health Insurance</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Health and Aged Care contributes to the administrative arrangements for the Government’s Private Health Insurance Rebate. Health and Aged Care also works with the ATO to deliver the Multi-agency Data Integration Project.</p>
<p>Department of Home Affairs</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 3.3 – <i>Border-Revenue Collection</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>The 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>

Linked programs (continued)

<p>Department of Industry, Science, and Resources</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Investing in science, technology and commercialisation</i> • Program 1.2 – <i>Growing innovative and competitive businesses, industries and regions</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Industry, Science, 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>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – <i>Department of the Treasury</i> <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 regulates the foreign investment framework, consisting of the <i>Foreign Acquisitions and Takeovers Act 1975</i>, the <i>Foreign Acquisitions and Takeovers Fees Impositions Act 2015</i> and their associated regulations, with the ATO. The ATO regulates foreign investment proposals concerning residential land, while the Treasury regulates all other proposals covered by the framework. The ATO also maintains current registers of foreign ownership of water, agriculture land and residential land.</p>
<p>Services Australia</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 – <i>Customer Service Delivery</i> <p>Contribution to Outcome 1 made by linked programs</p> <p>Services Australia supports individuals, families and communities to achieve greater self-sufficiency by providing administration and payments services on behalf of the ATO.</p>

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 2.1.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	851	13,134	2,882	2,882	-
Administered total	851	13,134	2,882	2,882	-
Departmental expenses					
Departmental appropriation	3,711,176	3,822,748	3,642,899	3,628,085	3,645,295
s74 External Revenue (a)	106,693	131,831	131,747	133,245	135,607
Expenses not requiring appropriation in the Budget year (b)	155,622	184,043	167,859	159,292	162,167
Departmental total	3,973,491	4,138,622	3,942,505	3,920,622	3,943,069
Total expenses for program 1.1	3,974,342	4,151,756	3,945,387	3,923,504	3,943,069
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	21,606	20,483	25,595	28,184	31,145
Departmental total	21,606	20,483	25,595	28,184	31,145
Total expenses for program 1.2	21,606	20,483	25,595	28,184	31,145
Program 1.3: Australian Business Registry Services					
Departmental expenses					
Departmental appropriation	141,839	118,073	124,858	126,369	127,752
Expenses not requiring appropriation in the Budget year (b)	8,057	8,860	8,773	7,326	254
Departmental total	149,896	126,933	133,631	133,695	128,006
Total expenses for program 1.3	149,896	126,933	133,631	133,695	128,006
Program 1.4: Australian Charities and Not-for-profit Commission					
Departmental expenses					
Special accounts					
Australian Charities and Not-for-profits Commission Special Account	17,076	18,277	17,818	17,987	18,140
Departmental total	17,076	18,277	17,818	17,987	18,140
Total expenses for program 1.4	17,076	18,277	17,818	17,987	18,140

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 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>	227,577	629,000	560,000	488,000	483,000
Administered total	227,577	629,000	560,000	488,000	483,000
Total expenses for program 1.5	227,577	629,000	560,000	488,000	483,000
Program 1.6: Junior Minerals Exploration Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	(33,850)	19,645	19,645	19,645	-
Administered total	(33,850)	19,645	19,645	19,645	-
Total expenses for program 1.6	(33,850)	19,645	19,645	19,645	-
Program 1.7: Fuel Tax Credit Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	7,058,205	7,762,320	9,851,939	10,531,633	11,288,413
Administered total	7,058,205	7,762,320	9,851,939	10,531,633	11,288,413
Total expenses for program 1.7	7,058,205	7,762,320	9,851,939	10,531,633	11,288,413
Program 1.8: National Rental Affordability Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	146,756	129,021	95,239	49,817	24,721
Administered total	146,756	129,021	95,239	49,817	24,721
Total expenses for program 1.8	146,756	129,021	95,239	49,817	24,721
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special Appropriations					
<i>Product Grants and Benefits Administration Act 2000 – product stewardship (oil) benefits</i>	88,722	92,394	92,509	92,935	93,200
Administered total	88,722	92,394	92,509	92,935	93,200
Total expenses for program 1.9	88,722	92,394	92,509	92,935	93,200
Program 1.10: Research & Development Tax Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	3,082,936	3,042,461	3,046,611	3,181,329	3,333,985
Administered total	3,082,936	3,042,461	3,046,611	3,181,329	3,333,985
Total expenses for program 1.10	3,082,936	3,042,461	3,046,611	3,181,329	3,333,985

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	491,822	620,236	617,136	606,887	593,040
Administered total	491,822	620,236	617,136	606,887	593,040
Total expenses for program 1.11	491,822	620,236	617,136	606,887	593,040
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	240,996	239,171	244,720	250,899	257,039
Administered total	240,996	239,171	244,720	250,899	257,039
Total expenses for program 1.12	240,996	239,171	244,720	250,899	257,039
Program 1.13: Superannuation Co-contribution Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	103,206	124,000	117,000	114,000	109,000
Administered total	103,206	124,000	117,000	114,000	109,000
Total expenses for program 1.13	103,206	124,000	117,000	114,000	109,000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	666,281	593,000	641,000	693,000	747,000
Administered total	666,281	593,000	641,000	693,000	747,000
Total expenses for program 1.14	666,281	593,000	641,000	693,000	747,000
Program 1.15: Targeted assistance through the taxation system					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	43,837	6,000	5,000	6,000	6,000
Administered total	43,837	6,000	5,000	6,000	6,000
Total expenses for program 1.15	43,837	6,000	5,000	6,000	6,000
Program 1.16: Interest on Overpayment and Early Payments					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	156,076	95,000	95,000	95,000	95,000
Administered total	156,076	95,000	95,000	95,000	95,000
Total expenses for program 1.16	156,076	95,000	95,000	95,000	95,000

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.17: Bad & Doubtful Debts & Remissions					
Administered expenses					
Expenses not requiring appropriation in the budget year (b)	7,962,558	8,102,000	7,833,000	7,938,000	8,365,000
Administered total	7,962,558	8,102,000	7,833,000	7,938,000	8,365,000
Total expenses for program 1.17	7,962,558	8,102,000	7,833,000	7,938,000	8,365,000
Program 1.18: Seafarer Tax Offset					
Administered expenses					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	9,157	9,000	9,000	9,000	9,000
Administered total	9,157	9,000	9,000	9,000	9,000
Total expenses for program 1.18	9,157	9,000	9,000	9,000	9,000
Program 1.19: Economic Response to the Coronavirus					
Administered expenses					
Special Appropriations					
Economic Response to the Coronavirus					
<i>Cashflow boost payments for employers</i>	19,330	-	-	-	-
<i>JobKeeper</i>	(79,992)	-	-	-	-
<i>JobMaker</i>	17,540	5,481	-	-	-
Administered total	(43,122)	5,481	-	-	-
Total expenses for program 1.19	(43,122)	5,481	-	-	-
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	851	13,134	2,882	2,882	-
Special appropriations	12,238,599	13,366,729	15,394,799	16,138,145	17,039,398
Expenses not requiring appropriation in the Budget year (b)	7,962,558	8,102,000	7,833,000	7,938,000	8,365,000
Administered total	20,202,008	21,481,863	23,230,681	24,079,027	25,404,398
Departmental expenses					
Departmental appropriation	3,874,622	3,961,304	3,793,352	3,782,638	3,804,192
s74 External Revenue (a)	106,693	131,831	131,747	133,245	135,607
Special accounts	17,076	18,277	17,818	17,987	18,140
Expenses not requiring appropriation in the Budget year (b)	163,679	192,903	176,632	166,618	162,421
Departmental total	4,162,070	4,304,315	4,119,549	4,100,488	4,120,360
Total expenses for Outcome 1	24,364,078	25,786,178	27,350,230	28,179,515	29,524,758
	2021-22	2022-23			
Average staffing level (number)	18,445	19,693			

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, make good expenses, audit fees and write down and impairments of other asset.

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

Table 2.1.2: 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 October 2022–23 Budget measures have created new programs or materially changed existing programs.

<p>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.</p>		
<p>Program 1.1 – Australian Taxation Office 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>Key Activities</p>	<p>The ATO’s strategic objectives are the areas of focus to achieve its purpose, these include core business, government commitments and transformation. The core priorities and key focus areas will allow the ATO to transform and deliver on its objectives.</p> <p>The ATO will undertake the following core activities to achieve its program objective:</p> <ul style="list-style-type: none"> • collecting revenue • administering the goods and services tax on behalf of the Australian States and Territories • administering major aspects of Australia’s superannuation system. <p>Additionally, the ATO will undertake the following key activities to achieve its program objective:</p> <ul style="list-style-type: none"> • making it easy for the community to understand and comply with obligations, including by optimising interactions through our self-service channels and focusing on improving small business tax performance • building a dynamic and flexible workforce by embedding new ways of working • unlocking our data potential by improving the way we collect, manage, share, and use data. 	
Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Confidence – Community Confidence in the ATO	Target 2021–22: 65/100 Result: 66/100
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Trust – Community trust in the ATO and the system	Target 2021–22: N/A – new measure in 2022–23 Result: N/A – new measure
Budget Year 2022–23		Target 2022–23: Under development
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Registration – proportion of companies and individuals registered in the system	Target 2021–22: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease) Result: Companies 66.1% Individuals 105.9%
Budget Year 2022–23		Target 2022–23: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Lodgement – proportion of activity statements and income tax returns lodged on time	Target 2021–22: Activity statements lodged on time: 78% Income tax returns lodged on time: 83% Result: Activity statements: 70.5% Income tax returns: 82%
Budget Year 2022–23		Target 2022–23: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Payment – proportion of liabilities paid on time by value	Target 2021–22: 88% Result: 87.8%
Budget Year 2022–23		Target 2022–23: 88%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Correct Reporting – Tax gap as a proportion of revenue	Target 2021–22: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Budget Year 2022–23	Tax gap – as a proportion of revenue Note: Change to measure name for 2022–23	Result: 7% or \$33.4 billion, for 2019–20 Target 2022–23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Debt – ratio of collectable debt to net tax collections ¹	Target 2021–22: Below 8% Result: 8.5%
Budget Year 2022–23		Target 2022–23: Between 8% and 8.5%
Forward Estimates 2023–24 and beyond		Target 2023–24: Between 7.5% and 8% Target 2024–25: Between 6.5% and 7% Target 2025–26: Below 6%
Prior year 2021–22	Total revenue effects – tax revenue from all compliance activities	Target 2021–22: \$15 billion Result: \$15.5 billion
Budget Year 2022–23	Total revenue effects – revenue from all compliance activities Note: Change to measure name for 2022–23	Target 2022–23: \$15 billion
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	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	Target 2021–22: 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 Result: 45.8%
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22

¹ Debt target has been increased due to the broader economic environment, which has been impacted by droughts, bushfires and the COVID-19 pandemic.

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Actual/Planned Performance Results
Prior year 2021–22	Influence – Government and Treasury perceptions of the ATO and the quality of our advice	Target 2021–22: Good Result: Very good
Budget Year 2022–23	Influence tax and super system design through a mutually positive relationship with Treasury and the provision of quality advice. Note: Change to measure name for 2022–23	Target 2022–23: Demonstrated effort in supporting the Treasury Department to design and deliver effective tax and super policy
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Compliance cost – adjusted median cost to individual taxpayers of managing their tax affairs	Target 2021–22: Remain steady Result: 3.6% decrease (2020–21 returns)
Budget Year 2022–23		Target 2022–23: Remain steady
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Digital – proportion of inbound transactions received digitally for key services	Target 2021–22: 92% Result: 95%
Budget Year 2022–23		Target 2022–23: 95%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Digital – proportion of outbound interactions issued digitally for key services	Target 2021–22: N/A – new measure in 2022–23 Result: N/A – new measure
Budget Year 2022–23		Target 2022–23: Under development
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Service satisfaction – client satisfaction with their recent interaction with the ATO	Target 2021–22: N/A – new measure in 2022–23 Result: N/A – new measure
Budget Year 2022–23		Target 2022–23: 80%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Working together – partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems	Target 2021–22: Equal to or better than the 2018–19 result (64/100) Result: 68/100
Budget Year 2022–23		Target 2022–23: Equal to or better than the 2018–19 result (64/100)
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Culture – level of employee engagement	Target 2021–22: Equal to or better than the average result for large agencies Result: 74%
Budget Year 2022–23		Target 2022–23: Equal to or better than the average result for large agencies
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Gender equality – female representation in the senior executive service (SES) and executive level (EL) classifications	Target 2021–22: Approx. 50% of SES and approx. 50% of EL staff Result: 48.9% female for SES, and 51.1% female for EL staff
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22
Prior year 2021–22	Indigenous representation – proportion of ATO staff who identify as Indigenous	Target 2021–22: 3% Result: 2.9%
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22
Prior year 2021–22	Disability representation – proportion of ATO staff who identify with disability	Target 2021–22: 4% Result: 4.7%
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Staff experience – employee perceptions around whether they have access to the tools and resources needed to perform well	Target 2021–22: Equal to or better than the average result for large agencies Result: 64%
Budget Year 2022–23		Target 2022–23: Equal to or better than the average result for large agencies
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Tax returns – proportion of pre-filled items accepted without change	Target 2021–22: 90% Result: 95%
Budget Year 2022–23		Target 2022–23: 90%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Availability – key digital systems availability	Target 2021–22: 99.5% (excluding planned outages) Result: 99.5%
Budget Year 2022–23		Target 2022–23: 99.5% (excluding planned outages)
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Identity matching – proportion of data items matched to client identifiers	Target 2021–22: N/A – new measure in 2022–23 Result: N/A – new measure
Budget Year 2022–23		Target 2022–23: Under development
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Budget – ATO manages its operating budget to balance	Target 2021–22: +/- 1% of budget allocation Result: 1% deficit
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22
Prior year 2021–22	Cost of collection – cost to collect \$100	Target 2021–22: Consistent with trend Result: \$0.58 including GST \$0.53 excluding GST
Budget Year 2022–23		Target 2022–23: Consistent with pre-pandemic trend
Forward Estimates 2023–24 and beyond		Target 2023–24: Consistent with pre-pandemic trend Target 2024–25: Consistent with trend Target 2025–26: Consistent with trend

