



Budget

2019-20

Portfolio Budget Statements 2019-20
Budget Related Paper No. 1.16

TREASURY Portfolio

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

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TREASURER
PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2019-20 Budget for the Treasury portfolio.

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

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

Yours sincerely

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

The Hon Josh Frydenberg MP

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Mr Robert Twomey, Chief Financial Officer, Department of the Treasury on 02 6263 2111.

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2019-20 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2019-20 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2019-20 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

The Enhanced Commonwealth Performance Framework

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

Enhanced Commonwealth Performance Framework

Key components of relevant publications

Portfolio Budget Statements (April) *Portfolio based*

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

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

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

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

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

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

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

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



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

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

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

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

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PORTFOLIO OVERVIEW

TREASURY PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

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

The Treasury portfolio comprises 15 entities in the general government sector.

The **Department of the Treasury** is the Australian Government's pre-eminent economic adviser. The Treasury serves the Australian people through the development, delivery and implementation of sound economic policy and advice. The result is better informed policies designed to create economic prosperity for the Australian people.

The **Australian Bureau of Statistics** is Australia's official statistical entity. It provides statistics on a wide range of economic, environmental, population and social matters, covering government, business and the community in general.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury portfolio structure and outcomes (continued)

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

ENTITY RESOURCES AND PLANNED PERFORMANCE

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Treasury is the pre-eminent economic adviser to the Government.

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

The Treasury achieves this by providing advice, analysis and legislation to deliver economic policy supporting the effective management of the Australian economy.

The Treasury pursues its purpose through four broad objectives:

- promoting fiscal sustainability.
- increasing productivity.
- securing the benefits of global economic integration.
- efficient administration of Treasury portfolio functions.

In 2019, the Treasury embedded Structural Reform Group's functions into the Fiscal and Macroeconomic Groups. The change to the internal structure was made to achieve better organisational balance, improve collaboration and further embed productivity and structural reform in core Treasury activities.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	47,052	47,861
Departmental appropriation (d)	185,851	194,641
s74 External Revenue (e)	12,423	12,423
Departmental capital budget (f)	8,404	10,212
Annual appropriations - other services - non-operating (g)		
Equity injection	-	1,456
Total departmental annual appropriations	253,730	266,592
Total departmental resourcing	253,730	266,592
Administered		
Annual appropriations - ordinary annual services (b)		
Outcome 1	55,941	86,238
Annual appropriations - other services - non-operating (g)		
Administered assets and liabilities	209,850	165,000
Total administered annual appropriations	265,791	251,238
Special appropriations		
Asian Development Bank (Additional Subscription) Act 2009	24,766	25,466
Asian Infrastructure Investment Bank Act 2015	193,120	200,190
Federal Financial Relations Act 2009	90,749,184	92,364,420
International Monetary Arrangements Act 2015	50,501	57,227
Public Governance, Performance and Accountability Act 2013	1,000	1,000
Total administered special appropriations	91,018,571	92,648,303

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)

	2018-19 (a) <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Special accounts (h)		
Appropriation receipts	47,777,214	46,707,804
Non-appropriation receipts	3,177,087	1,752,481
Total special account receipts	50,954,301	48,460,285
Total administered resourcing	142,238,663	141,359,826
Total resourcing for Department of the Treasury	142,492,393	141,626,418
	2018-19	2019-20
Average staffing level (number)	857	909

Third party payments from and on behalf of other entities

	2018-19 <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Payments made on behalf of another entity (i)		
Department of Finance	2,976,126	1,713,344
Attorney-General's Department	5,076	5,826
Department of Social Services	195,885	33,311

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Adjusted appropriation carried forward from previous year.

(d) Excludes departmental capital budget (DCB). 2019-20 includes supplementation of \$3.837m for revenue recognised in 2018-19 but not appropriated in that year.

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

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

(g) Appropriation Bill (No. 2) 2019-20.

(h) Excludes 'Special Public Money' held in Account like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies Account (SOETM). For further information on special appropriations and special accounts please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, for example annual appropriations, special appropriations and special accounts.

(i) These payments relate to National Partnership payments to the States and Territories.

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

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

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures					
Adelaide City Deal (a)	-	4,000	10,000	27,000	23,000
Administered expenses	-	-	-	-	-
Albury Wodonga Regional Deal	-	3,200	-	-	-
Administered expenses	-	-	-	-	-
Assistance for Farmers and Farm Communities in Drought — additional funding	-	(20,191)	-	-	-
Administered expenses	-	-	-	-	-
Barkly Regional Deal	-	5,700	9,800	6,850	-
Administered expenses	-	-	-	-	-
Better Distribution of Medical Practitioners	-	-	(1,000)	(2,000)	(2,000)
Administered expenses	-	-	-	-	-
Climate Solutions Package	56,000	-	-	-	-
Administered expenses	-	-	-	-	-
Disaster Recovery Funding Arrangements — funding for Northern Queensland Floods	232,000	-	-	-	-
Administered expenses	-	-	-	-	-
Expensive Commonwealth Criminal Cases Fund — additional funding	-	-	4,299	4,363	4,429
Administered expenses	-	-	-	-	-
Extension of Temporary Graduate visa period for regional graduates	-	-	-	1,000	3,500
Administered expenses	-	-	-	-	-
Family Advocacy and Support Services — Dedicated Men's Support Workers	-	2,572	2,615	2,657	-
Administered expenses	-	-	-	-	-
Fighting Cancer — additional infrastructure and services	-	-	4,500	-	-
Administered expenses	-	-	-	-	-

(a) Figures will not align with Budget Paper No. 2 due to offsetting savings from the Contingency Reserve.

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Fourth Action Plan (2019-22) to reduce violence against women and their children					
Administered expenses	-	2,749	2,793	2,835	-
Geelong City Deal — additional funding					
Administered expenses	-	-	10,000	10,000	10,000
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (a)					
Administered expenses	-	30,524	147	-	-
Departmental expenses	-	15,542	3,398	4,253	2,236
Guaranteeing Medicare — improved access to diagnostic imaging					
Administered expenses	-	3,000	-	-	-
Guaranteeing Medicare — strengthening primary care					
Administered expenses	-	4,000	4,000	4,000	-
Hinkler Regional Deal					
Administered expenses	-	11,000	15,000	20,000	25,000
Hobart City Deal					
Administered expenses	-	-	-	-	-
Increasing Analytical Capabilities					
Departmental expenses	-	374	377	379	382
Increasing Work and Holiday Visa Cap for Indonesia					
Administered expenses	-	900	2,600	3,700	4,400
Indirect Tax Concession Scheme — diplomatic, consular and international organisation concessions					
Administered expenses	(1,800)	-	-	-	-
Infrastructure Investment Program — Australian Capital Territory infrastructure investments					
Administered expenses	-	-	-	15,000	20,000
Infrastructure Investment Program — New South Wales infrastructure investments (a)					
Administered expenses	25,000	35,000	73,052	221,166	795,348

(a) Figures will not align with Budget Paper No. 2 due to offsetting savings from the Contingency Reserve.

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Infrastructure Investment Program — Northern Territory infrastructure investments	-	5,000	15,000	30,000	10,000
Administered expenses	-	-	-	-	-
Infrastructure Investment Program — Princes Highway Administered expenses	-	-	20,000	30,000	50,000
Infrastructure Investment Program — Queensland infrastructure investments Administered expenses	-	-	5,000	105,000	203,000
Infrastructure Investment Program — Road Safety and Upgrade Package Administered expenses	-	100,000	100,000	100,000	100,000
Infrastructure Investment Program — Roads of Strategic Importance — next priorities Administered expenses	-	-	100,000	150,000	200,000
Infrastructure Investment Program — South Australian infrastructure investment Administered expenses	-	27,800	-	14,400	52,600
Infrastructure Investment Program — Tasmanian infrastructure investments Administered expenses	-	-	-	30,000	38,000
Infrastructure Investment Program — Urban Congestion Fund — next priorities Administered expenses	-	400,000	400,000	400,000	400,000
Infrastructure Investment Program — Victorian infrastructure investments Administered expenses	-	98,400	107,400	358,400	636,500
Infrastructure Investment Program — Western Australian infrastructure investments Administered expenses	-	17,500	60,000	233,500	132,000
National Disability Insurance Scheme — transitioning to full Scheme Administered expenses	-	-	-	-	-

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
National Partnership Agreement on Universal Access to Early Childhood					
Education — further extension					
Administered expenses	-	134,851	314,653	-	-
Natural Disaster Resilience Funding (a)					
Administered expenses	-	20,880	20,880	20,880	20,880
North Queensland Flood Recovery Package					
Administered expenses	300,000	1,000	1,000	1,000	1,000
Departmental expenses	-	168	-	-	-
Population Package (a)					
Administered expenses	-	-	-	20,000	30,000
Departmental expenses	-	6,539	6,008	5,530	5,359
Practical Environment Restoration					
Administered expenses	-	3,000	3,000	3,000	-
Prioritising Mental Health — caring for our community					
Administered expenses	5,000	-	-	-	-
Red Imported Fire Ants Eradication Program — acceleration					
Administered expenses	5,219	6,519	6,520	(3,043)	(3,043)
Remote Housing in South Australia					
Administered expenses	37,500	-	-	-	-
Securing Tourism and Jobs in Kakadu					
Administered expenses	-	-	-	-	-
Single National Mechanism for Commonwealth Legal Assistance (a)					
Administered expenses	-	-	370,996	389,269	395,336
Skills Package — delivering skills for today and tomorrow					
Administered expenses	(134,800)	(69,613)	(106,393)	(106,636)	4,698
Strengthening Adoption of the Food and Grocery Code of Conduct					
Departmental expenses	-	-	-	-	-

(a) Figures will not align with Budget Paper No. 2 due to offsetting savings from the Contingency Reserve.

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Superannuation Consumer Advocate	-	-	-	-	-
Departmental expenses	-	-	-	-	-
Supporting Our Hospitals — additional infrastructure and services	11,564	3,400	4,000	13,000	23,000
Administered expenses	-	-	-	-	-
Supporting Our Hospitals — Community Health and Hospitals Program	53,337	9,769	27,516	36,958	218,278
Administered expenses	-	-	-	-	-
Tax integrity — increasing engagement and on-time payment of tax and superannuation liabilities	-	8,000	10,900	11,400	11,500
Administered expenses	-	-	-	-	-
Total expense measures	589,020	871,583	1,608,061	2,163,861	3,415,403
Administered	589,020	848,960	1,598,278	2,153,699	3,407,426
Departmental	-	22,623	9,783	10,162	7,977
Total	589,020	871,583	1,608,061	2,163,861	3,415,403

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

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the Treasury can be found at:
<https://treasury.gov.au/publication/corporate-plan-2018-19>

The most recent annual performance statement can be found at:
<http://treasury.gov.au/publication/annual-report-2018>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Linked programs

Contribution made by Outcome 1

Treasury Outcome 1 contributes to the following programs by making payments to the States and Territories under National Partnership agreements, National Specific Purpose Payments (SPP) and bilateral agreements that support the delivery of the programs. Details of the individual National Partnership agreements within Program 1.9 are set out in Table 2.2 for each Portfolio.

Attorney-General's Department

Programs

- Program 1.4 - Justice Services
- Program 1.6 - Indigenous Legal and Native Title Assistance
- Program 2.3 - Social and Community Service

Department of Agriculture and Water Resources

Programs

- Program 1.2 - Sustainable Management - Natural resources
- Program 1.3 - Forestry Industry
- Program 2.2 - Plant and Animal Health
- Program 3.1 - Water Reform

Department of Communication and the Arts

Program

- Program 1.1 - Digital Technologies and Communications Services

Department of Defence

Program

- Program 2.1 - Strategic Policy and Intelligence

Department of Education and Training
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.5 – Early Learning and Schools Support • Program 2.8 – Building Skills and Capability
Department of the Environment and Energy
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Sustainable Management of Natural Resources and the Environment • Program 1.4 – Conservation of Australia’s Heritage and Environment • Program 4.1 – Energy
Department of Finance
<p>Program</p> <ul style="list-style-type: none"> • Program 2.4 – Insurance and Risk Management
Department of Health
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Health Policy, Research and Analysis • Program 1.3 – Health Infrastructure • Program 2.1 – Mental Health • Program 2.2 – Aboriginal and Torres Strait Islander Health • Program 2.4 – Preventative Health and Chronic Disease • Program 2.7 – Hospital Services • Program 3.1 – Sport and Recreation • Program 4.3 – Pharmaceutical Benefits • Program 4.6 – Dental Services • Program 5.2 – Health Protection and Emergency Response • Program 5.3 – Immunisation • Program 6.2 – Aged Care Services
National Health Funding Body
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – National Health Funding Pool Administration
Department of Home Affairs
<p>Program</p> <ul style="list-style-type: none"> • Program 1.7 – National Security and Criminal Justice

Department of Industry, Innovation and Science
Program <ul style="list-style-type: none">• Program 2.4 – Resources
Department of Infrastructure, Regional Development and Cities
Programs <ul style="list-style-type: none">• Program 1.1 – Infrastructure Investment• Program 3.1 – Regional Development• Program 3.3 – Cities
Department of the Prime Minister and Cabinet
Programs <ul style="list-style-type: none">• Program 2.2 – Children and Schooling• Program 2.3 – Safety and Wellbeing• Program 2.5 – Remote Australia Strategies
Department of Social Services
Programs <ul style="list-style-type: none">• Program 1.10 – Working Age Payments• Program 2.1 – Families and Communities• Program 2.3 – Social and Community Services• Program 3.2 – National Disability Insurance Scheme• Program 4.1 – Housing and Homelessness
Department of Veterans' Affairs
Program <ul style="list-style-type: none">• Program 2.2 – Veterans' Hospital Services

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Departmental expenses					
Departmental appropriation	189,355	190,804	180,545	168,358	168,893
s74 External Revenue (a)	12,423	12,423	11,023	11,023	11,023
Expenses not requiring appropriation in the Budget year (b)	11,328	10,482	11,081	11,656	11,314
Departmental total	213,106	213,709	202,649	191,037	191,230
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
National Housing Finance and Investment Corporation					
- Operating funding	13,973	18,820	18,709	-	-
- Grants funding	35,000	35,000	35,000	35,000	35,000
Other	27,044	32,349	2,008	-	-
Special appropriations	1,000	1,000	1,000	1,000	-
PGPA Act 2013 - s77 repayments					
Special accounts					
Medicare Guarantee Fund	35,704,029	36,567,354	36,327,974	37,808,623	39,710,895
Expenses not requiring appropriation in the Budget year (c)	(132,692)	38,264	41,511	34,189	20,915
Administered total	35,648,354	36,692,787	36,426,202	37,878,812	39,766,810
Total expenses for Program 1.1	35,861,460	36,906,496	36,628,851	38,069,849	39,958,040

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

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

(c) Expenses not requiring appropriation in Budget year relate to revaluation of grants provision and loan amounts.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.2: Payments to International Financial Institutions					
Administered expenses					
Special appropriations					
<i>International Monetary Agreements Act 1947</i>	62,839	71,559	73,155	81,184	90,435
Expenses not requiring appropriation (d)	489,383	40,774	-	198,716	205,612
	552,222	112,333	73,155	279,900	296,047
Total expenses for Program 1.2	552,222	112,333	73,155	279,900	296,047
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1)					
Global Infrastructure Hub	5,900	-	7,500	7,500	2,500
Standards Australia - development of international blockchain standards	70	60	-	-	-
Housing Loans Insurance Company Limited - management of pre-transfer contract portfolio	9	9	9	9	-
	5,979	69	7,509	7,509	2,500
Total expenses for Program 1.3	5,979	69	7,509	7,509	2,500

(d) Expenses not requiring appropriation in Budget year relate to foreign exchange losses.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.4: General Revenue Assistance					
Special appropriations					
GST Revenue Entitlements - Federal Financial Relations Act 2009	65,630,000	67,200,000	70,010,000	74,130,000	78,021,497
Special accounts					
COAG Reform Fund					
ACT municipal services	40,116	40,717	41,369	41,989	42,703
Compensation for reduced royalties	34,438	32,588	29,242	25,886	22,880
Royalties	920,469	713,736	619,615	575,866	520,881
Snowy Hydro Limited tax compensation	75,000	-	-	-	-
Commonwealth Assistance to the Northern Territory	434,000	1,066,299	556,075	292,870	-
Total expenses for Program 1.4	67,134,023	69,053,340	71,256,301	75,066,611	78,607,961
Program 1.5: Assistance to the States for Healthcare Services					
Special appropriations					
National Health Reform funding - Federal Financial Relations Act 2009	21,708,309	22,534,601	23,622,474	24,815,224	26,182,521
Total expenses for Program 1.5	21,708,309	22,534,601	23,622,474	24,815,224	26,182,521
Program 1.6: Assistance to the States for Skills and Workforce Development					
Special appropriations					
National Skills and Workforce Development SPP - Federal Financial Relations Act 2009	1,516,875	1,538,566	1,563,876	1,589,603	1,615,512
Total expenses for Program 1.6	1,516,875	1,538,566	1,563,876	1,589,603	1,615,512

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.7: Assistance to the States for Disability Services					
Special appropriations					
National Disability Services SPP - <i>Federal Financial Relations Act 2009</i> (e)	958,170	172,944	-	-	-
Administered total	958,170	172,944	-	-	-
Program 1.8: Assistance to the States for Affordable Housing					
Special appropriations					
National Affordable Housing SPP - <i>Federal Financial Relations Act 2009</i> National Housing and Homelessness	1,535,846	1,564,909	1,597,563	1,565,550	1,590,602
Administered total	1,535,846	1,564,909	1,597,563	1,565,550	1,590,602
Program 1.9: National Partnership Payments to the States					
Special accounts					
COAG Reform Fund (f)	12,406,545	9,734,631	9,416,999	9,450,432	10,686,400
Administered total	12,406,545	9,734,631	9,416,999	9,450,432	10,686,400
Total expenses for Program 1.9	12,406,545	9,734,631	9,416,999	9,450,432	10,686,400

(e) A zero entitlement to National Disability SPP funding indicates that the National Disability Insurance Scheme (NDIS) has been fully rolled out.

