

**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS 2012-13**

TREASURY PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2012-13

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President of the Senate  
Australian Senate  
Parliament House  
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Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2012-13 Additional Estimates for the Treasury portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the additional funding requirements being sought 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 'Wayne Swan'.

Wayne Swan

## **Abbreviations and conventions**

The following notation may be used:

-	nil
..	not zero, but rounded to zero
*	unquantifiable
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nfp	not for publication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 Mr Tony Murcutt in the Department of the Treasury on 02 6263 2111.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE  
TO THE  
PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS**



## USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to government outcomes by agencies within the portfolio.

The focus of the PAES differs from the Portfolio Budget Statements in one important aspect. While the PAES include an Agency Resource Statement to inform Parliament of the revised estimate of the total resources available to an agency, the focus of the PAES is on explaining the changes in resourcing since the Budget. As such, the PAES provides information on new measures and their impact on the financial and non-financial planned performance of agencies.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2012-13. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2012-13* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

## **STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS**

The PAES are presented in three parts with subsections.

<b>User guide</b>	
Provides a brief introduction explaining the purpose of the PAES.	
<b>Portfolio overview</b>	
Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.	
<b>Agency Additional Estimates Statements</b>	
A statement (under the name of the agency) for each agency affected by Additional Estimates.	
<b>Section 1: Agency overview and resources</b>	This section details the total resources available to an agency, the impact of any measures since the Budget, and impact on Appropriation Bills No. 3 and No. 4.
<b>Section 2: Revisions to outcomes and planned performance</b>	This section details changes to Government outcomes and/or changes to the planned performance of agency programs.
<b>Section 3: Explanatory tables and budgeted financial statements</b>	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.



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# **PORTFOLIO OVERVIEW**



## TREASURY PORTFOLIO OVERVIEW

There has been no significant change to the portfolio overview, portfolio responsibilities or agency outcomes from that included in the *Portfolio Budget Statements 2012-13* (pages 3-5).

Additional estimates are being sought for the Department of the Treasury, the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and the Australian Taxation Office. Explanations of additional estimates for these agencies are detailed in their respective section in the Portfolio Additional Estimates Statements.

There are no additional estimates for the Australian Bureau of Statistics, the Australian Competition and Consumer Commission, the Australian Office of Financial Management, the Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector-General of Taxation, the National Competition Council, the Office of the Auditing and Assurance Standards Board, the Office of the Australian Accounting Standards Board, the Productivity Commission or the Royal Australian Mint.

**Figure 1: Treasury portfolio structure and outcomes**



**Figure 1: Treasury portfolio structure and outcomes (continued)**

<p><b>Inspector-General of Taxation</b>                  Inspector-General: Mr Ali Noroozi                  Improved tax administration through community consultation, review and independent advice to Government</p>
<p><b>National Competition Council</b>                  President: Mr David Crawford                  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><b>Office of the Auditing and Assurance Standards Board</b>                  Chairman: Ms Merran Kelsall                  The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements</p>
<p><b>Office of the Australian Accounting Standards Board</b>                  Chairman: Mr Kevin Stevenson                  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><b>Productivity Commission</b>                  Chairman: Mr Michael Woods (acting until March 2013)                  Mr Peter Harris (from March 2013)                  Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective</p>
<p><b>Royal Australian Mint</b>                  Chief Executive Officer: Mr Ross MacDiarmid                  The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products</p>

## PORTFOLIO RESOURCES

Table 1 shows a summary of resources for those agencies that are seeking funding through Appropriation Bills (No. 3 and No. 4) 2012-13.

**Table 1: Portfolio resources 2012-13**

	Appropriation		Movements		Total
	Bill No. 3 \$'000	Bill No. 4 \$'000	Special \$'000	Receipts \$'000	\$'000
<b>Department of the Treasury</b>					
Administered appropriations	14,928	-	-	-	14,928
Departmental appropriations	3,666	-	-	-	3,666
<b>Total:</b>	<b>18,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,594</b>
<b>Australian Prudential Regulation Authority</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	722	-	-	-	722
<b>Total:</b>	<b>722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>722</b>
<b>Australian Securities and Investments Commission</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	9,003	-	-	-	9,003
<b>Total:</b>	<b>9,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,003</b>
<b>Australian Taxation Office</b>					
Administered appropriations	250	-	-	-	250
Departmental appropriations	18,995	1,674	-	-	20,669
<b>Total:</b>	<b>19,245</b>	<b>1,674</b>	<b>-</b>	<b>-</b>	<b>20,919</b>



**AGENCY ADDITIONAL ESTIMATES  
STATEMENTS**



# DEPARTMENT OF THE TREASURY

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## DEPARTMENT OF THE TREASURY

### Section 1: Agency overview and resources

#### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Department of the Treasury (the Treasury) from that outlined in the *Portfolio Budget Statements 2012-13* (pages 15-17).

The Treasury is seeking \$3.7 million in departmental funding through Appropriation Bill (No. 3) 2012-13. This comprises an additional \$4.5 million which is offset by a reduction of \$0.8 million.

The additional \$4.5 million relates to:

- Lowy Institute for International Policy – establishment of a G20 Studies Centre (\$2.0 million) and the Energy Security (\$0.3 million) measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*;
- \$1.9 million brought forward from 2013-14 for the re-profiling of funding associated with Australia hosting the Group of 20 in 2014; and
- \$0.3 million for supplementation for fringe benefits tax changes to living-away-from-home allowances and benefits.

This funding is offset by a reduction of \$0.8 million that relates to:

- \$0.01 million for the Fire Service Levy – reduction measure outlined in Budget Paper No. 2, *Budget Measures 2012-13*; and
- \$0.8 million for the Targeted savings – public service efficiencies measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

The Treasury is also seeking an additional \$14.9 million in administered items through Appropriation Bill (No. 3) 2012-13. This relates to:

- \$13.9 million for Official development assistance – support for low income countries through the Poverty Reduction and Growth Trust; and
- \$1.0 million for the Superannuation Consumer Centre – investment fund measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Department of the Treasury resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013**

	Estimates as at Budget <sup>+</sup> 2012-13 \$'000	Proposed Additional Estimates <sup>=</sup> 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Ordinary annual services</b>				
<b>Departmental</b>				
Prior year departmental appropriation	51,933	-	51,933	-
Departmental appropriation <sup>1</sup>	175,348	3,666 <sup>2</sup>	179,014	156,615
Receipts from other sources (s31)	12,610	270	12,880	13,159
<b>Total departmental</b>	<b>239,891</b>	<b>3,936</b>	<b>243,827</b>	<b>169,774</b>
<b>Administered expenses</b>				
Administered appropriation	5,175	14,928 <sup>2</sup>	20,103	14,987
<b>Total administered expenses</b>	<b>5,175</b>	<b>14,928</b>	<b>20,103</b>	<b>14,987</b>
<b>Total ordinary annual services</b>	<b>A 245,066</b>	<b>18,864</b>	<b>263,930</b>	<b>184,761</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	1,839	-	1,839	583
<b>Total</b>	<b>1,839</b>	<b>-</b>	<b>1,839</b>	<b>583</b>
<b>Administered non-operating</b>				
Administered assets and liabilities				
Outcome 1	57,000	-	57,000	62,708
<b>Total</b>	<b>57,000</b>	<b>-</b>	<b>57,000</b>	<b>62,708</b>
<b>Total other services</b>	<b>B 58,839</b>	<b>-</b>	<b>58,839</b>	<b>63,291</b>
<b>Total available annual appropriations (A + B)</b>	<b>303,905</b>	<b>18,864</b>	<b>322,769</b>	<b>248,052</b>

**Table 1.1: Department of the Treasury resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

	Estimates as at Budget 2012-13 \$'000	Proposed Additional Estimates 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Special appropriations</b>				
<i>Asian Development Bank (Additional Subscription) Act 2009</i>	15,040	1,199	16,239	15,168
<i>Federal Financial Relations Act 2009</i>	68,959,642	(303,166)	68,656,476	65,627,132
<i>International Monetary Agreements Act 1947</i>	2,029,872	(291,764)	1,738,108	956,257
<i>Superannuation Industry (Supervision) Act 1993</i>	-	16,720	16,720	-
<b>Total special appropriations</b>	<b>C 71,004,554</b>	<b>(577,011)</b>	<b>70,427,543</b>	<b>66,598,557</b>
<b>Total appropriations excluding special accounts (A+B+C)</b>	<b>71,308,459</b>	<b>(558,147)</b>	<b>70,750,312</b>	<b>66,846,609</b>
<b>Special accounts</b>				
Opening balance	2,282	-	2,282	2,149
Appropriation receipts	-	-	-	-
Non-appropriation receipts to special accounts	10,943,686	(342,645)	10,601,041	21,576,440
<b>Total special account</b>	<b>D 10,945,968</b>	<b>(342,645)</b>	<b>10,603,323</b>	<b>21,578,589</b>
<b>Total resourcing (A+B+C+D)</b>	<b>82,254,427</b>	<b>(900,792)</b>	<b>81,353,635</b>	<b>88,425,198</b>
Less receipts from other sources credited to special accounts	1,629	-	1,629	1,842
<b>Total net resourcing for the Treasury</b>	<b>82,252,798</b>	<b>(900,792)</b>	<b>81,352,006</b>	<b>88,423,356</b>

1 Includes \$5.2 million in 2012-13 for the departmental capital budget (also refer to Table 3.2.5).

2 Appropriation Bill (No. 3) 2012-13 — includes \$2.259 million that was recognised as revenue in 2011-12.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2012-13 Budget.

**Table 1.2: Agency Measures since Budget**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>					
Asia Pacific Financial Forum	1.1	250	-	-	-
Energy Security(a)	1.1	-	-	-	-
Fire Service Levy - reduction(b)	1.1	(14)	(15)	(15)	(15)
Lowy Institute for International Policy - establishment of a G20 Studies Centre(c)	1.1	-	-	1,000	1,000
Targeted savings - public service efficiencies	1.1	(779)	(879)	(745)	(646)
Women on Boards Accelerator Program	1.1	-	-	-	-
Australia in the Asian Century(d)	1.1	-	-	3,243	3,300
Official development assistance - support for low income countries through the Poverty Reduction and Growth Trust(d)	1.2	-	-	-	-
Superannuation - further financial assistance grants to compensate fund members for the collapse of Trio(d)	1.3	16,720	-	-	-
Superannuation Consumer Centre - investment fund	1.3	1,000	2,000	7,000	-
Customs' compliance assurance system - expansion	1.4	-	7,600	7,600	7,600
Fringe benefits tax - reform of living-away-from-home allowances and benefits	1.4	660	-	-	-
- removal of concessional treatment of 'in-house' fringe benefits if accessed through a salary sacrifice arrangement	1.4	5,000	10,000	35,000	35,000
GST - reforms to the GST margin scheme	1.4	-	-	-	-
- restrictions on GST refunds - revisions and changed start date	1.4	-	..	6,000	6,000
Indirect Tax Concession Scheme - diplomatic and consular concessions	1.4	..	..	..	..
Tax compliance - maintaining the integrity of the tax and superannuation system	1.4	61,800	6,000	6,200	6,300
Tax laws - miscellaneous amendments	1.4	..	..	..	..



**Table 1.2: Agency Measures since Budget (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (continued)</b>					
Construction of a safe anchorage at Mission Beach - contribution	1.10	-	-	-	-
Dental health reform - National Partnership Agreement for adult public dental services	1.10	-	-	200,000	295,000
Health and Hospitals Fund - Queensland Regional Acute/ Subacute/Extended Inpatient Mental Health Services project - cancellation	1.10	(1,931)	(2,823)	(5,406)	(9,981)
Macquarie Point Railyards Precinct - remediation	1.10	-	-	-	-
Nation Building 2 Program - Northern Territory Regional Roads Productivity Package	1.10	-	-	-	-
Nation Building Program - Kennedy Highway road projects	1.10	-	-	-	-
National Immunisation Program - extended listing of Gardasil®	1.10	(17,719)	(17,664)	(17,511)	(17,541)
Parenting Payment recipients - additional training support for grandfathered recipients	1.10	-	-	-	-
Queensland reconstruction - funding the use of local council day labour	1.10	-	11,230	7,182	-
Schools - Literacy and Numeracy National Partnership - extension	1.10	-	-	-	-
Tasmania's Health System - additional funding	1.10	31,941	46,732	49,565	40,022
Trade Training Centres in Schools program - extension and rephasing	1.10	-	9,084	(48,141)	(115,758)
<b>Related revenue</b>					
Asia Pacific Financial Forum	1.1	250	-	-	-
Women on Boards Accelerator Program	1.1	-	-	-	-

Note: Details of these measures, except for those denoted (b) and (d), are in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

(a) The Treasury is to receive \$0.3 million in 2012-13 that was recognised as revenue in 2011-12.

(b) This measure was included in Budget Paper No. 2, *Budget Measures 2012-13*.

(c) The Treasury is to receive \$2.0 million in 2012-13 that was recognised as revenue in 2011-12.

(d) This measure was agreed after the Mid-Year Economic and Fiscal Outlook.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2012-13 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2012-13 Budget.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2012-13 Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Energy Security	1.1	259	-	-	-
Lowy Institute for International Policy - establishment of a G20 Studies Centre	1.1	2,000	-	1,000	1,000
<b>Decrease in estimates (departmental)</b>					
Fire Service Levy - reduction	1.1	(14)	(15)	(15)	(15)
Targeted savings - public service efficiencies	1.1	(779)	(879)	(745)	(646)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>1,466</b>	<b>(894)</b>	<b>240</b>	<b>339</b>
<b>Outcome 1</b>					
<b>Increase in estimates (administered)</b>					
Official development assistance - support for low income countries through the Poverty Reduction and Growth Trust	1.2	13,928	-	-	-
Superannuation Consumer Centre - investment fund	1.3	1,000	2,000	7,000	-
<b>Net impact on estimates for Outcome 1 (administered)</b>		<b>14,928</b>	<b>2,000</b>	<b>7,000</b>	<b>-</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Australia to host the Group of 20 in 2014 - rephasing	1.1	1,878	(14,552)	12,674	-
Supplementation for fringe benefits tax changes to living-away-from-home allowances and benefits	1.1	322	663	1,194	1,230
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>2,200</b>	<b>(13,889)</b>	<b>13,868</b>	<b>1,230</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for the Treasury through Appropriation Bill No. 3. The Treasury is not seeking funding through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Outcome 1:</b> Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations					
Departmental items	156,615	175,348	179,014	3,666	-
Administered items	14,987	5,175	20,103	14,928	-
<b>Total</b>	<b>171,602</b>	<b>180,523</b>	<b>199,117</b>	<b>18,594</b>	<b>-</b>

## Section 2: Revisions to agency outcomes and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2012-13* (pages 24-25).