Table 2.1.2: Performance criteria for Outcome 1 (continued)

<p>Program 1.2 – Tax Practitioners Board (TPB) 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 and business activity statement (BAS) agents. The TPB also has the responsibility to monitor and take action against unregistered preparers (a). 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>		
Key Activities	Key activities reported in the current corporate plan that relate to this program. The TPB has a number of key activities to deliver its objective, which includes: <ul style="list-style-type: none"> • support the Government's areas of focus and reform • administer a system of registration • investigate applications for registration and address conduct that may breach the TASA • impose sanctions for breaches of the TASA • issue guidance to support tax practitioners • build organisational capability and culture. 	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	1.1 Improve the registration experience for tax practitioners.	Improve the experience by streamlining processes and increasing automation Result – achieved
	1.2 Efficiently process tax practitioner applications and enquiries.	The majority of applications are processed within service standards. Response to enquiries are appropriate and timely Result – achieved
	2.1 Provide guidance and advice to tax practitioners on their eligibility requirements and obligations under the <i>Tax Agent Services Act 2009</i> .	Provide useful advice and guidance of key relevant topics Result – achieved
	2.2 Provide support through targeted communications that educate tax practitioners.	Effective communication is used to assist consumer protection and educate the profession Result – achieved
	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 Result – achieved
	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 purpose Result – achieved
	3.1 Work with Treasury and Government to design and implement reforms to the TASA and the TPB.	Treasury considers submissions from the TPB and works collaboratively with the TPB on law and policy reform Result – achieved
	3.2 Deliver an ongoing technology program to support enhanced services and drive operational efficiency.	System upgrades are contemporary and engaging. Result – achieved
	3.3 Support our people by delivering a comprehensive People Program.	Implementation of a reward and recognition program Result – achieved

Table 2.1.2: Performance criteria for Outcome 1 (continued)

1. Support the Government's areas of focus and reform		
Budget Year 2022–23	1.1 We contribute to government reform	Target: >95% of TPB submissions are relevant to the TPBs regulatory role.
2. Administer a system of registration		
Budget Year 2022–23	2.1 Our internal service standards results	Target: 80% new and renewal within 30 days, 95% new and renewal within 60 days
	2.2 Our Quality Assurance results	Target: The TPB aims to conduct quality assurance checks quarterly
	2.3 Tax Practitioner satisfaction with engagement with TPB/registration and renewal process.	Target: 65% new and 74% renewal biannual survey results
	2.4 Tax practitioner satisfaction with reduction in red tape	Target: Under development.
	2.5 The TPB register is available and updated daily	Target: 99%.
3. Investigate applications for registration and address conduct that may breach the TASA		
Budget Year 2022–23	3.1 Tax Practitioner satisfaction with TPB compliance effectiveness	Target: 65% biannual survey results
	3.2 The number of completed compliance investigations	Target: >2000 investigations completed
	3.3 The number of self-generated cases	Target: >350 cases
	3.4 Unregistered Preparers are identified and addressed	Target: >62 identified and >15 investigated
4. Impose sanctions for breaches of the TASA		
Budget Year 2022–23	4.1 The number of sanctions imposed	Target: Under development
	4.2 Sanctions are appropriate	Target: Under development
5. Issue guidance to support tax practitioners		
Budget Year 2022–23	5.1 The number of guidance products/instruments published	Target: the TPB aims to support the tax profession by publishing regular guidance material
	5.2 Satisfaction from tax practitioners	Target: 79% biannual survey results
6. Build organisational capability and culture		
Budget Year 2022–23	6.1 Our System availability	Target: 95% system availability Target: Staff survey under development Target: Incident reduction under development.
	6.2 Our staff wellbeing and engagement scores	Target: APS Census results are >68% for wellbeing and >73% for engagement
	6.3 Staff satisfaction with workplace culture	Target: Under development
	6.4 Staff satisfaction with skills development	Target: Under development
	6.5 Staff satisfaction with TPB leadership	Target: Under development
	6.6 Board satisfaction with TPB governance	Target: The TPB ARC expresses satisfaction with governance activities
Forward Estimates 2023–24 and beyond	As per 2022–23	As per 2022–23

- a) Program description has been slightly modified to remove the 'Tax Financial Advisers' as they are no longer regulated by the TPB. Instead, 'unregistered preparers' has been included, which is a high-risk segment the TPB is actively monitoring.

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.4 – Australian Charities and Not-for-profits Commission		
<p>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 <i>Australian Charities and Not-for-profits Commission Act 2012</i> (Cth) (ACNC Act), the <i>Charities Act 2013</i> (Cth) (the Charities Act) and accompanying regulations.</p>		
Key Activities	<ul style="list-style-type: none"> • maintaining a public register of Australian charities • registering new charities • revoking the registration of charities that are no longer entitled to registration • collecting information about charities annually • providing advice and guidance to charities and the public • disseminating resources for better governance practices • enhancing transparency and good governance in the sector • monitoring charities for compliance with legal requirements, and acting on identified concerns • working across governments to reduce unnecessary regulation. 	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	90 per cent of new charity registrations completed within agreed timeframe	Partially met
<p>Key for results Met: Target met or exceeded, or the work has commenced and is on track to be met by 30 June 2022</p> <p>Partially met: Some elements of the target were met and issues were managed, the work has commenced and is on track to be met or partially met by 30 June 2022. Partially met is 80 per cent or more of the target achieved</p> <p>Not met: Target not met, or not on track to be met by 30 June 2022.</p>	75 per cent of charities complying with timeliness of Annual Information Statement submission requirements	Partially met
	75 per cent of investigations finalised within 12 months	Met
	Launch of the enhanced Charity Register with searchable program data available	Met
	80 per cent of phone calls answered within 4 minutes	Not met
	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	Met
	The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities	Met

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget year 2022–23	90 per cent of new charity registrations completed within agreed timeframe	Meet by 30 June 2023
	75 per cent of charities complying with timeliness of Annual Information Statement submission requirements	Meet by 30 June 2023
	75 per cent of investigations finalised within 12 months	Meet by 30 June 2023
	Complete 75 investigations	Meet by 30 June 2023
	2 per cent of Charities Register with DGR endorsement reviewed	Meet by 30 June 2023
	Increased usage of the enhanced Charity Register with searchable program data available	Meet by 30 June 2023
	80 per cent of phone calls answered within 4 minutes	Meet by 30 June 2023
	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.	Meet by 30 June 2023
	Demonstrated reduction in unnecessary regulation for charities	Meet by 30 June 2023
Forward Estimates 2023–24 and beyond	As per 2022–23	Meet by 30 June of the relevant year

Table 2.1.2: Performance criteria for Outcome 1 (continued)

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.		
Key Activities	Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the tax and superannuation systems.	
Program 1.5 – Australian Screen and Digital Game Production Incentive		
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.		
The Digital Games Tax Offset is a new tax incentive, commencing from 1 July 2022 that would provide a refundable tax offset for qualifying Australian expenditure to eligible businesses.		
The Office 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 Office for the Arts has responsibility for the Location, PDV and Digital Games Tax Offset. The ATO conducts verification and reconciliation with the certificates issued by the Arts Minister before the offset is paid to the taxpayer.		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Value of tax offsets processed	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$213 million (target achieved)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Program 1.6 – Junior Minerals Exploration Incentive		
The Junior Minerals Exploration Incentive provides a tax incentive to invest in small minerals exploration companies undertaking greenfields minerals exploration in Australia. Eligible Australian resident investors of these companies receive a tax incentive where the companies choose to give up a portion of their tax losses relating to their exploration expenditure in an income year.		
Year	Performance measures	Actual /Planned Performance Outcomes
Prior year 2021–22	All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing.	Target 2021–22: 100% notifications issued within 28 calendar days of the application period closing Result: Target met
Budget Year 2022–23		Target 2022–23: 100% notifications issued within 28 calendar days of the application period closing
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Actual /Planned Performance Outcomes
Prior year 2021–22	Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued.	Target 2021–22: Published within 56 calendar days of the application period closing Result: Target met
Budget Year 2022–23		Target 2022–23: Published within 56 calendar days of the application period closing
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
<p>Program 1.7 – Fuel Tax Credits Scheme 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. 		
Year	Performance measures	Actual /Planned Performance Outcomes
Prior year 2021–22	Value of claims	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$7.5 billion (target met)
Budget Year 2022–23		Target 2022–23: N/A – measure ceases in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceases in 2021–22
Prior year 2021–22	Fuel Tax Credits Scheme gap	Target 2021–22: N/A – new measure in 2022–23 Result: 0.2% or \$13 million (2019–20 year)
Budget Year 2022–23		Target 2022–23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.8 – National Rental Affordability Scheme		
<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 • 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 – a State or Territory Government incentive as a direct payment per dwelling per year or in-kind financial support. 		
Year	Performance measures	Actual /Planned Performance Outcomes
Prior year 2021–22	Value of tax offsets processed	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$162.3 million (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Program 1.9 – Product Stewardship for Oil		
<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 • 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>		
Year	Performance measures	Actual /Planned Performance Outcomes
Prior year 2021–22	Value of revenue collected	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$26.1 million (target met)
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22
Prior year 2021–22	Value of payments processed	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$89.1 million (target met)
Budget Year 2022–23		Target 2022–23: N/A – measure ceased in 2021–22
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: N/A – measure ceased in 2021–22

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Actual /Planned Performance Outcomes
Prior year 2021–22	Product Stewardship for Oil gap	Target 2021–22: N/A – new measure in 2022–23 Result: 0.2% or \$0.27 million (2020–21 year)
Budget Year 2022–23		Target 2022–23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
<p>Program 1.10 – Research and Development Tax Incentive 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. 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. The ATO has an important supporting role in processing claims through the tax system for the R&D offset.</p>		
Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Value of claims processed for companies claiming the non-refundable research and development tax offset (38.5 per cent of notional R&D deductions).	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$2 billion (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Value of claims processed for companies claiming the refundable research and development tax offset (43.5 per cent of notional R&D deductions).	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$2.7 billion (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Number of claims processed for companies claiming the non-refundable research and development tax offset (38.5 per cent of notional R&D deductions).	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: 1,290 (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Number of claims processed for companies claiming the refundable research and development tax offset (43.5 per cent of notional R&D deductions).	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: 10,513 (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Prior year 2021–22	Proportion of offsets processed within service standard timeframes	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: 94.7% (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
<p>Program 1.11 – Low Income Superannuation Tax Offset</p> <p>The Low Income Superannuation Tax Offset (LISTO) is aimed to address some of the inequity in the superannuation system, where low income earners with a marginal rate of tax less than 15 per cent, pay a higher rate of tax on superannuation contributions than if they had received the money as salary and wages.</p> <p>The LISTO replaces the low income superannuation contribution (LISC) policy from 1 July 2017. LISC will continue to be payable for concessional contributions made up to and including the 2016–17 year, however, determinations will cease at 1 July 2019.</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 advice and education services.</p>		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Value of entitlements paid	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$588.5 million (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Proportion of original contributions paid within 60 days	Target 2021–22: N/A – new measure in 2022–23 Result: 99.98%
Budget Year 2022–23		Target 2022–23: 97%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
<p>Program 1.12 – Private Health Insurance Rebate 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. 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>		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Value of rebates processed	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$237 million (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
<p>Program 1.13 – Superannuation Co-contribution Scheme 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. 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>		
Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Value of entitlements paid	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$118.8 million (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Proportion of original co-contributions paid within 60 days.	Target 2021–22: N/A – new measure in 2022–23 Result: 98.9%
Budget Year 2022–23		Target 2022–23: 97%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Program 1.14 – Superannuation Guarantee Scheme 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. Non-compliance with the SGAA by employers means that eligible employees will not receive their entitlements to, and benefits of, superannuation in their retirement.		
Year	Performance measures	Expected/Planned Performance Results
Prior year 2021–22	Superannuation guarantee gap as a proportion of superannuation guarantee contributions.	Target 2021–22: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available. Result: 4.9% or \$3,370 million (2019–20 year)
Budget Year 2022–23		Target 2022–23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Value of superannuation guarantee charge: <ul style="list-style-type: none"> • raised (including penalties and interest) • collected 	Target 2021–22: Raised: \$812 million Collected: \$462 million Result: Raised: \$1,059.9 million Collected: \$712.7 million
Budget Year 2022–23		Target 2022–23: Raised: \$946 million Collected: \$550 million
Forward Estimates 2023–24 and beyond		Target 2023–24: Raised: \$1,017 million Collected: \$594 million Target 2024–25: Raised: \$1,099 million Collected: \$642 million Target 2025–26: Raised: \$1,184 million Collected: \$692 million

<p>Prior year 2021–22</p> <p>Budget Year 2022–23</p> <p>Forward Estimates 2023–24 and beyond</p>	<p>Value of superannuation guarantee entitlements distributed to individuals or superannuation funds.</p>	<p>Target 2021–22: \$421 million Result: \$645.4 million</p> <p>Target 2022–23: \$497 million</p> <p>Target 2023–24: \$536 million Target 2024–25: \$578 million Target 2025–26: \$622 million</p>
<p>Prior year 2021–22</p> <p>Budget Year 2022–23</p> <p>Forward Estimates 2023–24 and beyond</p>	<p>Value of superannuation guarantee debt on hand and the amount of superannuation guarantee debt irrecoverable at law or uneconomical to pursue.</p>	<p>Target 2021–22: Debt on hand: \$2,700 million Irrecoverable at law or uneconomical to pursue: \$195 million Result: Debt on hand: \$3,100 million Irrecoverable at law or uneconomical to pursue: \$104.9 million</p> <p>Target 2022–23: Debt on hand: \$3,500 million Irrecoverable at law or uneconomical to pursue: \$172 million</p> <p>Target 2023–24: Debt on hand: \$3,700 million Irrecoverable at law or uneconomical to pursue: \$177 million</p> <p>Target 2024–25: Debt on hand: \$4,000 million Irrecoverable at law or uneconomical to pursue: \$183 million</p> <p>Target 2025–26: Debt on hand: \$4,300 million Irrecoverable at law or uneconomical to pursue: \$189 million</p>

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.15 – Targeted Assistance Through the Taxation System 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. 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.		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Value of interest payments processed	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$12.9 million (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Program 1.16 – Interest on Overpayment and Early Payments of Tax The objective of the program is to apply credit interest to taxpayers' accounts where they are entitled under the law. 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: <ul style="list-style-type: none"> • interest on overpayments of tax • delayed refund interest • interest on early payments of tax. 		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Value of credit interest applied to client accounts	Target 2021–22: The ATO aims to administer the program in accordance with the law Result: \$61.9 million (target met)
Budget Year 2022–23		Target 2022–23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23

Table 2.1.2: Performance criteria for Outcome 1 (continued)

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>		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Ratio of debt uneconomical to pursue to ATO net tax collections	Target 2021–22: Below 1% Result: 0.2%
Budget Year 2022–23		Target 2022–23: Below 1%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Program 1.18 – Seafarer Tax Offset		
<p>The Seafarer Tax Offset commenced from 1 July 2012 and is designed to encourage the development of sustainable employment and skills opportunities for Australian 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.</p>		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021–22	Eligible taxpayers are aware of how to claim the offset	Target 2021–22: 100% Result: 100%
Budget Year 2022–23		Target 2022–23: 100%
Forward Estimates 2023–24 and beyond		Target 2023–24 and beyond: As per 2022–23
Program 1.19 – Economic Response to the Coronavirus		
<p>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.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program.</p>		
Year	Performance measures	Actual/Planned Performance Outcomes
Prior year 2021-22	Value of Hiring credit paid	Target 2021-22: The ATO aims to administer the program in accordance with the law Result: \$26.4 million
Budget Year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022–23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 2022–23 is estimated at \$4 billion while expenditure is estimated to be \$4.3 billion, inclusive of unfunded depreciation. These budgeted amounts have increased since the 2022–23 Budget mainly due to new budget measure funding to support Government initiatives.