(f) Table 2.2 provides details of specific payments linked to programs administered by other portfolios.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	189,355	190,804	180,545	168,358	168,893
s74 External Revenue (a)	12,423	12,423	11,023	11,023	11,023
Expenses not requiring appropriation in the Budget year (b)	11,328	10,482	11,081	11,656	11,314
Departmental total	213,106	213,709	202,649	191,037	191,230
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	81,996	86,238	63,226	42,509	37,500
Special appropriations	91,413,039	93,083,579	96,868,067	102,182,561	107,500,567
Special accounts	49,614,597	48,155,325	46,991,274	48,195,666	50,983,759
Expenses not requiring appropriation	356,691	79,038	41,511	232,905	226,527
Administered total	141,466,323	141,404,180	143,964,079	150,653,641	158,748,353
Total expenses for Outcome 1	141,679,429	141,617,889	144,166,728	150,844,678	158,939,583
Movement of administered funds between years (g)					
Outcome 1:					
Program 1.9 - National Partnership Payments to the States	(416,297)	(64,019)	428,371	268,254	(421,609)
Total movement of administered funds	(416,297)	(64,019)	428,371	268,254	(421,609)
Average staffing level (number)					
	2018-19	2019-20			
	857	909			

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

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

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

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

Table 2.2: Program 1.9: expenses

	Agency Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Special accounts						
COAG Reform Fund						
Agriculture and Water Resources portfolio						
Assistance for pest animal and weed management in drought-affected areas	1.2	2,000	-	-	-	-
Assistance to primary producers impacted by the QLD floods	1.12	300,000	-	-	-	-
Established Pest and Weed Management	1.2	7,240	1,000	1,000	1,000	1,000
Great Artesian Basin Sustainability Initiative	3.1	2,468	10,000	6,000	6,000	8,000
Implementing Water Reform in the Murray-Darling Basin	3.1	20,000	20,000	-	-	-
Mechanical Fuel Load Reduction trial	1.3	500	-	-	-	-
National Forestry Industry Plan	1.3	-	-	1,750	1,750	-
On-farm emergency water infrastructure rebate	3.1	19,857	19,731	9,729	-	-
Pest and disease preparedness and response programs	2.2	63,013	38,020	38,884	31,728	37,041
South Australian River Murray Sustainability Program						
Irrigation efficiency and water purchase	3.1	24,048	-	-	-	-
Irrigation industry assistance	1.2	7,452	-	-	-	-
Sustainable Rural Water Use and Infrastructure Program	3.1	287,949	75,256	141,702	40,000	60,000
Total		734,527	164,007	199,065	80,478	106,041

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Attorney-General's portfolio						
Family advocacy and support services	1.4	6,978	9,742	-	-	-
Family law information sharing	1.4	-	2,749	2,793	2,835	-
Legal assistance services	1.4	265,880	270,012	-	-	-
National Mechanism for Commonwealth legal assistance						
Legal aid commissions	1.4	-	-	226,365	229,761	233,207
Community legal centres	1.4	-	-	45,363	52,724	53,515
Aboriginal and Torres Strait Islander Legal Services	1.6	-	-	75,543	82,685	84,139
Domestic Violence Units and Health Justice Partnerships						
Expensive Commonwealth criminal cases	1.4	-	-	9,922	10,081	10,222
Family advocacy and support services	1.4	-	-	8,101	8,223	8,358
Support for legal assistance services	1.4	-	-	9,893	10,044	-
Social and Community Services Sector supplementation	1.4/1.6	-	-	10,000	10,160	10,323
	2.3	-	-	12,306	-	-
Total		272,858	282,503	400,286	406,513	399,764
Communications and the Arts portfolio						
Wifi and mobile coverage on trains	1.1	8,000	2,000	-	-	-
Total		8,000	2,000	-	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Defence portfolio						
	School Pathways Program	1,200	1,200	-	-	-
	Total	1,200	1,200	-	-	-
Education and Training portfolio						
	National School Chaplaincy Program	61,435	61,435	61,435	61,435	61,435
	Universal Access to Early Childhood Education	431,543	442,936	314,653	-	-
	Job Ready Generation Package - NW Tas	3,150	-	-	-	-
	Skilling Australians Fund	158,524	158,136	129,042	128,735	-
	Energising Tasmania	-	2,251	4,565	4,629	4,698
	Total	654,652	664,758	509,695	194,799	66,133
Environment and Energy portfolio						
	Yellow Crazy Ant Control	-	3,000	3,000	3,000	-
	World Heritage Sites	9,482	9,482	9,482	9,482	9,482
	Marinus Link	56,000	-	-	-	-
	Total	65,482	12,482	12,482	12,482	9,482
Finance portfolio						
	Provision of Fire Services	21,796	22,559	23,348	24,167	-
	Total	21,796	22,559	23,348	24,167	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Health portfolio						
Additional assistance for public hospitals	2.7	11,677	6,679	18,919	18,717	-
Addressing blood borne viruses and sexually transmissible infections in the Torres Strait	5.2	1,120	1,120	-	-	-
Albury-Wodonga Cardiac Catheterisation Laboratory	1.3	1,000	-	-	-	-
Comprehensive palliative care across the life course	2.4	-	9,929	10,450	10,987	11,494
Community Health and Hospitals	1.3	65,317	15,119	35,756	46,200	232,700
Mental Health	2.1	784	2,250	1,460	1,480	-
Preventive Health and Chronic Disease	2.4	3,800	2,800	2,800	6,278	8,578
Electronic recording and reporting of controlled drugs	4.3	3,192	-	-	-	-
Encouraging more clinical trials in Australia	1.1	1,500	1,500	1,500	-	-
Essential vaccines	5.3	15,499	15,892	16,020	16,228	16,410
Expansion of the BreastScreen Australia program	2.4	14,929	15,152	15,364	-	-
Expansion of Clare Holland House	1.3	4,000	-	-	-	-
Grace's Place	2.1	-	4,100	2,000	-	-
Health infrastructure projects	1.3	41,659	17,109	-	-	-
Health Innovation Fund	2.7	50,000	-	50,000	-	-
South Sydney Rabbits' Centre of Excellence	3.1	6,000	-	-	-	-
Hepatitis C settlement fund	1.1	159	161	162	164	167
Hummingbird House	2.4	800	800	-	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Health portfolio (continued)						
Improving Health Services in Tasmania						
Subacute and acute projects	2.7	5,000	-	-	-	-
Improving trachoma control services for Indigenous Australians	2.2	5,132	5,224	5,307	-	-
National Bowel Cancer Screening Program - participant follow-up function	2.4	7,989	8,911	9,121	9,048	-
National Coronial Information System	2.4	400	400	-	-	-
Northern Territory remote Aboriginal investment - Health component	2.2	6,448	6,739	7,042	7,359	-
OzFoodNet	5.2	1,795	1,824	-	-	-
Proton beam therapy facility	1.3	40,720	-	-	27,280	-
Public dental services for adults	4.6	136,052	107,750	-	-	-
Redevelopment of Strathalbyn residential aged care facility	6.2	2,500	700	700	-	-
Rheumatic fever strategy	2.2	5,394	3,224	3,272	-	-
Royal Darwin Hospital - equipped, prepared and ready	5.2	16,311	16,507	16,771	17,024	17,313
Specialist dementia care program	6.2	204	2,806	3,905	3,964	9,388
Suicide Prevention	2.1	6,000	3,015	-	-	-
Torres Strait health protection strategy - mosquito control	5.2	1,016	1,032	-	-	-
Torres Strait / Papua New Guinea cross border health issues	5.2	4,778	4,854	-	-	-
Vaccine-preventable diseases surveillance	5.2	862	876	-	-	-
Victorian Cytology Service	2.4	10,310	10,465	10,611	-	-
Total		472,347	179,377	60,989	72,433	35,279

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Home Affairs portfolio						
National Fire Danger Rating System	1.7	200	-	-	-	-
Disaster Recovery Funding Arrangements	1.7	474,963	11,015	1,847	8	-
Natural disaster resilience	1.7	15,138	-	-	-	-
Prepared communities	1.7	5,000	-	-	-	-
Preparing Australia package	1.7	9,350	-	-	-	-
Total		504,651	11,015	1,847	8	-
Department of Industry, Innovation and Science						
Environmental management of the former Rum Jungle mine site	2.4	2,500	5,332	-	-	-
Hydrogen Energy Supply Chain Pilot Project	2.4	10,000	17,500	12,500	-	-
Total		12,500	22,832	12,500	-	-
Infrastructure, Regional Development and Cities portfolio						
Infrastructure Growth Package						
New investments	1.1	105,350	52,375	4,087	-	-
Western Sydney Infrastructure Plan	1.1	195,898	485,750	428,710	220,108	270,000
Infrastructure Investment Programme		-	-	-	-	-
Black spot projects	1.1	85,000	120,000	110,000	110,000	110,000
Bridges renewal programme	1.1	85,000	121,343	105,000	108,500	85,000
Developing Northern Australia						
Improving cattle supply chains	1.1	42,579	51,109	710	-	-
Northern Australia Roads	1.1	155,720	210,544	115,978	19,308	-
Heavy vehicle safety and productivity	1.1	60,000	95,000	70,000	87,160	65,000
Major Projects Business Case Fund	1.1	10,000	40,000	50,000	15,000	25,000
National Rail Program	1.1	146,000	231,000	386,393	644,672	1,364,857
Rail investment component	1.1	554,922	547,243	391,315	610,346	338,050

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Infrastructure, Regional Development and Cities portfolio (continued)						
Road investment component	1.1	3,664,381	3,117,332	3,376,815	3,720,295	4,774,791
Roads of Strategic Importance	1.1	12,300	70,750	292,750	400,500	780,500
Urban Congestion Fund	1.1	40,000	720,000	720,000	720,000	400,000
City and Regional Deals						
Adelaide City Deal	3.3	-	4,000	10,000	27,000	23,000
Albury-Wodonga Regional Deal	3.3	-	3,200	-	-	-
Barkly Regional Deal	3.3	-	5,700	9,800	6,850	-
Darwin City Deal	3.3	-	2,300	5,000	10,000	15,000
Geelong City Deal	3.3	4,600	26,450	52,200	56,600	32,650
Hinkler Regional Deal	3.3	-	11,000	15,000	20,000	25,000
Launceston City Deal – Tamar River	3.3	-	8,800	8,800	10,250	14,200
Townsville City Deal	3.3	5,000	55,000	140,000	50,000	20,000
Western Sydney City Deal	3.3	7,750	32,250	30,000	5,000	-
Other National Partnership Payments						
Interstate road transport	2.2	6,364	-	-	-	-
Murray-Darling Basin - Regional Economic Diversification Program	3.1	17,640	-	-	-	-
North Queensland Stadium	1.1	50,000	20,000	-	-	-
Water Infrastructure Development Fund						
Feasibility studies	3.1	22,926	15,200	10,000	5,000	-
Capital component	3.1	90,100	128,209	150,000	185,000	230,000
Total		5,361,530	6,174,555	6,482,558	7,031,589	8,573,048

Table 2.2: Program 1.9: expenses (continued)

	Agency Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Prime Minister and Cabinet portfolio						
Northern Territory remote Aboriginal investment						
Children and schooling	2.2	24,909	25,144	19,041	19,165	-
Community safety	2.3	53,670	44,355	34,676	35,979	-
Remote Australia strategies component	2.5	23,711	-	-	-	-
Remote Housing	2.5	268,500	110,000	110,000	110,000	110,000
Total		370,790	179,499	163,717	165,144	110,000
Social Services portfolio						
Pay equity for the social and community services sector	2.3	195,885	33,311	-	-	-
Payments from the DisabilityCare Australia Fund	3.2	2,976,126	1,713,344	1,294,719	1,336,223	1,103,549
Social Impact Investments						
Vulnerable priority groups	4.1	-	531	531	531	531
Youth at risk of homelessness	4.1	-	531	531	531	531
Specialist disability services	3.2	167,801	28,216	-	-	-
Transition to NDIS in WA	3.2	7,030	-	-	-	-
Womens Safety Package - technology trials	2.1	1,687	850	-	-	-
National Regulatory System for Community Housing Review	4.1	820	305	-	-	-
Total		3,349,349	1,777,088	1,295,781	1,337,285	1,104,611

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Treasury portfolio						
Financial assistance for police officers	1.9	2,910	4,630	5,080	2,150	390
Implementation of the National Insurance Affordability Initiative	1.9	4,980	-	-	-	-
Infrastructure Growth Package – Asset Recycling Initiative	1.9	419,954	-	-	-	-
Moneysmart Teaching	1.9	2,480	1,310	1,310	-	-
North Queensland Strata Title Inspection Scheme	1.9	3,500	5,300	2,900	-	-
Small business regulatory reform	1.9	129,400	107,450	63,150	-	-
Total		563,224	118,690	72,440	2,150	390
Veterans' Affairs						
Fussell House accommodation	2.2	4,013	2,708	-	-	-
Total		4,013	2,708	-	-	-
Total Program expenses		12,406,545	9,734,631	9,416,999	9,450,432	10,686,400

Table 2.3: Performance criteria for Outcome 1

Table 2.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1	
Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury's functions.	
Program 1.1 – Department of the Treasury	
The objective of this program is to support Ministers to effectively manage the Australian economy by:	
<ul style="list-style-type: none"> • promoting a sound macroeconomic environment; • promoting effective Government spending arrangements that contribute to overall fiscal outcomes and influence strong sustainable economic growth; • developing effective taxation and retirement income arrangements consistent with the Government's reform priorities; • developing a well-functioning financial system that encourages consumer and investor confidence; and • supporting effective and sustainable structural reform. 	
Delivery	The Treasury provides economic forecasts, analysis and authoritative advice to Ministers relating to the economy, budget and fiscal strategy, financial systems, markets and productivity, foreign investment, structural reform, taxation, superannuation and retirement income, social, and international economic policy. The Treasury also works with State and Territory Governments on key policy areas.
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.
Performance information 2018-19	
Performance criteria (a)	Targets
Provide policy advice to the Government.	<ul style="list-style-type: none"> • Advice is provided on a broad range of economic, fiscal, structural reform, financial systems and foreign investment, revenue and tax issues. • Advice is influential and positively contributes to the achievement of the Government's economic agenda. • Advice has a whole of Government perspective and demonstrates understanding of stakeholder issues. • Advice is underpinned by accurate and risk aware economic modelling and forecasts. <p>Forecast: On track.</p>
Coordinate the preparation of the Australian Government Budget.	<ul style="list-style-type: none"> • The Treasury complies with the requirements of the <i>Charter of Budget Honesty Act 1998</i> (the Charter). <p>Forecast: On track.</p>
Coordination of the Treasury's legislative program.	<ul style="list-style-type: none"> • All Bills, regulations and supporting documents are produced in accordance with regulatory requirements. • The legislation program is delivered in accordance with Government expectations, including timeframes. <p>Forecast: On track.</p>

Performance information 2018-19 (continued)	
Performance criteria (a)	Targets
Support and implementation of Government reviews, initiatives, reforms and inquiries.	<ul style="list-style-type: none"> The Treasury is responsive and enables the Government to deliver on current priorities and the economic reform agenda. Forecast: On track.
Performance information 2019-20 and beyond	
Performance criteria (a)	Targets
Feedback from the Treasury portfolio ministers and assistant ministers shows satisfaction with the overall quality of advice received.	Majority of feedback received to indicate satisfaction with the quality of advice received.
Management, development and delivery of the legislative program in accordance with the relevant legislative requirements and guidance, including timeframes.	The legislative program is delivered within the required timeframes and the quality of legislation implemented meets a satisfactory standard, allowing for unforeseeable events.
All Budget documentation required by the Charter is delivered.	Documents required under the Charter are delivered as they fall due.

(a) The Treasury's performance criteria will be set out in full in the Treasury 2019-20 Corporate Plan and reported in the 2019-20 Annual Performance Statement.