There has been no change to the program objective, expenses, deliverables or key performance indicators for program 1.2 and programs 1.4 to 1.10 that affect Appropriation Bills No. 3 and No. 4.

Programs 1.4 to 1.10 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 72 to 153 of the *Mid-Year Economic and Fiscal Outlook 2012-13*.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1:</b> Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations	2011-12 Actual \$'000	2012-13 Revised estimated expenses \$'000
<b>Program 1.1: Department of the Treasury</b>		
Departmental expenses		
Departmental appropriations <sup>1</sup>	177,185	182,788
Special accounts	1,709	1,629
Expenses not requiring appropriation <sup>2</sup>	13,944	13,571
Administered expenses		
Other services (Appropriation Bills No. 1 and No. 3)	11,121	-
Expenses not requiring appropriation	964,705	108,025
<b>Total for Program 1.1</b>	<b>1,168,664</b>	<b>306,013</b>
<b>Program 1.3: Support for Markets and Business</b>		
Administered expenses		
Other services (Appropriation Bills No. 1 and No. 3)	2,717	22,895
<b>Total for Program 1.3</b>	<b>1,168,664</b>	<b>22,895</b>
	2011-12	2012-13
<b>Average staffing level (number)</b>	1,007	919

1 Departmental appropriations combine ordinary annual services (Appropriation Bills No. 1 and No. 3) and revenue from independent sources (section 31 receipts).

2 Expenses not requiring appropriation includes depreciation and amortisation expenses and resources received free of charge, such as audit fees.

### Program 1.1: Department of the Treasury

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.2: Program expenses**

	2011-12	2012-13	2013-14	2014-15	2015-16
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses					
Departmental items	178,894	160,736	152,892	158,270	158,105
Australia to host the Group of 20 in 2014	-	5,298	20,192	17,196	799
Clean Energy Finance Corporation	-	18,383	18,102	18,228	-
Expenses not requiring appropriation	13,944	13,571	11,849	10,283	9,217
Total departmental expenses	192,838	197,988	203,035	203,977	168,121
Administered expenses					
Expenses not requiring appropriation	975,826	108,025	-	-	-
Total administered expenses	975,826	108,025	-	-	-
<b>Total program expenses</b>	<b>1,168,664</b>	<b>306,013</b>	<b>203,035</b>	<b>203,977</b>	<b>168,121</b>

Program expenses have changed to reflect Tables 1.3 and 1.4.

### Program 1.3: Support for Markets and Business

In addition to the program objective, deliverables and key performance indicators included in the *Portfolio Budget Statements 2012-13*, the following objectives, deliverables and key performance indicators are included for program 1.3.

#### Program objective

The Superannuation Consumer Centre (SCC) will be a non-profit organisation with a primary focus on superannuation policy research and related consumer advocacy. The Government will contribute \$10 million over three years to a non-government investment fund, the earnings of which will be used to fund the ongoing costs of the SCC. This contribution will be contingent upon matching funds being provided by industry.

To provide further financial assistance to four APRA regulated superannuation funds in accordance with the Minister's Determination of 2 September 2012.

**Program expenses**

**Table 2.2: Program 1.3 expenses**

	2011-12	2012-13	2013-14	2014-15	2015-16
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses					
Annual appropriations					
Centre for International Finance and Regulation	2,573	4,500	4,000	1,000	-
Housing Loans Insurance Company Limited - payments in respect of insurance claims	675	675	675	675	675
Contribution to the Superannuation Consumer Centre	-	1,000	2,000	7,000	-
Special appropriations					
<i>Superannuation Industry (Supervision) Act 1993</i> - financial assistance grant to compensate fund members for the collapse of Trio	-	16,720	-	-	-
Total administered expenses	3,248	22,895	6,675	8,675	675
<b>Total program expenses</b>	<b>3,248</b>	<b>22,895</b>	<b>6,675</b>	<b>8,675</b>	<b>675</b>

**Program deliverables**

The contribution to the SCC has been made according to the agreed funding schedule.

Payments of further financial assistance to compensate members of four APRA regulated superannuation funds that invested in Trio have been made in accordance with the Minister's Determination of 2 September 2012

**Program key performance indicators**

The contribution to the SCC is made according to the agreed funding schedule.

Payments of further financial assistance to compensate members of four APRA regulated superannuation funds that invested in Trio are made in accordance with the Minister's Determination of 2 September 2012.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Treasury.

**Table 3.1.1: Estimates of special account cash flows and balances**

	Outcome	Opening	Receipts		Payments	Closing
		balance	Non-Appropriated	Appropriated		balance
		2012-13	2012-13	2012-13	2012-13	2012-13
		2011-12	2011-12	2011-12	2011-12	2011-12
		\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial Services Special Account(D)	1	2,282	1,629	-	(1,629)	2,282
		2,149	1,842	-	(1,709)	2,282
COAG Reform Fund Special Account(A)	1	-	10,599,412	-	(10,599,412)	-
		-	21,474,820	-	(21,474,820)	-
Financial System Stability Special Account(A)	1	-	-	-	-	-
Services for Other Entities and Trust Moneys Special Account - Department of the Treasury(A/D)	1	-	-	-	-	-
		-	-	-	-	-
<b>Total special accounts 2012-13 Budget estimate</b>		<b>2,282</b>	<b>10,601,041</b>	<b>-</b>	<b>(10,601,041)</b>	<b>2,282</b>
Total special accounts 2011-12 actual		2,149	21,476,662	-	(21,476,529)	2,282

(A) Administered.  
(D) Departmental.

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting for a departmental breakeven operating result for 2012-13.

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

### 3.2.2 Budgeted financial statements

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	135,386	123,617	121,361	122,517	113,490
Supplier	39,663	59,250	68,269	68,647	43,884
Grants	4,109	2,100	2,106	3,080	2,080
Depreciation and amortisation	13,418	13,021	11,299	9,733	8,667
Net write-down and impairment	245	-	-	-	-
Finance costs	17	-	-	-	-
<b>Total expenses</b>	<b>192,838</b>	<b>197,988</b>	<b>203,035</b>	<b>203,977</b>	<b>168,121</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	8,333	11,868	11,868	11,868	11,868
Other revenue	868	1,012	768	742	742
<b>Total revenue</b>	<b>9,201</b>	<b>12,880</b>	<b>12,636</b>	<b>12,610</b>	<b>12,610</b>
<b>Gains</b>					
Other gains	530	550	550	550	550
<b>Total gains</b>	<b>530</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Total own-source income</b>	<b>9,731</b>	<b>13,430</b>	<b>13,186</b>	<b>13,160</b>	<b>13,160</b>
<b>Net cost of (contribution by) services</b>	<b>183,107</b>	<b>184,558</b>	<b>189,849</b>	<b>190,817</b>	<b>154,961</b>
Appropriation revenue	158,119	171,537	178,550	181,084	146,294
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(24,988)</b>	<b>(13,021)</b>	<b>(11,299)</b>	<b>(9,733)</b>	<b>(8,667)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(11,570)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus depreciation/amortisation expenses previously funded through revenue appropriations	(13,418)	(13,021)	(11,299)	(9,733)	(8,667)
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(24,988)</b>	<b>(13,021)</b>	<b>(11,299)</b>	<b>(9,733)</b>	<b>(8,667)</b>

Prepared on Australian Accounting Standards basis.



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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	1,108	1,108	1,108	1,108	1,108
Trade and other receivables	55,141	57,141	59,141	61,141	63,141
<b>Total financial assets</b>	<b>56,249</b>	<b>58,249</b>	<b>60,249</b>	<b>62,249</b>	<b>64,249</b>
<b>Non-financial assets</b>					
Land and buildings	7,028	6,029	5,053	4,313	3,726
Infrastructure, plant and equipment	12,927	10,644	8,642	7,166	6,038
Intangibles	25,711	23,029	20,557	19,065	18,180
Other	2,502	2,502	2,502	2,502	2,502
<b>Total non-financial assets</b>	<b>48,168</b>	<b>42,204</b>	<b>36,754</b>	<b>33,046</b>	<b>30,446</b>
<b>Total assets</b>	<b>104,417</b>	<b>100,453</b>	<b>97,003</b>	<b>95,295</b>	<b>94,695</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	44,600	46,600	48,600	50,600	52,600
<b>Total provisions</b>	<b>44,600</b>	<b>46,600</b>	<b>48,600</b>	<b>50,600</b>	<b>52,600</b>
<b>Payables</b>					
Suppliers	311	311	311	311	311
Other	4,554	4,554	4,554	4,554	4,554
<b>Total payables</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>
<b>Total liabilities</b>	<b>49,465</b>	<b>51,465</b>	<b>53,465</b>	<b>55,465</b>	<b>57,465</b>
<b>Net assets</b>	<b>54,952</b>	<b>48,988</b>	<b>43,538</b>	<b>39,830</b>	<b>37,230</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	47,959	55,016	60,865	66,890	72,957
Reserves	5,186	5,186	5,186	5,186	5,186
Retained surpluses or accumulated deficits	1,807	(11,214)	(22,513)	(32,246)	(40,913)
<b>Total equity</b>	<b>54,952</b>	<b>48,988</b>	<b>43,538</b>	<b>39,830</b>	<b>37,230</b>
<b>Current assets</b>	<b>58,751</b>	<b>60,751</b>	<b>62,751</b>	<b>64,751</b>	<b>66,751</b>
<b>Non-current assets</b>	<b>45,666</b>	<b>39,702</b>	<b>34,252</b>	<b>30,544</b>	<b>27,944</b>
<b>Current liabilities</b>	<b>45,508</b>	<b>47,348</b>	<b>49,188</b>	<b>51,028</b>	<b>52,868</b>
<b>Non-current liabilities</b>	<b>3,957</b>	<b>4,117</b>	<b>4,277</b>	<b>4,437</b>	<b>4,597</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	12,195	11,868	11,868	11,868	11,868
Appropriations	174,445	169,537	176,550	179,084	144,294
Other	4,283	1,012	768	742	742
<b>Total cash received</b>	<b>190,923</b>	<b>182,417</b>	<b>189,186</b>	<b>191,694</b>	<b>156,904</b>
<b>Cash used</b>					
Employees	132,955	121,617	119,361	120,517	111,490
Suppliers	48,098	58,700	67,719	68,097	43,334
Grants	4,109	2,100	2,106	3,080	2,080
Borrowing costs	19	-	-	-	-
<b>Total cash used</b>	<b>185,181</b>	<b>182,417</b>	<b>189,186</b>	<b>191,694</b>	<b>156,904</b>
<b>Net cash from or (used by) operating activities</b>	<b>5,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	9	-	-	-	-
<b>Total cash received</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	12,786	7,057	5,849	6,025	6,067
<b>Total cash used</b>	<b>12,786</b>	<b>7,057</b>	<b>5,849</b>	<b>6,025</b>	<b>6,067</b>
<b>Net cash from or (used by) investing activities</b>	<b>(12,777)</b>	<b>(7,057)</b>	<b>(5,849)</b>	<b>(6,025)</b>	<b>(6,067)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - equity injections	583	1,839	583	583	583
Appropriations - DCB	6,724	5,218	5,266	5,442	5,484
<b>Total cash received</b>	<b>7,307</b>	<b>7,057</b>	<b>5,849</b>	<b>6,025</b>	<b>6,067</b>
<b>Net cash from or (used by) financing activities</b>	<b>7,307</b>	<b>7,057</b>	<b>5,849</b>	<b>6,025</b>	<b>6,067</b>
<b>Net increase or (decrease) in cash held</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	836	1,108	1,108	1,108	1,108
<b>Cash at the end of the reporting period</b>	<b>1,108</b>	<b>1,108</b>	<b>1,108</b>	<b>1,108</b>	<b>1,108</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2012-13)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	1,807	5,186	-	47,959	54,952
<b>Adjusted opening balance</b>	1,807	5,186	-	47,959	54,952
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(13,021)	-	-	-	(13,021)
<b>Total comprehensive income recognised directly in equity</b>	(13,021)	-	-	-	(13,021)
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	1,839	1,839
Appropriation (departmental capital budget)	-	-	-	5,218	5,218
<b>Total transactions with owners</b>	-	-	-	7,057	7,057
<b>Estimated closing balance as at 30 June 2013</b>	(11,214)	5,186	-	55,016	48,988

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	6,485	5,218	5,266	5,442	5,484
Total equity injections	583	1,839	583	583	583
<b>Total new capital appropriations</b>	7,068	7,057	5,849	6,025	6,067
<b>Provided for:</b>					
Purchase of non-financial assets	7,068	7,057	5,849	6,025	6,067
<b>Total Items</b>	7,068	7,057	5,849	6,025	6,067
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	583	1,839	583	583	583
Funded by capital appropriation - DCB	6,724	5,218	5,266	5,442	5,484
Funded internally by departmental resources	5,479	-	-	-	-
<b>TOTAL</b>	12,786	7,057	5,849	6,025	6,067
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	12,786	7,057	5,849	6,025	6,067
<b>Total cash used to acquire assets</b>	12,786	7,057	5,849	6,025	6,067