Departmental balance sheet (Table 3.2)

ATO's net assets as of 30 June 2023 is expected to be \$242 million. Net assets have decreased by \$8 million since 2022–23 Budget.

Departmental capital budget statement (Table 3.5)

Total capital appropriations in 2022–23 have decreased by \$7.2 million since the 2022–23 Budget.

Total purchase of non-financial assets in 2022–23 have increased by \$58.7 million since the 2022–23 Budget, primarily due to Government decisions.

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	2,082,986	2,274,712	2,198,796	2,209,295	2,424,814
Suppliers	1,573,224	1,599,031	1,500,530	1,488,973	1,305,934
Depreciation and amortisation (a)	385,651	416,709	403,520	388,075	378,031
Finance costs	12,067	13,863	16,703	14,145	11,581
Write-down and impairment of assets	840	-	-	-	-
Losses from asset sales	311	-	-	-	-
Other expenses	298	-	-	-	-
Total expenses	4,055,377	4,304,315	4,119,549	4,100,488	4,120,360
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	86,560	104,432	109,380	114,432	117,985
Sublease income	15,500	12,230	10,407	10,787	9,620
Sublease interest income	250	175	96	26	2
Other	5,405	14,994	11,864	8,000	8,000
Total own-source revenue	107,715	131,831	131,747	133,245	135,607
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	110,715	134,831	134,747	136,245	138,607
Net (cost of)/contribution by services	(3,944,662)	(4,169,484)	(3,984,802)	(3,964,243)	(3,981,753)
Revenue from Government	3,770,651	3,979,581	3,811,170	3,800,625	3,822,332
Surplus/(deficit) attributable to the Australian Government	(174,011)	(189,903)	(173,632)	(163,618)	(159,421)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	17,589	-	-	-	-
Total other comprehensive income	17,589	-	-	-	-
Total comprehensive income/(loss)	(156,422)	(189,903)	(173,632)	(163,618)	(159,421)
Total comprehensive income/(loss) attributable to the Australian Government	(156,422)	(189,903)	(173,632)	(163,618)	(159,421)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(156,422)	(189,903)	(173,632)	(163,618)	(159,421)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	158,669	184,746	172,123	162,830	162,830
plus: depreciation/amortisation expenses for ROU assets (b)	226,982	231,963	231,397	225,245	215,201
less: lease principal repayments (b)	226,835	226,806	229,888	224,457	218,610
Net Cash Operating Surplus/ (Deficit)	2,394	-	-	-	-

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	34,860	34,860	34,860	34,860	34,860
Trade and other receivables	571,662	441,737	423,178	423,104	432,194
Total financial assets	606,522	476,597	458,038	457,964	467,054
Non-financial assets					
Land and buildings	1,176,248	1,222,500	1,177,733	951,746	756,812
Property, plant and equipment	99,011	101,118	90,112	92,816	79,962
Intangibles	454,664	482,796	456,434	416,895	373,879
Other non-financial assets	104,023	104,526	104,526	104,526	104,526
Total non-financial assets	1,833,946	1,910,940	1,828,805	1,565,983	1,315,179
Total assets	2,440,468	2,387,537	2,286,843	2,023,947	1,782,233
LIABILITIES					
Payables					
Suppliers	212,068	214,173	214,173	214,173	214,173
Employees	50,841	60,709	64,408	64,335	73,424
Other payables	4,846	4,846	4,846	4,846	4,846
Total payables	267,755	279,728	283,427	283,354	292,443
Interest bearing liabilities					
Leases	1,113,741	1,124,031	1,058,962	834,505	615,895
Total interest bearing liabilities	1,113,741	1,124,031	1,058,962	834,505	615,895
Provisions					
Employee provisions	716,666	716,853	716,853	716,853	716,853
Other provisions	35,202	24,502	24,502	24,502	24,502
Total provisions	751,868	741,355	741,355	741,355	741,355
Total liabilities	2,133,364	2,145,114	2,083,744	1,859,214	1,649,693
Net assets	307,104	242,423	203,099	164,733	132,540

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	2,265,802	2,380,325	2,514,633	2,639,885	2,767,113
Reserves	140,743	140,743	140,743	140,743	140,743
Retained surplus (accumulated deficit)	(2,099,441)	(2,278,645)	(2,452,277)	(2,615,895)	(2,775,316)
Total parent entity interest	307,104	242,423	203,099	164,733	132,540
Total equity	307,104	242,423	203,099	164,733	132,540

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 2022–23)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(2,088,742)	140,743	2,265,802	317,803
Adjusted opening balance	(2,088,742)	140,743	2,265,802	317,803
Comprehensive income				
Surplus/(deficit) for the period	(189,903)	-	-	(189,903)
Total comprehensive income	(189,903)	-	-	(189,903)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	13,290	13,290
Departmental Capital Budget (DCB)	-	-	111,465	111,465
Sub-total transactions with owners	-	-	124,755	124,755
Estimated closing balance as at 30 June 2023	(2,278,645)	140,743	2,390,557	252,655
Closing balance attributable to the Australian Government	(2,278,645)	140,743	2,390,557	252,655

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,898,069	4,100,984	3,821,910	3,796,811	3,812,762
Receipts from Government	334,823	-	-	-	-
Sale of goods and rendering of services	111,548	139,306	139,926	137,490	136,451
Net GST received	155,267	130,218	128,786	128,786	-
Other	31,962	-	-	-	-
Total cash received	4,531,669	4,370,508	4,090,622	4,063,087	3,949,213
Cash used					
Employees	2,136,824	2,273,471	2,195,097	2,209,368	2,415,725
Suppliers	1,831,846	1,585,616	1,497,530	1,485,973	1,302,934
Net GST paid	-	128,786	128,786	128,786	-
Interest payments on lease liability	11,668	13,863	16,703	14,145	11,581
s74 External Revenue transferred to the OPA	338,632	-	-	-	-
Total cash used	4,318,970	4,001,736	3,838,116	3,838,272	3,730,240
Net cash from/(used by) operating activities	212,699	368,772	252,506	224,815	218,973
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	133,607	256,103	156,566	125,253	127,227
Total cash used	133,607	256,103	156,566	125,253	127,227
Net cash from/(used by) investing activities	(133,607)	(256,103)	(156,566)	(125,253)	(127,227)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	133,607	124,369	133,948	124,895	126,864
Total cash received	133,607	124,369	133,948	124,895	126,864
Cash used					
Principal payments on lease liability	226,835	226,806	229,888	224,457	218,610
Total cash used	226,835	226,806	229,888	224,457	218,610
Net cash from/(used by) financing activities	(93,228)	(102,437)	(95,940)	(99,562)	(91,746)
Net increase/(decrease) in cash held	(14,136)	10,232	-	-	-
Cash and cash equivalents at the beginning of the reporting period	48,996	34,860	34,860	34,860	34,860
Cash and cash equivalents at the end of the reporting period	34,860	45,092	34,860	34,860	34,860

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	102,239	111,465	125,473	125,252	127,228
Equity injections - Bill 2	54,808	23,522	8,835	-	-
Total new capital appropriations	157,047	134,987	134,308	125,252	127,228
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	157,047	134,987	134,308	125,252	127,228
Total items	157,047	134,987	134,308	125,252	127,228
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	108,400	73,839	16,093	-	-
Funded by capital appropriation - DCB (b)	127,239	182,264	140,473	125,252	127,228
TOTAL	235,639	256,103	156,566	125,252	127,228
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	235,639	256,103	156,566	125,252	127,228
Total cash used to acquire assets	235,639	256,103	156,566	125,252	127,228

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	183,609	105,141	1,971,064	2,259,814
Gross book value - ROU assets	1,664,328	62,387	-	1,726,715
Accumulated depreciation/ amortisation and impairment	(10,596)	(54,426)	(1,516,400)	(1,581,422)
Accumulated depreciation/amortisation and impairment - ROU assets	(661,093)	(14,091)	-	(675,184)
Opening net book balance	1,176,248	99,011	454,664	1,729,923
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	73,839	73,839
By purchase - appropriation ordinary annual services (b)	68,962	27,616	85,686	182,264
By purchase - appropriation ordinary annual services - ROU assets	237,097	-	-	237,097
Total additions	306,059	27,616	159,525	493,200
Other movements				
Depreciation/amortisation expense	(33,807)	(19,546)	(131,393)	(184,746)
Depreciation/amortisation on ROU assets	(226,000)	(5,963)	-	(231,963)
Total other movements	(259,807)	(25,509)	(131,393)	(416,709)
As at 30 June 2023				
Gross book value	252,571	132,757	2,130,589	2,515,917
Gross book value - ROU assets	1,901,425	62,387	-	1,963,812
Accumulated depreciation/ amortisation and impairment	(44,403)	(73,972)	(1,647,793)	(1,766,168)
Accumulated depreciation/amortisation and impairment - ROU assets	(887,093)	(20,054)	-	(907,147)
Closing net book balance	1,222,500	101,118	482,796	1,806,414

Prepared on Australian Accounting Standards basis.

- 'Appropriation equity' refers to equity injections appropriations provided through *Supply Act (No. 2) 2022-23* and *Appropriation Bill (No. 2) 2022-23*.
- 'Appropriation ordinary annual services' refers to funding provided through *Supply Act (No. 1) 2022-23* and *Appropriation Bill (No. 1) 2022-23* 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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Subsidies	10,536,381	11,689,322	13,674,943	14,372,359	15,232,319
Personal benefits	836,024	983,407	978,856	971,786	959,079
Penalty and interest charge remission expense	1,514,391	1,375,000	1,455,000	1,515,000	1,585,000
Write-down and impairment of assets	6,448,167	6,727,000	6,378,000	6,423,000	6,780,000
Interest on overpayments	156,076	95,000	95,000	95,000	95,000
Superannuation Guarantee Charge	666,281	593,000	641,000	693,000	747,000
Unclaimed superannuation monies interest	43,837	6,000	5,000	6,000	6,000
Other expenses	851	13,134	2,882	2,882	-
Total expenses administered on behalf of Government	20,202,008	21,481,863	23,230,681	24,079,027	25,404,398
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	423,438,921	434,697,500	439,483,893	450,634,628	484,903,611
Indirect tax	101,704,713	115,220,000	122,550,000	126,280,000	132,640,000
Other taxes	3,220,021	3,259,766	3,379,271	3,159,778	3,298,187
Total taxation revenue	528,363,655	553,177,266	565,413,164	580,074,406	620,841,798
Non-taxation revenue					
Unclaimed Superannuation Monies	703,084	214,000	190,000	123,000	118,000
Other Revenue	205,747	16,565	38,208	36,563	52,457
Total non-taxation revenue	908,831	230,565	228,208	159,563	170,457
Total own-source revenue administered on behalf of Government	529,272,486	553,407,831	565,641,372	580,233,969	621,012,255
Net (cost of)/contribution by services	509,070,478	531,925,968	542,410,691	556,154,942	595,607,857
Surplus/(deficit) before income tax	509,070,478	531,925,968	542,410,691	556,154,942	595,607,857

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	544,757	544,757	544,757	544,757	544,757
Total financial assets	544,757	544,757	544,757	544,757	544,757
Non-financial assets					
Taxation Receivables	34,538,904	39,067,520	43,207,126	47,245,730	51,537,333
Other Receivables	334,295	334,295	349,745	364,095	377,895
Accrued Revenues	15,228,667	16,703,667	17,203,667	16,563,667	17,228,667
Total non-financial assets	50,101,866	56,105,482	60,760,538	64,173,492	69,143,895
Total assets administered on behalf of Government	50,646,623	56,650,239	61,305,295	64,718,249	69,688,652
LIABILITIES					
Payables					
Subsidies	291,951	291,951	291,951	291,951	291,951
Personal benefits	10,219	10,219	10,219	10,219	10,219
Superannuation guarantee charge	74,189	74,189	74,189	74,189	74,189
Taxation refunds due	1,939,369	1,939,369	1,939,369	1,939,369	1,939,369
Superannuation holding account	78,333	85,433	90,933	98,233	89,133
Total payables	2,394,061	2,401,161	2,406,661	2,413,961	2,404,861