Program 1.2 – Payments to International Financial Institutions	
The objective of this program is to make payments to international financial institutions on behalf of Government to:	
<ul style="list-style-type: none"> • promote international monetary cooperation; • promote stability of the international financial system and orderly exchange arrangements; • foster economic growth and high levels of employment; • provide temporary financial assistance to countries to help ease balance of payments adjustments; • facilitate the achievement of Government objectives in international forums, including support for development objectives and improved infrastructure in the Asian region; and • support multilateral debt relief. 	
Delivery	The Treasury makes payments to the International Monetary Fund (IMF), under the <i>International Monetary Agreements Act 1947</i> . Payments are also made to multilateral development banks to which Australia is a member, specifically the World Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the Asian Infrastructure Investment Bank.
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.
Performance information 2018-19	
Performance criteria (a)	Targets
Payment to international financial institutions.	IMF payments are made in accordance with the <i>International Monetary Agreements Act 1947</i> . Forecast: On track.
Performance information 2019-20 and beyond	
Performance criteria (a)	Targets
Payment to international financial institutions.	Payments to international financial institutions are made in accordance with relevant legislation.

(a) The Treasury's performance criteria will be set out in full in the Treasury 2019-20 Corporate Plan and reported in the 2019-20 Annual Performance Statement.

Program 1.3 – Support for Markets and Business	
The objective of this program is to make payments on behalf of the Australian Government to support markets and business.	
Delivery	The Treasury makes payments to support markets and business, such as for the operation of the Global Infrastructure Hub (the Hub), in accordance with relevant agreements.
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.
Performance information 2018-19	
Performance criteria (a)	Targets
Payments to the Hub.	Payments to the Hub are made in accordance with the <i>Commonwealth Grant Agreement between the Commonwealth represented by The Department of the Treasury (the Treasury) and Global Infrastructure Hub Ltd.</i> Forecast: On track, noting the current agreement expired in 2018 and a new funding agreement is currently being negotiated.
Performance information 2019-20 and beyond	
Performance criteria (a)	Targets
Payments to the Hub.	Payments to the Hub are made in accordance with the new Commonwealth Grant Agreement (b).

(a) The Treasury's performance criteria will be set out in full in the Treasury 2019-20 Corporate Plan and reported in the 2019-20 Annual Performance Statement.

(b) A new funding agreement is currently being negotiated between the Commonwealth and the Global Infrastructure Hub.

Program 1.4 to 1.9 – Financial Support to States and Territories

The objectives of programs 1.4 to 1.9 are to make payments which provide financial support to the States and Territories on a wide range of activities under the *Intergovernmental Agreement on Federal Financial Relations* (IGAFFR) and other relevant agreements between the Commonwealth and the States and Territories. Since these programs have common performance criteria, they have been presented together below.

Program 1.4 — General Revenue Assistance. The Treasury, on behalf of the Government, will make general revenue assistance payments to the States and Territories.

Program 1.5 — Assistance to the States for Healthcare Services. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of healthcare services.

Program 1.6 — Assistance to the States for Skills and Workforce Development. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of skills and workforce development services.

Program 1.7 — Assistance to the States for Disability Services. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of disability services.

Program 1.8 — Assistance to the States for Affordable Housing. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of affordable housing services.

Program 1.9 — National Partnership Payments to the States. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent on improving outcomes in the areas specified in each of the National Partnership agreements. These payments support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. This program is linked to programs administered by a number of other portfolios, as noted in Table 2.2, which provides further details of specific payments. This contributes to the linked programs by making payment on behalf of the following:

- Attorney-General's Department
- Department of Agriculture and Water Resources
- Department of Communication and the Arts
- Department of Defence
- Department of Education and Training
- Department of the Environment and Energy
- Department of Finance
- Department of Health
- Department of Home Affairs
- Department of Industry, Innovation and Science
- Department of Infrastructure, Regional Development and Cities
- Department of Social Services
- Department of the Prime Minister and Cabinet, and
- Department of Veterans' Affairs.

Delivery	The Treasury delivers payments to the States and Territories.
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.

Performance information 2018-19

Performance criteria (a)	Targets
Payments to States and Territories.	Payments made and reporting provided in accordance with the IGAFFR and other relevant agreements between the Commonwealth and the States and Territories. Agreements can be viewed at www.federalfinancialrelations.gov.au . Forecast: On track.

Performance information 2019-20 and beyond	
Performance criteria (a)	Targets
Payments to State and Territory Governments are timely, and meet the requirements of the IGAFRR.	<ul style="list-style-type: none"> • 100 per cent of payments are made in accordance with the IGAFRR and its related schedules. • Relevant estimates are updated accurately and in a timely fashion. • Meetings of the Council on Federal Financial Relations are held at least biannually.

(a) The Treasury's performance criteria will be set out in full in the Treasury 2019-20 Corporate Plan and reported in the 2019-20 Annual Performance Statement.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2019-20 and over the forward estimates.

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

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	139,934	147,557	145,368	133,731	134,527
Suppliers	61,219	57,845	48,375	47,825	47,564
Grants	4,758	1,958	1,958	1,958	1,958
Depreciation and amortisation (a)	7,195	6,349	6,948	7,523	7,181
Total expenses	213,106	213,709	202,649	191,037	191,230
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	11,651	11,651	10,251	10,251	10,251
Other	772	772	772	772	772
Total own-source revenue	12,423	12,423	11,023	11,023	11,023
Gains					
Sale of assets					
Other	4,133	4,133	4,133	4,133	4,133
Total gains	4,133	4,133	4,133	4,133	4,133
Total own-source income	16,556	16,556	15,156	15,156	15,156
Net (cost of)/contribution by services	(196,550)	(197,153)	(187,493)	(175,881)	(176,074)
Revenue from Government	189,355	190,804	180,545	168,358	168,893
Surplus/(deficit) attributable to the Australian Government	(7,195)	(6,349)	(6,948)	(7,523)	(7,181)
Total comprehensive income/(loss) attributable to the Australian Government	(7,195)	(6,349)	(6,948)	(7,523)	(7,181)

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

Prepared on Australian Accounting Standards basis.

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

Note: Impact of net cash appropriation arrangements

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	7,195	6,349	6,948	7,523	7,181
Total comprehensive income/(loss) - as per the statement of comprehensive income	(7,195)	(6,349)	(6,948)	(7,523)	(7,181)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	640	640	640	640	640
Trade and other receivables	64,064	63,385	63,655	59,117	59,854
Total financial assets	64,704	64,025	64,295	59,757	60,494
Non-financial assets					
Land and buildings	15,532	16,526	17,839	15,788	14,008
Property, plant and equipment	12,215	13,700	13,833	14,039	14,238
Intangibles	9,735	12,575	14,429	14,039	13,763
Other non-financial assets	4,644	4,644	4,644	4,644	4,644
Total non-financial assets	42,126	47,445	50,745	48,510	46,653
Total assets	106,830	111,470	115,040	108,267	107,147
LIABILITIES					
Payables					
Suppliers	11,326	11,326	11,326	11,326	11,326
Other payables	4,738	4,709	4,718	4,549	4,579
Total payables	16,064	16,035	16,044	15,875	15,905
Provisions					
Employee provisions	49,124	48,474	48,735	44,366	45,073
Other provisions	3,508	3,508	3,508	3,508	3,508
Total provisions	52,632	51,982	52,243	47,874	48,581
Total liabilities	68,696	68,017	68,287	63,749	64,486
Net assets	38,134	43,453	46,753	44,518	42,661
EQUITY*					
Contributed equity	81,532	93,200	103,448	108,736	114,060
Reserves	12,676	12,676	12,676	12,676	12,676
Retained surplus (accumulated deficit)	(56,074)	(62,423)	(69,371)	(76,894)	(84,075)
Total equity	38,134	43,453	46,753	44,518	42,661

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(56,074)	12,676	81,532	38,134
Adjusted opening balance	(56,074)	12,676	81,532	38,134
Comprehensive income				
Surplus/(deficit) for the period	(6,349)	-	-	(6,349)
Total comprehensive income	(6,349)	-	-	(6,349)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,456	1,456
Departmental Capital Budget (DCB)	-	-	10,212	10,212
Sub-total transactions with owners	-	-	11,668	11,668
Estimated closing balance as at 30 June 2020	(62,423)	12,676	93,200	43,453
Closing balance attributable to the Australian Government	(62,423)	12,676	93,200	43,453

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	190,172	191,483	180,275	172,896	168,156
Sale of goods and rendering of services	11,651	11,651	10,251	10,251	10,251
Other	772	772	772	772	772
Total cash received	202,595	203,906	191,298	183,919	179,179
Cash used					
Employees	136,009	148,236	145,098	138,269	133,790
Suppliers	57,086	53,712	44,242	43,692	43,431
Other	9,500	1,958	1,958	1,958	1,958
Total cash used	202,595	203,906	191,298	183,919	179,179
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	9,132	11,668	10,248	5,288	5,324
Total cash used	9,132	11,668	10,248	5,288	5,324
Net cash from/(used by) investing activities	(9,132)	(11,668)	(10,248)	(5,288)	(5,324)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,132	11,668	10,248	5,288	5,324
Total cash received	9,132	11,668	10,248	5,288	5,324
Net cash from/(used by) financing activities	9,132	11,668	10,248	5,288	5,324
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	640	640	640	640	640
Cash and cash equivalents at the end of the reporting period	640	640	640	640	640

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	8,404	10,212	10,248	5,288	5,324
Equity injections - Bill 2	5,470	1,456	-	-	-
Total new capital appropriations	13,874	11,668	10,248	5,288	5,324
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>9,132</i>	<i>11,668</i>	<i>10,248</i>	<i>5,288</i>	<i>5,324</i>
<i>Other Items</i>	<i>4,742</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total items	13,874	11,668	10,248	5,288	5,324
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	728	1,456	-	-	-
Funded by capital appropriation - DCB (b)	8,404	10,212	10,248	5,288	5,324
TOTAL	9,132	11,668	10,248	5,288	5,324
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	9,132	11,668	10,248	5,288	5,324
Total cash used to acquire assets	9,132	11,668	10,248	5,288	5,324

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

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	19,717	16,606	34,986	71,309
Accumulated depreciation/ amortisation and impairment	(4,185)	(4,391)	(25,251)	(33,827)
Opening net book balance	15,532	12,215	9,735	37,482
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	3,237	3,531	4,900	11,668
Total additions	3,237	3,531	4,900	11,668
Other movements				
Depreciation/amortisation expense	(2,243)	(2,046)	(2,060)	(6,349)
Total other movements	(2,243)	(2,046)	(2,060)	(6,349)
As at 30 June 2020				
Gross book value	22,954	20,137	39,886	82,977
Accumulated depreciation/ amortisation and impairment	(6,428)	(6,437)	(27,311)	(40,176)
Closing net book balance	16,526	13,700	12,575	42,801

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20, including CDABs.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Grants	105,141,546	104,685,160	107,520,430	112,529,920	118,720,496
Payments to the Medicare Guarantee Fund	35,704,029	36,567,354	36,327,974	37,808,623	39,710,895
Interest	106,731	109,823	114,666	115,373	111,350
Suppliers	24,634	1,069	1,009	1,009	-
Foreign exchange	489,383	40,774	-	198,716	205,612
Total expenses administered on behalf of Government	141,466,323	141,404,180	143,964,079	150,653,641	158,748,353
LESS:					
OWN-SOURCE INCOME					
Own-source revenue	605,480	649,257	614,480	615,905	618,755
Non-taxation revenue	22,607	31,128	38,217	42,535	45,521
Sale of goods and rendering of services	1,562,633	1,500,358	1,180,000	1,602,000	1,509,000
Interest	3,177,089	1,752,481	1,307,025	1,336,223	1,103,549
COAG revenue from government entities	93,450	93,650	93,850	93,950	4,000
Total non-taxation revenue	5,461,259	4,026,874	3,233,572	3,690,613	3,280,825
Total own-source revenue administered on behalf of Government	5,461,259	4,026,874	3,233,572	3,690,613	3,280,825
Gains					
Foreign exchange	281,316	101,465	-	510,478	530,508
Total gains administered on behalf of Government	281,316	101,465	-	510,478	530,508

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Total own-sourced income administered on behalf of Government					
Government	5,742,575	4,128,339	3,233,572	4,201,091	3,811,333
Net (cost of)/contribution by services	135,723,748	137,275,841	140,730,507	146,452,550	154,937,020
Surplus/(deficit)	(135,723,748)	(137,275,841)	(140,730,507)	(146,452,550)	(154,937,020)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	(135,723,748)	(137,275,841)	(140,730,507)	(146,452,550)	(154,937,020)

(b) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Administered Capital Budget, or ACB) provided through Bill 1 equity appropriations. For information regarding ACBs, please refer to Table 3.10 Administered Capital Budget Statement. Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	205,000	365,000	585,000	700,000	650,000
Advances and loans	441,160	539,768	501,545	438,711	351,078
Receivables	1,569,057	1,063,372	1,181,039	1,612,363	1,518,839
Investments	40,204,334	41,179,568	41,404,981	42,143,778	42,904,715
Total financial assets	42,419,551	43,147,708	43,672,565	44,894,852	45,424,632
Non-financial assets					
Other non-financial assets	596,575	336,575	187,575	163,325	375
Total non-financial assets	596,575	336,575	187,575	163,325	375
Total assets administered on behalf of Government	43,016,126	43,484,283	43,860,140	45,058,177	45,425,007
LIABILITIES					
Payables					
Grants	77,568	59,065	54,107	48,532	41,744
Other payables	11,136	11,491	12,171	13,449	14,739
Unearned income	12,942	10,328	7,930	7,068	6,362
Total payables	101,646	80,884	74,208	69,049	62,845
Interest bearing liabilities					
Loans	10,365,498	10,340,570	10,340,571	10,342,625	10,344,759
Other	5,972,824	6,013,598	6,013,598	6,212,314	6,417,926
Total interest bearing liabilities	16,338,322	16,354,168	16,354,169	16,554,939	16,762,685
Provisions					
Provision for grants	656,582	110,118	467	-	-
Total provisions	656,582	110,118	467	-	-
Total liabilities administered on behalf of Government	17,096,550	16,545,170	16,428,844	16,623,988	16,825,530
Net assets/(liabilities)	25,919,576	26,939,113	27,431,296	28,434,189	28,599,477

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	6,479	2,797	2,549	974	830
Interest	15,919	28,217	31,148	33,385	35,875
Dividends	898,553	1,563,000	1,060,000	1,170,000	1,602,000
COAG receipts from government entities	24,064,374	23,932,491	25,220,480	26,727,714	28,023,672
Other	93,450	93,650	93,850	93,950	4,000
Total cash received	25,078,775	25,620,155	26,408,027	28,026,023	29,666,377
Cash used					
Grant payments	126,474,249	126,523,535	130,787,492	137,288,203	144,866,457
Payments to the Medicare Guarantee Fund	35,704,029	36,567,354	36,327,974	37,808,623	39,710,895
Interest paid	60,821	71,204	72,475	79,906	89,145
Other	24,634	1,069	1,009	1,009	-
Total cash used	162,263,733	163,163,162	167,188,950	175,177,741	184,666,497
Net cash from/(used by) operating activities	(137,184,958)	(137,543,007)	(140,780,923)	(147,151,718)	(155,000,120)
INVESTING ACTIVITIES					
Cash received					
Advances and loans	143,188	64,968	53,645	87,540	126,107
IMF maintenance of value	-	-	-	-	-
Total cash received	143,188	64,968	53,645	87,540	126,107

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Cash used					
Purchase of investments	230,335	292,138	59,312	61,265	63,295
Advances and loans	125,850	199,000	50,000	50,000	50,000
Other Investments	165,000	165,000	165,000	165,000	165,000
Total cash used	521,185	656,138	274,312	276,265	278,295
Net cash from/(used by) investing activities	(377,997)	(591,170)	(220,667)	(188,725)	(152,188)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	466,995	601,098	494,312	391,265	228,295
Total cash received	466,995	601,098	494,312	391,265	228,295
Net cash from/(used by) financing activities	466,995	601,098	494,312	391,265	228,295
Net increase/(decrease) in cash held	(137,095,960)	(137,533,079)	(140,507,278)	(146,949,178)	(154,924,013)
Cash and cash equivalents at beginning of reporting period	-	205,000	365,000	585,000	700,000
Cash from Official Public Account for:					
- Appropriations	141,706,682	141,252,193	143,334,191	149,857,252	157,738,374
Total cash from Official Public Account	141,706,682	141,252,193	143,334,191	149,857,252	157,738,374
Cash to Official Public Account for:					
- Appropriations	(4,405,722)	(3,559,114)	(2,606,913)	(2,793,074)	(2,864,361)
Total cash to Official Public Account	(4,405,722)	(3,559,114)	(2,606,913)	(2,793,074)	(2,864,361)
Cash and cash equivalents at end of reporting period	205,000	365,000	585,000	700,000	650,000

Note: A new Special Account has been established for the Treasury. This Special Account provides the line of credit funding for the National Housing Finance and Investment Corporation's Affordable Housing Bond Aggregator.
Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered assets and liabilities	209,850	165,000	165,000	165,000	165,000
Special appropriations	230,335	232,826	-	-	-
Total new capital appropriations	440,185	397,826	165,000	165,000	165,000
Provided for:					
<i>Funding for National Housing Finance and Investment Corporation</i>	165,000	165,000	165,000	165,000	165,000
<i>James Hardie - asbestos compensation fund - Loan to NSW Government</i>	44,850	-	-	-	-
<i>International financial institutions</i>	230,335	232,826	-	-	-
Total items	440,185	397,826	165,000	165,000	165,000

Prepared on Australian Accounting Standards basis.