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — Departmental (2012-13)**

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	9,391	15,454	43,951	68,796
Accumulated depreciation/amortisation and impairment	2,363	2,527	18,240	23,130
<b>Opening net book balance</b>	<b>7,028</b>	<b>12,927</b>	<b>25,711</b>	<b>45,666</b>
<b>Capital asset additions</b>				
By purchase - appropriation equity	-	1,339	500	1,839
By purchase - appropriation DCB	1,102	316	3,800	5,218
<b>Total additions</b>	<b>1,102</b>	<b>1,655</b>	<b>4,300</b>	<b>7,057</b>
<b>Other movements</b>				
Depreciation/amortisation expense	2,101	3,938	6,982	13,021
<b>Total other movements</b>	<b>2,101</b>	<b>3,938</b>	<b>6,982</b>	<b>13,021</b>
<b>As at 30 June 2013</b>				
Gross book value	10,493	17,109	48,251	75,853
Accumulated depreciation/amortisation and impairment	4,464	6,465	25,222	36,151
<b>Closing net book balance</b>	<b>6,029</b>	<b>10,644</b>	<b>23,029</b>	<b>39,702</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	85,881,099	79,728,293	84,618,154	85,931,320	90,886,368
Interest	11,289	4,997	4,204	4,238	4,289
Other	11,387	675	675	675	675
Fair value loss on NDRRA provision	964,706	108,025	-	-	-
<b>Total expenses administered on behalf of government</b>	<b>86,868,481</b>	<b>79,841,990</b>	<b>84,623,033</b>	<b>85,936,233</b>	<b>90,891,332</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Goods and services	1,588,520	1,366,947	1,154,351	794,162	736,938
Interest	973	3,871	12,687	28,540	45,298
Dividends	403,066	1,222	1,267	1,278	1,293
Nation Building and COAG transfers	3,230,916	1,446,841	1,573,424	1,050,922	1,346,301
Other sources of non-taxation revenues	28,767	4,060	7,000	4,000	4,000
<b>Total non-taxation revenue</b>	<b>5,252,242</b>	<b>2,822,941</b>	<b>2,748,729</b>	<b>1,878,902</b>	<b>2,133,830</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>5,252,242</b>	<b>2,822,941</b>	<b>2,748,729</b>	<b>1,878,902</b>	<b>2,133,830</b>
<b>Gains</b>					
Foreign exchange	5,894	50,369	72,990	75,958	59,029
<b>Total gains administered on behalf of government</b>	<b>5,894</b>	<b>50,369</b>	<b>72,990</b>	<b>75,958</b>	<b>59,029</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>5,258,136</b>	<b>2,873,310</b>	<b>2,821,719</b>	<b>1,954,860</b>	<b>2,192,859</b>
<b>Net Cost of (contribution by) services</b>	<b>81,610,345</b>	<b>76,968,680</b>	<b>81,801,314</b>	<b>83,981,373</b>	<b>88,698,473</b>
<b>Surplus (Deficit)</b>	<b>(81,610,345)</b>	<b>(76,968,680)</b>	<b>(81,801,314)</b>	<b>(83,981,373)</b>	<b>(88,698,473)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,735	1,735	1,735	1,735	1,735
Advances and loans	676,234	853,655	1,037,688	1,214,806	1,148,091
Receivables	1,813,628	1,053,641	532,671	367,301	287,432
Investments	12,665,485	17,782,236	17,933,349	18,090,131	18,196,009
<b>Total financial assets</b>	<b>15,157,082</b>	<b>19,691,267</b>	<b>19,505,443</b>	<b>19,673,973</b>	<b>19,633,267</b>
<b>Non financial assets</b>					
Prepayments	88,259	59,849	59,849	59,849	59,849
<b>Total non financial assets</b>	<b>88,259</b>	<b>59,849</b>	<b>59,849</b>	<b>59,849</b>	<b>59,849</b>
<b>Total assets administered on behalf of government</b>	<b>15,245,341</b>	<b>19,751,116</b>	<b>19,565,292</b>	<b>19,733,822</b>	<b>19,693,116</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Loans	3,259,958	6,671,401	6,182,424	6,201,914	6,175,500
Other	4,570,369	4,605,761	4,646,678	4,689,047	4,730,714
<b>Total interest bearing liabilities</b>	<b>7,830,327</b>	<b>11,277,162</b>	<b>10,829,102</b>	<b>10,890,961</b>	<b>10,906,214</b>
<b>Payables</b>					
Grants and subsidies	4,428,422	3,952,890	2,257,840	120,221	119,461
Other payables	1,331,122	756,346	336,563	242,982	203,330
<b>Total payables</b>	<b>5,759,544</b>	<b>4,709,236</b>	<b>2,594,403</b>	<b>363,203</b>	<b>322,791</b>
<b>Total liabilities administered on behalf of government</b>	<b>13,589,871</b>	<b>15,986,398</b>	<b>13,423,505</b>	<b>11,254,164</b>	<b>11,229,005</b>
<b>Net assets/(liabilities)</b>	<b>1,655,470</b>	<b>3,764,718</b>	<b>6,141,787</b>	<b>8,479,658</b>	<b>8,464,111</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	930,355	681,726	504,734	122,121	42,376
Interest	4,583	1,904	1,868	1,885	1,907
Dividends	-	675,000	75,000	75,000	75,000
Grants	11,584,679	9,621,728	10,403,427	10,592,366	11,650,780
Other	28,209	4,060	7,000	4,000	4,000
<b>Total cash received</b>	<b>12,547,826</b>	<b>10,984,418</b>	<b>10,992,029</b>	<b>10,795,372</b>	<b>11,774,063</b>
<b>Cash used</b>					
Grant payments	95,518,046	87,730,951	94,455,289	96,914,102	100,496,347
Interest paid	14,274	4,288	4,209	4,245	4,295
Other	15,978	33,395	6,675	8,675	675
<b>Total cash used</b>	<b>95,548,298</b>	<b>87,768,634</b>	<b>94,466,173</b>	<b>96,927,022</b>	<b>100,501,317</b>
<b>Net cash from or (used by) operating activities</b>	<b>(83,000,472)</b>	<b>(76,784,216)</b>	<b>(83,474,144)</b>	<b>(86,131,650)</b>	<b>(88,727,254)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Loans Advances and HECS	-	6,347	-	-	231,335
Other investing activities	58	-	-	-	-
<b>Total cash received</b>	<b>58</b>	<b>6,347</b>	<b>-</b>	<b>-</b>	<b>231,335</b>
<b>Cash used</b>					
Purchase of investments	333,400	1,624,667	532,102	25,094	37,623
Advances and loans	444,619	175,392	172,137	162,500	149,384
Other	-	-	-	-	-
<b>Total cash used</b>	<b>778,019</b>	<b>1,800,059</b>	<b>704,239</b>	<b>187,594</b>	<b>187,007</b>
<b>Net cash from or (used by) investing activities</b>	<b>(777,961)</b>	<b>(1,793,712)</b>	<b>(704,239)</b>	<b>(187,594)</b>	<b>44,328</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>					
<b>Net increase or (decrease) in cash held</b>	<b>(83,778,433)</b>	<b>(78,577,928)</b>	<b>(84,178,383)</b>	<b>(86,319,244)</b>	<b>(88,682,926)</b>
Cash at beginning of reporting period	4,763	4,763	4,763	4,763	4,763
Cash from Official Public Account - appropriations	87,966,520	81,393,801	86,340,404	87,573,167	90,383,840
Cash to Official Public Account	4,191,115	2,815,873	2,162,021	1,253,923	1,700,914
<b>Cash at end of reporting period</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered assets and liabilities	2,137	57,000	47,500	-	-
Special appropriations	764,597	1,750,059	654,239	157,444	187,007
<b>Total new capital appropriations</b>	<b>766,734</b>	<b>1,807,059</b>	<b>701,739</b>	<b>157,444</b>	<b>187,007</b>
<b>Provided for:</b>					
International Financial Institutions	764,597	1,750,059	654,239	157,444	187,007
Other	2,137	57,000	47,500	-	-
<b>Total Items</b>	<b>766,734</b>	<b>1,807,059</b>	<b>701,739</b>	<b>157,444</b>	<b>187,007</b>

Prepared on Australian Accounting Standards basis.

### Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Under the Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that departments control (departmental transactions) are separately budgeted for, and reported on, from transactions departments do not have control over (administered transactions). This ensures that departments are only held accountable for the transactions over which they have control.

Departmental assets, liabilities, revenues and expenses are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing goods and services.

Administered items are revenues, expenses, assets or liabilities which are managed by the department on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments, and administered revenues include taxes, fines and excises.



# AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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# AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Prudential Regulation Authority (APRA) from that outlined in the *Portfolio Budget Statements 2012-13* (pages 131-132).

APRA is seeking \$0.7 million in departmental funding through Appropriation Bill (No. 3) 2012-13. This relates to an additional \$1.3 million to reimburse APRA for a shortfall in interest earned on the APRA special account from 2008-09 to 2011-12, offset by \$0.01 million for the Fire Service Levy – reduction measure outlined in Budget Paper No. 2, *Budget Measures 2012-13* and \$0.5 million for the Targeted savings – public service efficiencies measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

### 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Australian Prudential Regulation Authority resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013**

	Estimates as at Budget <sup>+</sup> 2012-13 \$'000	Proposed Additional Estimates 2012-13 \$'000	=	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Ordinary annual services</b>					
<b>Departmental appropriation</b>					
Departmental appropriation	2,356	722 <sup>1</sup>		3,078	13,289
Receipts from other sources (s31)	5,210	-		5,210	8,110
<b>Total ordinary annual services</b>	<b>A</b> 7,566	722		8,288	21,399
<b>Other services</b>					
<b>Departmental non-operating</b>					
Equity injections	4,810	-		4,810	-
<b>Total other services</b>	<b>B</b> 4,810	-		4,810	-
<b>Total available annual appropriations (A+B)</b>	12,376	722		13,098	21,399
<b>Special appropriations</b>					
<i>Financial Management and Accountability Act 1997</i>	-	-		-	-
<b>Total special appropriations</b>	<b>C</b> -	-		-	-
<b>Total appropriations excluding special accounts (A+B+C)</b>	12,376	722		13,098	21,399
<b>Special accounts</b>					
Opening balance	46,845	-		46,845	45,207
Appropriation receipts	2,356	722		3,078	13,289
Non-appropriation receipts to special accounts	112,870	-		112,870	100,397
<b>Total special accounts</b>	<b>D</b> 162,071	722		162,793	158,893
<b>Total resourcing (A+B+C+D)</b>	174,447	1,444		175,891	180,292
Less appropriations drawn from annual or special appropriations above and credited to special accounts	2,356	722		3,078	13,289
<b>Total net resourcing for APRA</b>	<b>172,091</b>	<b>722</b>		<b>172,813</b>	<b>167,003</b>

1. Appropriation Bill (No. 3) 2012-13.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2012-13 Budget.

**Table 1.2: Agency measures since Budget**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measure</b>					
Fire Service Levy - reduction	1.1	(10)	(10)	(11)	(11)
Targeted savings - public service efficiencies	1.1	(527)	(529)	(544)	(567)
<b>Total expense measures</b>		<b>(537)</b>	<b>(539)</b>	<b>(555)</b>	<b>(578)</b>
<b>Related revenue</b>					
Superannuation - further financial assistance grants to compensate fund members for the failure of Trio(a)	1.1	16,720	-	-	-
SuperStream - reduction in Superannuation Supervisory Levy	1.1	-	(11,600)	(8,400)	(7,300)
<b>Total related revenue</b>		<b>16,720</b>	<b>(11,600)</b>	<b>(8,400)</b>	<b>(7,300)</b>

(a) This measure was agreed after the Mid-Year Economic and Fiscal Outlook.

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2012-13 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2012-13 Budget.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2012-13 Budget**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Fire Service Levy - reduction	1.1	(10)	(10)	(11)	(11)
Targeted savings - public service efficiencies	1.1	(527)	(529)	(544)	(567)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>(537)</b>	<b>(539)</b>	<b>(555)</b>	<b>(578)</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Reimbursement to APRA for a shortfall in interest earned on the APRA special account					
	1.1	1,259	-	-	-
<b>Net impact on estimates for Outcome 1 (departmental)</b>					
		<b>1,259</b>	-	-	-

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for APRA through Appropriation Bills No. 3.

**Table 1.5: Appropriation Bill (No. 3) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
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					
	13,289	2,356	3,078	722	-
<b>Total</b>	<b>13,289</b>	<b>2,356</b>	<b>3,078</b>	<b>722</b>	-

## Section 2: Revisions to agency outcomes and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes, outcome strategies and performance information for APRA from that included in the *Portfolio Budget Statements 2012-13* (pages 135-137).

**Table 2.1: Budgeted expenses 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	2011-12 Actual \$'000	2012-13 Revised estimated resources \$'000
<b>Program 1.1: Australian Prudential Regulation Authority</b>		
Departmental expenses		
Special accounts	100,397	112,870
Departmental appropriation	20,722	8,288
Administered expenses		
Superannuation Levy Waivers	959	-
<b>Total for Program 1.1</b>	<b>122,078</b>	<b>121,158</b>
	2011-12	2012-13
<b>Average staffing level (number)</b>	<b>606</b>	<b>613</b>

#### Program 1.1: Australian Prudential Regulation Authority

There has been no change to program objectives, deliverables or key performance indicators for APRA from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.2: Program expenses**

	2011-12 Actuals \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Departmental expenses					
Departmental items	121,119	121,158	121,093	124,070	128,844
Administered expenses					
Administered items	959	-	-	-	-
<b>Total program expenses</b>	<b>122,078</b>	<b>121,158</b>	<b>121,093</b>	<b>124,070</b>	<b>128,844</b>

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a snapshot of APRA’s finances for the budget year 2012-13.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by APRA.

**Table 3.1.2: Estimates of special account cash flows and balances**

		Opening balance	Receipts non- appropriated	Receipts appropriated	Payments	Closing balance
		<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>
		2011-12	2011-12	2011-12	2011-12	2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Prudential Regulation Authority Special Account	1	<b>44,552</b>	<b>112,870</b>	<b>11,839</b>	<b>126,400</b>	<b>42,861</b>
Financial Claims Scheme Special Account	1	41,756	100,397	21,390	118,991	44,552
Lloyd's Deposit Trust Special Account	1	293	-	-	-	293
		1,451	-	200	1,358	293
		2,000	-	-	-	2,000
		2,000	-	-	-	2,000
<b>Total special accounts</b>						
<b>2012-13 Budget estimate</b>		<b>46,845</b>	<b>112,870</b>	<b>11,839</b>	<b>126,400</b>	<b>45,154</b>
Total special accounts						
2011-12 actual		45,207	100,397	21,590	120,349	46,845

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.1 Analysis of budgeted financial statements

The budgeted departmental income statement (refer Table 3.2.1) shows an increase in 2012-13 appropriations from \$120.4 million, as disclosed in the *Portfolio Budget Statements 2012-13*, to \$121.2 million; a \$0.7 million increase. These funds comprise a shortfall in interest earned on the APRA special account from 2008-09 to 2011-12, offset by the Fire Service Levy – reduction and the Targeted savings – public service efficiencies measures.