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Provisions					
Subsidies	4,054,851	4,865,809	4,915,311	5,025,206	5,186,073
Personal Benefits	1,042,269	1,072,724	1,071,711	1,069,399	1,059,303
Income Taxation refunds provided for	2,339,672	2,329,672	2,319,672	2,309,672	2,299,672
Indirect Taxation refunds provided for	22,860	22,860	22,860	22,860	22,860
Superannuation guarantee payments	706,878	802,878	907,878	1,022,878	1,147,878
Unclaimed superannuation payments	771,636	627,636	506,636	468,636	470,636
Targeted Assistance through the Taxation Program	59,204	53,204	45,204	39,204	36,204
Provision for interest on overpayments of taxes	104,186	104,186	104,186	104,186	104,186
Other provisions	26,241	26,241	26,241	26,241	26,241
Total provisions	9,127,797	9,905,210	9,919,699	10,088,282	10,353,053
Total liabilities administered on behalf of Government	11,521,858	12,306,371	12,326,360	12,502,243	12,757,914
Net assets/(liabilities)	39,124,765	44,343,868	48,978,935	52,216,006	56,930,738

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	515,635,286	539,061,650	552,930,558	568,727,802	607,510,195
Other	1,082,538	93,665	97,258	114,513	149,557
Total cash received	516,717,824	539,155,315	553,027,816	568,842,315	607,659,752
Cash used					
Subsidies paid	10,999,256	10,881,638	13,625,441	14,262,464	15,071,452
Personal benefits	943,745	952,952	979,869	974,098	969,175
Suppliers	851	13,134	2,882	2,882	-
Interest	63,225	95,000	95,000	95,000	95,000
Other	656,314	509,000	549,000	590,000	631,000
Total cash used	12,663,391	12,451,724	15,252,192	15,924,444	16,766,627
Net cash from/(used by) operating activities	504,054,433	526,703,591	537,775,624	552,917,871	590,893,125
Net increase/(decrease) in cash held	504,054,433	526,703,591	537,775,624	552,917,871	590,893,125
Cash and cash equivalents at beginning of reporting period	468,468	544,757	544,757	544,757	544,757
Cash from Official Public Account for:					
- Appropriations (a)	141,226,302	12,083,924	14,846,092	15,476,844	16,275,827
- Special accounts	14,053	497,000	536,000	578,000	622,000
Total cash from Official Public Account	141,240,355	12,580,924	15,382,092	16,054,844	16,897,827
Cash to Official Public Account for:					
- Administered receipts (b)	(645,202,020)	(539,268,215)	(553,142,316)	(568,955,015)	(607,788,852)
- Special accounts	(16,479)	(16,300)	(15,400)	(17,700)	(2,100)
Total cash to Official Public Account	(645,218,499)	(539,284,515)	(553,157,716)	(568,972,715)	(607,790,952)
Cash and cash equivalents at end of reporting period	544,757	544,757	544,757	544,757	544,757

Prepared on Australian Accounting Standards basis.

- a) 2021–22 estimated actuals include tax refunds.
b) 2021–22 estimated actuals exclude tax refunds.

Commonwealth Grants Commission

**Entity resources and
planned performance**

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.

For more detailed information on special accounts and special appropriations, please refer to the October *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: Commonwealth Grants Commission resource statement – Budget estimates for 2022–23 as at October Budget 2022

	<i>2021-22 Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	12,375	14,077
Departmental appropriation (b)	8,216	7,873
Departmental capital budget (c)	1,102	265
Total departmental annual appropriations	<u>21,693</u>	<u>22,215</u>
Total departmental resourcing	21,693	22,215
Total resourcing for Commonwealth Grants Commission	21,693	22,215
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	28	34

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

- a) Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- 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

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

Table 1.2: Commonwealth Grants Commission October 2022–23 Budget measures

Part 1: Measures announced since the 2022–23 March Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
An Ambitious and Enduring APS Reform Plan (a)	1.1				
Departmental payment	-	(3)	(8)	(10)	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)	1.1				
Departmental payment	-	(115)	-	-	-
Total	-	(118)	(8)	(10)	-
Total payment measures					
Departmental	-	(118)	(8)	(10)	-
Total	-	(118)	(8)	(10)	-

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) The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- b) The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in the Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 measure 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 Commonwealth Grants Commission can be found at: (www.cgc.gov.au).

The most recent annual performance statement can be found at: (www.cgc.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 Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Commonwealth Grants Commission					
Departmental expenses					
Departmental appropriation	8,216	7,873	7,872	7,917	7,965
Expenses not requiring appropriation in the Budget year (a)	162	511	525	545	45
Departmental total	8,378	8,384	8,397	8,462	8,010
Total expenses for program 1.1	8,378	8,384	8,397	8,462	8,010
Total expenses for Outcome 1	8,378	8,384	8,397	8,462	8,010

	2021-22	2022-23
Average staffing level (number)	28	34

a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, 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 measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Informed Government decisions on the distribution of the GST among the states and territories through advice and recommendations on the distribution of GST revenue.		
Program 1.1– Commonwealth Grants Commission The Commission provides independent advice to the Government on the distribution of the GST among the states and territories.		
Key Activities	The Commission will prepare an annual update on the recommended GST sharing relativities. Periodically, the Commission will review the methods it uses to determine the GST sharing relativities.	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	Excellent research and analysis Stakeholder engagement Responsiveness to government	Achieved
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	Responsiveness to government Excellence in research and analysis Effective engagement and consultation with stakeholders	The Commission’s advice meets the Government’s requirements as specified in the terms of reference provided by the Commonwealth Treasurer. The research and analysis underlying the Commission’s advice are recognised to be high quality and technically robust. The Commission’s advice is informed by the best available information and data and considers the views of relevant stakeholders.
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	5,542	5,472	5,547	5,642	5,772
Suppliers	1,607	2,242	2,160	2,112	2,028
Depreciation and amortisation (a)	467	658	679	700	-
Finance costs	-	12	11	8	10
Total expenses	7,616	8,384	8,397	8,462	7,810
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	(7,571)	(8,339)	(8,352)	(8,417)	(7,765)
Revenue from Government	8,216	7,873	7,872	7,917	7,965
Surplus/(deficit) attributable to the Australian Government	645	(466)	(480)	(500)	200
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	(200)	-	-	-
Total other comprehensive income	-	(200)	-	-	-
Total comprehensive income/(loss)	645	(666)	(480)	(500)	200
Total comprehensive income/(loss) attributable to the Australian Government	645	(666)	(480)	(500)	200

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	645	(666)	(480)	(500)	200
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	117	447	468	489	-
plus: depreciation/amortisation expenses for ROU assets (b)	350	211	211	211	-
less: lease principal repayments (b)	335	192	199	200	200
Net Cash Operating Surplus/ (Deficit)	777	(200)	-	-	-

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.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	172	172	172	172	172
Trade and other receivables	12,261	11,585	11,585	11,585	11,585
Total financial assets	12,433	11,757	11,757	11,757	11,757
Non-financial assets					
Land and buildings	752	2,620	2,309	1,998	1,998
Property, plant and equipment	418	418	418	418	484
Intangibles	888	806	705	585	789
Other non-financial assets	81	57	57	57	57
Total non-financial assets	2,139	3,901	3,489	3,058	3,328
Assets held for sale					
Total assets	14,572	15,658	15,246	14,815	15,085
LIABILITIES					
Payables					
Suppliers	478	478	478	478	478
Other payables	153	153	153	153	153
Total payables	631	631	631	631	631
Interest bearing liabilities					
Leases	-	1,287	1,088	888	688
Total interest bearing liabilities	-	1,287	1,088	888	688
Provisions					
Employee provisions	1,472	1,472	1,472	1,472	1,472
Total provisions	1,472	1,472	1,472	1,472	1,472
Total liabilities	2,103	3,390	3,191	2,991	2,791
Net assets	12,469	12,268	12,055	11,824	12,294
EQUITY*					
Parent entity interest					
Contributed equity	3,090	3,355	3,622	3,891	4,161
Reserves	200	-	-	-	-
Retained surplus (accumulated deficit)	9,179	8,913	8,433	7,933	8,133
Total parent entity interest	12,469	12,268	12,055	11,824	12,294
Total equity	12,469	12,268	12,055	11,824	12,294

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	9,179	200	-	3,090	12,469
Adjusted opening balance	9,179	200	-	3,090	12,469
Comprehensive income					
Surplus/(deficit) for the period	(466)	-	-	-	(466)
Total comprehensive income	(466)	-	-	-	(466)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	265	265
Sub-total transactions with owners	-	-	-	265	265
Transfers between equity	200	(200)	-	-	-
Estimated closing balance as at 30 June 2023	8,913	-	-	3,355	12,268
Closing balance attributable to the Australian Government	8,913	-	-	3,355	12,268

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	7,742	8,549	7,872	7,917	7,965
Sale of goods and rendering of services	28	-	-	-	-
Net GST received	153	-	-	-	-
Total cash received	7,923	8,549	7,872	7,917	7,965
Cash used					
Employees	5,918	5,472	5,547	5,642	5,772
Suppliers	222	2,173	2,115	2,067	1,983
Net GST paid	258	-	-	-	-
Interest payments on lease liability	-	12	11	8	10
Other	53	-	-	-	-
Total cash used	6,451	7,657	7,673	7,717	7,765
Net cash from/(used by) operating activities	1,472	892	199	200	200
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,785	965	267	269	270
Total cash used	2,785	965	267	269	270
Net cash from/(used by) investing activities	(2,785)	(965)	(267)	(269)	(270)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,720	265	267	269	270
Total cash received	1,720	265	267	269	270
Cash used					
Principal payments on lease liability	335	192	199	200	200
Total cash used	335	192	199	200	200
Net cash from/(used by) financing activities	1,385	73	68	69	70
Net increase/(decrease) in cash held	72	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	100	172	172	172	172
Cash and cash equivalents at the end of the reporting period	172	172	172	172	172

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,102	265	267	269	270
Total new capital appropriations	1,102	265	267	269	270
<i>Provided for:</i>					
Purchase of non-financial assets	1,102	265	267	269	270
Total items	1,102	265	267	269	270
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,102	265	267	269	270
Funded internally from departmental resources (a)	-	700	-	-	-
TOTAL	1,102	965	267	269	270
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,102	965	267	269	270
Total cash used to acquire assets	1,102	965	267	269	270

Prepared on Australian Accounting Standards basis.

a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	908	590	910	2,408
Gross book value - ROU assets	1,050	-	-	1,050
Accumulated depreciation/ amortisation and impairment	(156)	(172)	(22)	(350)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,050)	-	-	(1,050)
Opening net book balance	752	418	888	2,058
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	700	62	203	965
By purchase - appropriation ordinary annual services - ROU assets	1,479	-	-	1,479
Total additions	2,179	62	203	2,444
Other movements				
Depreciation/amortisation expense	(100)	(62)	(285)	(447)
Depreciation/amortisation on ROU assets	(211)	-	-	(211)
Total other movements	(311)	(62)	(285)	(658)
As at 30 June 2023				
Gross book value	1,608	652	1,113	3,373
Gross book value - ROU assets	2,529	-	-	2,529
Accumulated depreciation/ amortisation and impairment	(256)	(234)	(307)	(797)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,261)	-	-	(1,261)
Closing net book balance	2,620	418	806	3,844

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for depreciation/amortisation expenses, DCBs or other operational expenses.

Inspector-General of Taxation

Entity resources and planned performance

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) and Taxation Ombudsman is to improve tax administration through independent investigation of tax complaints, review investigations of systemic and broader community issues, reporting issues that are in the public interest and independent advice to Government and its relevant entities.

The IGT's strategic direction for 2022–23 is to achieve this by delivering independent investigation and advice for improvement through:

- a specialised Dispute Investigation Service for the Australian community
- review investigations into priority areas of tax administration for improvement, as informed by our Dispute Investigation Service and in consultation with the community
- independent advice and recommendations to the Minister, the Government, Parliament, 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.

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 the October *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: Inspector General of Taxation resource statement – Budget estimates for 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	5,630	3,783
Departmental appropriation (b)	6,502	6,484
Departmental capital budget (c)	32	32
Total departmental annual appropriations	<u>12,164</u>	<u>10,299</u>
Total departmental resourcing	12,164	10,299
Total resourcing for entity Inspector-General of Taxation	12,164	10,299
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	28	35

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) Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- 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

Budget measures in Part 1 relating to the Inspector General of Taxation are detailed in the October Budget Paper No. 2 and are summarised below.

Table 1.2: Inspector-General of Taxation October 2022–23 Budget measures
Part 1: Measures announced since the March 2022–23 Budget

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
An Ambitious and Enduring APS Reform Plan (a)	1.1					
Departmental payment		-	(2)	(7)	(8)	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)	1.1					
Departmental payment		-	(74)	-	-	-
Total		-	(76)	(7)	(8)	-
Total payment measures						
Departmental		-	(76)	(7)	(8)	-
Total		-	(76)	(7)	(8)	-

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.

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 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 measure 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 IGT can be found at:

(<https://www.igt.gov.au/corporate-plan-reports/corporate-plan-fy23-fy26>).

The most recent annual performance statement can be found at:

(<https://www.igt.gov.au/annual-reports/annual-report-2020-21>).

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 Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Inspector-General of Taxation					
Departmental expenses					
Departmental appropriations ⁷⁴ External Revenue (a)	6,502	6,484	6,754	6,835	6,904
Expenses not requiring appropriation in the Budget year (b)	67	60	60	60	60
	205	240	46	46	46
Departmental total	6,774	6,784	6,860	6,941	7,010
Total expenses for program 1.1	6,774	6,784	6,860	6,941	7,010
Total expenses for Outcome 1	6,774	6,784	6,860	6,941	7,010

	2021-22	2022-23
Average staffing level (number)	28	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 measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Key Activities	<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. 	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	<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.
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	As per 2021–22	As per 2021–22
Forward Estimates 2023–26	As per 2021–22	As per 2021–22

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 2022–23.