AUSTRALIAN BUREAU OF STATISTICS

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AUSTRALIAN BUREAU OF STATISTICS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Bureau of Statistics (ABS) is the central statistical authority for the Australian Government and serves as the national statistical agency, delivering services for state and territory governments. The ABS provides trusted independent impartial official statistics on the economy, society, population and the environment. The ABS has a central role in developing statistical standards, including through liaison with international organisations. The ABS is a trusted advisor on statistical matters to government, industry, and the wider Australian community.

ABS's purpose is to inform Australia's important decisions by partnering and innovating to deliver relevant, trusted, objective data, statistics and insights. The ABS will continue our emphasis on the delivery of high quality official statistics and drawing new information insights from effective and safe use of available data.

The ABS works within a complex and rapidly changing data landscape; with increasing demand for quality data, emergent sources of data, opportunities for innovation through new technology, growing competition for analytical capability, increased vigilance around cybersecurity, heightened sensitivity around privacy, and changing trust of citizens in government and institutions.

With strong data analytics and statistical capabilities, the ABS is uniquely placed to create greater public value. External partnerships with key data users and enhanced internal working operations are assisting with effective prioritisation of our work program and increased productivity of the Agency.

ABS continues to build data and analytical capability, drawing from a strong graduate recruitment, flexible working arrangements and investing in ongoing technical and professional development. The ABS is embedding a culture of transformation and innovation, drawing upon the Government's \$257 million investment to upgrade our statistical systems and processes alongside reformed operating arrangements. The ABS is progressing its important transformation while also managing key risks around the quality and relevance of our official statistics.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: Australian Bureau of Statistics resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Budget \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	74,711	89,298
Departmental appropriation (c)	329,229	380,437
s74 External revenue (d)	51,513	42,608
Departmental capital budget (e)	14,349	14,568
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available	7,198	-
Equity injection (g)	19,869	6,218
Total departmental annual appropriations	496,869	533,129
Total departmental resourcing	496,869	533,129
Total resourcing for Australian Bureau of Statistics	496,869	533,129
	2018-19	2019-20
Average staffing level (number)	2,429	2,562

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019; as they had not been enacted at the time of publication.

(b) Appropriation Bill (No.1) 2019-20.

(c) Excludes departmental capital budget (DCB). 2018-19 includes supplementation of \$5.3m for revenue recognised in 2017-18 but appropriated in 2018-19. 2018-19 figure does not include the \$6.3m Appropriation Bills (No.3), refer to footnote (a). The 2019-20 figure includes a reclassification of \$3.0m capital injection into operating appropriation.

(d) Estimated External Revenue receipts under section 74 of the PGPA Act 2013.

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

(f) Appropriation Bill (No. 2) 2019-20.

(g) 2018-19 includes supplementation of \$6.4m for capital injection recognised in 2017-18 but appropriated in 2018-19. 2018-19 does not include the \$0.1m Appropriation Bills (No.4), refer to footnote (a).

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

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

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures						
Australian Bureau of Statistics — 2021 Census — additional funding	1.1					
Departmental expenses		-	31,167	31,996	(24,889)	-
Total expense measures		-	31,167	31,996	(24,889)	-
Total		-	31,167	31,996	(24,889)	-

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

The most recent annual performance statement can be found in the latest Annual Report at: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/1001.0>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Linked programs

Many programs rely on ABS statistics to inform decision-making. Many ABS statistics rely on quality state, territory and commonwealth administrative data.

Australian Taxation Office
Programs <ul style="list-style-type: none">• Program 1.3 – Australian Business Register
Contribution to Outcome 1 made by linked programs <p>Program 1.3 – Australian Business Register provides essential infrastructure to the ABS operations of most ABS business surveys.</p>

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Bureau of Statistics					
Departmental expenses					
Departmental appropriation	330,246	380,437	345,714	473,174	278,568
s74 External revenue (a)	51,513	42,608	38,619	38,629	38,639
Expenses not requiring appropriation in the Budget year (b)	34,498	34,353	31,670	24,091	20,500
Departmental total	416,257	457,398	416,003	535,894	337,707
Total expenses for Program 1.1	416,257	457,398	416,003	535,894	337,707
Total expenses for Outcome 1	416,257	457,398	416,003	535,894	337,707

	2018-19	2019-20
Average staffing level (number)	2,429	2,562

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Decisions on important matters made by governments, business and the broader community are informed by objective, relevant and trusted official statistics produced through the collection and integration of data, its analysis, and the provision of statistical information.</p>		
<p>Program 1.1 – Australian Bureau of Statistics This program contributes to the outcome through delivery of high quality statistical information to inform Australia’s most important issues and through engaging with users within government, business and the community to ensure they have the confidence in the statistical resources available to enable them to make informed decisions.</p>		
<p>Delivery</p>	<p>In 2019-20 and onwards, the ABS will:</p> <ol style="list-style-type: none"> 1. Provide high quality statistics, across key economic, population, social and environment subject matter areas that meet the needs of key users in government, business and the community. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria (a)</p>	<p>Targets</p>
<p>2018-19</p>	<p>Decision making by governments, business and the community is informed by high quality statistics.</p>	<p>ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund against the Special Data Dissemination Standard (b); except where the ABS has made an explicit decision not to do so, following consultation with stakeholders, based on Australian needs and circumstances. Forecast: On track</p> <p>The Transformation Program is effectively implemented, to deliver contemporary systems that will better meet ABS’s future needs. Forecast: Substantial progress expected</p> <p>The ABS creates new statistical solutions in collaboration with stakeholders to maximise the use of ABS’ data assets. Forecast: On track</p>

Performance information (continued)		
Year	Performance criteria (a)	Targets
2019-20	Decision making by governments, business and the community is informed by high quality statistics.	ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund against the Special Data Dissemination Standard (b); except where the ABS has made an explicit decision not to do so, following consultation with stakeholders, based on Australian needs and circumstances.
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	The purpose that contributes to Program 1.1 – Australian Bureau of Statistics is: to inform Australia’s important decisions by partnering and innovating to deliver relevant, trusted, objective data, statistics and insights.	
Material changes to Program 1.1 resulting from the following measures:		
There are no budget measures that materially impact on Program 1.1 – Australian Bureau of Statistics.		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) The Special Data Dissemination Standard (SDDS) is produced and managed by the International Monetary Fund (IMF). The IMF monitors and reports on how well countries comply with SDDS requirements for the range of statistics produced and the coverage, frequency, and timeliness of the statistics that are produced. The statistics required by the SDDS include national accounts, labour force, unemployment, consumer price inflation and estimates of resident population. The latest information on Australia’s compliance with the SDDS is available on the IMF website: <http://dsbb.imf.org/Pages/SDDS/SOOCtyCtgList.aspx?ctycode=AUS>.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ABS is budgeting for a break even operating result in 2019-20 after adjusting for the non-appropriated expenses of depreciation and amortisation.

Total appropriation revenue in 2019-20 is estimated to be \$380.4 million. This has increased from \$346.6 million as reported in the *Portfolio Additional Estimates Statements 2018-19*. The increase is largely associated with additional funding received for the new measure Australian Bureau of Statistics – 2021 Census – additional funding. Refer to Table 1.2 for funding details.

Total expenses in 2019-20 are estimated to be \$457.4 million. This has increased from \$420.1 million as reported in the *Portfolio Additional Estimates Statements 2018-19*. The increase is largely due to expenditure from the new measure and a reclassification of \$3.0 million of capital injection into operating funding. The corresponding impact is the reduction in the capital budget.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	284,956	302,592	270,112	429,733	239,618
Suppliers	96,423	120,073	113,841	81,690	77,209
Depreciation and amortisation (a)	34,378	34,233	31,550	23,971	20,380
Other expenses	500	500	500	500	500
Total expenses	416,257	457,398	416,003	535,894	337,707
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	49,500	42,000	38,000	38,000	38,000
Other	1,913	508	519	529	539
Total own-source revenue	51,413	42,508	38,519	38,529	38,539
Gains					
Sale of assets	100	100	100	100	100
Other	120	120	120	120	120
Total gains	220	220	220	220	220
Total own-source income	51,633	42,728	38,739	38,749	38,759
Net (cost of)/contribution by services	(364,624)	(414,670)	(377,264)	(497,145)	(298,948)
Revenue from Government	330,246	380,437	345,714	473,174	278,568
Surplus/(deficit) attributable to the Australian Government	(34,378)	(34,233)	(31,550)	(23,971)	(20,380)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	(34,378)	(34,233)	(31,550)	(23,971)	(20,380)
Total comprehensive income/(loss) attributable to the Australian Government	(34,378)	(34,233)	(31,550)	(23,971)	(20,380)

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

Prepared on Australian Accounting Standards basis.

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

Note: Impact of net cash appropriation arrangements

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	34,378	34,233	31,550	23,971	20,380
Total comprehensive income/(loss) - as per the statement of comprehensive income	(34,378)	(34,233)	(31,550)	(23,971)	(20,380)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,232	2,232	2,232	2,232	2,232
Trade and other receivables	96,043	96,050	94,702	91,775	91,775
Total financial assets	98,275	98,282	96,934	94,007	94,007
Non-financial assets					
Property, plant and equipment	58,337	53,324	53,368	54,815	53,336
Intangibles	103,140	94,706	88,942	84,995	81,059
Other non-financial assets	10,964	6,854	6,496	8,170	5,638
Total non-financial assets	172,441	154,884	148,806	147,980	140,033
Total assets	270,716	253,166	245,740	241,987	234,040
LIABILITIES					
Payables					
Suppliers	32,006	26,339	26,611	27,210	26,124
Other payables	47,782	49,284	48,202	48,150	47,252
Total payables	79,788	75,623	74,813	75,360	73,376
Provisions					
Employee provisions	96,254	96,304	95,397	93,591	93,591
Other provisions	519	531	542	548	-
Total provisions	96,773	96,835	95,939	94,139	93,591
Total liabilities	176,561	172,458	170,752	169,499	166,967
Net assets	94,155	80,708	74,988	72,488	67,073
EQUITY*					
Parent entity interest					
Contributed equity	349,392	370,178	396,008	417,479	432,444
Reserves	30,565	30,565	30,565	30,565	30,565
Retained surplus (accumulated deficit)	(285,802)	(320,035)	(351,585)	(375,556)	(395,936)
Total parent entity interest	94,155	80,708	74,988	72,488	67,073
Total equity	94,155	80,708	74,988	72,488	67,073

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(285,802)	30,565	349,392	94,155
Adjusted opening balance	(285,802)	30,565	349,392	94,155
Comprehensive income				
Surplus/(deficit) for the period	(34,233)	-	-	(34,233)
Total comprehensive income	(34,233)	-	-	(34,233)
Contributions by owners				
Equity injection - Appropriation	-	-	6,218	6,218
Departmental Capital Budget (DCB)			14,568	14,568
Sub-total transactions with owners	-	-	20,786	20,786
Estimated closing balance as at 30 June 2020	(320,035)	30,565	370,178	80,708
Closing balance attributable to the Australian Government	(320,035)	30,565	370,178	80,708

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	334,129	380,430	347,062	476,101	278,568
Sale of goods and rendering of services	49,500	42,000	38,000	38,000	38,000
Net GST received	276	294	477	274	10,873
Other	1,913	508	519	529	539
Total cash received	385,818	423,232	386,058	514,904	327,980
Cash used					
Employees	281,889	300,142	271,203	430,694	239,618
Suppliers	99,364	122,396	113,978	83,536	77,089
Net GST paid	276	294	477	274	10,873
Other	500	500	500	500	500
Total cash used	382,029	423,332	386,158	515,004	328,080
Net cash from/(used by) operating activities	3,789	(100)	(100)	(100)	(100)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	100	100	100	100	100
Total cash received	100	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	32,255	20,786	25,830	21,471	14,965
Total cash used	32,255	20,786	25,830	21,471	14,965
Net cash from/(used by) investing activities	(32,155)	(20,686)	(25,730)	(21,371)	(14,865)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	28,364	20,786	25,830	21,471	14,965
Total cash received	28,364	20,786	25,830	21,471	14,965
Total cash used					
	-	-	-	-	-
Net cash from/(used by) financing activities	28,364	20,786	25,830	21,471	14,965
Net increase/(decrease) in cash held	(2)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,234	2,232	2,232	2,232	2,232
Cash and cash equivalents at the end of the reporting period	2,232	2,232	2,232	2,232	2,232

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	14,349	14,568	12,962	16,259	14,926
Equity injections - Bill 2 (a)	13,602	6,218	12,868	5,212	39
Total new capital appropriations	27,951	20,786	25,830	21,471	14,965
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	27,951	20,786	25,830	21,471	14,965
Total items	27,951	20,786	25,830	21,471	14,965
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (b)	14,015	6,218	12,868	5,212	39
Funded by capital appropriation - DCB (c)	18,240	14,568	12,962	16,259	14,926
TOTAL	32,255	20,786	25,830	21,471	14,965

(a) 2019-20 includes a reclassification of \$3.0m capital injection into operating appropriation.

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

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	72,618	272,667	345,285
Accumulated depreciation/ amortisation and impairment	(14,281)	(169,527)	(183,808)
Opening net book balance	58,337	103,140	161,477
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity (a)	1,414	4,804	6,218
By purchase - appropriation ordinary annual services (b)	5,358	9,210	14,568
Total additions	6,772	14,014	20,786
Other movements			
Depreciation/amortisation expense	(11,785)	(22,448)	(34,233)
Total other movements	(11,785)	(22,448)	(34,233)
As at 30 June 2020			
Gross book value	79,390	286,681	366,071
Accumulated depreciation/ amortisation and impairment	(26,066)	(191,975)	(218,041)
Closing net book balance	53,324	94,706	148,030

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

The ACCC and AER share staff, resources and facilities.

The roles of the ACCC and AER should be seen in the context of the thinking that underpins National Competition Policy – that competition provides the best incentive for businesses to become more efficient, innovative and flexible and to operate in the long-term interests of consumers. Together the ACCC and AER champion strong, efficient and effective markets.

The ACCC is selective in the matters it investigates and the sectors in which it engages in education and market analysis. The ACCC's role is to focus on those circumstances that will, or have the potential to harm the competitive process or result in widespread consumer detriment. The ACCC therefore exercises discretion to direct resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its compliance and enforcement priorities, as set out in the ACCC Compliance and Enforcement Policy.

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

The ACCC will continue to assess and review mergers via the informal clearance process to prevent structural changes that substantially lessen competition, and will continue to assess and make decisions about applications for authorisation and notification of certain anti-competitive conduct.

The ACCC determines prices and access terms and conditions for some nationally significant monopoly infrastructure services, and monitors and enforces compliance with industry-specific laws for industries including communications, bulk water,

postal services and rail. Fostering efficient infrastructure provision through industry-specific regulation and access conditions – under the umbrella of the long term interest of consumers – is the major focus of the economic regulatory role.

The ACCC also monitors other markets (such as major airports, container stevedoring, wheat ports and fuel) where there is limited competition or high consumer concern to provide information about the operation of the relevant market.

In 2019-20 the ACCC will continue to focus on markets where additional measures and analysis are required to deliver efficient and competitive outcomes. This includes undertaking a number of price inquiries, industry analysis and reporting activities covering a broad range of sectors, including gas and electricity, financial services, private health insurance and residential insurance in Northern Australia.

The ACCC will also focus on its role in relation to the new Consumer Data Right.

The AER works to make all Australian energy consumers better off, now and in the future. The energy laws' objective of 'promoting efficient investment in, and operation and use of, energy services for the long-term interests of energy consumers with respect to price, quality, safety, reliability and security' guides the AER's priorities and work program.

In 2019-20 the AER will:

- drive effective competition where feasible
- provide effective regulation where competition is not feasible
- equip consumers to participate effectively, and protect those who are unable to safeguard their own interests
- use our expertise to inform debate about Australia's energy future, the long-term interests of consumers and the regulatory landscape
- take a long-term perspective while also considering the impact on consumers today

The ACCC and AER work directly and indirectly to achieve a shared outcome, outlined in Section 2.1. Both will use strategic communication and undertake an active program of managed partnerships with other organisations to deliver outcomes that impact favourably on competition and consumer welfare.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	20,107	30,818
Departmental appropriation (c)	209,983	235,161
s74 External Revenue (d)	4,503	3,703
Departmental capital budget (e)	2,534	4,695
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available	12,500	10,000
Equity injection	1,100	1,100
Total departmental annual appropriations	<u>250,727</u>	<u>285,477</u>
Total departmental resourcing	250,727	285,477
Administered		
Special appropriations (g)	20	20
Total administered special appropriations	<u>20</u>	<u>20</u>
Total administered resourcing (h)	20	20
Total resourcing for the ACCC	250,747	285,497
	<u>2018-19</u>	<u>2019-20</u>
Average staffing level (number)	964	1,022

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

	2018-19 (a) <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Payments made on behalf of the NCC (as disclosed in the NCC's resource statement)	1,990	1,700
Receipts received from the NCC for the provision of services (disclosed above in s74 External Revenue section above)	850	850

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes departmental capital budget (DCB).

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

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

(f) Appropriation Bill (No. 2) 2019-20.