### 3.2.2 Budgeted financial statements

#### Departmental financial statements

**Table 3.2.1: Budgeted departmental comprehensive income statement (Showing Net Cost of Services) (for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	89,812	88,200	89,414	93,766	99,195
Suppliers	26,176	28,220	24,303	23,196	24,303
Depreciation and amortisation	5,131	4,738	7,376	7,108	5,346
<b>Total expenses</b>	<b>121,119</b>	<b>121,158</b>	<b>121,093</b>	<b>124,070</b>	<b>128,844</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	4,212	4,160	4,160	4,160	4,160
Other revenue	707	1,050	1,050	1,050	1,050
<b>Total revenue</b>	<b>4,919</b>	<b>5,210</b>	<b>5,210</b>	<b>5,210</b>	<b>5,210</b>
<b>Total own-source income</b>	<b>4,919</b>	<b>5,210</b>	<b>5,210</b>	<b>5,210</b>	<b>5,210</b>
<b>Net cost of (contribution by) services</b>	<b>116,200</b>	<b>115,948</b>	<b>115,883</b>	<b>118,860</b>	<b>123,634</b>
Appropriation revenue	113,730	115,948	115,883	118,860	123,634
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(2,470)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	44,554	42,863	43,612	43,604	43,604
Receivables	3,746	3,746	3,746	3,746	3,746
<b>Total financial assets</b>	<b>48,300</b>	<b>46,609</b>	<b>47,358</b>	<b>47,350</b>	<b>47,350</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	5,823	3,863	2,880	2,503	3,646
Intangibles	12,717	21,178	25,682	26,175	25,032
Other	1,964	1,998	1,998	1,998	1,998
<b>Total non-financial assets</b>	<b>20,504</b>	<b>27,039</b>	<b>30,560</b>	<b>30,676</b>	<b>30,676</b>
<b>Total assets</b>	<b>68,804</b>	<b>73,648</b>	<b>77,918</b>	<b>78,026</b>	<b>78,026</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	32,000	31,885	31,885	31,885	31,885
Other	2,881	2,923	2,923	2,923	2,923
<b>Total provisions</b>	<b>34,881</b>	<b>34,808</b>	<b>34,808</b>	<b>34,808</b>	<b>34,808</b>
<b>Payables</b>					
Suppliers	5,235	5,342	5,342	5,342	5,342
<b>Total payables</b>	<b>5,235</b>	<b>5,342</b>	<b>5,342</b>	<b>5,342</b>	<b>5,342</b>
<b>Total liabilities</b>	<b>40,116</b>	<b>40,150</b>	<b>40,150</b>	<b>40,150</b>	<b>40,150</b>
<b>Net assets</b>	<b>28,688</b>	<b>33,498</b>	<b>37,768</b>	<b>37,876</b>	<b>37,876</b>
<b>EQUITY</b>					
Contributed equity	7,469	12,279	16,549	16,657	16,657
Reserves	12,467	12,467	12,467	12,467	12,467
Retained surpluses or accumulated deficits	8,752	8,752	8,752	8,752	8,752
<b>Total equity</b>	<b>28,688</b>	<b>33,498</b>	<b>37,768</b>	<b>37,876</b>	<b>37,876</b>
<b>Current assets</b>	<b>50,264</b>	<b>48,607</b>	<b>49,356</b>	<b>49,348</b>	<b>49,348</b>
<b>Non-current assets</b>	<b>18,540</b>	<b>25,041</b>	<b>28,562</b>	<b>28,678</b>	<b>28,678</b>
<b>Current liabilities</b>	<b>31,396</b>	<b>31,448</b>	<b>31,448</b>	<b>31,448</b>	<b>31,448</b>
<b>Non-current liabilities</b>	<b>8,720</b>	<b>8,702</b>	<b>8,702</b>	<b>8,702</b>	<b>8,702</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	5,023	4,160	4,160	4,160	4,160
Appropriations	113,677	115,948	115,883	119,427	124,212
Other	3,087	1,050	1,050	1,050	1,050
<b>Total cash received</b>	<b>121,787</b>	<b>121,158</b>	<b>121,093</b>	<b>124,637</b>	<b>129,422</b>
<b>Cash used</b>					
Employees	83,584	88,200	89,414	93,766	99,195
Suppliers	30,589	28,220	24,303	23,763	24,881
<b>Total cash used</b>	<b>114,173</b>	<b>116,420</b>	<b>113,717</b>	<b>117,529</b>	<b>124,076</b>
<b>Net cash from or (used by) operating activities</b>	<b>7,614</b>	<b>4,738</b>	<b>7,376</b>	<b>7,108</b>	<b>5,346</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment/intangibles	4,818	11,239	10,897	7,224	5,346
<b>Total cash used</b>	<b>4,818</b>	<b>11,239</b>	<b>10,897</b>	<b>7,224</b>	<b>5,346</b>
<b>Net cash from or (used by) investing activities</b>	<b>(4,818)</b>	<b>(11,239)</b>	<b>(10,897)</b>	<b>(7,224)</b>	<b>(5,346)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	4,810	4,270	108	-
<b>Total cash received</b>	<b>-</b>	<b>4,810</b>	<b>4,270</b>	<b>108</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>4,810</b>	<b>4,270</b>	<b>108</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>2,796</b>	<b>(1,691)</b>	<b>749</b>	<b>(8)</b>	<b>-</b>
Cash at the beginning of the reporting period	41,758	44,554	42,863	43,612	43,604
<b>Cash at the end of the reporting period</b>	<b>44,554</b>	<b>42,863</b>	<b>43,612</b>	<b>43,604</b>	<b>43,604</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2012-13)**

	Retained surpluses	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	8,752	6,467	6,000	7,469	28,688
<b>Adjusted opening balance</b>	8,752	6,467	6,000	7,469	28,688
<b>Comprehensive income</b>					
Surplus (deficit) for the period	-	-	-	-	-
<b>Total comprehensive income recognised directly in equity</b>	-	-	-	-	-
<b>Transactions with owners</b>					
Equity Injection	-	-	-	4,810	4,810
<b>Total transactions with owners</b>	-	-	-	4,810	4,810
<b>Estimated closing balance as at 30 June 2013</b>	8,752	6,467	6,000	12,279	33,498

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2011-12	Revised budget 2012-13	Forward estimate 2013-14	Forward estimate 2014-15	Forward estimate 2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	4,810	4,270	108	-
<b>Total new capital appropriations</b>	-	4,810	4,270	108	-
<b>Provided for:</b>					
Purchase of non-financial assets	-	4,810	4,270	108	-
<b>Total Items</b>	-	4,810	4,270	108	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	4,810	4,270	108	-
Funded internally from departmental resources	4,818	6,429	6,627	7,116	5,346
<b>TOTAL</b>	4,818	11,239	10,897	7,224	5,346
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	4,818	11,239	10,897	7,224	5,346
<b>Total cash used to acquire assets</b>	4,818	11,239	10,897	7,224	5,346

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements —  
Departmental (2012-13)**

	Other, infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	9,099	27,952	37,051
Accumulated depreciation/amortisation and impairment	3,276	15,235	18,511
<b>Opening net book balance</b>	<b>5,823</b>	<b>12,717</b>	<b>18,540</b>
<b>Capital asset additions</b>			
By purchase - other	1,043	10,196	11,239
<b>Total additions</b>	<b>1,043</b>	<b>10,196</b>	<b>11,239</b>
<b>Other movements</b>			
Depreciation/amortisation expense	3,003	1,735	4,738
<b>Total other movements</b>	<b>3,003</b>	<b>1,735</b>	<b>4,738</b>
<b>As at 30 June 2013</b>			
Gross book value	10,142	38,148	48,290
Accumulated depreciation/amortisation and impairment	6,279	16,970	23,249
<b>Closing net book balance</b>	<b>3,863</b>	<b>21,178</b>	<b>25,041</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Waivers and write-offs	959	-	-	-	-
<b>Total expenses administered on behalf of government</b>	959	-	-	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Other sources of non-taxation					
<i>Financial Institutions Supervisory Levies Collection Act 1998</i>	131,949	269,818	250,607	224,966	217,239
Financial Assistance Levy	20	16,720	-	-	-
<b>Total non-taxation revenue</b>	131,969	286,538	250,607	224,966	217,239
<b>Total revenues administered on behalf of Government</b>	131,969	286,538	250,607	224,966	217,239
<b>Total own-sourced income administered on behalf of Government</b>	131,969	286,538	250,607	224,966	217,239
<b>Net Cost of (contribution by) services</b>	(131,010)	(286,538)	(250,607)	(224,966)	(217,239)
<b>Surplus (Deficit)</b>	131,010	286,538	250,607	224,966	217,239

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash - Financial Claims Scheme special account	293	293	-	-	-
Receivables	2,201	2,201	-	-	-
<b>Total financial assets</b>	<b>2,494</b>	<b>2,494</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of government</b>	<b>2,494</b>	<b>2,494</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash or equivalents received</b>					
Transfer from Official Public Account	22	-	-	-	-
Administered revenue	183,386	286,538	252,808	224,966	217,239
<b>Total cash or equivalents received</b>	<b>183,408</b>	<b>286,538</b>	<b>252,808</b>	<b>224,966</b>	<b>217,239</b>
<b>Cash or equivalents used</b>					
Cash to Official Public Account	183,386	286,538	252,808	224,966	217,239
Administered expenses	22	-	-	-	-
<b>Total cash or equivalents used</b>	<b>183,408</b>	<b>286,538</b>	<b>252,808</b>	<b>224,966</b>	<b>217,239</b>
<b>Net cash or equivalents from or (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

## **Notes to the financial statements**

### **Basis of accounting**

The financial statements have been prepared on an accrual basis in accordance with historical cost convention.

### **Budgeted departmental comprehensive income statement**

#### Revenues from Government

APRA is funded by appropriation to its special account for levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported by APRA is net of the levies retained in the Official Public Account to fund the Australian Securities and Investments Commission (ASIC) for consumer protection and market integrity functions, the Australian Taxation Office (ATO) for superannuation administration, unclaimed moneys and lost member functions and the Department of Human Services (DHS) for administration of early release of superannuation benefits on compassionate grounds.

#### Other revenue

Revenue from rendering of specific services is recognised by reference to the stage of completion of contracts or other agreements. Revenue from licence fees is recognised on receipt of the application and licence fee.

#### Depreciation and amortisation

APRA's depreciation expense is applied to supporting the capital program that aims to maintain APRA's processes and infrastructure at an appropriate standard.

### **Budgeted departmental balance sheet**

#### Financial assets

Receivables include levies invoiced but still outstanding at the financial year-end and accrued revenues, being fees prorated over the periods to which they relate.

All accounts receivable are recorded at their estimated recoverable amount.

#### Non-financial assets

Non-financial assets include leasehold improvements, furniture and fittings, computer hardware and office equipment. All of the foregoing assets are shown at fair value. Intangible assets comprise capitalised software, including works in progress and are shown at cost. APRA does not own any land or buildings.

Other non-financial assets include prepayments.



### **Provisions and payables**

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making good leased premises and payments to trade creditors.

### **Equity**

The opening balance of contributed equity includes the net value of assets and liabilities transferred from the Reserve Bank of Australia and the Insurance and Superannuation Commission on the formation of APRA on 1 July 1998, less an amount of \$2.1 million returned to the Consolidated Revenue Fund as a return of unused appropriation in 2004-05.

### **Budgeted departmental statement of cash flows**

Cash received from operating activities includes the appropriation for levies collected from industry less amounts collected on behalf of the ATO, ASIC and DHS and cash from fees and charges.

### **Schedule of budgeted income and expenses administered on behalf of Government**

#### Revenues

Non-taxation revenues are the levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported in this statement is higher than that reported by APRA in the budgeted agency statement of financial position by the amount retained in the Official Public Account to fund ATO, ASIC and DHS activities described above.

### **Schedule of budgeted assets and liabilities administered on behalf of Government**

#### Financial assets

The financial assets include levy debt invoiced and still outstanding at year-end.

### **Schedule of budgeted administered cash flows**

All cash collected by APRA for levies, late lodgement and late payment penalties under the *Financial Institutions Supervisory Levies Collection Act 1998* is transferred to the Official Public Account at the close of business each day.



# AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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# AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Securities and Investments Commission (ASIC) from that outlined in the Treasury *Portfolio Budget Statements 2012-13* (pages 153-154).

ASIC is seeking \$9.0 million in departmental funding through Appropriation Bill (No. 3) 2012-13. This comprises an additional \$12.6 million which is offset by a reduction of \$3.6 million.

The additional \$12.6 million relates to \$0.7 million for the reallocation of funding from the Department of the Treasury for Helping Our Kids Understand Finances, and the following measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*:

- Australian Securities and Investments Commission – additional operational funding (\$10.0 million);
- Bank accounts and life insurance policies – reform of arrangements relating to transfer of unclaimed monies to ASIC (\$1.0 million); and
- Company monies – reform of arrangements relating to transfer of unclaimed monies (\$0.9 million).

This funding is offset by a reduction of \$3.6 million that relates to:

- \$0.04 million for the Fire Service Levy – reduction measure outlined in Budget Paper No. 2, *Budget Measures 2012-13*; and
- \$2.0 million for the Future of Financial Advice Reform – accountant’s exemption – transitional relief and \$1.6 million for the Targeted savings – public service efficiencies measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013**

	Estimate as at Budget <sup>+</sup> 2012-13 \$'000	Proposed additional estimates <sup>=</sup> 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Ordinary annual services</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation	80,999	-	80,999	-
Departmental appropriation	363,674 <sup>1</sup>	9,003 <sup>2</sup>	372,677	386,911
Receipts from other sources (s31)	3,536	246	3,782	39,927
<b>Total</b>	<b>448,209</b>	<b>9,249</b>	<b>457,458</b>	<b>426,838</b>
<b>Administered expenses</b>				
Assetless Administration fund	3,566	-	3,566	3,471
Section 28 of the FMA Act	-	7,188	7,188	-
Ordinary annual services	-	4,619	4,619	-
<b>Total</b>	<b>3,566</b>	<b>11,807</b>	<b>15,373</b>	<b>3,471</b>
<b>Total ordinary annual services</b>	<b>A 451,775</b>	<b>21,056</b>	<b>472,831</b>	<b>430,309</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	13,934	-	13,934	2,212
<b>Total other services</b>	<b>B 13,934</b>	<b>-</b>	<b>13,934</b>	<b>2,212</b>
<b>Total available annual appropriations (A+B)</b>	<b>465,709</b>	<b>21,056</b>	<b>486,765</b>	<b>432,521</b>
<b>Special appropriations</b>				
Banking Act 1959	39,693	13,684	53,377	32,769
Life Insurance Act 1995	4,115	1,307	5,422	4,602
<b>Total special appropriations</b>	<b>C 43,808</b>	<b>14,991</b>	<b>58,799</b>	<b>37,371</b>
<b>Total appropriations excluding special accounts (A+B+C)</b>	<b>509,517</b>	<b>36,047</b>	<b>545,564</b>	<b>469,892</b>

**Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

	Estimate as at Budget 2012-13 \$'000	Proposed additional estimates 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Special accounts</b>				
Opening balance	39,596	-	39,596	99,794
Appropriation receipts	30,000	-	30,000	30,000
Non-appropriation receipts to special accounts	109,000	163,560	272,560	305,924
<b>Total special account</b>	<b>D 178,596</b>	<b>163,560</b>	<b>342,156</b>	<b>435,718</b>
<b>Total resourcing (A+B+C+D)</b>	<b>688,113</b>	<b>199,607</b>	<b>887,720</b>	<b>905,610</b>
Less receipts from other sources and credited to special accounts	30,000	-	30,000	30,000
<b>Total net resourcing for ASIC</b>	<b>658,113</b>	<b>199,607</b>	<b>857,720</b>	<b>875,610</b>