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	4,598	4,798	4,818	4,843	4,802
Suppliers	1,340	1,292	1,579	1,635	1,745
Depreciation and amortisation (a)	804	694	463	463	463
Finance costs	7	-	-	-	-
Losses from asset sales	27	-	-	-	-
Total expenses	6,776	6,784	6,860	6,941	7,010
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9	-	-	-	-
Other	58	60	60	60	60
Total own-source revenue	67	60	60	60	60
Total own-source income	67	60	60	60	60
Net cost of/(contribution by) services	(6,709)	(6,724)	(6,800)	(6,881)	(6,950)
Revenue from Government	6,502	6,484	6,754	6,835	6,904
Surplus/(deficit) attributable to the Australian Government	(207)	(240)	(46)	(46)	(46)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	2	-	-	-	-
Total other comprehensive income	2	-	-	-	-
Total comprehensive income/(loss)	(205)	(240)	(46)	(46)	(46)
Total comprehensive income/(loss) attributable to the Australian Government	(205)	(240)	(46)	(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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(205)	(240)	(46)	(46)	(46)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	353	281	46	46	463
plus: depreciation/amortisation expenses for ROU assets (b)	451	413	417	417	-
less: lease principal repayments (b)	506	454	417	417	417
Net Cash Operating Surplus/ (Deficit)	93	-	-	-	-

- 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.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	20	20	20	20	20
Trade and other receivables	5,802	4,349	4,216	4,216	4,216
Total financial assets	5,822	4,369	4,236	4,236	4,236
Non-financial assets					
Land and buildings	637	1,431	2,899	2,471	2,043
Property, plant and equipment	205	202	167	132	97
Intangibles	25	25	57	89	122
Other non-financial assets	119	119	119	119	119
Total non-financial assets	986	1,777	3,242	2,811	2,381
Total assets	6,808	6,146	7,478	7,047	6,617
LIABILITIES					
Payables					
Suppliers	209	209	209	209	209
Other payables	204	204	204	204	204
Total payables	413	413	413	413	413
Interest bearing liabilities					
Leases	409	(45)	1,301	884	467
Total interest bearing liabilities	409	(45)	1,301	884	467
Provisions					
Employee provisions	1,618	1,618	1,618	1,618	1,618
Other provisions	231	231	231	231	231
Total provisions	1,849	1,849	1,849	1,849	1,849
Total liabilities	2,671	2,217	3,563	3,146	2,729
Net assets	4,137	3,929	3,915	3,901	3,888
EQUITY*					
Parent entity interest					
Contributed equity	1,385	1,417	1,449	1,481	1,514
Reserves	411	411	411	411	411
Retained surplus (accumulated deficit)	2,341	2,101	2,055	2,009	1,963
Total equity	4,137	3,929	3,915	3,901	3,888

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	2,341	411	1,385	4,137
Adjusted opening balance	2,341	411	1,385	4,137
Comprehensive income				
Surplus/(deficit) for the period	(240)	-	-	(240)
Total comprehensive income	(240)	-	-	(240)
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	32	32
Sub-total transactions with owners	-	-	32	32
Closing balance attributable to the Australian Government	2,101	411	1,417	3,929

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,530	7,937	6,887	6,835	6,904
Net GST received	148	-	-	-	-
Other	4	-	-	-	-
Total cash received	6,682	7,937	6,887	6,835	6,904
Cash used					
Employees	4,547	4,798	4,818	4,843	4,802
Suppliers	1,288	1,232	1,519	1,575	1,685
Net GST paid	156	-	-	-	-
s74 External Revenue transferred to the OPA	170	-	-	-	-
Interest payments on lease liability	7	-	-	-	-
Total cash used	6,168	6,030	6,337	6,418	6,487
Net cash from/(used by) operating activities	514	1,907	550	417	417
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	40	1,485	165	32	33
Total cash used	40	1,485	165	32	33
Net cash from/(used by) investing activities	(40)	(1,485)	(165)	(32)	(33)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	32	32	32	32	33
Total cash received	32	32	32	32	33
Cash used					
Principal payments on lease liability	506	454	417	417	417
Total cash used	506	454	417	417	417
Net cash from/(used by) financing activities	(474)	(422)	(385)	(385)	(384)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	20	20	20	20	20
Cash and cash equivalents at the end of the reporting period	20	20	20	20	20

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	32	32	32	32	33
Total new capital appropriations	32	32	32	32	33
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	32	32	32	32	33
Total items	32	32	32	32	33
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	70	1,453	133	-	-
Funded by capital appropriation - DCB (a)	32	32	32	32	33
TOTAL	102	1,485	165	32	33
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	102	1,485	165	32	33
Total cash used to acquire assets	102	1,485	165	32	33

Prepared on Australian Accounting Standards basis.

a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	470	282	511	1,263
Gross book value - ROU assets	1,767	-	-	1,767
Accumulated depreciation/ amortisation and impairment	(245)	(77)	(486)	(808)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,355)	-	-	(1,355)
Opening net book balance	637	205	25	867
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	1,453	32	-	1,485
Total additions	1,453	32	-	1,485
Other movements				
Depreciation/amortisation expense	(246)	(35)	-	(281)
Depreciation/amortisation on ROU assets	(413)	-	-	(413)
Total other movements	(659)	(35)	-	(694)
As at 30 June 2023				
Gross book value	1,923	314	511	2,748
Gross book value - ROU assets	1,767	-	-	1,767
Accumulated depreciation/ amortisation and impairment	(491)	(112)	(486)	(1,089)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,768)	-	-	(1,768)
Closing net book balance	1,431	202	25	1,658

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for depreciation/amortisation expenses, DCBs or other operational expenses.

National Competition Council

Entity resources and planned performance

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.

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 National Gas Law, the NCC recommends on whether particular natural gas pipeline systems should be subject to access regulation (coverage determination under the National Gas Law). The NCC also recommends in relation to the price regulation and greenfields pipeline exemptions available under the National Gas Law. 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 National Gas Law, 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 October *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 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	3,348	3,382
Departmental appropriation (c)	1,731	1,683
Total departmental resourcing	5,079	5,065
Total resourcing for National Competition Council	5,079	5,065
	2021-22	2022-23
Average staffing level (number)	1	1

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Payments made by the ACCC on behalf of the NCC	1,731	1,683
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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$0.876m 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

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

Table 1.2: NCC October 2022–23 Budget measures
Part 1: Measures announced since the 2022–23 March Budget

Program		2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
An Ambitious and Enduring APS Reform Plan (a)						
Departmental payment	1.1	-	(1)	(2)	(2)	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)						
Departmental payment	1.1	-	(78)	-	-	-
Total		-	(79)	(2)	(2)	-
Total payment measures						
Departmental		-	(79)	(2)	(2)	-
Total		-	(79)	(2)	(2)	-

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.

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 measure 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: National Competition Council					
Departmental expenses					
Departmental appropriation	975	1,683	1,815	1,835	1,853
Expenses not requiring appropriation in the Budget year (a)	34	34	34	34	34
Departmental total	1,009	1,717	1,849	1,869	1,887
Total expenses for program 1.1	1,009	1,717	1,849	1,869	1,887
Total expenses for Outcome 1	1,009	1,717	1,849	1,869	1,887
	2021-22	2022-23			
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 per government priorities change.

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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- National Competition Council	
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.	
Key Activities	<p>The NCC makes recommendations under the <i>National Access Regime in Part IIIA of the CCA</i> and recommendations and decisions under the National Gas Law.</p> <p>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 the certification of state or territory access regimes.</p> <p>The NCC has a similar role under the National Gas Law, contained in the <i>Schedule to the National Gas (South Australia) Act 2008</i>, where it makes recommendations on the coverage of natural gas pipeline systems. Under the National Gas Law, 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 National Gas Law 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>

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22	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.	The Council did not consider any declaration applications in 2021–22 and therefore was not required to make any recommendations.
	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.	The Council made recommendations in relation to four certification applications. Three recommendations were made within a 180-day consideration period. Under Section 44NC(7) of the CCA, the Council extended the consideration period for one certification application by 28 days.
	Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.	The Council did not consider any matters under the National Gas Law during 2021–22 and was therefore not required to make any recommendations or decisions.
	Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is up to date and contains accessible information on all access regulation matters for which the Council is responsible.
	Up to date and informative guidelines on all the NCC’s areas of responsibility are maintained on the NCC website.	Guides to declaration and certification under the NAR and all Council functions under the National Gas Law are all up to date and available on the Council’s website.
	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.	There were no case law developments, legislative amendments or changes in the Council’s processes or policies during the reporting year.
	The NCC’s annual report to the Parliament includes a comprehensive report that meets the requirements of s290 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’s <i>2020–21 Annual Report</i> was provided to the Treasurer within the timeframe required by the PGPA Act. The Annual Report met the requirements of s290 of the CCA.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23	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.
	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.
	Recommendations and decisions under the National Gas Law made within specified time limits and recommendations under the National Gas Law meet the advice requirements of Ministers.	All recommendations and decisions are forecast to be made within the statutory time limits.
	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 be up to date and contain accessible information on all access regulation matters for which the Council is responsible.
	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.
	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.
	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's annual report provides comprehensive information on the National Access Regime and National Gas Law, addresses all matters required under section 29O of the CCA and is forecast to be provided within the required timeframe.
Forward Estimates 2023–26	As per 2022–23.	As per 2022–23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 2022–23 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 2022–23 being fees for applications made to it under the National Gas Law.

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

Council members do not receive leave entitlements. Councillor remuneration is established through *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2022 Compilation No. 4*, 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	95	104	106	108	130
Suppliers	914	1,613	1,743	1,761	1,757
Total expenses	1,009	1,717	1,849	1,869	1,887
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	(975)	(1,683)	(1,815)	(1,835)	(1,853)
Revenue from Government	1,731	1,683	1,815	1,835	1,853
Surplus/(deficit) attributable to the Australian Government	756	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	50	50	50	50	50
Trade and other receivables	3,382	3,382	3,382	3,382	3,382
Total financial assets	3,432	3,432	3,432	3,432	3,432
Non-financial assets					
Other non-financial assets	213	213	213	213	213
Total non-financial assets	213	213	213	213	213
Total assets	3,645	3,645	3,645	3,645	3,645
LIABILITIES					
Payables					
Suppliers	2	2	2	2	2
Other payables	2	2	2	2	2
Total payables	4	4	4	4	4
Total liabilities	4	4	4	4	4
Net assets	3,641	3,641	3,641	3,641	3,641
EQUITY*					
Parent entity interest					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,560	3,560	3,560	3,560	3,560
Total equity	3,641	3,641	3,641	3,641	3,641

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 2022–23)

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022			
Balance carried forward from previous period	3,560	81	3,641
Adjusted opening balance	3,560	81	3,641
Estimated closing balance as at 30 June 2023	3,560	81	3,641
Closing balance attributable to the Australian	3,560	81	3,641

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,113	1,683	1,815	1,835	1,853
Net GST received	14	165	171	173	172
Total cash received	1,127	1,848	1,986	2,008	2,025
Cash used					
Employees	94	104	106	108	130
Suppliers	846	1,579	1,709	1,727	1,723
Net GST paid	162	165	171	173	172
s74 External Revenue transferred to the OPA	15	-	-	-	-
Other	1	-	-	-	-
Total cash used	1,118	1,848	1,986	2,008	2,025
Net cash from/(used by) operating activities	9	-	-	-	-
Net increase/(decrease) in cash held	9	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	41	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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 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)	-	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)**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 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 from Official Public Account for:					
- Transfers from other entities (Finance – Whole of Government)	-	(8)	(8)	(8)	(8)
Total cash from Official Public Account	-	(8)	(8)	(8)	(8)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Office of the Auditing and
Assurance Standards Board**

**Entity resources and planned
performance**

Office of the Auditing and Assurance Standards Board

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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* (ASIC Act).

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 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 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 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.

For more detailed information on special accounts and special appropriations, please refer to the October *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: Office of the Auditing and Assurance Standards Board (AUASB) resource statement – Budget estimates for 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	1,092	1,068
Departmental appropriation (b)	2,388	2,553
Departmental capital budget (c)	24	24
Total departmental annual appropriations	3,504	3,645
Total resourcing for AUASB	3,504	3,645
	2021-22	2022-23
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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- 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

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

Table 1.2: AUASB October 2022–23 Budget measures
Part 1: Measures announced since the March 2022–23 Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	
Payment measures						
An Ambitious and Enduring APS Reform Plan (a)						
Departmental payment	1.1	-	(1)	(2)	(3)	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)						
Departmental payment	1.1	-	(58)	-	-	-
Total		-	(59)	(2)	(3)	-
Total payment measures						
Departmental		-	(59)	(2)	(3)	-
Total		-	(59)	(2)	(3)	-

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) The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- b) The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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* (PGPA Act). It is anticipated that the performance measure 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/2022-23_office_of_the_australian_accounting_standards_board_and_office_of_the_auditing_and_assurance_standards_board_corporate_plan_1_0.pdf.