(g) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

(h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

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

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

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures						
Australian Competition and Consumer Commission Agriculture Unit — continuation						
	Departmental expenses	1.1	-	2,732	-	-
	Total		-	2,732	-	-
Australian Energy Regulator — resourcing for new and expanded functions						
	Departmental expenses	1.2	-	5,361	2,728	2,589
	Total		-	5,361	2,728	2,589
Commercial Construction Unit — additional funding						
	Departmental expenses	1.1	-	1,262	2,711	2,727
	Total		-	1,262	2,711	2,727
Dairy Code of Conduct (a)						
	Departmental expenses	1.1	-	138	391	839
	Total		-	138	391	839
Total expense measures						
	Departmental		-	9,493	5,830	6,155
	Total		-	9,493	5,830	6,155

(a) The lead entity for measure titled 'Dairy Code of Conduct' is the Department of Agriculture and Water Resources. The full measure description and package details appear in Budget Paper No. 2 under the Agriculture and Water Resources portfolio.

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	166,742	167,356	160,365	155,798	138,730
s74 External Revenue (a)	4,103	3,703	2,331	2,113	1,400
Expenses not requiring appropriation in the Budget year (b)	5,912	6,910	6,521	6,061	5,464
Departmental total	176,757	177,969	169,217	163,972	145,594
Total expenses for Program 1.1	176,757	177,969	169,217	163,972	145,594
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	62,199	67,805	64,896	65,320	65,748
Departmental total	62,199	67,805	64,896	65,320	65,748
Total expenses for Program 1.2	62,199	67,805	64,896	65,320	65,748

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

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

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

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	228,941	235,161	225,261	221,118	204,478
s74 External Revenue (a)	4,103	3,703	2,331	2,113	1,400
Expenses not requiring appropriation in the Budget year (b)	5,912	6,910	6,521	6,061	5,464
Departmental total	238,956	245,774	234,113	229,292	211,342
Total expenses for Outcome 1	238,956	245,774	234,113	229,292	211,342
<hr/>					
	2018-19	2019-20			
Average staffing level (number)	964	1,022			

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services.</p>	
<p>Program 1.1 – Australian Competition and Consumer Commission To achieve compliance with the Competition and Consumer Act 2010 and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.</p>	
<p>Delivery</p>	<p>The ACCC achieves Outcome 1 by:</p> <ol style="list-style-type: none"> 1. Maintaining and promoting competition through: <ul style="list-style-type: none"> • delivering outcomes to address harm to consumers and businesses resulting from anti-competitive conduct focusing in particular on the ACCC’s identified priorities; • assessing mergers to prevent structural changes that substantially lessen competition; and • making decisions on authorisation, notification and certification trademark applications in the public interest. 2. Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business through: <ul style="list-style-type: none"> • delivering outcomes to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law focusing in particular on the ACCC’s identified priorities; • enhancing the effectiveness of the ACCC’s compliance and enforcement initiatives through partnerships; • identifying and addressing the risk of serious injury and death from safety hazards in consumer products; • supporting a vibrant small business sector; and • empowering consumers by increasing their awareness of their rights under the Australian Consumer Law. 3. Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure through: <ul style="list-style-type: none"> • delivering network regulation that promotes competition in the long-term interests of end-users; • providing industry monitoring reports to Government in relation to highly concentrated, newly deregulated or emerging markets; and • improving the efficient operation of markets by enforcing industry-specific competition and market rules. 4. Undertaking market studies and inquiries to support competition, consumer and regulatory outcomes

Performance information		
Performance criteria	Forecast result against 2018-19 target	2019-20 and forward year targets
Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)	Expect to achieve target of 6	6
Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment	Expect to exceed target of 80%	80%
Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)	Expect to meet target of 100%	100%
Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)	Expect to exceed target of 40	40
Number of initial and in depth investigations of emerging product safety hazards (a)	On track to meet target of 10	10
Number of small business Infocentre contacts served	Expect to exceed target of 12,000	12 000
Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)	Expect to exceed target of 200,000	200 000
Number of major regulatory decisions	Expect to achieve target of 4	3
Number of annual monitoring reports	Expect to achieve target of 7	7
Number of reports on monitoring of unleaded petroleum products	Expect to achieve target of 6	6
Number of reports on broadband markets	Expect to achieve target of 8	8
Number of completed markets studies and inquiries	Expect to complete 3 (target was 4)	3
Purpose	The ACCC and the AER work in close coordination to achieve our common purpose: making markets work for consumers, now and in the future. The ACCC enforces the CCA and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.	

(a) These performance criteria will be revised based on the outcomes of a strategic review of the AER's approach to compliance and enforcement, being undertaken in 2019 (calendar year).

The above program is linked to the Department of Health (Program 5.1 – Protect the Health and Safety of the Community through Regulation) and the Department of Industry, Innovation and Science (Program 2 – Growing Business Investment and Improving Business Capability).

Table 2.2: Performance criteria for Outcome 1 (continued)

<p>Program 1.2 - Australian Energy Regulator</p> <p>The AER's priorities and work program are guided by the objectives of national energy legislation and rules. The common objective through the legislation is to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of end users of energy with respect to price, quality, safety, reliability and security.</p>		
Delivery	<p>The AER achieves Outcome 1 by:</p> <ul style="list-style-type: none"> • monitoring electricity and gas markets to ensure energy businesses comply with the legislation and rules, and taking enforcement action where necessary; • setting the amount of revenue that network businesses can recover from customers for using these networks and promoting efficient pricing structures; • regulating retail energy markets in Queensland, New South Wales, South Australia, Tasmania (electricity only) and the Australian Capital Territory; • operating Energy Made Easy, a price comparison website and providing other information for energy consumers; and • publishing information on energy markets, including the annual State of the energy market report, and reports on effective competition to assist stakeholders and the wider community. 	
Performance information		
Performance criteria	Forecast result against 2018-19 target	2019-20 and forward year targets
Number of completed revenue decisions for electricity networks and gas pipelines	Expect to achieve target of 7	5 in 2019-20 8 in 2020-21 2 in 2021-22
Number of annual benchmarking reports on electricity networks	Expect to achieve target of 1	1
Percentage of disputes resolved within legislated timeframes, including on network access and connections, and regulatory investment tests	Expect to achieve target of 100%	100%
Number of electricity distribution annual pricing (tariff) proposals and annual gas tariff variations approved	Expect to achieve target of 22 (14 electricity and 8 gas)	22 (14 electricity and 8 gas)
Number of annual reports on compliance in, and performance of, retail energy markets	Achieved target of 2	2
Percentage of retail authorisation and exemptions applications to sell energy assessed within 12 weeks of receiving all relevant information	Expect to achieve target of 100%	100%
Percentage of new retailer hardship policies approved within 12 weeks of receiving the submitted policy	Expect to achieve target of 100%	100%

Performance information (continued)		
Performance criteria	Forecast result against 2018-19 target	2019-20 and forward year targets
Percentage of offers published on the AER's Energy Made Easy price comparator website within two business days of receipt from retailers	Will achieve target of 100%	100%
Number of targeted reviews of compliance with the national energy rules	Expect to achieve target of 4	N/A (b)
Number of quarterly reports on compliance in wholesale electricity and gas markets	Expect to achieve less than the target of 4	N/A (b)
Number of audits completed of systems for energy businesses that are critical to market efficiency and energy security	Expect to achieve target of 1	N/A (b)
Percentage of reports on wholesale electricity market high price events and significant price variations in spot gas markets activity published within statutory timeframes	Expect to achieve target of 100%	100%
Number of reports on effective competition in the wholesale electricity market	Achieved target of 1	4
Purpose	The AER regulates energy markets and networks under national legislation and rules, which aim to promote efficient investment in, and operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security.	

(b) This performance criteria was revised in the ACCC and AER Corporate Plan 2018-19 to better reflect the ACCC's case management system and definitions. The target for 2018-19 was revised to 10.

The above program is linked to the Department of the Environment and Energy (Program 4.1 – Energy).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

Operating revenues

Total appropriation revenue for 2019-20 is estimated to be \$235.2 million. This has increased from \$225.9 million as reported in the *Portfolio Additional Estimates Statements 2018-19*. The increase is due to additional funding received for new budget measures, and includes:

- Australian Competition and Consumer Commission Agriculture Unit – continuation;
- Australian Energy Regulator – resourcing for new and expanded functions;
- Commercial Construction Unit – additional funding; and
- Dairy Code of Conduct.

Refer to Table 1.2 for funding details.

Operating expenses

Total expenses in 2019-20 are estimated to be \$245.8 million. This has increased from \$234.5 million as reported in the *Portfolio Additional Estimates Statements 2018-19*. The increase is largely due to expenditure from new budget measures as summarised in Table 1.2.

Operating capital

The total capital budget in 2019-20 is estimated to be \$5.3 million. There has been no material change to the capital budget since the *Portfolio Additional Estimates Statements 2018-19*.

Departmental Balance Sheet

Financial assets

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

Non-financial assets

These items represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

Departmental liabilities — provisions and payables

Provisions and payables include:

- employee entitlements arising from services rendered by employees. The liability includes unpaid annual leave and long service leave;
- rent straight-line adjustments and lease incentives;
- make good liability and onerous lease provisions for office accommodation; and
- unpaid expenses as at balance date.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	135,843	139,966	133,717	131,971	121,422
Suppliers	97,271	98,959	93,927	91,303	84,490
Depreciation and amortisation (a)	5,818	6,816	6,427	5,967	5,370
Finance costs	24	33	42	51	60
Total expenses	238,956	245,774	234,113	229,292	211,342
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,103	3,703	2,331	2,113	1,400
Total own-source revenue	4,103	3,703	2,331	2,113	1,400
Gains					
Other	94	94	94	94	94
Total gains	94	94	94	94	94
Total own-source income	4,197	3,797	2,425	2,207	1,494
Net (cost of)/contribution by services	(234,759)	(241,977)	(231,688)	(227,085)	(209,848)
Revenue from Government	228,941	235,161	225,261	221,118	204,478
Surplus/(deficit) attributable to the Australian Government	(5,818)	(6,816)	(6,427)	(5,967)	(5,370)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	5,818	6,816	6,427	5,967	5,370
Total comprehensive income/(loss) - as per the statement of comprehensive income	(5,818)	(6,816)	(6,427)	(5,967)	(5,370)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,616	1,616	1,616	1,616	1,616
Trade and other receivables	40,495	39,017	41,938	39,155	36,073
Total financial assets	42,111	40,633	43,554	40,771	37,689
Non-financial assets					
Land and buildings	13,485	11,223	9,286	8,323	7,726
Property, plant and equipment	4,218	4,194	4,369	3,613	3,057
Intangibles	11,027	11,792	10,895	10,436	10,027
Other non-financial assets	4,060	4,060	4,060	4,060	4,060
Total non-financial assets	32,790	31,269	28,610	26,432	24,870
Total assets	74,901	71,902	72,164	67,203	62,559
LIABILITIES					
Payables					
Suppliers	13,375	13,108	12,310	11,529	10,972
Other payables	17,138	16,649	21,357	19,098	19,098
Total payables	30,513	29,757	33,667	30,627	30,070
Provisions					
Employee provisions	36,547	35,685	34,547	34,646	31,621
Other provisions	3,188	2,828	2,477	2,135	2,135
Total provisions	39,735	38,513	37,024	36,781	33,756
Total liabilities	70,248	68,270	70,691	67,408	63,826
Net assets	4,653	3,632	1,473	(205)	(1,267)
EQUITY*					
Parent entity interest					
Contributed equity	99,283	105,078	109,346	113,635	117,943
Reserves	4,198	4,198	4,198	4,198	4,198
Retained surplus (accumulated deficit)	(98,828)	(105,644)	(112,071)	(118,038)	(123,408)
Total equity	4,653	3,632	1,473	(205)	(1,267)

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(98,828)	4,198	99,283	4,653
Adjusted opening balance	(98,828)	4,198	99,283	4,653
Comprehensive income				
Surplus/(deficit) for the period	(6,816)	-	-	(6,816)
Total comprehensive income	(6,816)	-	-	(6,816)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,100	1,100
Departmental Capital Budget (DCB)	-	-	4,695	4,695
Sub-total transactions with owners	-	-	5,795	5,795
Estimated closing balance as at 30 June 2020	(105,644)	4,198	105,078	3,632
Closing balance attributable to the Australian Government	(105,644)	4,198	105,078	3,632

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	237,163	250,301	234,219	235,280	217,573
Sale of goods and rendering of services	4,503	3,703	2,331	2,113	1,400
Net GST received	10,149	9,629	9,355	9,095	8,513
Total cash received	251,815	263,633	245,905	246,488	227,486
Cash used					
Employees	130,408	138,165	133,615	132,270	124,447
Suppliers	97,832	102,677	91,556	94,244	85,013
Net GST paid	10,149	9,629	9,355	9,095	8,513
s74 External Revenue transferred to OPA	14,002	13,662	11,879	11,379	10,013
Total cash used	252,391	264,133	246,405	246,988	227,986
Net cash from/(used by) operating activities	(576)	(500)	(500)	(500)	(500)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	10,704	5,295	3,768	3,789	3,808
Total cash used	10,704	5,295	3,768	3,789	3,808
Net cash from/(used by) investing activities	(10,704)	(5,295)	(3,768)	(3,789)	(3,808)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	11,204	5,795	4,268	4,289	4,308
Total cash received	11,204	5,795	4,268	4,289	4,308
Net cash from/(used by) financing activities	11,204	5,795	4,268	4,289	4,308
Net increase/(decrease) in cash held	(76)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,692	1,616	1,616	1,616	1,616
Cash and cash equivalents at the end of the reporting period	1,616	1,616	1,616	1,616	1,616

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	10,104	4,695	3,168	3,189	3,208
Equity injections - Bill 2	1,100	1,100	1,100	1,100	1,100
Total new capital appropriations	11,204	5,795	4,268	4,289	4,308
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	10,704	5,295	3,768	3,789	3,808
<i>Other Items</i>	500	500	500	500	500
Total items	11,204	5,795	4,268	4,289	4,308
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	600	600	600	600
Funded by capital appropriation - DCB (b)	10,104	4,695	3,168	3,189	3,208
TOTAL	10,704	5,295	3,768	3,789	3,808
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,704	5,295	3,768	3,789	3,808
Total cash used to acquire assets	10,704	5,295	3,768	3,789	3,808

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

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	15,912	5,867	19,304	41,083
Accumulated depreciation/ amortisation and impairment	(2,427)	(1,649)	(8,277)	(12,353)
Opening net book balance	13,485	4,218	11,027	28,730
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	600	600
By purchase - appropriation ordinary annual services (b)	97	1,844	2,754	4,695
Total additions	97	1,844	3,354	5,295
Other movements				
Depreciation/amortisation expense	(2,359)	(1,868)	(2,589)	(6,816)
Total other movements	(2,359)	(1,868)	(2,589)	(6,816)
As at 30 June 2020				
Gross book value	16,009	7,711	22,658	46,378
Accumulated depreciation/ amortisation and impairment	(4,786)	(3,517)	(10,866)	(19,169)
Closing net book balance	11,223	4,194	11,792	27,209

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	40,000	40,000	40,000	40,000	40,000
Total non-taxation revenue	40,000	40,000	40,000	40,000	40,000
Total own-source revenue administered on behalf of Government	40,000	40,000	40,000	40,000	40,000
Total own-sourced income administered on behalf of Government	40,000	40,000	40,000	40,000	40,000
Net cost of/(contribution by) services	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Surplus/(deficit)	40,000	40,000	40,000	40,000	40,000

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	32,615	32,615	32,615	32,615	32,615
Total financial assets	32,615	32,615	32,615	32,615	32,615
Total assets administered on behalf of Government	32,615	32,615	32,615	32,615	32,615
Net assets/(liabilities)	32,615	32,615	32,615	32,615	32,615

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	40,000	40,000	40,000	40,000	40,000
Total cash received	40,000	40,000	40,000	40,000	40,000
Net cash from/(used by) operating activities	40,000	40,000	40,000	40,000	40,000
Net increase/(decrease) in cash held	40,000	40,000	40,000	40,000	40,000
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Total cash to Official Public Account	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

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AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

The AOFM primarily manages the cost structure of the debt portfolio through the choice of Treasury Bond series when issuing debt. The annual debt issuance strategy is informed by qualitative and quantitative factors to achieve an interest rate profile that appropriately balances cost and cost variability, the refinancing task and financial market efficiency. In recent years the AOFM has lengthened the duration of its Treasury Bond portfolio through longer term issuance and by extending the yield curve as a means of reducing risk. The AOFM will continue to look for opportunities to consolidate its issuance at the longer end of the yield curve. In addition, as a means of further reducing refinancing risk in future years and to improve market efficiency, the AOFM conducts regular buy backs of Treasury Bonds that no longer form part of the 3 year Treasury Bond futures contract.

The use of Treasury Indexed Bonds facilitates diversification of the investor base by tapping into additional sources of investor demand. The development of this market has also, at times, been used to facilitate the development of the Treasury Bond market.

In managing the government's cash balances, the AOFM aims to ensure that the government is able to meet its financial obligations when they fall due, while seeking to minimise the net cost of funding. The use of term deposits and issuance of Treasury Notes is used to manage cash flow volatility arising from the government's within year financing task.

In November 2018 the Government announced the establishment of the Australian Business Securitisation Fund (ABSF) to foster competition in the small and medium enterprise (SME) lending market with the aim of improving access to, and over time the cost of finance to SMEs.