1. Includes \$15.8 million in 2012-13 for the Departmental Capital Budget (also refer to Table 3.2.5).

2. Appropriation Bill (No. 3) 2012-13.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2012-13 Budget.

**Table 1.2: Agency measures since Budget**

Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>				
Australian Securities and Investments Commission - additional operational funding				
Departmental expenses	1.1	10,000	10,000	-
Bank accounts and life insurance policies - reform of arrangements relating to transfer of unclaimed monies to ASIC				
Departmental expenses	1.1	1,041	343	346
Administered expenses	1.2	14,965	-	-
		16,006	343	346
Company monies - reform of arrangements relating to transfer of unclaimed monies				
Departmental expenses	1.1	921	1,856	1,872
Departmental revenue	1.1	(750)	(1,500)	(1,500)
Administered expenses	1.2	4,086	-	-
		4,257	356	372
Fire Service Levy — reduction(a) Departmental expenses	1.1	(39)	(41)	(43)

**Table 1.2: Agency measures since Budget (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (continued)</b>					
Future of Financial Advice Reform - accountant's exemption - transitional relief					
Departmental expenses	1.1	(1,993)	(5,885)	(1,430)	2,808
Targeted savings — public service efficiencies					
Departmental expenses	1.1	(1,598)	(1,559)	(1,581)	(1,570)
<b>Total expense measures</b>		<b>26,633</b>	<b>3,214</b>	<b>(2,336)</b>	<b>1,935</b>
<b>Related capital measures</b>					
Future of Financial Advice Reform - accountant's exemption - transitional relief	1.1	(988)	-	988	-
<b>Total related capital measures</b>		<b>(988)</b>	<b>-</b>	<b>988</b>	<b>-</b>
<b>Revenue measures</b>					
Australian Charities and Not-for-profits Commission - removal of Australian Securities and Investments Commission fee					
Departmental revenue	1.1	-	(160)	(164)	(168)
<b>Total revenue measures</b>		<b>-</b>	<b>(160)</b>	<b>(164)</b>	<b>(168)</b>
<b>Related revenue measures</b>					
Bank accounts and life insurance policies - reform of arrangements relating to transfer of unclaimed monies to ASIC					
Administered revenue	1.2	109,411	-	-	-
Company monies - reform of arrangements relating to transfer of unclaimed monies					
Departmental revenue	1.1	750	1,500	1,500	1,500
Administered revenue	1.2	97,509	11,395	6,695	3,034
		<b>98,259</b>	<b>12,895</b>	<b>8,195</b>	<b>4,534</b>
Future of Financial Advice Reform - accountant's exemption - transitional relief					
Administered revenue	1.1	(2,817)	(8,422)	54	6,713
<b>Total related revenue measures</b>		<b>204,853</b>	<b>4,473</b>	<b>8,249</b>	<b>11,247</b>

Note: Details of these measures, except those denoted (a), are in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

(a) This measure was included in Budget Paper No. 2, *Budget Measures 2012-13*.



## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2012-13 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2012-13 Budget.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2012-13 Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Australian Securities and Investments					
Commission - additional operational funding	1.1	10,000	10,000	-	-
Bank accounts and life insurance policies - reform of arrangements relating to transfer of unclaimed monies to ASIC	1.1	1,041	343	346	350
Company monies - reform of arrangements relating to transfer of unclaimed monies	1.1	921	1,856	1,872	1,890
Fire Service Levy — reduction	1.1	(39)	(41)	(43)	(43)
Future of Financial Advice Reform - accountant's exemption - transitional relief	1.1	(1,993)	(5,885)	(1,430)	2,808
Targeted savings — public service efficiencies	1.1	(1,598)	(1,559)	(1,581)	(1,570)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>8,332</b>	<b>4,714</b>	<b>(836)</b>	<b>3,435</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Reallocation of funding from the Department of the Treasury for Helping Our Kids Understand Finances					
	1.1	671	-	-	-
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>671</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for ASIC through Appropriation Bill No.3. ASIC is not seeking funding through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1:</b> Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems	386,911	363,674	372,677	9,003	-
<b>Total</b>	<b>386,911</b>	<b>363,674</b>	<b>372,677</b>	<b>9,003</b>	<b>-</b>

## Section 2: Revisions to agency outcomes and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for ASIC from that included in the *Portfolio Budget Statements 2012-13* (page 158).

**Table 2.1: Budgeted expenses for Outcome 1**

	2011-12 Actual expenses \$'000	2012-13 Revised estimated expenses \$'000
<b>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</b>		
<b>Program 1.1: Australian Securities and Investments Commission</b>		
Departmental expenses		
Departmental appropriation	338,823	363,595
Expenses not requiring appropriation in the budget year	45,665	45,484
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,823	3,566
Expenses not requiring appropriation in the budget year	43,040	34,090
<b>Total for Program 1.1</b>	<b>429,351</b>	<b>446,735</b>
<b>Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts</b>		
Administered expenses		
Companies unclaimed monies - section 28 of the FMA Act	-	7,188
Ordinary annual services (Appropriation Bill No. 1)	-	4,619
Special appropriations		
<i>Banking Act 1959</i> - Banking unclaimed monies	32,769	53,377
<i>Life Insurance Act 1995</i> - Life unclaimed monies	4,602	5,422
<b>Total for Program 1.2</b>	<b>37,371</b>	<b>70,606</b>
<b>Outcome 1 totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation	338,823	363,595
Expenses not requiring appropriation in the budget year	45,665	45,484
Administered expenses		
Companies unclaimed monies - section 28 of the FMA Act	-	7,188
Ordinary annual services (Appropriation Bill No. 1)	-	4,619
Special appropriations	37,371	58,799
Ordinary annual services (Appropriation Bill No. 1)	1,823	3,566
Expenses not requiring appropriation in Budget year	43,040	34,090
<b>Total expenses for Outcome 1</b>	<b>466,722</b>	<b>517,341</b>
	2011-12	2012-13
<b>Average staffing level (number)</b>	<b>1,814</b>	<b>1,831</b>

**Program 1.1: Australian Securities and Investments Commission**

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.2: Program 1.1 expenses**

	2011-12 Actual \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	338,823	363,595	354,005	346,306	346,743
Expenses not requiring appropriation	45,665	45,484	40,726	33,256	28,769
Annual administered expenses:					
Ordinary annual services	1,823	3,566	3,551	3,573	3,605
Expenses not requiring appropriation	43,040	34,090	34,499	34,913	35,332
<b>Total program expenses</b>	<b>429,351</b>	<b>446,735</b>	<b>432,781</b>	<b>418,048</b>	<b>414,449</b>

**Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts**

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.3: Program 1.2 expenses**

	2011-12 Actual \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Special appropriations	37,371	58,799	47,750	52,047	56,731
Ordinary annual services	-	4,619	-	-	-
Section 28 of the FMA Act	-	7,188	7,683	8,571	5,386
<b>Total program expenses</b>	<b>37,371</b>	<b>70,606</b>	<b>55,433</b>	<b>60,618</b>	<b>62,117</b>

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC.

**Table 3.1.1: Estimates of special account flows**

	Outcome	Opening balance	Receipts non-appropriated	Receipts appropriated	Payments	Closing balance
		2012-13	2012-13	2012-13	2012-13	2012-13
		2011-12	2011-12	2011-12	2011-12	2011-12
		\$'000	\$'000	\$'000	\$'000	\$'000
ASIC Deregistered Companies						
Trust Monies Special Account (D)	1	1,011 774	1,000 941	- -	2,011 704	- 1,011
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)	1	11,019 68,700	- 1,581	- -	11,019 59,262	- 11,019
ASIC Security Deposits Special Account (D)	1	384 368	- 16	- -	384 -	- 384
Companies and Unclaimed Monies Special Account (A)	1	7,096 25,458	271,560 303,386	- -	278,656 321,748	- 7,096
Enforcement Special Account (D)	1	20,086 4,494	- -	30,000 30,000	30,000 14,408	20,086 20,086
<b>Total special accounts</b>						
<b>2012-13 Budget estimate</b>		<b>39,596</b>	<b>272,560</b>	<b>30,000</b>	<b>322,070</b>	<b>20,086</b>
Total special accounts 2011-12 actual		99,794	305,924	30,000	396,122	39,596

(A) Administered.

(D) Departmental.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Budgeted departmental Comprehensive income statement**

ASIC is currently budgeting for a break-even operating result for 2012-13 and for the remainder of the forward estimates.

Total revenue and expenses (excluding depreciation) are estimated to be \$365.8 million for 2012-13. The expenditure will be used to fund activities that contribute towards achieving the outcome and program objectives outlined in Section 2.

#### **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 2012-13 is \$141.4 million.

The 2012-13 equity position reflects the cumulative effect of capital injections of \$29.7 million received during 2012-13.

#### **Budgeted departmental statement of cash flows**

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

#### **Departmental statement of changes in equity — summary of movement**

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

#### **Departmental capital budget statement**

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

#### **Statement of Asset Movements — Departmental**

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

## **Schedule of administered activity**

### **Schedule of budgeted income and expenses administered on behalf of government**

The schedule of budgeted income and expenses administered on behalf of government shows the revenue and expenses associated with the collection of revenue under the *Corporations Act 2001* and ASIC's responsibilities in administering unclaimed monies under the *Banking Act 1959*, the *Life Insurance Act 1995* and section 28 of the *Financial Management and Accountability Act 1997* (FMA Act).

Prior to 5 December 2012, unclaimed company monies were held in ASIC's Companies and Unclaimed Monies Special Account (CUMSA) for six years before being transferred to the Consolidated Revenue Fund (CRF). From 5 December 2012, the Government closed the CUMSA and unclaimed company monies are transferred to the CRF on a daily basis. In addition to the above reform, the Government will pay interest from 1 July 2013 on all reclaimed monies. ASIC will receive \$6.5 million over the forward estimates to continue to administer unclaimed monies and associated interest payments.

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 and 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 2012-13 and in the forward estimates is the estimated amount of fees and charges under the *Corporations Act 2001* remaining unpaid at 30 June.

The amounts shown in other payables for 2012-13 and the forward estimates represent the estimated amount of refunds relating to the over payments of annual review fees, other fees under the *Corporations Act 2001*, claims payable under the *Banking Act 1959*, the *Life Insurance Act 1995* and companies unclaimed monies under section 28 of the FMA 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.

### 3.2.2 Budgeted financial statements

#### Departmental financial statements

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	217,848	229,432	219,411	216,755	223,828
Supplier	120,078	133,663	134,094	129,051	122,415
Finance costs	897	500	500	500	500
Depreciation and amortisation	45,665	45,484	40,726	33,256	28,769
<b>Total expenses</b>	<b>384,488</b>	<b>409,079</b>	<b>394,731</b>	<b>379,562</b>	<b>375,512</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	3,559	2,015	1,188	1,204	1,282
Other revenue	31,031	5,768	835	840	865
<b>Total revenue</b>	<b>34,590</b>	<b>7,783</b>	<b>2,023</b>	<b>2,044</b>	<b>2,147</b>
<b>Gains</b>					
Other	181	172	172	172	172
<b>Total gains</b>	<b>181</b>	<b>172</b>	<b>172</b>	<b>172</b>	<b>172</b>
<b>Total own-source income</b>	<b>34,771</b>	<b>7,955</b>	<b>2,195</b>	<b>2,216</b>	<b>2,319</b>
<b>Net cost of (contribution by) services</b>	<b>349,717</b>	<b>401,124</b>	<b>392,536</b>	<b>377,346</b>	<b>373,193</b>
Appropriation revenue	304,259	358,023	354,100	346,380	346,714
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(45,458)</b>	<b>(43,101)</b>	<b>(38,436)</b>	<b>(30,966)</b>	<b>(26,479)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>207</b>	<b>93</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus depreciation/amortisation expenses previously funded through revenue appropriations	(45,665)	(43,194)	(38,436)	(30,966)	(26,479)
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(45,458)</b>	<b>(43,101)</b>	<b>(38,436)</b>	<b>(30,966)</b>	<b>(26,479)</b>

Prepared on Australian Accounting Standards basis.



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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	8,777	5,016	6,170	6,170	6,170
Trade and other receivables	89,481	87,165	81,299	78,838	80,200
<b>Total financial assets</b>	<b>98,258</b>	<b>92,181</b>	<b>87,469</b>	<b>85,008</b>	<b>86,370</b>
<b>Non-financial assets</b>					
Land and buildings	55,612	49,485	45,042	40,251	42,503
Infrastructure, plant and equipment	26,428	30,477	27,770	25,593	30,949
Intangibles	130,977	117,450	111,795	102,500	91,359
Other	8,799	8,894	8,991	9,090	9,191
<b>Total non-financial assets</b>	<b>221,816</b>	<b>206,306</b>	<b>193,598</b>	<b>177,434</b>	<b>174,002</b>
<b>Total assets</b>	<b>320,074</b>	<b>298,487</b>	<b>281,067</b>	<b>262,442</b>	<b>260,372</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	51,684	49,189	49,079	49,658	52,027
Other	19,242	18,526	18,818	18,481	18,791
<b>Total provisions</b>	<b>70,926</b>	<b>67,715</b>	<b>67,897</b>	<b>68,139</b>	<b>70,818</b>
<b>Payables</b>					
Suppliers	48,324	51,988	49,208	49,206	48,823
Other	46,043	37,380	33,073	28,919	25,796
<b>Total payables</b>	<b>94,367</b>	<b>89,368</b>	<b>82,281</b>	<b>78,125</b>	<b>74,619</b>
<b>Total liabilities</b>	<b>165,293</b>	<b>157,083</b>	<b>150,178</b>	<b>146,264</b>	<b>145,437</b>
<b>Net assets</b>	<b>154,781</b>	<b>141,404</b>	<b>130,889</b>	<b>116,178</b>	<b>114,935</b>
<b>EQUITY</b>					
Contributed equity	202,425	232,149	260,070	276,325	301,561
Reserves	9,213	9,213	9,213	9,213	9,213
Retained surpluses or accumulated deficits	(56,857)	(99,958)	(138,394)	(169,360)	(195,839)
<b>Total equity</b>	<b>154,781</b>	<b>141,404</b>	<b>130,889</b>	<b>116,178</b>	<b>114,935</b>
<b>Current assets</b>	<b>107,057</b>	<b>101,075</b>	<b>96,460</b>	<b>94,098</b>	<b>95,561</b>
<b>Non-current assets</b>	<b>213,017</b>	<b>197,412</b>	<b>184,607</b>	<b>168,344</b>	<b>164,811</b>
<b>Current liabilities</b>	<b>80,798</b>	<b>76,971</b>	<b>73,587</b>	<b>71,669</b>	<b>71,264</b>
<b>Non-current liabilities</b>	<b>84,495</b>	<b>80,112</b>	<b>76,591</b>	<b>74,595</b>	<b>74,173</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	8,895	2,015	1,188	1,204	1,282
Appropriations	319,312	359,903	358,830	348,066	345,352
GST received	19,221	12,555	15,986	15,309	15,608
Other	31,032	1,767	835	840	865
<b>Total cash received</b>	<b>378,460</b>	<b>376,240</b>	<b>376,839</b>	<b>365,419</b>	<b>363,107</b>
<b>Cash used</b>					
Employees	211,883	232,643	219,229	216,513	221,149
Suppliers	109,118	134,608	140,470	132,609	126,350
GST paid	19,889	12,555	15,986	15,309	15,608
Other	36,042	40	-	250	-
<b>Total cash used</b>	<b>376,932</b>	<b>379,846</b>	<b>375,685</b>	<b>364,681</b>	<b>363,107</b>
<b>Net cash from or (used by) operating activities</b>	<b>1,528</b>	<b>(3,606)</b>	<b>1,154</b>	<b>738</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	56,346	29,879	27,921	16,993	25,236
<b>Total cash used</b>	<b>56,346</b>	<b>29,879</b>	<b>27,921</b>	<b>16,993</b>	<b>25,236</b>
<b>Net cash from or (used by) investing activities</b>	<b>(56,346)</b>	<b>(29,879)</b>	<b>(27,921)</b>	<b>(16,993)</b>	<b>(25,236)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	58,861	29,724	27,921	16,255	25,236
<b>Total cash received</b>	<b>58,861</b>	<b>29,724</b>	<b>27,921</b>	<b>16,255</b>	<b>25,236</b>
<b>Net cash from or (used by) financing activities</b>	<b>58,861</b>	<b>29,724</b>	<b>27,921</b>	<b>16,255</b>	<b>25,236</b>
<b>Net increase or (decrease) in cash held</b>	<b>4,043</b>	<b>(3,761)</b>	<b>1,154</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	4,734	8,777	5,016	6,170	6,170
<b>Cash at the end of the reporting period</b>	<b>8,777</b>	<b>5,016</b>	<b>6,170</b>	<b>6,170</b>	<b>6,170</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2012-13)**