The most recent annual performance statement can be found at:

https://treasury.gov.au/sites/default/files/2022-03/tsy_pbs_2022-23.pdf.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Office of the Auditing and Assurance Standards Board					
Departmental expenses					
Departmental appropriation	2,450	2,553	2,478	2,505	2,234
Expenses not requiring appropriation in the Budget year (a)	132	134	140	145	138
Departmental total	2,582	2,687	2,618	2,650	2,372
Total expenses for program 1.1	2,582	2,687	2,618	2,650	2,372
Total expenses for Outcome 1	2,582	2,687	2,618	2,650	2,372

	2021-22	2022-23
Average staffing level (number)	8	8

a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good 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 measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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.	
Program 1.1 – Office of the Auditing and Assurance Standards Board	
The key strategies to achieve Outcome 1 are:	
<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. 	
Key Activities	<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.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
<p>Prior year 2021–22</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. • 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. 	<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. • 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.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)		<ul style="list-style-type: none"> • 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 (EER), Audits of Less Complex Entities (LCEs) 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 (EISS) 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.
Budget Year 2022–23	<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 	<ul style="list-style-type: none"> • Issue all Australian IAASB equivalent Standards and Exposure Drafts within 3 months of Public Interest Oversight Board (PIOB) clearance or 1 month of AUASB approval. • Release Exposure Drafts/Discussion Papers via the AUASB Website within two weeks of approval by AUASB. • AUASB implementation support materials and activities for all new IAASB/AUASB standards in place before effective date.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Stakeholder engagement and Communications plan developed and implemented for each new IAASB pronouncement. • Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date. • Obtain evidence appropriately evaluating implementation of IAASB equivalent issued AUASB Standards in Australia. • Issue all Australian-specific Pronouncements and Exposure Drafts within one month of AUASB approval. • Develop and implement Project Plans for the update or removal of all AUASB Guidance Statements (GS) identified as out of date • Release updated GS within 2 weeks of approval by AUASB. • Finalise conforming amendments and compilation standards as a result of changes to AUASB standards within one month of the AUASB standard being issued. • Stakeholder engagement and Communications plan developed and implemented for each new AUASB pronouncement. • Conduct post-implementation reviews of Australian specific AUASB Standards, within 2 years of their operative date. • Review and update other AUASB Framework Pronouncements, as required. • Increased dialogue with and recognition from IAASB for (National Standards Setters) NSS initiatives. • Increased interaction and collaboration with likeminded National Auditing Standards Setters, particularly New Zealand and Canada, on Identified Projects on each Standard-Setters' Work Agenda. • Increased influence of NSS on IAASB Agenda and Outcomes. • Identify and implement initiatives to collaborate on international auditing and assurance focus areas with other key national standard-setters.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • 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. • 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. 	<ul style="list-style-type: none"> • AUASB Chair and Technical Team member to attend all IAASB meetings and participate in relevant IAASB Task Forces/Working Groups. • IAASB papers reviewed and papers prepared by AUASB staff for each AUASB meeting. • Feedback on AUASB key issues prepared and sent to Australasian IAASB members and relevant Task Forces prior to each IAASB meeting. • Summary of outcomes of each IAASB meeting prepared and presented to the AUASB at next AUASB meeting. • Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date. • Engagement with Australian Stakeholders on all IAASB Projects. • Attend and contribute to New Zealand Auditing and Assurance Standards Board (NZAuASB) meetings as required. • Identification and prioritisation of joint AUASB/NZAuASB projects, with AUASB and NZAuASB staff to ensure appropriate levels of collaboration. • AUASB/NZAuASB joint activities incorporated into each board’s respective technical work programs. • AUASB contribute to the development of the FRC Audit Quality Plan. • All AUASB Audit Quality activities delivered as required by the FRC Audit Quality Plan. • AUASB staff to develop auditing and assurance related papers for FRC meetings. • Collaborate with FRC and other relevant stakeholders on responses to the Parliamentary Joint Committee Inquiry on the regulation of Auditing.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • Work with ASIC, the AASB, practitioners and other stakeholders to identify and address significant inspection findings associated with accounting and auditing standards. • 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. 	<ul style="list-style-type: none"> • Undertake consultation with ASIC and practitioners to identify areas which identify improvements needed to auditing standards. • Develop relevant guidance materials addressing common inspection findings in key audit areas. • Work with AASB to address accounting issues impacting audit quality. • Monitor and respond to any recommendations from the Joint Parliamentary Inquiry on the regulation of Auditing relevant to the AUASB. • Publish and address findings from AUASB Consultation Paper on the Audits of Less Complex Entities (LCEs), including feedback to IAASB on proposed LCE standard. • Engage with AASB and relevant stakeholders to determine assurance issues related to changes to the external reporting framework and support AASB project to define appropriate reporting frameworks across different sectors. • Work with the AASB to conduct outreach and develop appropriate guidance materials on any changes to assurance requirements relating to changes to the external reporting framework. • Share and collaborate with the AASB on common areas of focus for Reporting and Assurance Frameworks, including relevant research reports and discussion papers. • Issue AUASB publications and guidance that support and promote consistency and understanding of the AUASB's Assurance Framework.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • Increase engagement with stakeholders through new and existing AUASB communications activities and events. 	<ul style="list-style-type: none"> • Maintain and update as required the AUASB Digital Standards Portal. • Develop various AUASB publications and guidance for stakeholders based on evidence and existing AUASB requirements, include quarterly AUASB Update Newsletters. • Promote availability of AUASB guidance through various communication channels, including greater use of online tools to communicate AUASB projects (e.g. Webinars). • Finalise and implement combined AASB-AUASB Communications Strategy. • Enhance the design and functionality of the AUASB Website. • For all AUASB Meetings ensure board papers are available on the AUASB website a week in advance, Highlights are available within two working days after each AUASB meeting, and draft Board Minutes are sent to AUASB members within two weeks of each AUASB meeting.
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 forward 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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	1,660	1,781	1,680	1,719	1,561
Suppliers	870	882	913	906	786
Depreciation and amortisation (a)	52	24	25	25	25
Total expenses	2,582	2,687	2,618	2,650	2,372
Gains					
Other	80	110	115	120	113
Total gains	80	110	115	120	113
Total own-source income	80	110	115	120	113
Net (cost of)/contribution by services	(2,502)	(2,577)	(2,503)	(2,530)	(2,259)
Revenue from Government	2,388	2,553	2,478	2,505	2,234
Surplus/(deficit) attributable to the Australian Government	(114)	(24)	(25)	(25)	(25)
Total comprehensive income/(loss)	(114)	(24)	(25)	(25)	(25)
Total comprehensive income/(loss) attributable to the Australian Government	(114)	(24)	(25)	(25)	(25)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(114)	(24)	(25)	(25)	(25)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	52	24	25	25	25
Net Cash Operating Surplus/ (Deficit)	(62)	-	-	-	-

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.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	51	51	51	51	51
Trade and other receivables	1,068	1,068	1,068	1,068	1,068
Total financial assets	1,119	1,119	1,119	1,119	1,119
Non-financial assets					
Property, plant and equipment	-	-	-	24	24
Intangibles	105	105	105	81	81
Other non-financial assets	43	43	43	43	43
Total non-financial assets	148	148	148	148	148
Total assets	1,267	1,267	1,267	1,267	1,267
LIABILITIES					
Payables					
Suppliers	341	341	341	341	341
Total payables	341	341	341	341	341
Provisions					
Employee provisions	282	282	282	282	282
Total provisions	282	282	282	282	282
Total liabilities	623	623	623	623	623
Net assets	644	644	644	644	644
EQUITY*					
Parent entity interest					
Contributed equity	326	350	375	400	425
Retained surplus (accumulated deficit)	318	294	269	244	219
Total equity	644	644	644	644	644

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 2022–23)

	Retained earnings \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022			
Balance carried forward from previous period	318	326	644
Adjusted opening balance	318	326	644
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
Estimated closing balance as at 30 June 2023	294	350	644
Closing balance attributable to the Australian Government	294	350	644

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,412	2,553	2,478	2,505	2,234
Total cash received	2,412	2,553	2,478	2,505	2,234
Cash used					
Employees	1,649	1,781	1,680	1,719	1,561
Suppliers	761	772	798	786	673
Total cash used	2,410	2,553	2,478	2,505	2,234
Net cash from/(used by) operating activities	2	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	16	24	25	25	25
Total cash used	16	24	25	25	25
Net cash from/(used by) investing activities	(16)	(24)	(25)	(25)	(25)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	24	24	25	25	25
Total cash received	24	24	25	25	25
Net cash from/(used by) financing activities	24	24	25	25	25
Net increase/(decrease) in cash held	10	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	41	51	51	51	51
Cash and cash equivalents at the end of the reporting period	51	51	51	51	51

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	24	24	25	25	25
Total new capital appropriations	24	24	25	25	25
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	24	24	25	25	25
Total items	24	24	25	25	25
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	24	24	25	25	25
TOTAL	24	24	25	25	25
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	24	24	25	25	25
Total cash used to acquire assets	24	24	25	25	25

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022		
Gross book value	164	164
Accumulated depreciation/amortisation and impairment	(59)	(59)
Opening net book balance	105	105
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation ordinary annual services (a)	24	24
Total additions	24	24
Other movements		
Depreciation/amortisation expense	(24)	(24)
Total other movements	(24)	(24)
As at 30 June 2023		
Gross book value	188	188
Accumulated depreciation/amortisation and impairment	(83)	(83)
Closing net book balance	105	105

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for depreciation/amortisation expenses, DCBs or other operational expenses.

**Office of the Australian
Accounting Standards Board**

**Entity resources and
planned performance**

Office of the Australian Accounting Standards Board

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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* (ASIC Act).

The strategic directions of the AASB are:

- 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
- 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.

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 (AASB) resource statement – Budget estimates for 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	2,405	2,313
Departmental appropriation (b)	3,568	4,512
s74 External Revenue (c)	1,136	1,153
Departmental capital budget (d)	51	51
Total departmental annual appropriations	7,160	8,029
Total resourcing for AASB	7,160	8,029
	2021-22	2022-23
Average staffing level (number)	17	25

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) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- 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

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

Table 1.2: AASB October 2022–23 Budget measures
Part 1: Measures announced since the March 2022–23 Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
An Ambitious and Enduring APS Reform Plan (a)	1.1				
Departmental payment	-	(1)	(4)	(4)	-
Restoring Treasury's Capability on Climate Risks and Opportunities – modelling and reporting standards	1.1				
Departmental payment	-	979	-	-	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)	1.1				
Departmental payment	-	(64)	-	-	-
Total	-	914	(4)	(4)	-
Total payment measures					
Departmental	-	914	(4)	(4)	-
Total	-	914	(4)	(4)	-

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

- The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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* (PGPA Act). It is anticipated that the performance measure 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/2022-23_office_of_the_australian_accounting_standards_board_and_office_of_the_auditing_and_assurance_standards_board_corporate_plan_1.pdf.

The most recent annual performance statement can be found at:

https://treasury.gov.au/sites/default/files/2022-03/pbs_2023-23_13_aasb.pdf.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Office of the Australian Accounting Standards Board					
Departmental expenses					
Departmental appropriation	3,396	4,351	3,544	3,587	3,623
s74 External Revenue (a)	1,088	1,153	1,050	1,050	1,050
Expenses not requiring appropriation in the Budget year (b)	395	335	337	339	329
Departmental total	4,879	5,839	4,931	4,976	5,002
Total expenses for program 1.1	4,879	5,839	4,931	4,976	5,002
Total expenses for Outcome 1	4,879	5,839	4,931	4,976	5,002
	2021-22	2022-23			
Average staffing level (number)	17	25			

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, make good expenses, audit fees and 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 per government priorities change.

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<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 – Office of the Australian Accounting Standards Board The key strategies to achieve Outcome 1 are:</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>Key Activities</p>	<p>Key activities reported in the current corporate plan that relates to the program.</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 (including financial reports) and are capable of being assured and enforced. 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 Auditing and Assurance Standards Board (AUASB), play a leading role in reshaping the Australian external reporting framework by working with the 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, partnerships and outreach. • Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting. • Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies. • Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22	<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. 	<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. • 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. • 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.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)	<ul style="list-style-type: none"> • Develop staff publications, and frequently asked questions (FAQs) to help with consistent application of accounting and external reporting standards as agreed with the Board. • 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. • 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. 	<ul style="list-style-type: none"> • 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. • The AASB expects to meet all its targets and expectations implied by performance criteria in 2020–21.
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	<ul style="list-style-type: none"> • Develop appropriate reporting frameworks for each of the three sectors – for-profit (e.g., listed and large proprietary companies), not-for-profit (e.g. charities) and public sector. 	<ul style="list-style-type: none"> • Develop appropriate frameworks for not-for-profit private and public sector.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • Agree on 3-year program of work and deliver: <ul style="list-style-type: none"> – Maintain IFRS and New Zealand compliance for for-profit Private sector ‘publicly accountable’ entities. – Tailor IFRS appropriately for other sectors, including developing Australian specific guidance. – Develop guidance on external reporting integral to financial reporting. – Develop guidance on emerging issues related to financial reporting. • Enhance profile domestically and internationally. • Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB, International Financial Reporting for NPOs. • Due process followed to ensure the quality of standard-setting: <ul style="list-style-type: none"> – Evidence-informed approach to standard setting activities supports need for regulation and proposed solution. – Appropriate consultation in accordance with the due process framework. – Preparation of regulatory impact statement assessing costs and benefits. • Post-implementation reviews conducted (PIR) for all significant projects to assess quality of standard-setting. 	<ul style="list-style-type: none"> • Annual program of standards issued, delivered to plan agreed with the Board. • IASB equivalent Standards issued within two months of the release of the IFRS for for-profit entities. • IFRS and NZ compliance maintained for the for-profit private sector ‘publicly accountable’ entities. • Feedback from NFP sector positive regarding the appropriateness of the IFRS tailoring. • Be viewed as experts as measured by stakeholder, IASB and IPSASB feedback. • Two thought leadership pieces completed per annum and presented internationally. • Due process followed for all significant projects. • Positive feedback from the FRC and the stakeholders. • No significant changes needed. • PIR feedback is acted upon. • No evidence not contributing to the confidence in the economy. • Feedback from ASIC, APRA, ACNC surveillance reviews does not indicate loss of confidence due to accounting standard issues. • No significant decline in relevance of financial statements in the capital market.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • Improve consistency of implementation: <ul style="list-style-type: none"> – Educate stakeholders on the AASB standards, support materials available, including why standards introduced. – Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institutions. • Enhance stakeholder engagement. • Conduct Agenda consultations to determine projects and priorities. • Develop and implement People and Culture strategy. • New starter processes improved to support flexible subject matter expert involvement. • Understand current capability (talent mapping). 	<ul style="list-style-type: none"> • Education initiatives, such as webinars, providing appropriate educational materials to key stakeholders for all significant projects. • FAQs, illustrative examples, staff publications developed on significant interpretive issues. • Feedback from ASIC, APRA, ACNC surveillance reviews indicates no significant interpretive issues impacting the consistency of implementation. • Positive stakeholder feedback on education initiatives. • Maintain relationships with key stakeholders and planned program of engagement executed as planned. • Positive stakeholder feedback on the consultation process. • Increase in engagement results (newsletter, website, LinkedIn, Twitter, webinar, outreach numbers). • Agenda consultation conducted at least every 5 years. • Employee survey, employee engagement. • Building towards high-performance team as measured by Board and stakeholder feedback on delivery of program and all other measures of success. • New team members embedded successfully within six months of starting as measured by internal and external stakeholders' feedback (as appropriate). • Continuous review of external talent pool to timely identify when/where to buy or borrow capability.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23 (continued)	<ul style="list-style-type: none"> • Resource planning to develop skills and allocate them appropriately. • Develop and implement an IT strategy that enables flexible, seamless working via cloud. • Continuous digital communications improvements to enhance stakeholder experience and engagement. • Refresh strategy supporting operational excellence and regulatory compliance. • Knowledge and information sharing support flexible subject matter expert involvement. • Continuous improvement of operational processes to achieve planned outcomes. • Develop, implement and improve program and project management. • Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities. • Allocate resources efficiently and effectively. 	<ul style="list-style-type: none"> • KPIs for all employees. • Leveraging diversity of skills and people as measured by employee and Board feedback and delivering an agreed program of work. • Retain core group of technical experts and leaders. • Fair allocation of workload measured by employee and Board feedback. • Independent of on premises hardware by 30 June 2023. • IT supports flexible work including remote locations. • Plan to be monitored for additional improvement over coming financial years. • Development of new standards portal to improve user access by 30 June 2023. • Regularly revisit current strategy to determine impact of implementation. • Comply with regulatory obligations. • Key knowledge imparted across teams within 6 months of joining. • Review of operational processes on an ongoing basis. • Continuous review and improvement of program and project management approach. • Review processes and frameworks so team members are clear and deliver on expectations. • Further enhancements implemented based on regular program and project management meetings. • Deliver agreed program of work as planned.
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 AASB and the Office of the Auditing and Assurance Standards Board (AUASB) 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 forward 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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	3,533	3,806	3,543	3,628	3,652
Suppliers	1,052	1,803	1,160	1,125	1,129
Depreciation and amortisation (a)	284	212	214	214	216
Finance costs	3	18	14	9	5
Other expenses	7	-	-	-	-
Total expenses	4,879	5,839	4,931	4,976	5,002
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	562	653	550	550	550
Other	526	500	500	500	500
Total own-source revenue	1,088	1,153	1,050	1,050	1,050
Gains					
Other	111	123	123	125	113
Total gains	111	123	123	125	113
Total own-source income	1,199	1,276	1,173	1,175	1,163
Net (cost of)/contribution by services	(3,680)	(4,563)	(3,758)	(3,801)	(3,839)
Revenue from Government	3,568	4,512	3,705	3,748	3,784
Surplus/(deficit) attributable to the Australian Government	(112)	(51)	(53)	(53)	(55)
Total comprehensive income/(loss)	(112)	(51)	(53)	(53)	(55)
Total comprehensive income/(loss) attributable to the Australian Government	(112)	(51)	(53)	(53)	(55)