In February 2019 the legislation to establish the \$2 billion ABSF was introduced into Parliament. The AOFM will be responsible for administering the ABSF, and in MYEFO was allocated additional departmental funding for this purpose.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Information in this table is presented on a total resourcing (cash or appropriations available) basis to meet operating, investing and financing activities. The 'Budgeted expenses for Outcome 1' table in Section 2 focuses on expenses only, and the financial statements in Section 3 are presented on an accruals basis.

Table 1.1: Australian Office of Financial Management resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) <i>Estimated actual \$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Prior year appropriations available	24,547	23,441
Departmental appropriation (b)	10,789	13,808
s74 External Revenue (c)	371	382
Departmental capital budget (b) (d)	710	359
<i>Total departmental annual appropriations</i>	<i>36,417</i>	<i>37,990</i>
Total departmental resourcing	36,417	37,990
Administered		
Special appropriations (e)	518,952,928	442,881,888
<i>Total administered special appropriations</i>	<i>518,952,928</i>	<i>442,881,888</i>
Special accounts		
Opening balance	39	39
<i>Total special accounts</i>	<i>39</i>	<i>39</i>
Total administered resourcing	518,952,967	442,881,927
Total resourcing for the AOFM	518,989,384	442,919,917

	2018-19	2019-20
Average staffing level (number)	40	47

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No.1) 2019-20.

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

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) 2019-20 and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Special Appropriations comprise funding to meet estimated operating expenditures (such as interest on Australian Government Securities (AGS)), investing expenditures (such as acquisition of term deposits), and financing expenditures (such as maturity of AGS). Figures include estimated expenditures from the ABSF.

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a total resourcing (that is, cash or appropriations available) basis.

1.3 BUDGET MEASURES

The AOFM has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

<https://aofm.gov.au/publications/corporate-plan-2018-2019/>

The most recent annual performance statement can be found at:

<https://aofm.gov.au/publications/annual-reports/annual-report-2017-2018/part-2-performance-and-outcomes/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Budgeted expenses for Outcome 1

This table shows how much the entity intends to incur in expenses (on an accruals basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental activities.

Expenditures on investing and financing activities are excluded from Table 2.1.

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Office of Financial Management					
Administered expenses					
Special appropriations:					
<i>Commonwealth Inscribed Stock Act 1911</i>	17,153,897	17,031,587	16,619,233	16,051,161	15,728,640
<i>Australian Business Securitisation Fund</i>	-	325	975	1,950	3,253
<i>Financial Agreement Act 1994</i>	8	8	8	8	8
Expenses not requiring appropriation in the Budget year (a)	774,217	786,746	685,993	417,763	520,893
Administered total	17,928,122	17,818,666	17,306,209	16,470,882	16,252,794
Departmental expenses					
Appropriation Bill No. 1	9,973	13,808	13,928	14,093	14,214
s74 External Revenue (a)	371	382	394	406	418
Expenses not requiring appropriation in the Budget year (b)	820	870	870	820	820
Departmental total	11,164	15,060	15,192	15,319	15,452
Total expenses for Outcome 1	17,939,286	17,833,726	17,321,401	16,486,201	16,268,246

	2018-19	2019-20
Average staffing level (number)	40	47

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees for departmental activities; and accounting losses on debt redeemed prior to maturity for administered activities.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1	
The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government.	
Program 1.1 – Australian Office of Financial Management	
Delivery	The AOFM is responsible for managing the Commonwealth debt, cash and other asset portfolios on behalf of the Australian Government. The AOFM aims to manage these portfolios with a view to balancing cost and risk, over the medium term.
Performance information	
Performance criteria	Targets 2018-19 and beyond
Meet the budget financing task in a cost-effective manner subject to acceptable risk	
<u>Term issuance</u> - Shortfall in volume (\$) between actual Treasury Bond issuance and planned issuance announced at the Budget and subsequent releases.	Zero
<u>Tender issuance yields</u> - Weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	Issuance yields at or below the market rate
<u>Financing cost (issuance)</u> - The cost of Treasury Bond issuance over the past 12 months compared to the average 10-year bond rate over the same period.	Lower
<u>Financing cost (portfolio)</u> - The cost of the long-term debt portfolio compared to the 10-year average of the 10-year bond rate.	Lower
Facilitate the government's cash outlay requirements as and when they fall due	
<u>Use of the overdraft facility</u> - Number of instances the RBA overdraft facility was utilised to the extent that it required Ministerial approval during the assessment period.	Zero
A credible custodian of the Australian Government Securities market and other portfolio responsibilities	
<u>A liquid and efficient secondary market</u> - Annual turnover in the secondary market for Treasury Bonds and Treasury Indexed Bonds.	Greater than previous year
<u>Market commitments</u> - Number of times the AOFM failed to undertake actions consistent with public announcements.	Zero
Purposes	The AOFM's purpose is articulated through its objectives, which are to: <ul style="list-style-type: none"> • meet the budget financing task in a cost-effective manner subject to acceptable risk; • facilitate the government's cash outlay requirements as and when they fall due; and • be a credible custodian of the Australian Government Securities market and other portfolio responsibilities.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Departmental

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

Administered

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

The AOFM's estimated expenses as shown in Table 2.1 are itemised in the comprehensive income statement (Table 3.1) for departmental activities, and in the schedule of budgeted administered income and expenses (Table 3.7) for administered activities.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Administered

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

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

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	7,165	7,858	8,074	8,297	8,526
Suppliers	3,499	6,652	6,568	6,522	6,426
Depreciation and amortisation	500	550	550	500	500
Total expenses	11,164	15,060	15,192	15,319	15,452
LESS:					
OWN-SOURCE INCOME					
Sale of goods and rendering of services	371	382	394	406	418
Resources received free of charge	320	320	320	320	320
Total own-source income	691	702	714	726	738
Net (cost of)/contribution by services	(10,473)	(14,358)	(14,478)	(14,593)	(14,714)
Revenue from Government	11,723	13,808	13,928	14,093	14,214
Surplus/(deficit) attributable to the Australian Government	1,250	(550)	(550)	(500)	(500)
Total comprehensive income/(loss)	1,250	(550)	(550)	(500)	(500)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	1,750	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	500	550	550	500	500
Total comprehensive income/(loss) - as per the statement of comprehensive income	1,250	(550)	(550)	(500)	(500)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	73	73	73	73	73
Trade and other receivables	23,480	23,523	23,568	23,617	23,668
Total financial assets	23,553	23,596	23,641	23,690	23,741
Non-financial assets					
Property, plant and equipment	2,057	2,016	1,982	1,955	1,935
Intangibles	1,142	992	842	742	642
Other non-financial assets	223	223	223	223	223
Total non-financial assets	3,422	3,231	3,047	2,920	2,800
Total assets	26,975	26,827	26,688	26,610	26,541
LIABILITIES					
Payables					
Suppliers	136	136	136	136	136
Other payables	298	301	305	313	318
Total payables	434	437	441	449	454
Provisions					
Employee provisions	2,147	2,187	2,228	2,269	2,315
Other provisions	418	418	418	418	418
Total provisions	2,565	2,605	2,646	2,687	2,733
Total liabilities	2,999	3,042	3,087	3,136	3,187
Net assets	23,976	23,785	23,601	23,474	23,354
EQUITY*					
Parent entity interest					
Contributed equity	(7,741)	(7,382)	(7,016)	(6,643)	(6,263)
Retained surplus	31,717	31,167	30,617	30,117	29,617
Total equity	23,976	23,785	23,601	23,474	23,354

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	31,717	(7,741)	23,976
Opening balance	31,717	(7,741)	23,976
Comprehensive income			
Surplus/(deficit) for the period	(550)	-	(550)
Total comprehensive income	(550)	-	(550)
Transactions with owners			
Contributions by owners			
Departmental capital budget (DCB)	-	359	359
Sub-total transactions with owners	-	359	359
Estimated closing balance as at 30 June 2020	31,167	(7,382)	23,785

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,829	13,765	13,883	14,044	14,163
Other	371	382	394	406	418
Total cash received	13,200	14,147	14,277	14,450	14,581
Cash used					
Employees	7,121	7,815	8,029	8,248	8,475
Suppliers	3,179	6,332	6,248	6,202	6,106
Total cash used	10,300	14,147	14,277	14,450	14,581
Net cash from/(used by) operating activities	2,900	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	710	359	366	373	380
Total cash used	710	359	366	373	380
Net cash from/(used by) investing activities	(710)	(359)	(366)	(373)	(380)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	(2,190)	359	366	373	380
Total cash received	(2,190)	359	366	373	380
Net cash from/(used by) financing activities	(2,190)	359	366	373	380
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	73	73	73	73	73
Cash and cash equivalents at the end of the reporting period	73	73	73	73	73

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	710	359	366	373	380
Total new capital appropriations	710	359	366	373	380
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	710	359	366	373	380
Total items	710	359	366	373	380
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	710	359	366	373	380
TOTAL	710	359	366	373	380

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	2,594	2,021	4,615
Accumulated depreciation/amortisation and impairment	(537)	(879)	(1,416)
Opening net book balance	2,057	1,142	3,199
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	159	200	359
Total additions	159	200	359
Other movements			
Depreciation/amortisation expense	(200)	(350)	(550)
Total other movements	(200)	(350)	(550)
As at 30 June 2020			
Gross book value	2,753	2,221	4,974
Accumulated depreciation/amortisation and impairment	(737)	(1,229)	(1,966)
Closing net book balance	2,016	992	3,008

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019-20 for DCBs.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs	17,133,904	17,011,594	16,599,240	16,031,168	15,708,647
Other expenses	20,000	25,396	26,046	32,092	39,978
Total expenses before re-measurement	17,153,905	17,036,991	16,625,287	16,063,261	15,748,626
LESS:					
INCOME					
Non-taxation revenue					
Interest	595,221	497,995	495,820	493,548	453,404
Total non-taxation revenue	595,221	497,995	495,820	493,548	453,404
Total revenue before re-measurement	595,221	497,995	495,820	493,548	453,404
Gains/(losses)					
Net losses on debt repurchases	(774,217)	(781,675)	(680,922)	(407,621)	(504,168)
Total gains (losses) before re-measurement	(774,217)	(781,675)	(680,922)	(407,621)	(504,168)
Operating result before re-measurements	(17,332,901)	(17,320,671)	(16,810,389)	(15,977,334)	(15,799,390)
Re-measurements					
Net market revaluation gains (losses)	(21,463,598)	5,039,647	4,099,404	3,267,955	3,034,574
Total re-measurements	(21,463,598)	5,039,647	4,099,404	3,267,955	3,034,574
Total comprehensive income (losses)	(38,796,499)	(12,281,024)	(12,710,985)	(12,709,379)	(12,764,816)

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	622	622	622	622	622
Receivables	1,711,455	1,627,905	1,542,544	1,455,354	1,366,416
Investments	31,757,170	30,690,893	30,146,378	40,622,943	31,667,842
Total financial assets	33,469,247	32,319,420	31,689,544	42,078,919	33,034,880
Total assets administered on behalf of Government	33,469,247	32,319,420	31,689,544	42,078,919	33,034,880
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Total payables	50	50	50	50	50
Interest bearing liabilities					
Treasury Bonds	553,934,884	554,272,603	552,961,753	572,695,777	563,205,675
Treasury Indexed Bonds	49,698,318	53,189,569	51,579,029	47,667,836	52,298,117
Treasury Notes	4,997,845	11,994,828	17,992,243	4,997,845	4,998,084
Other securities	6,232	6,232	6,232	6,232	6,232
Total interest bearing liabilities	608,637,279	619,463,232	622,539,257	625,367,690	620,508,108
Total liabilities administered on behalf of Government	608,637,329	619,463,282	622,539,307	625,367,740	620,508,158
Net liabilities	(575,168,082)	(587,143,862)	(590,849,763)	(583,288,821)	(587,473,278)

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	583,459	483,591	479,708	465,375	440,334
Total cash received	583,459	483,591	479,708	465,375	440,334
Cash used					
Grant	1	1	1	1	1
Borrowings costs	21,016,945	19,309,905	19,925,740	19,021,340	18,004,265
Interest on issuance	(353,234)	(394,965)	(417,700)	(359,990)	(381,413)
Total cash used	20,663,712	18,914,941	19,508,041	18,661,351	17,622,853
Net cash used by operating activities	(20,080,253)	(18,431,350)	(19,028,333)	(18,195,976)	(17,182,519)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	97,813	99,219	100,584	101,931	103,157
Investments redeemed	442,240,158	271,755,900	269,450,280	257,023,112	236,866,816
Total cash received	442,337,971	271,855,119	269,550,864	257,125,043	236,969,973
Cash used					
Investments made	428,865,513	270,695,959	268,909,946	267,496,396	227,929,578
Total cash used	428,865,513	270,695,959	268,909,946	267,496,396	227,929,578
Net cash from/(used by) investing activities	13,472,458	1,159,160	640,918	(10,371,353)	9,040,395

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowings	83,534,098	169,842,968	253,117,533	194,181,655	125,392,808
Total cash received	83,534,098	169,842,968	253,117,533	194,181,655	125,392,808
Cash used					
Repayment of borrowings	69,070,469	152,876,023	243,735,202	185,884,646	125,831,042
Total cash used	69,070,469	152,876,023	243,735,202	185,884,646	125,831,042
Net cash from financing activities	14,463,629	16,966,945	9,382,331	8,297,009	(438,234)
Net increase in cash held	7,855,834	(305,245)	(9,005,084)	(20,270,320)	(8,580,358)
Cash at beginning of reporting period	622	622	622	622	622
Total Cash from Official Public Account					
- Appropriations	518,952,928	442,881,888	532,570,889	472,402,383	371,764,886
Total Cash to Official Public Account					
- Receipts	(526,808,762)	(442,576,643)	(523,565,805)	(452,132,063)	(363,184,528)
Cash at end of reporting period	622	622	622	622	622

Prepared on Australian Accounting Standards basis.

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

APRA's mandate is to protect the Australian community by establishing and enforcing prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions APRA supervises are met within a stable, efficient and competitive financial system. APRA also administers the Financial Claims Schemes, the private health insurance risk equalisation special account and, as a national statistical agency for the Australian financial sector, collects and publishes data from prudentially regulated and other financial institutions.

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

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

APRA adopts a risk-based approach to prudential supervision that is designed to identify and assess those areas of greatest risk to an APRA-regulated institution (or to the financial system as a whole) and then direct resources and attention to these risks. APRA seeks to ensure that its judgments are accurate, timely and robust and that its responses are targeted and proportionate.

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

The structure of the Australian financial system continues to evolve and risks to APRA, the institutions and industries it regulates or financial system stability can emerge quickly. Each year, in setting its strategic priorities and initiatives, APRA takes into consideration its operating environment including emerging trends and risks and the Government's policy priorities to ensure it continues to effectively deliver on its mandate. This year, in reviewing its strategic priorities, APRA will also consider the outcomes of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry; the Financial Sector Assessment Program (FSAP) undertaken by the International Monetary Fund (IMF); and the Productivity Commission's reviews of the efficiency and competitiveness of the Australian superannuation system and competition in Australia's financial system.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Australian Prudential Regulation Authority resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Departmental appropriation	126	-
s74 External Revenue (c)	5,476	5,277
Total departmental annual appropriations	5,602	5,277
Special accounts		
Opening balance (d)	83,343	71,695
Appropriation receipts (e)	5,602	5,277
Non-appropriation receipts to Special Accounts	143,435	187,044
<i>Total special account receipts</i>	<i>232,380</i>	<i>264,016</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>5,602</i>	<i>5,277</i>
Total departmental resourcing	232,380	264,016
Administered		
Special accounts		
Opening balance (d)	835	835
Non-appropriation receipts to Special Accounts (f)	450,000	450,000
<i>Total special account receipts</i>	<i>450,835</i>	<i>450,835</i>
Total administered resourcing	450,835	450,835
Total resourcing for APRA	683,215	714,851
	<i>2018-19</i>	<i>2019-20</i>
Average staffing level (number)	652	738

Table 1.1: Australian Prudential Regulation Authority resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)

Third party payments from and on behalf of other entities

	<i>2018-19 Estimated actual \$'000</i>	2019-20 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	721	1,465

- (a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No.1) 2019-20.
- (c) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (d) Excludes 'Special Public Money'. For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (e) Appropriation receipts include receipts from the Department of Foreign Affairs and Trade, the Reserve Bank of Australia, the Australian Bureau of Statistics, the Australian Taxation Office, the Australian Securities and Investments Commission and the Department of Agriculture and Water Resources.
- (f) Includes Private Health Insurance Industry risk equalisation receipts which are redistributed to industry, estimated to be \$450.0m in 2018-19 and \$450.0m in 2019-20.