	Retained earnings \$'000	revaluation reserve \$'000	Other reserves \$'000	equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	(56,857)	9,213	-	202,425	154,781
<b>Adjusted opening balance</b>	(56,857)	9,213	-	202,425	154,781
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(43,101)	-	-	-	(43,101)
<b>Transactions with owners</b>					
Appropriation (equity injection)	-	-	-	13,934	13,934
Appropriation (departmental capital budget)	-	-	-	15,790	15,790
<b>Subtotal transactions</b>	-	-	-	29,724	29,724
<b>Estimated closing balance as at 30 June 2013</b>	(99,958)	9,213	-	232,149	141,404

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	39,065	15,790	18,741	10,305	24,795
Equity injections - Bill 2	17,281	13,934	9,180	5,950	441
<b>Total new capital appropriations</b>	56,346	29,724	27,921	16,255	25,236
<b>Provided for:</b>					
Purchase of non-financial assets	56,346	29,724	27,921	16,255	25,236
Other items	-	-	-	-	-
<b>Total Items</b>	56,346	29,724	27,921	16,255	25,236
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
<b>ASSETS</b>					
Funded by capital appropriations	17,281	12,946	9,180	5,950	441
Funded by capital appropriation - DCB	39,065	15,750	18,741	10,055	24,795
Funded internally from departmental resources	-	1,183	-	988	-
<b>TOTAL</b>	56,346	29,879	27,921	16,993	25,236
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	56,346	29,879	27,921	16,993	25,236
<b>Total cash used to acquire assets</b>	56,346	29,879	27,921	16,993	25,236

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — Departmental**

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	90,707	54,895	210,118	355,720
less Accumulated depreciation/amortisation	35,095	28,467	79,141	142,703
<b>Opening net book balance</b>	<b>55,612</b>	<b>26,428</b>	<b>130,977</b>	<b>213,017</b>
<b>Asset movements</b>				
Additions	1,000	9,551	19,328	29,879
less Depreciation/amortisation expense	7,127	5,502	32,855	45,484
<b>Total asset movements</b>	<b>(6,127)</b>	<b>4,049</b>	<b>(13,527)</b>	<b>(15,605)</b>
<b>As at 30 June 2013</b>				
Gross book value	91,707	64,446	229,446	385,599
less Accumulated depreciation/amortisation	42,222	33,969	111,996	188,187
<b>Closing net book balance</b>	<b>49,485</b>	<b>30,477</b>	<b>117,450</b>	<b>197,412</b>

Prepared on Australian Accounting Standards basis.

### Schedule of administered activity

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	733,606	1,076,512	833,315	852,292	872,215
<b>Total revenues administered on behalf of Government</b>	<b>733,606</b>	<b>1,076,512</b>	<b>833,315</b>	<b>852,292</b>	<b>872,215</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	1,823	3,566	3,551	3,573	3,605
Write down and impairment of assets	43,040	34,090	34,499	34,913	35,332
Interest expense	-	19,610	-	-	-
Other	37,371	50,996	55,433	60,618	62,117
<b>Total expenses administered on behalf of Government</b>	<b>82,234</b>	<b>108,262</b>	<b>93,483</b>	<b>99,104</b>	<b>101,054</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,373	1,373	1,373	1,373	1,373
Receivables	104,716	104,345	103,705	102,919	102,045
<b>Total assets administered on behalf of Government</b>	<b>106,089</b>	<b>105,718</b>	<b>105,078</b>	<b>104,292</b>	<b>103,418</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants payable	761	761	761	761	761
Other payables	14,284	354,932	220,886	146,229	105,312
<b>Total liabilities administered on behalf of Government</b>	<b>15,045</b>	<b>355,693</b>	<b>221,647</b>	<b>146,990</b>	<b>106,073</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	688,266	1,342,649	815,303	828,826	844,401
Net GST received	83	324	323	325	328
<b>Total cash received</b>	<b>688,349</b>	<b>1,342,973</b>	<b>815,626</b>	<b>829,151</b>	<b>844,729</b>
<b>Cash used</b>					
Grants	2,147	3,566	3,551	3,573	3,605
GST	-	324	323	325	328
Other	37,371	29,814	205,325	145,936	109,678
<b>Total cash used</b>	<b>39,518</b>	<b>33,704</b>	<b>209,199</b>	<b>149,834</b>	<b>113,611</b>
<b>Net cash from or (used by) operating activities</b>	<b>648,831</b>	<b>1,309,269</b>	<b>606,427</b>	<b>679,317</b>	<b>731,118</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	41,146	69,380	215,552	156,974	121,228
<b>Total cash received</b>	<b>41,146</b>	<b>69,380</b>	<b>215,552</b>	<b>156,974</b>	<b>121,228</b>
<b>Cash used</b>					
Cash to Official Public Account	691,771	1,378,649	821,303	834,826	850,401
Cash to Agencies (Finance)	-	-	676	1,465	1,945
<b>Total cash used</b>	<b>691,771</b>	<b>1,378,649</b>	<b>821,979</b>	<b>836,291</b>	<b>852,346</b>
<b>Net cash from or (used by) financing activities</b>	<b>(650,625)</b>	<b>(1,309,269)</b>	<b>(606,427)</b>	<b>(679,317)</b>	<b>(731,118)</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,794)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	3,167	1,373	1,373	1,373	1,373
<b>Cash at end of reporting period</b>	<b>1,373</b>	<b>1,373</b>	<b>1,373</b>	<b>1,373</b>	<b>1,373</b>

Prepared on Australian Accounting Standards basis.

## **Notes to the financial statements**

### **Basis of accounting**

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

### **Budgeted agency financial statements**

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions that agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Australian Government according to set government directions. Administered expenses and administered revenues include fees, fines and expenses that have been earmarked for a specific purpose by the government.

### **Appropriations in the accrual budgeting framework**

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental appropriations representing the Australian Government's purchase of programs from agencies;
- departmental capital appropriations for investments by the Australian Government for either additional equity or loans in agencies;
- administered expense appropriations for the estimated administered expenses relating to an existing outcome or a new outcome; and
- administered capital appropriations for increases in administered equity through funding non-expense administered payments.

## **Departmental**

### **Asset valuation**

ASIC has adopted fair value as a basis for valuing its leasehold improvements and plant and equipment. Valuation is conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets fair values as at the reporting date.

### **Asset recognition threshold**

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition.

### **Leases**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the lower of fair value or the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

### **Depreciation and amortisation**

Computer equipment and plant and equipment is depreciated using the straight-line method. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) are reviewed at each balance date and necessary adjustments are recognised.

### **Receivables**

A provision is raised for any doubtful debts based on a review of the collectability of all outstanding accounts as at year-end.

Bad debts are written off during the year in which they are identified.



### **Provisions and payables**

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making-good leased premises and lease incentives. No provision for sick leave is required as all sick leave is non-vesting.

### **Administered**

#### **Schedule of budgeted revenues and expenses administered on behalf of government**

##### **Revenues**

Non-taxation revenues are predominately comprised of *Corporations Act 2001* fees and charges and collections of unclaimed monies under the *Banking Act 1959*, the *Life Insurance Act 1995* and the *Corporations Act 2001*.

##### **Write down and impairment of assets**

Write down and impairment of assets represents waivers and write-offs of corporation's law fees.

#### **Schedule of budgeted assets and liabilities administered on behalf of government**

##### **Financial assets**

The financial assets include corporation's law debt invoiced and still outstanding at year-end.

##### **Schedule of budgeted administered cash flows**

All cash collected by ASIC for corporations law revenue is transferred to the Official Public Account (OPA) at the close of business each day. Cash collected for *Banking Act 1959* unclaimed monies and *Life Insurance Act 1995* unclaimed monies is transferred to the OPA when received.

From 5 December 2012, cash collected for unclaimed monies under the *Corporations Act 2001* is also transferred to the OPA when received.



# AUSTRALIAN TAXATION OFFICE

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## AUSTRALIAN TAXATION OFFICE

### Section 1: Agency overview and resources

#### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Taxation Office (ATO) from that outlined in the *Portfolio Budget Statements 2012-13* (pages 181-182).

The ATO is seeking \$19.0 million in departmental funding through Appropriation Bill (No. 3) 2012-13. This relates to an additional \$36.5 million which is offset by a reduction of \$17.5 million.

The additional \$36.5 million relates to \$0.1 million for supplementation for fringe benefits tax changes to living-away-from-home allowances and benefits, \$0.2 million for the 2015 Cricket World Cup, and the following measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*:

- Monthly PAYG instalments for large companies (\$2.4 million);
- Private Health Insurance Rebate – indexing the Government's contribution (\$2.2 million);
- Private Health Insurance Rebate – removal of rebate on lifetime health cover loading (\$1.2 million);
- Superannuation – reform of arrangements relating to transfer of lost member accounts to the ATO (\$5.6 million);
- Superannuation – reform of SMSF levy arrangements (\$0.6 million); and
- Tax compliance – maintaining the integrity of the tax and superannuation system (\$24.3 million).

This funding is offset by a reduction of \$17.5 million that relates to the Company tax cut – do not proceed (\$0.6 million) and Fire Service Levy – reduction (\$0.2 million) measures as outlined in Budget Paper No. 2, *Budget Measures 2012-13*, and the following measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*:

- SuperStream – reduction in Superannuation Supervisory levy (\$2.0 million); and
- Targeted savings – public service efficiencies (\$14.8 million).

Agency Additional Estimates Statements – ATO

The ATO is also seeking an additional \$0.3 million in administered items through Appropriation Bill (No. 3) 2012-13. This is associated with the Superannuation – reform of arrangements relating to transfer of lost member accounts to the ATO measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

The ATO is also seeking an additional \$1.7 million as an equity injection through Appropriation Bill (No. 4) 2012-13. This is associated with the Superannuation – reform of arrangements relating to transfer of lost member accounts to the ATO measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Australian Taxation Office resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013**

	Estimate as at Budget 2012-13 \$'000	Proposed additional estimates 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Ordinary annual services</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation	429,913	-	429,913	-
Departmental appropriation <sup>1</sup>	3,333,657	18,995 <sup>2</sup>	3,352,652	3,277,508
s31 Relevant agency receipts	47,329	23,586	70,915	110,674
<b>Total</b>	<b>3,810,899</b>	<b>42,581</b>	<b>3,853,480</b>	<b>3,388,182</b>
<b>Administered expenses</b>				
Outcome 1	4,286	250	4,536	537
<b>Total</b>	<b>4,286</b>	<b>250</b>	<b>4,536</b>	<b>537</b>
<b>Total ordinary annual services</b>	<b>A 3,815,185</b>	<b>42,831</b>	<b>3,858,016</b>	<b>3,388,719</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	62,975	1,674 <sup>3</sup>	64,649	32,175
<b>Total other services</b>	<b>B 62,975</b>	<b>1,674</b>	<b>64,649</b>	<b>32,175</b>
<b>Total available annual appropriations (A+B)</b>	<b>3,878,160</b>	<b>44,505</b>	<b>3,922,665</b>	<b>3,420,894</b>
<b>Special appropriations</b>				
<i>Product Grants and Benefits</i>				
<i>Administration Act 2000 -</i>				
Cleaner Fuel Grants	33,501	6,499	40,000	31,906
Product Stewardship for oil	44,000	-	44,000	40,000
<i>Superannuation Guarantee</i>				
<i>(Administration) Act 1992</i>	319,000	-	319,000	303,000
<i>Taxation Administration Act 1953 -</i>				
<i>section 16 (Non-refund items)<sup>4</sup></i>	8,809,219	236,000	9,045,219	8,419,620
<b>Total special appropriations</b>	<b>C 9,205,720</b>	<b>242,499</b>	<b>9,448,219</b>	<b>8,794,526</b>
<b>Total appropriations excluding special accounts (A+B+C)</b>	<b>13,083,880</b>	<b>287,004</b>	<b>13,370,884</b>	<b>12,215,420</b>

**Table 1.1: Australian Taxation Office resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

	Estimate as at Budget 2012-13 \$'000	Proposed additional estimates 2012-13 \$'000	= Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Special accounts</b>				
Opening balance	84,878	-	84,878	86,862
Appropriation receipts	19,500	(16,900)	2,600	9,089
Non-appropriation receipts to special accounts	52,832	(1,862)	50,970	49,984
<b>Total special account</b>	<b>D 157,210</b>	<b>(18,762)</b>	<b>138,448</b>	<b>145,935</b>
<b>Total resourcing (A+B+C+D)</b>	<b>13,241,090</b>	<b>268,242</b>	<b>13,509,332</b>	<b>12,361,355</b>
Less receipts from other sources and credited to special accounts	19,500	(16,900)	2,600	9,089
<b>Total net resourcing for ATO</b>	<b>13,221,590</b>	<b>285,142</b>	<b>13,506,732</b>	<b>12,352,266</b>

1. Includes \$110.9 million in 2012-13 for the departmental capital budget (also refer to Table 3.2.5).

2. Appropriation Bill (No. 3) 2012-13.

3. Appropriation Bill (No. 4) 2012-13.

4. These figures relate to administered expenses including fuel tax credits, superannuation co-contributions, low income superannuation contributions and research and development subsidies. Tax refund items for 2011-12 are \$83.4 billion including \$87 million paid via the Australian Customs Service (ACS) on the ATO's behalf. Estimated tax refund items for 2012-13 are \$92.2 billion (including \$125 million paid via the ACS on the ATO's behalf).