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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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(112)	(51)	(53)	(53)	(55)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	52	51	53	53	55
plus: depreciation/amortisation expenses for ROU assets (b)	232	161	161	161	161
less: lease principal repayments (b)	117	253	266	281	296
Net Cash Operating Surplus/ (Deficit)	55	(92)	(105)	(120)	(135)

- 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.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	67	67	67	67	67
Trade and other receivables	2,677	2,677	2,677	2,677	2,677
Total financial assets	2,744	2,744	2,744	2,744	2,744
Non-financial assets					
Land and buildings	1,287	1,126	965	804	643
Property, plant and equipment	161	130	146	166	186
Intangibles	-	31	15	-	-
Other non-financial assets	228	136	136	141	121
Total non-financial assets	1,676	1,423	1,262	1,111	950
Total assets	4,420	4,167	4,006	3,855	3,694
LIABILITIES					
Payables					
Suppliers	154	154	154	154	154
Other payables	91	91	196	326	461
Total payables	245	245	350	480	615
Interest bearing liabilities					
Leases	1,297	1,044	778	497	201
Total interest bearing liabilities	1,297	1,044	778	497	201
Provisions					
Employee provisions	480	480	480	480	480
Total provisions	480	480	480	480	480
Total liabilities	2,022	1,769	1,608	1,457	1,296
Net assets	2,398	2,398	2,398	2,398	2,398
EQUITY*					
Parent entity interest					
Contributed equity	753	804	857	910	965
Retained surplus (accumulated deficit)	1,645	1,594	1,541	1,488	1,433
Total equity	2,398	2,398	2,398	2,398	2,398

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 2022–23)

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022			
Balance carried forward from previous period	1,645	753	2,398
Adjusted opening balance	1,645	753	2,398
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 2023	1,594	804	2,398
Closing balance attributable to the Australian Government	1,594	804	2,398

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,660	4,512	3,705	3,748	3,784
Sale of goods and rendering of services	652	653	550	550	550
Net GST received	(49)	-	-	-	-
Other	526	500	500	500	500
Total cash received	4,789	5,665	4,755	4,798	4,834
Cash used					
Employees	3,428	3,806	3,543	3,628	3,652
Suppliers	1,069	1,588	932	880	881
Interest payments on lease liability	3	18	14	9	5
Other	7	-	-	-	-
Total cash used	4,507	5,412	4,489	4,517	4,538
Net cash from/(used by) operating activities	282	253	266	281	296
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	206	51	53	53	55
Total cash used	206	51	53	53	55
Net cash from/(used by) investing activities	(206)	(51)	(53)	(53)	(55)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	51	51	53	53	55
Total cash received	51	51	53	53	55
Cash used					
Principal payments on lease liability	117	253	266	281	296
Total cash used	117	253	266	281	296
Net cash from/(used by) financing activities	(66)	(202)	(213)	(228)	(241)
Net increase/(decrease) in cash held	10	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	57	67	67	67	67
Cash and cash equivalents at the end of the reporting period	67	67	67	67	67

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	51	51	53	53	55
Total new capital appropriations	51	51	53	53	55
<i>Provided for:</i>					
Purchase of non-financial assets	51	51	53	53	55
Total items	51	51	53	53	55
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	51	51	53	53	55
TOTAL	51	51	53	53	55
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	51	51	53	53	55
Total cash used to acquire assets	51	51	53	53	55

Prepared on Australian Accounting Standards basis.

a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	-	307	10	317
Gross book value - ROU assets	1,414	-	-	1,414
Accumulated depreciation/ amortisation and impairment	-	(146)	(10)	(156)
Accumulated depreciation/amortisation and impairment - ROU assets	(127)	-	-	(127)
Opening net book balance	1,287	161	-	1,448
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	51	51
Total additions	-	-	51	51
Other movements				
Depreciation/amortisation expense	-	(31)	(20)	(51)
Depreciation/amortisation on ROU assets	(161)	-	-	(161)
Total other movements	(161)	(31)	(20)	(212)
As at 30 June 2023				
Gross book value	-	307	61	368
Gross book value - ROU assets	1,414	-	-	1,414
Accumulated depreciation/ amortisation and impairment	-	(177)	(30)	(207)
Accumulated depreciation/amortisation and impairment - ROU assets	(288)	-	-	(288)
Closing net book balance	1,126	130	31	1,287

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a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022–23, including CDABs.

Productivity Commission

Entity resources and planned performance

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
- self initiated-research and statutory annual reporting.

In 2022–23 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 include public inquiries into *Australia's Productivity Performance (The Productivity Inquiry)*, *Careers Leave*, and *Australia's Maritime Logistics System*, and studies into *Aboriginal and Torres Strait Islander Visual Arts and Crafts*, and the *National Schools Reform Agreement*.

The Commission will also operate the Performance Reporting Dashboard and undertake further reviews of nationally significant sector – wide Commonwealth-State agreements. In addition, the Commission will fulfil the legislated role to report on water plans and initiatives nationally and in the Murray-Darling Basin.

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 functions under the *National Agreement on Closing the Gap*, the Commission has developed and maintains 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 has also commenced the first independent review of progress, which will be complementary to an Aboriginal and Torres Strait Islander led review. Both reviews happen every three years.

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 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 the October *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: Productivity Commission resource statement – Budget estimates for 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	38,951	39,713
Departmental appropriation (c)	36,616	37,104
s74 Retained revenue receipts (d)	293	10
Departmental capital budget (e)	829	834
Total departmental annual appropriations	<u>76,689</u>	<u>77,661</u>
Total departmental resourcing	76,689	77,661
Total resourcing for the Productivity Commission	76,689	77,661
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	164	192

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.

- Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- Estimated adjusted balance carried forward from previous year.
- Excludes departmental capital budget (DCB).
- Estimated External Revenue receipts under section 74 of the PGPA Act.
- 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

Budget measures in Part 1 relating to entity Productivity Commission are detailed in the October Budget Paper No. 2 and are summarised below.

Table 1.2: Productivity Commission October 2022–23 Budget measures
Part 1: Measures announced since the 2022–23 March Budget

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
An Ambitious and Enduring APS Reform Plan (a)	1.1					
Departmental payment		-	(13)	(37)	(45)	-
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (b)	1.1					
Departmental payment		-	(301)	-	-	-
Total		-	(314)	(37)	(45)	-
Total payment measures						
Departmental		-	(314)	(37)	(45)	-
Total		-	(314)	(37)	(45)	-

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) The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
- b) The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio 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 Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure 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 Commission can be found at:
(<https://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>).

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Productivity Commission					
Departmental expenses					
Departmental appropriation	31,189	37,344	37,366	37,533	37,841
s74 Retained revenue receipts (a)	293	10	10	10	10
Expenses not requiring appropriation in the Budget year (b)					
	1,020	1,100	1,100	1,100	1,100
Departmental total	32,502	38,454	38,476	38,643	38,951
Total expenses for program 1.1	32,502	38,454	38,476	38,643	38,951
Total expenses for Outcome 1	32,502	38,454	38,476	38,643	38,951
	2021-22	2022-23			
Average staffing level (number)	164	192			

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 measure for Outcome 1

Table 2.2 details the performance measures for the program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Key Activities	The Commission undertakes inquiries, research, and performance reporting on government services. 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.	
Year	Performance measures	Expected Performance Results
Prior year 2021–22	Providing a valuable source of robust evidence-based analysis	The demand for the Commission to undertake work on complex policy issues has continued and increased significantly and its work has proved highly relevant to government policy deliberations.
	Generating effective public debate	Contributions to parliamentary debate and the extent of media coverage indicate a high level of public interest in the Commission's work and its potential influence.
	Being recognised as valuable by other governments	The Commission engaged and exchanged research ideas with officials from multiple international organisations and countries.
	Engaging effectively with the community	The Commission's processes provided opportunities for extensive public input and feedback through visits, hearings, workshops and other consultative forums, and the release of draft reports and preliminary findings.
	Having open and transparent processes	The Commission's advice to Government, and the information and analysis on which it is based, continued to be open to public scrutiny.
	Delivering timely reports	All the major projects that were completed in 2021–22 were finished within the timeframes originally established by the Government. Further information can be found in the Commission's <i>Annual Performance Statement</i> (https://www.pc.gov.au/about/governance/annual-reports).

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Planned Performance Results
Budget Year 2022–23	As per 2021–22	In 2022–23, the Commission expects to continue to deliver robust policy advice to contribute to public debate and inform government decisions.
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
Material changes to Program 1.1 resulting from October 2022–3 Budget Measure: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 not 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 2022–23 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	25,554	30,103	29,905	30,131	30,084
Suppliers	3,597	4,904	5,164	5,149	5,564
Depreciation and amortisation (a)	3,175	3,179	3,179	3,179	3,244
Finance costs	176	268	228	184	59
Total expenses	32,502	38,454	38,476	38,643	38,951
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	293	10	10	10	10
Other	50	50	50	50	50
Total own-source revenue	343	60	60	60	60
Total own-source income	343	60	60	60	60
Net (cost of)/contribution by services	(32,159)	(38,394)	(38,416)	(38,583)	(38,891)
Revenue from Government	36,616	37,104	37,238	37,563	37,871
Surplus/(deficit) attributable to the Australian Government	4,457	(1,290)	(1,178)	(1,020)	(1,020)

Note: Impact of net cash appropriation arrangement

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	4,457	(1,290)	(1,178)	(1,020)	(1,020)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	970	1,050	1,050	1,050	1,050
plus: depreciation/amortisation expenses for ROU assets (b)	2,193	2,129	2,129	2,129	2,194
less: lease principal repayments (b)	1,897	1,889	2,001	2,159	2,224
Net Cash Operating Surplus/ (Deficit)	5,723	-	-	-	-

- 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.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	389	389	389	389	389
Trade and other receivables	38,665	39,427	39,906	40,089	40,272
Total financial assets	39,054	39,816	40,295	40,478	40,661
Non-financial assets					
Land and buildings	18,613	15,834	13,055	10,276	7,432
Property, plant and equipment	848	640	733	1,130	1,535
Intangibles	1	1	-	-	-
Other non-financial assets	798	798	798	798	798
Total non-financial assets	20,260	17,273	14,586	12,204	9,765
Total assets	59,314	57,089	54,881	52,682	50,426
LIABILITIES					
Payables					
Suppliers	580	580	580	580	580
Total payables	580	580	580	580	580
Interest bearing liabilities					
Leases	15,766	13,877	11,876	9,717	7,493
Total interest bearing liabilities	15,766	13,877	11,876	9,717	7,493
Provisions					
Employee provisions	9,833	9,953	10,073	10,193	10,313
Total provisions	9,833	9,953	10,073	10,193	10,313
Total liabilities	26,179	24,410	22,529	20,490	18,386
Net assets	33,135	32,679	32,352	32,192	32,040
EQUITY*					
Parent entity interest					
Contributed equity	12,140	12,974	13,825	14,685	15,553
Reserves	1,827	1,827	1,827	1,827	1,827
Retained surplus (accumulated deficit)	19,168	17,878	16,700	15,680	14,660
Total equity	33,135	32,679	32,352	32,192	32,040