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

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

1.3 BUDGET MEASURES

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

Table 1.2: Entity 2019-20 Budget measures
Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Revenue measures					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry					
1.1 Administered revenues	-	30,114	35,298	40,405	43,999
Total	-	30,114	35,298	40,405	43,999
Superannuation Complaints Tribunal — completion of casework (a)					
1.1 Administered revenues	-	-	2,093	149	57
Total	-	-	2,093	149	57
Total revenue measures					
Administered	-	30,114	37,391	40,554	44,056
Total	-	30,114	37,391	40,554	44,056
Expense measures					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry					
1.1 Departmental expenses	-	26,077	32,698	39,805	43,399
Total	-	26,077	32,698	39,805	43,399
Total expense measures					
Departmental	-	26,077	32,698	39,805	43,399
Total	-	26,077	32,698	39,805	43,399
Capital measures					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry					
1.1 Departmental capital	-	3,000	-	-	-
Total	-	3,000	-	-	-
Total capital measures					
Departmental	-	3,000	-	-	-
Total	-	3,000	-	-	-

(a) The lead entity for measure titled 'Superannuation Complaints Tribunal – completion of casework' is ASIC. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

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

Table 1.2: Entity 2019-20 Budget measures (continued)

Part 2: Other measures not previously reported in a portfolio statement

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Revenue measures						
Australian Prudential Regulation Authority — new and expanded functions	1.1					
Administered revenues		-	24,929	11,867	14,598	14,683
Total		-	24,929	11,867	14,598	14,683
Total revenue measures						
Administered		-	24,929	11,867	14,598	14,683
Total		-	24,929	11,867	14,598	14,683
Expense measures						
Australian Prudential Regulation Authority — new and expanded functions	1.1					
Departmental expenses		10,130	13,283	8,798	11,512	11,579
Total		10,130	13,283	8,798	11,512	11,579
Total expense measures						
Departmental		10,130	13,283	8,798	11,512	11,579
Total		10,130	13,283	8,798	11,512	11,579
Capital measures						
Australian Prudential Regulation Authority — new and expanded functions	1.1					
Departmental capital		4,013	10,951	-	-	-
Total		4,013	10,951	-	-	-
Total capital measures						
Departmental		4,013	10,951	-	-	-
Total		4,013	10,951	-	-	-

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

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for APRA can be found at:
<https://www.apra.gov.au/corporate-plan>

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Prudential Regulation Authority					
Administered expenses					
Special accounts (a)	450,000	450,000	450,000	450,000	450,000
Expenses not requiring appropriation in the Budget year (b)	55	55	55	55	55
Administered total	450,055	450,055	450,055	450,055	450,055
Departmental expenses					
Special accounts	151,335	178,750	177,563	188,232	192,657
Ordinary annual services (Appropriation Bill No. 1)	126	-	3,950	3,884	3,855
s74 External Revenue (c)	5,243	5,277	5,277	5,277	5,277
Expenses not requiring appropriation in the Budget year (b)	196	196	196	196	196
Departmental total	156,900	184,223	186,986	197,589	201,985
Total expenses for Program 1.1	606,955	634,278	637,041	647,644	652,040
Total expenses for Outcome 1	606,955	634,278	637,041	647,644	652,040
	2018-19	2019-20			
Average staffing level (number)	652	738			

(a) Private health insurance industry risk equalisation payments.

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Enhanced public confidence in Australia’s financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.</p>		
<p>Program 1.1 – Australian Prudential Regulation Authority To enhance public confidence in Australia’s financial institutions through establishing and enforcing prudential standards and practice that balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.</p>		
<p>Delivery</p>	<p>Maintain a robust prudential framework that sets requirements for prudent behaviour at regulated institutions and actively supervise regulated institutions with the aim of identifying likely failures early enough so that corrective action can be promptly initiated or an orderly exit achieved. This will include but not be limited to strategic initiatives to facilitate the improvement of accountability, governance and risk culture within financial institutions, greater use of data as a strategic asset and building crisis management capability to better deal with the failure of a financial institution and to preserve financial stability in times of stress.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2018-19</p>	<ul style="list-style-type: none"> The Performing Entity Ratio (PER) — the PER is an indicator of the incidence of failure amongst regulated institutions. It is determined as the number of regulated institutions that met their commitments to beneficiaries in a given year divided by the total number of regulated institutions. The higher the percentage, the lower the incidence of failure. The Money Protection Ratio (MPR) — the MPR is an indicator of the incidence of loss in the financial sector. It is determined as the dollar value of liabilities to beneficiaries held in Australia in regulated institutions less any prudential losses to beneficiaries in a given year, divided by the total dollar value of liabilities to beneficiaries in Australia in regulated institutions. The higher the percentage, the lower the incidence of loss. 	<p>Consistent with the Government’s expectations, APRA does not pursue a ‘zero failure’ target. Rather, APRA’s objective is to maintain a low incidence of failure of regulated institutions while not unnecessarily hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system.</p> <p>The 20-year average PER was 99.93 per cent and 99.97 per cent for the MPR.</p>
<p>2019-20</p>	<p>As per 2018-19</p>	<p>As per 2018-19</p>
<p>2020-21 and beyond</p>	<p>As per 2018-19</p>	<p>As per 2018-19</p>
<p>Purposes</p>	<p>The Australian Prudential Regulation Authority (APRA) is an independent statutory authority established for the purpose of prudential supervision of financial institutions and for promoting financial system stability in Australia. In performing this role, APRA is responsible for protecting the interests of depositors, insurance policyholders and superannuation fund members.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of APRA's finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The departmental comprehensive income statement (Table 3.1) indicates an increase in revenue from Government for 2019-20 as a consequence of new budget measures (Table 1.2) slightly offset by a return to industry of an expected over-collection of industry levies in 2018-19.

Employee benefits of \$132.0 million support an average staffing level (ASL) of 738 in 2019-20. The estimated staffing will enable APRA to supervise regulated institutions, evolve APRA's prudential and supervisory frameworks and practices to respond to emerging risks, continue to develop our resolution capability, deliver our data transformation program, as well as implementation of recommendations from a variety of internal and external reviews, including the Royal Commission, Productivity Commission and Financial Sector Assessment Program.

Supplier costs in 2019-20 reflect office leasing costs, IT support and maintenance, travel, training and other non-people related expenditures.

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

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

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

Apart from the amount required to fund APRA, the levies also include amounts to fund the activities of the Australian Taxation Office (ATO) for unclaimed monies, lost member functions and for the administration of claims for early release of

superannuation benefits on compassionate grounds; the Gateway Network Governance Body Ltd (GNGB) for governing and maintaining the superannuation transactions network; the Australian Securities and Investments Commission (ASIC) to manage superannuation complaints; the Australian Competition and Consumer Commission (ACCC) to enhance competition in the financial system and in 2019-20 only for the Treasury to cover expenses incurred for a 2018-19 capability review of APRA.

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

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

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

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	111,578	132,027	135,059	144,158	147,467
Suppliers	36,522	41,872	35,774	37,108	38,177
Depreciation and amortisation	8,800	10,324	16,153	16,323	16,341
Total expenses	156,900	184,223	186,986	197,589	201,985
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,624	4,417	4,417	4,417	4,417
Other	1,815	1,056	1,056	1,056	1,056
Total own-source revenue	5,439	5,473	5,473	5,473	5,473
Total own-source income	5,439	5,473	5,473	5,473	5,473
Net (cost of)/contribution by services	(151,461)	(178,750)	(181,513)	(192,116)	(196,512)
Revenue from Government	143,561	187,044	187,577	193,116	197,512
Surplus/(deficit) attributable to the Australian Government	(7,900)	8,294	6,064	1,000	1,000

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	71,697	59,246	74,847	85,249	95,349
Trade and other receivables	2,975	2,975	2,975	2,975	2,975
Total financial assets	74,672	62,221	77,822	88,224	98,324
Non-financial assets					
Property, plant and equipment	18,830	18,391	16,089	14,597	12,295
Intangibles	25,871	48,477	42,026	34,595	27,956
Other non-financial assets	2,830	2,830	2,830	2,830	2,830
Total non-financial assets	47,531	69,698	60,945	52,022	43,081
Total assets	122,203	131,919	138,767	140,246	141,405
LIABILITIES					
Payables					
Suppliers	18,055	17,104	15,874	14,339	12,484
Other payables	13,237	12,411	11,225	10,039	8,853
Total payables	31,292	29,515	27,099	24,378	21,337
Provisions					
Employee provisions	44,342	47,541	50,741	53,941	57,141
Other provisions	3,183	3,183	3,183	3,183	3,183
Total provisions	47,525	50,724	53,924	57,124	60,324
Total liabilities	78,817	80,239	81,023	81,502	81,661
Net assets	43,386	51,680	57,744	58,744	59,744
EQUITY*					
Parent entity interest					
Contributed equity	16,657	16,657	16,657	16,657	16,657
Reserves	15,216	19,216	22,216	23,216	24,216
Retained surplus (accumulated deficit)	11,513	15,807	18,871	18,871	18,871
Total equity	43,386	51,680	57,744	58,744	59,744

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	11,513	7,216	8,000	16,657	43,386
Adjusted opening balance	11,513	7,216	8,000	16,657	43,386
Comprehensive income					
Surplus/(deficit) for the period	8,294	-	-	-	8,294
Total comprehensive income	8,294	-	-	-	8,294
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	(4,000)	-	4,000	-	-
Estimated closing balance as at 30 June 2020	15,807	7,216	12,000	16,657	51,680
Closing balance attributable to the Australian Government	15,807	7,216	12,000	16,657	51,680

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	154,092	196,512	196,499	202,356	206,891
Sale of goods and rendering of services	3,624	4,417	4,417	4,417	4,417
Net GST received	3,505	4,191	3,645	3,963	4,102
Other	1,852	860	860	860	860
Total cash received	163,073	205,979	205,420	211,597	216,270
Cash used					
Employees	109,666	130,374	133,406	140,958	144,267
Suppliers	38,557	46,098	40,092	43,596	45,124
s74 External Revenue transferred to OPA	8,981	9,468	8,922	9,240	9,379
Total cash used	157,204	185,939	182,419	193,795	198,770
Net cash from/(used by) operating activities	5,869	20,040	23,001	17,802	17,500
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	17,515	32,491	7,400	7,400	7,400
Total cash used	17,515	32,491	7,400	7,400	7,400
Net cash from/(used by) investing activities	(17,515)	(32,491)	(7,400)	(7,400)	(7,400)
Net increase/(decrease) in cash held	(11,646)	(12,451)	15,601	10,402	10,100
Cash and cash equivalents at the beginning of the reporting period	83,343	71,697	59,246	74,847	85,249
Cash and cash equivalents at the end of the reporting period	71,697	59,246	74,847	85,249	95,349

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	17,516	32,491	7,400	7,400	7,400
TOTAL	17,516	32,491	7,400	7,400	7,400
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	17,516	32,491	7,400	7,400	7,400
Total cash used to acquire assets	17,516	32,491	7,400	7,400	7,400

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	28,265	72,539	100,804
Accumulated depreciation/amortisation and impairment	(9,435)	(46,668)	(56,103)
Opening net book balance	18,830	25,871	44,701
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	2,949	29,542	32,491
Total additions	2,949	29,542	32,491
Other movements			
Depreciation/amortisation expense	(3,388)	(6,936)	(10,324)
Total other movements	(3,388)	(6,936)	(10,324)
As at 30 June 2020			
Gross book value	31,214	102,081	133,295
Accumulated depreciation/amortisation and impairment	(12,823)	(53,604)	(66,427)
Closing net book balance	18,391	48,477	66,868

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Finance costs	55	55	55	55	55
Risk equalisation distributions	450,000	450,000	450,000	450,000	450,000
Total expenses administered on behalf of Government	450,055	450,055	450,055	450,055	450,055
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
<i>Financial Institutions Supervisory Levies Collection Act 1998</i>					
Interest	215,216	236,861	229,137	233,726	235,511
Risk equalisation receipts	55	55	55	55	55
Total non-taxation revenue	450,000	450,000	450,000	450,000	450,000
Total own-source revenue administered on behalf of Government	665,271	686,916	679,192	683,781	685,566
Total own-sourced income administered on behalf of Government	665,271	686,916	679,192	683,781	685,566
Net cost of/(contribution by) services	(215,216)	(236,861)	(229,137)	(233,726)	(235,511)
Surplus/(deficit)	215,216	236,861	229,137	233,726	235,511

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	835	835	835	835	835
Receivables	2,203	2,203	2,203	2,203	2,203
Total financial assets	3,038	3,038	3,038	3,038	3,038
Total assets administered on behalf of Government	3,038	3,038	3,038	3,038	3,038
LIABILITIES					
Payables					
Lloyds Security Trust Deposit	2,000	2,000	2,000	2,000	2,000
Total payables	2,000	2,000	2,000	2,000	2,000
Total liabilities administered on behalf of Government	2,000	2,000	2,000	2,000	2,000
Net assets/(liabilities)	1,038	1,038	1,038	1,038	1,038

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Financial Institutions Supervisory Levies	215,216	236,861	229,137	233,726	235,511
Risk equalisation levy collections	450,000	450,000	450,000	450,000	450,000
Interest	55	55	55	55	55
Total cash received	665,271	686,916	679,192	683,781	685,566
Cash used					
Risk equalisation levy payments	450,000	450,000	450,000	450,000	450,000
Borrowing costs	55	55	55	55	55
Total cash used	450,055	450,055	450,055	450,055	450,055
Net cash from/(used by) operating activities	215,216	236,861	229,137	233,726	235,511
Cash and cash equivalents at beginning of reporting period	835	835	835	835	835
Cash from Official Public Account for:					
- Risk equalisation collections	450,000	450,000	450,000	450,000	450,000
Total cash from Official Public Account	450,000	450,000	450,000	450,000	450,000
Cash to Official Public Account for:					
- Financial Institutions Supervisory Levies	(215,216)	(236,861)	(229,137)	(233,726)	(235,511)
Risk equalisation payments	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Total cash to Official Public Account	(665,216)	(686,861)	(679,137)	(683,726)	(685,511)
Cash and cash equivalents at end of reporting period	835	835	835	835	835

Prepared on Australian Accounting Standards basis.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

ASIC's objectives, as set out in the ASIC Act, are to:

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

ASIC regulates financial markets, Australian companies, disclosure, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit.

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

As the markets regulator, ASIC assesses how effective operators of financial markets are at ensuring their markets operate in a fair, orderly and transparent way. ASIC also exercises delegated authority from the Minister in authorising new markets and approving important changes to market structure. It has responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives markets.

As the corporate regulator, ASIC ensures that companies, schemes and related entities meet their conduct and disclosure obligations under the *Corporations Act 2001* (Corporations Act). ASIC registers and regulates companies at every point from their incorporation through to their winding up, and ensures that company officers comply with their responsibilities. It also registers and, where necessary, takes disciplinary action against company auditors and liquidators. ASIC monitors public companies' financial reporting and disclosure and fundraising activities.

ASIC promotes financial literacy. It supports the financial capability of Australians to improve their financial knowledge and skills and develop the attitudes and behaviours to make good financial decisions.

ASIC also operates a public register that provides information about Australia's companies, business names, financial services licensees and other professionals registered with ASIC.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Australian Securities and Investments Commission resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	117,407	107,655
Departmental appropriation (d)	342,428	402,219
s74 External Revenue (e)	6,500	6,500
Departmental capital budget (f)	24,345	25,149
Annual appropriations - other services - non-operating (g)		
Equity injection	5,499	2,277
Total departmental annual appropriations	496,179	543,800
Total departmental special appropriations (h)		
Special accounts (h)		
Opening balance	59,135	59,135
Appropriation receipts (i)	26,217	41,195
<i>Total special accounts</i>	<i>85,352</i>	<i>100,330</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>26,217</i>	<i>41,195</i>
Total departmental resourcing	555,314	602,935

Table 1.1: Australian Securities and Investments Commission resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (b)		
Outcome 1	18,638	10,261
Total administered annual appropriations	18,638	10,261
Special appropriations		
<i>Banking Act 1959</i>	24,270	24,247
<i>Life Insurance Act 1995</i>	3,641	5,605
<i>Public Governance, Performance and Accountability Act 2013</i>	33,866	33,921
<i>Corporations Act 2001</i>	10,000	10,000
Total administered special appropriations	71,777	73,773
Special accounts (h)		
Opening balance	4,908	4,908
<i>Total special account receipts</i>	4,908	4,908
Total administered resourcing	95,323	88,942
Total resourcing for ASIC	650,637	691,877

	2018-19	2019-20
Average staffing level (number)	1,853	2,002

- (a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No.1) 2019-20.
- (c) Excludes \$3.922m subject to quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (d) Excludes departmental capital budget (DCB).
- (e) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (f) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (g) Appropriation Bill (No.2) 2019-20.
- (h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (i) Amounts credited to the special account(s) from ASIC's annual and special appropriations.
- All figures shown above are GST exclusive – these may not match figures in the cash flow statement.
Prepared on a resourcing (that is, appropriations available) basis.