### 1.3 AGENCY MEASURES

Table 1.2 summarises new Government measures taken since the 2012-13 Budget. The table is split into expense and capital measures, with the affected program identified.

**Table 1.2: Agency measures since Budget**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>					
Conservation tillage offset - change to eligibility criteria					
Administered expenses	1.22	-	-	-	-
Fire Service Levy - reduction(a)					
Departmental expenses	1.1	(178)	(186)	(194)	(194)
Linking the Australian carbon pricing mechanism and European Union emissions trading scheme					
Administered expenses	1.13	-	-	-	-
Monthly PAYG instalments for large companies					
Departmental expenses	1.1	2,447	4,049	2,606	2,464
More convenient access to online government services					
Departmental expenses	1.1	-	-	-	-
Private Health Insurance Rebate - indexing the Government's contribution					
Departmental expenses	1.1	2,161	1,575	98	99
- removal of rebate on lifetime health cover loading					
Departmental expenses	1.1	1,209	1,142	2,843	99
Superannuation					
- reform of arrangements relating to transfer of lost member accounts to the ATO(b)					
Departmental expenses	1.1	5,563	42,860	5,621	5,123
Administered expenses	1.1	250	-	-	-
Administered expenses	1.22	34,000	1,000	1,000	1,000
		39,813	43,860	6,621	6,123
- reform of SMSF levy arrangements(b)					
Departmental expenses	1.1	557	1,257	770	450
SuperStream - reduction in Superannuation Supervisory levy					
Departmental expenses	1.1	(2,000)	(7,442)	(7,888)	(6,864)
Administered expenses	1.1	-	(2,136)	(558)	(485)
		(2,000)	(9,578)	(8,446)	(7,349)



**Table 1.2: Agency measures since Budget (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (continued)</b>					
Targeted savings - public service efficiencies					
Departmental expenses	1.1	(14,752)	(14,265)	(14,347)	(14,133)
Tax compliance - maintaining the integrity of the tax and superannuation system(b)					
Departmental expenses	1.1	24,338	122,787	120,714	122,041
Administered expenses	1.1	-	30	30	31
Administered expenses	1.12	-	17,900	18,300	18,700
<b>Total expense measures</b>		<b>24,338</b>	<b>140,717</b>	<b>139,044</b>	<b>140,772</b>
Departmental		19,345	151,777	110,223	109,085
Administered		34,250	16,794	18,772	19,246
		<b>53,595</b>	<b>168,571</b>	<b>128,995</b>	<b>128,331</b>
<b>Capital measures</b>					
Superannuation					
- reform of arrangements relating to transfer of lost member accounts to the ATO					
	1.1	1,674	1,676	-	-
<b>Total capital measures</b>		<b>1,674</b>	<b>1,676</b>	<b>-</b>	<b>-</b>

Note: Details of these measures, except that denoted (a), are in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

(a) This measure was included in Budget Paper No. 2, *Budget Measures 2012-13*.

(b) These measures also relate to revenue measures.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2012-13 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2012-13 Budget.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2012-13 Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates</b>					
Monthly PAYG instalments for large companies					
Departmental expenses	1.1	2,447	4,049	2,606	2,464
Private Health Insurance Rebate - indexing the Government's contribution					
Departmental expenses	1.1	2,161	1,575	98	99
- removal of rebate on lifetime health cover loading					
Departmental expenses	1.1	1,209	1,142	2,843	99
Superannuation					
- reform of arrangements relating to transfer of lost member accounts to the ATO					
Departmental expenses	1.1	5,563	42,860	5,621	5,123
Administered expenses	1.1	250	-	-	-
- reform of SMSF levy arrangements					
Departmental expenses	1.1	557	1,257	770	450
Tax compliance - maintaining the integrity of the tax and superannuation system					
Departmental expenses	1.1	24,338	122,787	120,714	122,041
<b>Decrease in estimates</b>					
Company tax cut - do not proceed(a)					
Departmental expenses	1.1	(600)	(1,200)	-	-
Fire Service Levy - reduction					
Departmental expenses	1.1	(178)	(186)	(194)	(194)
SuperStream - reduction in Superannuation Supervisory levy					
Departmental expenses	1.1	(2,000)	(7,442)	(7,888)	(6,864)

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2012-13 Budget (continued)**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Decrease in estimates (continued)</b>					
Targeted savings - public service efficiencies					
Departmental expenses	1.1	(14,752)	(14,265)	(14,347)	(14,133)
<b>Net impact on estimates for outcome 1</b>					
Departmental		<b>18,745</b>	<b>150,577</b>	<b>110,223</b>	<b>109,085</b>
Administered		<b>250</b>	-	-	-
		<b>18,995</b>	<b>150,577</b>	<b>110,223</b>	<b>109,085</b>
<b>Increase in estimates (capital)</b>					
Superannuation					
- reform of arrangements relating to transfer of lost member accounts to the ATO					
	1.1	1,674	1,676	-	-
<b>Net impact on estimates for outcome 1 (capital)</b>					
		<b>1,674</b>	<b>1,676</b>	-	-

(a) This was a measure included in Budget Paper No. 2, *Budget Measures 2012-13*.

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates</b>					
2015 Cricket World Cup					
Departmental expenses	1.1	150	32	1,226	32
Supplementation for fringe benefits tax changes to living-away-from-home allowances and benefits					
Departmental expenses	1.1	100	100	200	200
<b>Net impact on estimates for outcome 1</b>					
		<b>250</b>	<b>132</b>	<b>1,426</b>	<b>232</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the ATO through Appropriation Bill No. 3. Table 1.6 details the additional estimates sought for the ATO through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>ORDINARY ANNUAL SERVICES</b>					
<b>Outcome 1:</b> Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law					-
Departmental	3,277,508	3,333,657	3,352,652	18,995	-
Administered	537	4,286	4,536	250	-
<b>Total</b>	<b>3,278,045</b>	<b>3,337,943</b>	<b>3,357,188</b>	<b>19,245</b>	-

**Table 1.6: Appropriation Bill (No. 4) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity Injection	32,175	62,975	64,649	1,674	-
<b>Total</b>	<b>32,175</b>	<b>62,975</b>	<b>64,649</b>	<b>1,674</b>	-

## Section 2: Revisions to agency outcomes and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to the ATO's outcome or outcome strategy from that included in the *Portfolio Budget Statements 2012-13* (page 187).

There has been no change to the program objective, expenses, deliverables or key performance indicators for programs 1.2 to 1.22 that affect Appropriation Bills No. 3 and No. 4.

**Table 2.1: Budgeted expenses for Outcome 1**

<b>Outcome 1:</b> Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law	2011-12 Actual expenses \$'000	2012-13 Revised estimated expenses \$'000
<b>Program 1.1: Australian Taxation Office</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 and No. 3)	528	4,536
Departmental expenses		
Departmental appropriation	3,063,492	3,121,612
Expenses not requiring appropriation in budget year	222,436	131,724
<b>Total for Program 1.1</b>	<b>3,286,456</b>	<b>3,257,872</b>
	2011-12	2012-13
<b>Average staffing level (number)</b>	21,864	21,440

**Program 1.1: Australian Taxation Office**

There has been no change to the program objective, deliverables or key performance indicators included in the *Portfolio Budget Statements 2012-13*.

**Table 2.2: Program expenses**

	2011-12 Actuals \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
<b>Program Component 1.1.1 - Our expertise supports government priorities and encourages community participation</b>					
Annual departmental expenses:					
Departmental items	447,337	443,370	450,641	447,728	439,790
Total component expenses	447,337	443,370	450,641	447,728	439,790
<b>Program Component 1.1.2 - We support people willing to participate and make it as easy as possible for them to fulfil their responsibilities at minimum cost</b>					
Annual departmental expenses:					
Departmental items	1,094,448	1,096,507	1,114,488	1,107,283	1,087,653
Total component expenses	1,094,448	1,096,507	1,114,488	1,107,283	1,087,653
<b>Program Component 1.1.3 - We support and protect people by dealing with those not willing to comply</b>					
Annual departmental expenses:					
Departmental items	1,744,143	1,713,459	1,741,558	1,730,299	1,699,624
Annual administered expenses:					
Administered items	528	4,536	2,497	5,592	3,110
Total component expenses	1,744,671	1,717,995	1,744,055	1,735,891	1,702,734
<b>Total program expenses</b>	<b>3,286,456</b>	<b>3,257,872</b>	<b>3,309,184</b>	<b>3,290,902</b>	<b>3,230,177</b>

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the ATO.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2012-13</b> 2011-12	Receipts <b>2012-13</b> 2011-12	Payments <b>2012-13</b> 2011-12	Adjustments <b>2012-13</b> 2011-12	Closing balance <b>2012-13</b> 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Excise Security Deposits Account (A)	1	<b>401</b> 59	- 348	- 6	- -	<b>401</b> 401
Services for Other Entities and Trust Moneys Special Account (A)	1	<b>1,814</b> 1,632	<b>10,000</b> 9,766	<b>10,000</b> 9,584	- -	<b>1,814</b> 1,814
Superannuation Holding Accounts Special Account (A)	1	<b>68,287</b> 71,757	<b>2,600</b> 9,089	<b>8,300</b> 12,559	- -	<b>62,587</b> 68,287
Valuation Services Special Account (D)	1	<b>14,376</b> 13,414	<b>40,970</b> 39,870	<b>43,028</b> 38,908	- -	<b>12,318</b> 14,376
<b>Total special accounts 2012-13 Budget estimate</b>		<b>84,878</b>	<b>53,570</b>	<b>61,328</b>	-	<b>77,120</b>
Total special accounts 2011-12 actual		86,862	59,073	61,057	-	84,878

(A) Administered.

(D) Departmental.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Budgeted departmental comprehensive income statement**

The ATO is budgeting for a balanced budget in 2012-13 after income tax equivalents expense from the Australian Valuation Office (AVO). This excludes the impact of Operation Sunlight changes to funding whereby depreciation and amortisation expenses are not funded by appropriation from 2010-11 onward.

The budgeted departmental comprehensive income statement also reflects changes arising from Budget measures as outlined in Table 1.2.

#### **Budgeted departmental balance sheet**

The ATO's assets are predominantly non-financial assets. In 2012-13, the increase in non-financial assets reflects the continued development or improvement of internally developed systems and software in support of the Government's 'Stronger Super' initiatives. The ATO is also continuing to refresh a number of property holdings which are subject to lease expiry.

The ATO's liabilities continue to be predominantly employee entitlements.