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	19,168	1,827	12,140	33,135
Adjusted opening balance	19,168	1,827	12,140	33,135
Comprehensive income				
Surplus/(deficit) for the period	(1,290)	-	-	(1,290)
Total comprehensive income	(1,290)	-	-	(1,290)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	834	834
Sub-total transactions with owners	-	-	834	834
Estimated closing balance as at 30 June 2023	17,878	1,827	12,974	32,679
Closing balance attributable to the Australian Government	17,878	1,827	12,974	32,679

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	31,885	36,984	37,118	37,443	37,751
Sale of goods and rendering of services	249	10	10	10	10
Total cash received	32,134	37,308	37,128	37,453	37,761
Cash used					
Employees	26,501	29,983	29,785	30,011	29,964
Suppliers	3,626	4,854	5,114	5,099	5,514
Interest payments on lease liability	176	268	228	184	59
Total cash used	30,303	35,105	35,127	35,294	35,537
Net cash from/(used by) operating activities	1,831	1,889	2,001	2,159	2,224
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	24	192	492	797	805
Total cash used	24	192	492	797	805
Net cash from/(used by) investing activities	(24)	(192)	(492)	(797)	(805)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	26	192	492	797	805
Total cash received	26	192	492	797	805
Cash used					
Principal payments on lease liability	1,897	1,889	2,001	2,159	2,224
Total cash used	1,897	1,889	2,001	2,159	2,224
Net cash from/(used by) financing activities	(1,871)	(1,697)	(1,509)	(1,362)	(1,419)
Net increase/(decrease) in cash held	(64)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	453	389	389	389	389
Cash and cash equivalents at the end of the reporting period	389	389	389	389	389

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	829	834	851	860	868
Total new capital appropriations	829	834	851	860	868
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	190	192	492	797	805
<i>Other items</i>	639	642	359	63	63
Total items	829	834	851	860	868
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	190	192	492	797	805
TOTAL	190	192	492	797	805
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	190	192	492	797	805
Total cash used to acquire assets	190	192	492	797	805

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	4,456	1,201	791	6,448
Gross book value - ROU assets	19,839	-	-	19,839
Accumulated depreciation/ amortisation and impairment	(559)	(353)	(790)	(1,702)
Accumulated depreciation/amortisation and impairment - ROU assets	(5,123)	-	-	(5,123)
Opening net book balance	18,613	848	1	19,462
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	172	20	192
Total additions	-	172	20	192
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 2023				
Gross book value	4,456	1,373	811	6,640
Gross book value - ROU assets	19,839	-	-	19,839
Accumulated depreciation/ amortisation and impairment	(1,209)	(733)	(810)	(2,752)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,252)	-	-	(7,252)
Closing net book balance	15,834	640	1	16,475

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for depreciation/amortisation expenses, DCBs or other operational expenses.

Royal Australian Mint

**Entity resources and
planned performance**

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 be an industry leader in delivering sustainable business that represents value to its stakeholders. 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 cultural experiences to local and overseas visitors.

In 2022–23 the Mint will incorporate a strategic plan that 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, sustainability, 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
- enhancement of the visitor experience as a National Institution
- establishment as a custodian of value in future financial systems.

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.

Across the forward estimates, the Mint will be focused on effectively managing its return to Commonwealth generated through seigniorage returns from circulating coin sales, surpluses from the collectible business and the provision of cultural 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.

For more detailed information on special accounts and special appropriations, please refer to the October *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: Royal Australian Mint resource statement – Budget estimates for 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Special accounts (a)		
Opening balance	115,218	123,025
Non-appropriation receipts	189,556	188,246
Total special accounts	304,774	311,271
Total departmental resourcing	304,774	311,271
Total resourcing for the Royal Australian Mint	304,774	311,271
	2021-22	2022-23
Average staffing level (number)	239	239

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) 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 *October 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.

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 measure 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 Royal Australian Mint can be found at: (<https://www.ramint.gov.au/corporate-plan>).

The most recent annual performance statement can be found 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Special account – Royal Australian Mint	37,616	27,553	33,072	33,003	33,003
Administered total	37,616	27,553	33,072	33,003	33,003
Departmental expenses					
Special accounts					
Special account - Royal Australian Mint	126,523	133,541	139,373	145,177	145,177
Departmental total	126,523	133,541	139,373	145,177	145,177
Total expenses for program 1.1	164,139	161,094	172,445	178,180	178,180
Total expenses for Outcome 1	164,139	161,094	172,445	178,180	178,180
	2021-22	2022-23			
Average staffing level (number)	239	239			

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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 – To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.			
Key Activities	<ul style="list-style-type: none"> • Production, maintenance and sales to meet demand for: <ul style="list-style-type: none"> – insurance in the Not-for-Profit (NFP) public sector. – Australian circulating coins – Foreign country circulating coins – Numismatic products – Other custom minted products • Maintenance of Australia's National Coin Collection. • Cultural and education services to the 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 – Promote public understanding about the cultural and historical significance of coins. 		
Performance Information			
Performance criteria	2022-23	2023-24	2024-26 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage returned to Commonwealth: \$39.2m Volume: 123mpcs	Seigniorage returned to Commonwealth: \$33.4m Volume: 110mpcs	Seigniorage returned to Commonwealth: \$30.4m Volume: 104mpcs
Optimum return on investment	Return on Net Assets: 30%	Return on Net Assets: 30%	Return on Net Assets: 30%
Collectibles orders placed are produced and delivered within agreed delivery time	Product delivered in full and on time: 90%	Product delivered in full and on time: 90%	Product delivered in full and on time: 90%
Visitor satisfaction rating of Mint experience	Survey result: N/A (COVID-19 Impacted)	Survey result: 95%	Survey result: 95%
Visitor numbers	Visitors: 240,000 (COVID-19 Impacted)	Visitors: 240,000 (COVID-19 Impacted)	Visitors: 350,000
Provide a safe, secure and sustainable operational environment	Certification Retained: Yes Major injuries: Nil Security breaches: Nil	Certification Retained: Yes Major injuries: Nil Security breaches: Nil	Certification Retained: 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 result: 79%	Staff satisfaction survey result: 80%	Staff satisfaction survey result: 80%

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 2022–23 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 of \$20.9 million which will contribute to the total return to the Commonwealth.

3.2 Budgeted financial statements tables**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	25,840	25,111	25,611	26,124	26,124
Suppliers	85,553	98,654	103,866	108,987	108,987
Depreciation and amortisation	6,259	7,488	7,588	7,758	7,758
Finance costs	927	999	999	999	999
Write-down and impairment of assets	1,880	-	-	-	-
Other expenses	6,064	1,289	1,309	1,309	1,309
Total expenses	126,523	133,541	139,373	145,177	145,177
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	157,571	162,164	170,828	174,540	174,540
Rental income	305	582	456	475	475
Other	308	730	730	730	730
Total own-source revenue	158,184	163,476	172,014	175,745	175,745
Gains					
Other	122	-	-	-	-
Total gains	122	-	-	-	-
Total own-source income	158,306	163,476	172,014	175,745	175,745
Net (cost of)/contribution by services	31,783	29,935	32,641	30,568	30,568
Notional income tax expense	9,127	8,980	9,792	9,170	9,170
Surplus/(deficit) attributable to the Australian Government	22,656	20,955	22,849	21,398	21,398
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	4,447	-	-	-	-
Total other comprehensive income	4,447	-	-	-	-
Total comprehensive income/(loss)	27,103	20,955	22,849	21,398	21,398
Total comprehensive income/(loss) attributable to the Australian Government	27,103	20,955	22,849	21,398	21,398

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	111,900	127,512	136,387	159,143	159,143
Trade and other receivables	2,009	1,639	1,639	1,639	1,639
Total financial assets	113,909	129,151	138,026	160,782	160,782
Non-financial assets					
Land and buildings	49,490	48,172	46,874	45,596	45,596
Property, plant and equipment	12,247	10,834	8,345	3,727	3,727
Heritage and cultural	24,755	24,755	24,755	24,755	24,755
Intangibles	1,196	1,403	1,587	917	917
Inventories	68,194	68,924	75,664	81,549	81,549
Tax assets	1,532	2,765	2,765	2,765	2,765
Other non-financial assets	2,002	2,002	2,002	2,002	2,002
Total non-financial assets	159,416	158,855	161,992	161,311	161,311
Total assets	273,325	288,006	300,018	322,093	322,093
LIABILITIES					
Payables					
Suppliers	3,598	3,598	3,598	3,598	3,598
Other payables	44,248	45,520	43,692	44,486	44,486
Total payables	47,846	49,118	47,290	48,084	48,084
Interest bearing liabilities					
Leases	37,106	36,183	35,163	34,046	34,046
Total interest bearing liabilities	37,106	36,183	35,163	34,046	34,046
Provisions					
Employee provisions	7,108	7,245	7,245	7,245	7,245
Other provisions	822	833	844	844	844
Total provisions	7,930	8,078	8,089	8,089	8,089
Total liabilities	92,882	93,379	90,542	90,219	90,219
Net assets	180,443	194,627	209,476	231,874	231,874
EQUITY*					
Parent entity interest					
Contributed equity	77,903	77,903	77,903	77,903	77,903
Reserves	44,856	46,089	46,089	46,089	46,089
Retained surplus	57,684	70,635	85,484	107,882	107,882
Total equity	180,443	194,627	209,476	231,874	231,874

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	54,684	24,856	20,000	77,903	177,443
Adjusted opening balance	54,684	24,856	20,000	77,903	177,443
Comprehensive income					
Surplus/(deficit) for the period	20,955	-	-	-	20,955
Total comprehensive income	20,955	-	-	-	20,955
Transactions with owners					
Distributions to owners					
Returns on capital:					
Dividends	8,000	-	-	-	8,000
Sub-total transactions with owners	8,000	-	-	-	8,000
Estimated closing balance as at 30 June 2023	67,639	24,856	20,000	77,903	190,398
Closing balance attributable to the Australian Government	67,639	24,856	20,000	77,903	190,398

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	189,556	198,246	181,284	175,565	175,565
Total cash received	189,556	198,246	181,284	175,565	175,565
Cash used					
Employees	21,943	24,882	25,611	26,124	26,124
Suppliers	108,629	101,095	110,426	114,692	114,692
Net GST paid	2,317	9,450	9,450	-	-
Interest payments on lease liability	916	988	988	988	988
Other	51,426	22,884	4,491	1,309	1,309
Total cash used	185,231	159,299	150,966	143,113	143,113
Net cash from/(used by) operating activities	4,325	38,947	30,318	32,452	32,452
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	944	4,200	3,200	398	398
Total cash used	944	4,200	3,200	398	398
Net cash from/(used by) investing activities	(944)	(4,200)	(3,200)	(398)	(398)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,699	1,688	1,805	1,922	1,922
Dividends paid	5,000	17,447	16,438	7,376	7,376
Total cash used	6,699	19,135	18,243	9,298	9,298
Net cash from/(used by) financing activities	(6,699)	(19,135)	(18,243)	(9,298)	(9,298)
Net increase/(decrease) in cash held	(3,318)	15,612	8,875	22,756	22,756
Cash and cash equivalents at the beginning of the reporting period	115,218	111,900	127,512	136,387	159,143
Cash and cash equivalents at the end of the reporting period	111,900	127,512	136,387	159,143	159,143

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	944	8,500	8,500	7,000	7,000
TOTAL	944	8,500	8,500	7,000	7,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	944	8,500	8,500	7,000	7,000
Total cash used to acquire assets	944	8,500	8,500	7,000	7,000

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022					
Gross book value	14,770	12,535	24,755	4,862	56,922
Gross book value - ROU assets	40,970	-	-	-	40,970
Accumulated depreciation/amortisation and impairment	-	(288)	-	(3,666)	(3,954)
Accumulated depreciation/amortisation and impairment - ROU assets	(6,250)	-	-	-	(6,250)
Opening net book balance	49,490	12,247	24,755	1,196	87,688
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	3,323	-	877	4,200
Total additions	-	3,323	-	877	4,200
Other movements					
Depreciation/amortisation expense	-	(4,736)	-	(670)	(5,406)
Depreciation/amortisation on ROU assets	(1,318)	-	-	-	(1,318)
Total other movements	(1,318)	(4,736)	-	(670)	(6,724)
As at 30 June 2023					
Gross book value	14,770	15,858	24,755	5,739	61,122
Gross book value - ROU assets	40,970	-	-	-	40,970
Accumulated depreciation/ amortisation and impairment	-	(5,024)	-	(4,336)	(9,360)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,568)	-	-	-	(7,568)
Closing net book balance	48,172	10,834	24,755	1,403	85,164

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	37,616	27,553	33,072	33,003	33,003
Total expenses administered on behalf of Government	37,616	27,553	33,072	33,003	33,003
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	57,652	55,000	63,493	60,341	60,341
Total non-taxation revenue	57,652	55,000	63,493	60,341	60,341
Total own-sourced income administered on behalf of Government	57,652	55,000	63,493	60,341	60,341
Net (cost of)/contribution by services	(20,036)	(27,447)	(30,421)	(27,338)	(27,338)
Surplus/(deficit) before income tax	20,036	27,447	30,421	27,338	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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	23,284	11,515	8,583	5,500	5,500
Total financial assets	23,284	11,515	8,583	5,500	5,500
Non-financial assets					
Inventories	2,459	2,459	2,459	2,459	2,459
Total non-financial assets	2,459	2,459	2,459	2,459	2,459
Total assets administered on behalf of Government	25,743	13,974	11,042	7,959	7,959
Net assets/(liabilities)	25,743	13,974	11,042	7,959	7,959

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	42,001	39,217	33,353	30,421	30,421
Total cash received	42,001	39,217	33,353	30,421	30,421
Net cash from/(used by) operating activities	42,001	39,217	33,353	30,421	30,421
Net increase/(decrease) in cash held	42,001	39,217	33,353	30,421	30,421
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(42,001)	(39,217)	(33,353)	(30,421)	(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. 2). Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 2).
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 (CRF)	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 accountable authorities 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.
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.

Term	Meaning
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.
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	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. 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.
Non-operating Official Public Account (OPA)	Sometimes called 'capital' costs. 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 Outcome	Equals income less expenses. 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> (PGPA Act)	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.

Term	Meaning
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).
Special appropriations (including standing appropriations)	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. Standing appropriations are a subcategory consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.