### 3.2.2 Budgeted financial statements

#### Departmental financial statements

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	2,238,587	2,182,735	2,223,228	2,198,927	2,142,149
Supplier	1,077,692	1,170,157	1,168,314	1,167,469	1,163,325
Depreciation and amortisation	126,169	128,601	131,396	133,975	136,599
Income tax	1,887	1,314	1,183	1,064	1,118
<b>Total expenses</b>	<b>3,444,335</b>	<b>3,482,807</b>	<b>3,524,121</b>	<b>3,501,435</b>	<b>3,443,191</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	91,742	107,239	106,702	106,679	109,049
Other revenue	6,519	547	525	500	500
<b>Total revenue</b>	<b>98,261</b>	<b>107,786</b>	<b>107,227</b>	<b>107,179</b>	<b>109,549</b>
<b>Gains</b>					
Other	3,271	3,937	4,095	4,095	4,095
<b>Total gains</b>	<b>3,271</b>	<b>3,937</b>	<b>4,095</b>	<b>4,095</b>	<b>4,095</b>
<b>Total own-source income</b>	<b>101,532</b>	<b>111,723</b>	<b>111,322</b>	<b>111,274</b>	<b>113,644</b>
<b>Net cost of (contribution by) services</b>	<b>3,342,803</b>	<b>3,371,084</b>	<b>3,412,799</b>	<b>3,390,161</b>	<b>3,329,547</b>
Appropriation revenue	3,131,020	3,241,768	3,281,317	3,256,681	3,193,925
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(211,783)</b>	<b>(129,316)</b>	<b>(131,482)</b>	<b>(133,480)</b>	<b>(135,622)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(85,614)</b>	<b>(715)</b>	<b>(86)</b>	<b>495</b>	<b>977</b>
plus depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	125,208	127,712	130,266	132,871	135,529
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>39,594</b>	<b>126,997</b>	<b>130,180</b>	<b>133,366</b>	<b>136,506</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	74,573	32,781	29,515	29,117	29,184
Trade and other receivables	416,032	466,814	473,727	501,518	440,329
<b>Total financial assets</b>	<b>490,605</b>	<b>499,595</b>	<b>503,242</b>	<b>530,635</b>	<b>469,513</b>
<b>Non-financial assets</b>					
Land and buildings	203,644	227,449	246,577	234,483	269,863
Infrastructure, plant and equipment	81,397	77,197	68,943	78,284	59,683
Intangibles	393,235	427,197	450,721	443,017	411,241
Other	46,537	46,407	45,593	44,898	44,296
<b>Total non-financial assets</b>	<b>724,813</b>	<b>778,250</b>	<b>811,834</b>	<b>800,682</b>	<b>785,083</b>
<b>Total assets</b>	<b>1,215,418</b>	<b>1,277,845</b>	<b>1,315,076</b>	<b>1,331,317</b>	<b>1,254,596</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases	76,852	72,695	72,354	72,314	72,293
<b>Total interest bearing liabilities</b>	<b>76,852</b>	<b>72,695</b>	<b>72,354</b>	<b>72,314</b>	<b>72,293</b>
<b>Provisions</b>					
Employees	857,291	873,429	900,675	924,880	847,810
<b>Total provisions</b>	<b>857,291</b>	<b>873,429</b>	<b>900,675</b>	<b>924,880</b>	<b>847,810</b>
<b>Payables</b>					
Suppliers	232,478	239,274	246,280	251,179	265,855
Dividends	764	-	-	-	-
Other	14,434	12,631	12,605	12,576	12,590
<b>Total payables</b>	<b>247,676</b>	<b>251,905</b>	<b>258,885</b>	<b>263,755</b>	<b>278,445</b>
<b>Total liabilities</b>	<b>1,181,819</b>	<b>1,198,029</b>	<b>1,231,914</b>	<b>1,260,949</b>	<b>1,198,548</b>
<b>Net assets</b>	<b>33,599</b>	<b>79,816</b>	<b>83,162</b>	<b>70,368</b>	<b>56,048</b>
<b>EQUITY</b>					
Contributed equity	638,872	814,405	949,233	1,069,917	1,191,219
Reserves	98,050	98,050	98,050	98,050	98,050
Retained surpluses or accumulated deficits	(703,323)	(832,639)	(964,121)	(1,097,599)	(1,233,221)
<b>Total equity</b>	<b>33,599</b>	<b>79,816</b>	<b>83,162</b>	<b>70,368</b>	<b>56,048</b>
<b>Current assets</b>	<b>514,779</b>	<b>536,695</b>	<b>552,332</b>	<b>559,153</b>	<b>526,930</b>
<b>Non-current assets</b>	<b>700,639</b>	<b>741,150</b>	<b>762,744</b>	<b>772,164</b>	<b>727,666</b>
<b>Current liabilities</b>	<b>556,259</b>	<b>563,074</b>	<b>579,000</b>	<b>592,646</b>	<b>563,318</b>
<b>Non-current liabilities</b>	<b>625,560</b>	<b>634,955</b>	<b>652,914</b>	<b>668,303</b>	<b>635,230</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	92,176	110,536	109,771	109,440	112,320
Appropriations	3,073,208	3,159,888	3,262,679	3,217,407	3,242,601
Interest	550	472	450	425	425
Other	223,166	183,959	184,116	184,933	185,067
<b>Total cash received</b>	<b>3,389,100</b>	<b>3,454,855</b>	<b>3,557,016</b>	<b>3,512,205</b>	<b>3,540,413</b>
<b>Cash used</b>					
Employees	2,078,066	2,136,965	2,183,847	2,162,456	2,206,386
Suppliers	1,113,385	1,264,309	1,255,450	1,257,067	1,241,519
Income taxes paid	1,247	1,499	1,358	1,223	1,284
Other	118,506	88,649	88,824	89,431	90,857
<b>Total cash used</b>	<b>3,311,204</b>	<b>3,491,422</b>	<b>3,529,479</b>	<b>3,510,177</b>	<b>3,540,046</b>
<b>Net cash from or (used by) operating activities</b>	<b>77,896</b>	<b>(36,567)</b>	<b>27,537</b>	<b>2,028</b>	<b>367</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	38	-	-	-	-
<b>Total cash received</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	182,612	180,758	165,631	123,110	121,602
<b>Total cash used</b>	<b>182,612</b>	<b>180,758</b>	<b>165,631</b>	<b>123,110</b>	<b>121,602</b>
<b>Net cash from or (used by) investing activities</b>	<b>(182,574)</b>	<b>(180,758)</b>	<b>(165,631)</b>	<b>(123,110)</b>	<b>(121,602)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	145,440	175,533	134,828	120,684	121,302
<b>Total cash received</b>	<b>145,440</b>	<b>175,533</b>	<b>134,828</b>	<b>120,684</b>	<b>121,302</b>
<b>Cash used</b>					
Dividends paid	1,653	-	-	-	-
<b>Total cash used</b>	<b>1,653</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>143,787</b>	<b>175,533</b>	<b>134,828</b>	<b>120,684</b>	<b>121,302</b>
Net Cash from/(to) Clearing Accounts	-	-	-	-	-
Manual Allocations	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	<b>39,109</b>	<b>(41,792)</b>	<b>(3,266)</b>	<b>(398)</b>	<b>67</b>
Cash at the beginning of the reporting period	35,464	74,573	32,781	29,515	29,117
<b>Cash at the end of the reporting period</b>	<b>74,573</b>	<b>32,781</b>	<b>29,515</b>	<b>29,117</b>	<b>29,184</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2012-13)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	(703,323)	98,050	-	638,872	33,599
<b>Adjusted opening balance</b>	(703,323)	98,050	-	638,872	33,599
<b>Transactions with owners</b>					
<i>Operating result after extraordinary items</i>	(129,316)	-	-	-	(129,316)
<i>Distribution to owners</i>					
Returns on capital dividends	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Injection for capital works	-	-	-	64,649	64,649
Injection for departmental capital budget	-	-	-	110,884	110,884
<b>Total transactions with owners</b>	(129,316)	-	-	175,533	46,217
<b>Estimated closing balance as at 30 June 2013</b>	(832,639)	98,050	-	814,405	79,816

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	137,820	110,884	111,032	112,216	113,093
Equity injections - Bill 2	32,175	64,649	23,796	8,468	8,209
<b>Total new capital appropriations</b>	169,995	175,533	134,828	120,684	121,302
<b>Provided for:</b>					
Purchase of non-financial assets	169,995	175,533	134,828	120,684	121,302
<b>Total items</b>	169,995	175,533	134,828	120,684	121,302
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	30,024	51,328	52,099	10,594	8,209
Funded by capital appropriation - DCB	137,741	110,884	111,032	112,216	113,093
Funded internally from departmental resources	35,999	18,546	2,500	300	300
<b>TOTAL</b>	203,764	180,758	165,631	123,110	121,602
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	203,764	180,758	165,631	123,110	121,602
<b>Total cash used to acquire assets</b>	203,764	180,758	165,631	123,110	121,602

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — Departmental**

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	212,718	138,760	890,536	1,242,014
Accumulated depreciation/amortisation and impairment	9,074	55,998	497,256	562,328
<b>Opening net book balance</b>	<b>203,644</b>	<b>82,762</b>	<b>393,280</b>	<b>679,686</b>
<b>Capital asset additions</b>				
By purchase - appropriation equity	-	-	51,328	51,328
By purchase - appropriation ordinary annual services	41,866	18,863	50,155	110,884
By purchase - other	14,629	3,671	246	18,546
<b>Total additions</b>	<b>56,495</b>	<b>22,534</b>	<b>101,729</b>	<b>180,758</b>
<b>Other movements</b>				
Depreciation/amortisation expense	32,690	28,099	67,812	128,601
<b>Total other movements</b>	<b>32,690</b>	<b>28,099</b>	<b>67,812</b>	<b>128,601</b>
<b>As at 30 June 2013</b>				
Gross book value	269,213	161,294	992,265	1,422,772
Accumulated depreciation/amortisation and impairment	41,764	84,097	565,068	690,929
<b>Closing net book balance</b>	<b>227,449</b>	<b>77,197</b>	<b>427,197</b>	<b>731,843</b>

Prepared on Australian Accounting Standards basis.

**Schedule of administered activity**

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	528	4,536	2,497	5,592	3,110
Subsidies	7,242,826	7,256,619	7,951,544	7,693,195	7,813,797
Personal benefits	717,856	1,341,600	1,375,600	1,366,700	1,395,400
Finance costs	668,413	500,000	500,000	500,000	500,000
Write-down and impairment of assets	6,114,902	6,672,536	6,055,728	6,356,996	6,780,110
Other expenses	339,119	350,000	349,900	363,300	376,700
<b>Total expenses administered on behalf of Government</b>	<b>15,083,644</b>	<b>16,125,291</b>	<b>16,235,269</b>	<b>16,285,783</b>	<b>16,869,117</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Income tax	231,290,771	254,810,000	279,430,000	293,529,000	312,873,000
Indirect tax	75,484,526	78,450,000	81,370,000	85,100,000	88,820,000
Other taxes	761,125	1,110,952	816,897	739,986	766,091
<b>Total taxation revenue</b>	<b>307,536,422</b>	<b>334,370,952</b>	<b>361,616,897</b>	<b>379,368,986</b>	<b>402,459,091</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>307,536,422</b>	<b>334,370,952</b>	<b>361,616,897</b>	<b>379,368,986</b>	<b>402,459,091</b>
<b>Net Cost of (contribution by) services</b>					
<b>Surplus (Deficit)</b>	<b>292,452,778</b>	<b>318,245,661</b>	<b>345,381,628</b>	<b>363,083,203</b>	<b>385,589,974</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	480,056	480,056	480,056	480,056	480,056
Receivables	17,310,820	19,128,284	21,563,356	24,051,560	26,775,050
Accrued revenues	10,626,630	11,156,630	11,241,630	11,861,630	12,521,630
<b>Total financial assets</b>	<b>28,417,506</b>	<b>30,764,970</b>	<b>33,285,042</b>	<b>36,393,246</b>	<b>39,776,736</b>
<b>Total assets administered on behalf of government</b>	<b>28,417,506</b>	<b>30,764,970</b>	<b>33,285,042</b>	<b>36,393,246</b>	<b>39,776,736</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Provisions</b>					
Taxation refunds provided	2,705,293	2,705,293	2,705,293	2,705,293	2,705,293
Other provisions	686,943	713,943	671,943	692,943	714,943
<b>Total provisions</b>	<b>3,392,236</b>	<b>3,419,236</b>	<b>3,377,236</b>	<b>3,398,236</b>	<b>3,420,236</b>
<b>Payables</b>					
Subsidies	2,183,255	2,389,254	2,615,179	2,650,830	2,749,432
Personal benefits payable	961,802	1,489,402	1,627,202	1,636,302	1,679,202
Other payables	916,026	1,491,326	1,348,426	1,200,826	1,047,826
<b>Total payables</b>	<b>4,061,083</b>	<b>5,369,982</b>	<b>5,590,807</b>	<b>5,487,958</b>	<b>5,476,460</b>
<b>Total liabilities administered on behalf of government</b>	<b>7,453,319</b>	<b>8,789,218</b>	<b>8,968,043</b>	<b>8,886,194</b>	<b>8,896,696</b>
<b>Net assets/(liabilities)</b>	<b>20,964,187</b>	<b>21,975,752</b>	<b>24,316,999</b>	<b>27,507,052</b>	<b>30,880,040</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	301,378,146	324,450,000	352,360,000	369,239,000	391,693,000
Other	9,089	1,453,552	555,797	539,086	477,191
<b>Total cash received</b>	<b>301,387,235</b>	<b>325,903,552</b>	<b>352,915,797</b>	<b>369,778,086</b>	<b>392,170,191</b>
<b>Cash used</b>					
Borrowing costs	546,647	500,000	500,000	500,000	500,000
Subsidies paid	6,575,290	7,050,620	7,725,619	7,657,544	7,715,195
Personal benefits	1,508,004	814,000	1,237,800	1,357,600	1,352,500
Payments to suppliers	-	4,536	2,497	5,592	3,110
Other	368,254	300,300	409,500	364,200	382,400
<b>Total cash used</b>	<b>8,998,195</b>	<b>8,669,456</b>	<b>9,875,416</b>	<b>9,884,936</b>	<b>9,953,205</b>
<b>Net cash from or (used by) operating activities</b>	<b>292,389,040</b>	<b>317,234,096</b>	<b>343,040,381</b>	<b>359,893,150</b>	<b>382,216,986</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	8,935,745	8,669,456	9,875,416	9,884,936	9,953,205
<b>Total cash received</b>	<b>8,935,745</b>	<b>8,669,456</b>	<b>9,875,416</b>	<b>9,884,936</b>	<b>9,953,205</b>
<b>Cash used</b>					
Cash to Official Public Account	301,135,596	325,903,552	352,915,797	369,778,086	392,170,191
<b>Total cash used</b>	<b>301,135,596</b>	<b>325,903,552</b>	<b>352,915,797</b>	<b>369,778,086</b>	<b>392,170,191</b>
<b>Net cash from or (used by) financing activities</b>	<b>(292,199,851)</b>	<b>(317,234,096)</b>	<b>(343,040,381)</b>	<b>(359,893,150)</b>	<b>(382,216,986)</b>
<b>Net increase or (decrease) in cash held</b>	<b>189,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	290,867	480,056	480,056	480,056	480,056
<b>Cash at end of reporting period</b>	<b>480,056</b>	<b>480,056</b>	<b>480,056</b>	<b>480,056</b>	<b>480,056</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of administered capital budget**

The ATO does not have any administered capital.

**Table 3.2.11: Schedule of asset movements — Administered**

The ATO does not have any administered non-financial assets.



## **Notes to the financial statements**

### **Basis of accounting**

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

## **Notes to the departmental statements**

The departmental financial statements, included in Tables 3.2.1 to 3.2.6 have been prepared on the basis of Australian Accounting Standards and Department of Finance and Deregulation guidance for the preparation of financial statements.

The budget statements and estimated forward years have been prepared to reflect the following matters.

### **Cost of administering goods and services tax**

Departmental statements include the estimated costs of administering the goods and services tax (GST) under the 'intergovernmental agreement on the reform of Commonwealth-State Financial Relations'. The GST revenue is collected on behalf of the States and Territories which agree to compensate the Australian Government for the agreed GST administration costs.

The recovery of GST administration costs are reported under the Treasury.

## **Notes to the administered statements**

The administered financial statements at Tables 3.2.7 to 3.2.9 have been prepared on the basis of Australian Accounting Standards and Department of Finance and Deregulation guidance for the preparation of financial statements.

The standards require that taxation revenues are recognised on an accrual basis when the following conditions apply:

- the taxpayer or the taxpayer group can be identified in a reliable manner;
- the amount of tax or other statutory charge is payable by the taxpayer or taxpayer group under legislative provisions; and
- the amount of the tax or statutory charge payable by the taxpayer or taxpayer group can be reliably measured, and it is probable that the amount will be collected.

The amount of taxation revenue recognised takes account of legislative steps, discretion to be exercised and any refunds and/or credit amendments to which the taxpayers may become entitled.

### **Recognition of taxation revenue**

Taxation revenue is recognised when the Government, through the application of legislation by the ATO and other relevant activities, gains control over the future economic benefits that flow from taxes and other statutory charges. This methodology, known as the Economic Transaction Method (ETM), relies on the estimation of probable flows of taxes from transactions which have occurred in the economy, but have not yet been reported, and are likely to be reported to the ATO through an assessment or disclosure.

However, in circumstances when there is an ‘inability to reliably measure tax revenues when the underlying transactions or events occur’, the accounting standards permit an alternative approach known as the Taxation Liability Method (TLM). Under this basis, taxation revenue is recognised at the earlier of when an assessment of a tax liability is made or payment is received by the ATO. This recognition policy means that taxation revenue is generally measured at a later time than would be the case if it were measured under the ETM method.

In accordance with the above revenue recognition approach, the ATO uses ETM as the basis for revenue recognition, except for income tax for individuals, companies and superannuation funds and superannuation surcharge which are recognised on a TLM basis.

### **Items recognised as reductions to taxation revenue**

The following items are recognised as reductions (increases) to taxation revenue and not as an expense:

- refunds of revenue; and
- increase (decrease) in movement of provision for credit amendments.