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Revenue measures					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry					
1.1					
Administered revenues	-	-	40,476	122,184	128,549
Total revenue measures	-	-	40,476	122,184	128,549
Expense measures					
Superannuation Complaints Tribunal — completion of casework					
1.1					
Departmental expenses	-	-	2,093	149	57
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry					
1.1					
Departmental expenses	-	38,524	118,762	126,797	112,353
Total expense measures	-	38,524	120,855	126,946	112,410
Capital measures					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry					
1.1					
Departmental capital	-	1,952	3,422	1,752	1,202
Total capital measures	-	1,952	3,422	1,752	1,202

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

<https://asic.gov.au/about-asic/what-we-do/our-role/asics-corporate-plan-2018-22/>

The most recent annual performance statement can be found in the Annual Reports at:

<http://asic.gov.au/about-asic/corporate-publications/asic-annual-reports/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	16,420	7,653	7,707	7,751	5,278
Expenses not requiring appropriation in the Budget year (a)	60,380	61,156	62,253	63,657	65,198
Administered total	76,800	68,809	69,960	71,408	70,476
Departmental expenses					
Departmental appropriation s74 External Revenue (b)	370,960	401,156	438,294	447,417	435,069
Expenses not requiring appropriation in the Budget year (c)	6,860	6,860	6,380	6,380	6,360
	47,814	39,676	33,270	27,570	20,429
Departmental total	425,634	447,692	477,944	481,367	461,858
Total expenses for Program 1.1	502,434	516,501	547,904	552,775	532,334
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts					
Administered expenses					
Companies unclaimed monies - s77 of the PGPA Act	43,920	37,400	37,219	36,991	36,791
Ordinary annual services (Appropriation Bill No. 1)	1,831	2,608	2,879	3,248	3,549
Special appropriations <i>Banking Act 1959 - Banking Unclaimed Moneys</i>	5,763	32,137	39,663	39,823	39,882
<i>Life Insurance Act 1995 - Life Unclaimed Moneys</i>	1,848	(48)	5,112	5,107	5,099
Administered total	53,362	72,097	84,873	85,169	85,321
Total expenses for Program 1.2	53,362	72,097	84,873	85,169	85,321

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	18,251	10,261	10,586	10,999	8,827
Special appropriations	7,611	32,089	44,775	44,930	44,981
Companies unclaimed monies - s77 of the PGPA Act	43,920	37,400	37,219	36,991	36,791
Expenses not requiring appropriation in the Budget year (a)	60,380	61,156	62,253	63,657	65,198
Administered total	130,162	140,906	154,833	156,577	155,797
Departmental expenses					
Departmental appropriation	370,960	401,156	438,294	447,417	435,069
s74 External Revenue (b)	6,860	6,860	6,380	6,380	6,360
Expenses not requiring appropriation in the Budget year (c)	47,814	39,676	33,270	27,570	20,429
Departmental total	425,634	447,692	477,944	481,367	461,858
Total expenses for Outcome 1	555,796	588,598	632,777	637,944	617,655

	2018-19	2019-20
Average staffing level (number)	1,853	2,002

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

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.</p>		
<p>Program 1.1 – Australian Securities and Investments Commission</p> <p>Program 1.1 contributes to Outcome 1 by strategically identifying and responding to conduct which presents the greatest risk of harm. This includes:</p> <ul style="list-style-type: none"> • detecting misconduct through risk-based surveillance, breach reports, reports from the whistleblowers and the public, monitoring trends and emerging risks, data gathering and analysis; • understanding and analysing the intelligence we receive to assess harms early and respond quickly; and • responding to misconduct or the risk of misconduct through education, disrupting harmful behaviour, enforcement, engaging with industry and stakeholders, and providing guidance and policy advice. <p>This program also seeks to improve ASIC's registry services and reduce costs for businesses, consumers and the public.</p>		
<p>Delivery</p>	<p>ASIC will deliver this program through strategic use of a range of regulatory tools most appropriate to disrupt harm and poor behaviour in the financial system.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2018-19</p>	<p>Investor and consumer trust and confidence:</p> <ul style="list-style-type: none"> • investors and consumers have trust and confidence to participate in the financial system; • product issuers, credit providers and financial advisers act professionally, treat consumers fairly and prioritise their interests; • fair and efficient processes are in place for resolution of disputes; and • misconduct is dealt with and deterred. <p>Market integrity:</p> <ul style="list-style-type: none"> • financial market participants act professionally, treat investors fairly; • issuers and their officers treat customers fairly and are accountable through accurate and timely disclosure; • financial markets are fair and efficient; and • misconduct is dealt with and deterred. <p>Providing efficient registration services:</p> <ul style="list-style-type: none"> • registration is efficient, accurate and cost effective for business; • business complies with ongoing registration obligations; • the public has easy access to information in ASIC registers; and • misconduct is dealt with and deterred. 	<p>Promoting investor and consumer trust and confidence and market integrity</p> <ul style="list-style-type: none"> • On track to meet the performance criteria for 2018-19. <p>Providing efficient registration services</p> <ul style="list-style-type: none"> • On track to meet the performance criteria for 2018-19.

Performance information (continued)		
Year	Performance criteria	Targets
2019-20	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • investors and consumers have trust and confidence in the financial system • fair and efficient processes are in place for the resolution of disputes • financial markets are fair, orderly and transparent 	<p>Evidenced by qualitative and quantitative measures, including:</p> <p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Stakeholder feedback • External data – e.g. the Australian Financial Attitudes and Behaviour Tracker, dispute resolution data and other benchmarking survey data • Measures of the cleanliness of the Australian listed equity market • Operational data – e.g. meetings and other engagement with stakeholders, consultation papers, feedback statements, regulatory guidance and industry reports published, and licences granted, varied and refused • External committees and panels, such as the External Advisory Panel, Consumer Advisory Panel • ASIC reports on progress in remediation of identified breaches • Case studies of key matters where we have used our regulatory tools to change behaviour in the financial system

Performance information		
Year	Performance criteria	Targets
2019-20 (continued)	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • identify, address and deter misconduct in the financial system • take successful enforcement or other regulatory action – including court enforceable undertakings and infringement notices – in response to identified misconduct • appropriately sanction individuals who commit misconduct including, where warranted, banning them from providing financial services or taking civil or criminal action against them • our published reports on surveillance and enforcement outcomes and industry messages that are delivered to stakeholders articulate our standards and expectations <p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • the regulatory system supports the work of innovative start-ups and the market testing of novel products and services • promote improved efficiency and reduced compliance costs among our regulated population • exercise our discretionary powers to grant relief or make legislative instruments appropriately, where there is a net regulatory benefit • advise the Government on policy issues and law reform options and support the Government's financial services reform agenda • propose and support international policy initiatives that improve regulatory outcomes for Australia and support cross-border activity 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Operational data – e.g. supervision and enforcement action undertaken and results achieved, reports of misconduct made to ASIC, and ASIC actions in response to misconduct reports received • Compensation for wrongdoing provided to investors and consumers • Public outcomes – e.g. civil, criminal and administrative actions taken, including bannings • Published ASIC reports – including the enforcement report and market integrity report • Case studies on where we have used our regulatory tools to identify, address and deter misconduct <p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Use of the ASIC Innovation Hub by innovative financial firms, including the regulatory sandbox • Reported compliance cost savings based on ASIC's activities • Operational data – including relief applications assessed and legislative instruments made • Meetings with, and advice to, Treasury and relevant Ministers • Submissions made to government policy consultation processes • Publication of reports by international regulatory bodies to which ASIC has contributed • Case studies on where we have used our regulatory tools to promote the strong and innovative development of the financial system

Performance information (continued)		
Year	Performance criteria	Targets
2019-20 (continued)	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • people can take action based on ASIC's educational materials • support better financial education across Australia's education system • provide a range of tools and resources to help people understand money and how to manage it • coordinate with stakeholders to support the National Financial Capability Strategy <p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • registration is cost-effective and easy for businesses to manage • businesses comply with their ongoing registration obligations • the public has easy access to information in ASIC registers • information in our registers is accurate and up-to-date 	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • ASIC MoneySmart accessibility and usage • External survey data – e.g. the ANZ Survey of Adult Financial Literacy in Australia • Collaboration with the formal education sector to support better financial literacy education • Personal financial capability tools and resources produced • Case studies on where we have helped Australians to be in control of their financial lives <p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • Stakeholder feedback • Performance against the ASIC service charter • Progress in migrating registry services online • Operational data – e.g. volume and efficiency of registry activity • Case studies on where we have provided efficient and accessible registration to make it easier for Australians to do business
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Table 2.2: Performance criteria for Outcome 1 (continued)

Program 1.2 – Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts.		
ASIC is responsible for the administration of unclaimed money from banking and deposit taking institutions and life insurance institutions		
Delivery	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • ensure that refunds of unclaimed monies are paid to successful claimants promptly; and • ensure that payments of money from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation. 	Process claims within 28 days of receiving all necessary claim documentation.
2019-20	As per 2018-19	As per 2018-19
2020-21 and beyond	As per 2018-19	As per 2018-19
Purposes	ASIC is Australia’s integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

ASIC is budgeting for a break-even operating result for 2019-20 and for the remainder of the forward estimates, after adding back non-appropriated depreciation and amortisation expenses.

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 2019-20 is \$143 million.

The 2019-20 equity position reflects the cumulative effect of capital injections of \$27.4 million received during 2019-20.

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 77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In addition, ASIC collects taxation revenue under the *ASIC Supervisory Cost Recovery Levy Act 2017*, the *ASIC Supervisory Cost Recovery Levy (Collection) Act 2017*, the *ASIC Supervisory Cost Recovery Levy (Consequential Amendments) Act 2017*, the *ASIC Supervisory Cost Recovery Levy Regulations 2017*; and the *ASIC Supervisory Cost Recovery Levy (Consequential Amendments) Regulations 2017*.

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

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

Schedule of budgeted assets and liabilities administered on behalf of government

The amount shown for receivables in 2019-20 and in the forward estimates is the estimated amount of taxation revenue fees and charges remaining unpaid at 30 June.

The amounts shown in other payables for 2019-20 and the forward estimates represent the estimated amount of refunds relating to the overpayments of annual review and other fees under the *Corporations Act 2001*, estimated claims payable under the *Banking Act 1959* and the *Life Insurance Act 1995* and companies unclaimed monies under section 77 of the PGPA Act.

Schedule of budgeted administered cash flows

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

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	222,042	238,558	254,022	256,087	250,638
Suppliers	155,274	163,782	189,823	196,881	189,962
Depreciation and amortisation (a)	47,814	39,676	33,270	27,570	20,429
Finance costs	504	5,676	829	829	829
Total expenses	425,634	447,692	477,944	481,367	461,858
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,000	2,000	2,000	2,000	2,000
Rental income	2,700	2,700	2,220	2,220	2,200
Royalties	165	165	165	165	165
Other revenue	1,995	1,995	1,995	1,995	1,995
Total own-source revenue	6,860	6,860	6,380	6,380	6,360
Gains					
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	6,860	6,860	6,380	6,380	6,360
Net (cost of)/contribution by services	(418,774)	(440,832)	(471,564)	(474,987)	(455,498)
Revenue from Government	374,313	402,219	440,551	448,553	436,205
Surplus/(deficit) attributable to the Australian Government	(44,461)	(38,613)	(31,013)	(26,434)	(19,293)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(44,461)	(38,613)	(31,013)	(26,434)	(19,293)
Total comprehensive income/(loss) attributable to the Australian Government	(44,461)	(38,613)	(31,013)	(26,434)	(19,293)

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

Prepared on Australian Accounting Standards basis.

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

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	3,353	1,063	2,257	1,136	1,136
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	47,814	39,676	33,270	27,570	20,429
Total comprehensive income/(loss) - as per the statement of comprehensive income	(44,461)	(38,613)	(31,013)	(26,434)	(19,293)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	62,703	62,703	62,703	62,703	62,703
Trade and other receivables	112,766	112,766	112,766	112,766	112,766
Total financial assets	175,469	175,469	175,469	175,469	175,469
Non-financial assets					
Land and buildings	23,122	26,546	26,523	26,835	26,844
Property, plant and equipment	15,030	9,520	5,659	3,401	2,888
Intangibles	89,116	78,952	73,885	71,053	73,514
Other non-financial assets	13,846	13,846	13,846	13,846	13,846
Total non-financial assets	141,114	128,864	119,913	115,135	117,092
Total assets	316,583	304,333	295,382	290,604	292,561
LIABILITIES					
Payables					
Suppliers	42,486	42,486	42,486	42,486	42,486
Other payables	37,274	36,211	33,954	32,818	31,682
Total payables	79,760	78,697	76,440	75,304	74,168
Provisions					
Employee provisions	68,455	68,455	68,455	68,455	68,455
Other provisions	14,181	14,181	14,181	14,181	14,181
Total provisions	82,636	82,636	82,636	82,636	82,636
Total liabilities	162,396	161,333	159,076	157,940	156,804
Net assets	154,187	143,000	136,306	132,664	135,757
EQUITY*					
Parent entity interest					
Contributed equity	431,649	459,075	483,394	506,186	528,572
Reserves	17,137	17,137	17,137	17,137	17,137
Retained surplus (accumulated deficit)	(294,599)	(333,212)	(364,225)	(390,659)	(409,952)
Total parent entity interest	154,187	143,000	136,306	132,664	135,757
Total equity	154,187	143,000	136,306	132,664	135,757

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(294,599)	17,137	431,649	154,187
Adjusted opening balance	(294,599)	17,137	431,649	154,187
Comprehensive income				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	(38,613)	-	-	(38,613)
Total comprehensive income	(38,613)	-	-	(38,613)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	2,277	2,277
Departmental Capital Budget (DCB)	-	-	25,149	25,149
Sub-total transactions with owners	-	-	27,426	27,426
Estimated closing balance as at 30 June 2020	(333,212)	17,137	459,075	143,000
Closing balance attributable to the Australian Government	(333,212)	17,137	459,075	143,000

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations					
Receipts from Government	384,065	402,219	440,551	448,553	436,205
Sale of goods and rendering of services	4,700	4,700	4,220	4,220	4,200
Net GST received	-	-	-	-	-
Other	1,800	1,800	1,800	1,800	1,800
Total cash received	390,565	408,719	446,571	454,573	442,205
Cash used					
Employees	222,042	238,558	254,022	256,087	250,638
Suppliers	155,922	169,098	190,292	197,350	190,431
Other	3,353	1,063	2,257	1,136	1,136
Total cash used	381,317	408,719	446,571	454,573	442,205
Net cash from/(used by) operating activities	9,248	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	36,478	27,426	24,319	22,792	22,386
Total cash used	36,478	27,426	24,319	22,792	22,386
Net cash from/(used by) investing activities	(36,478)	(27,426)	(24,319)	(22,792)	(22,386)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	27,230	27,426	24,319	22,792	22,386
Total cash received	27,230	27,426	24,319	22,792	22,386
Net cash from/(used by) financing activities	27,230	27,426	24,319	22,792	22,386
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	62,703	62,703	62,703	62,703	62,703
Cash and cash equivalents at the end of the reporting period	62,703	62,703	62,703	62,703	62,703

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	19,936	25,149	20,897	21,040	21,184
Equity injections - Bill 2	7,294	2,277	3,422	1,752	1,202
Total new capital appropriations	27,230	27,426	24,319	22,792	22,386
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	26,726	21,750	23,490	21,963	21,557
<i>Other Items</i>	504	5,676	829	829	829
Total items	27,230	27,426	24,319	22,792	22,386
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	7,294	2,277	3,422	1,752	1,202
Funded by capital appropriation - DCB (b)	19,432	25,149	20,897	21,040	21,184
Funded internally from departmental resources (c)	9,752	-	-	-	-
TOTAL	36,478	27,426	24,319	22,792	22,386
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	36,478	27,426	24,319	22,792	22,386
Total cash used to acquire assets	36,478	27,426	24,319	22,792	22,386

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

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

(c) Includes the following sources of funding:

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	95,524	59,923	375,647	531,094
Accumulated depreciation/ amortisation and impairment	(72,402)	(44,893)	(286,531)	(403,826)
Opening net book balance	23,122	15,030	89,116	127,268
Capital asset additions or replacement assets				
By purchase - appropriation ordinary annual services (a)	10,427	500	16,499	27,426
Total additions	10,427	500	16,499	27,426
Other movements				
Depreciation/amortisation expense	(7,003)	(6,010)	(26,663)	(39,676)
Total other movements	(7,003)	(6,010)	(26,663)	(39,676)
As at 30 June 2020				
Gross book value	105,951	60,423	392,146	558,520
Accumulated depreciation/ amortisation and impairment	(79,405)	(50,903)	(313,194)	(443,502)
Closing net book balance	26,546	9,520	78,952	115,018

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Suppliers	572	570	575	579	583
Grants	15,848	7,083	7,132	7,172	4,695
Write-down and impairment of assets	60,380	61,156	62,253	63,657	65,198
Interest expense	4,024	4,726	5,157	5,787	6,334
Other expenses	49,338	67,371	79,716	79,382	78,987
Total expenses administered on behalf of Government	130,162	140,906	154,833	156,577	155,797
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	834,583	873,352	906,021	958,290	1,001,567
Total taxation revenue	834,583	873,352	906,021	958,290	1,001,567
Non-taxation revenue					
Fees and fines	210,033	218,117	227,288	237,275	247,828
Other Fees from Regulatory Services	69,651	100,665	110,708	110,711	110,153
Other revenue	229,850	242,688	297,325	328,887	329,385
Total non-taxation revenue	509,534	561,470	635,321	676,873	687,366
Total own-source revenue administered on behalf of Government	1,344,117	1,434,822	1,541,342	1,635,163	1,688,933
Total own-sourced income administered on behalf of Government	1,344,117	1,434,822	1,541,342	1,635,163	1,688,933
Net (cost of)/contribution by services	1,213,955	1,293,916	1,386,509	1,478,586	1,533,136
Surplus/(deficit)	1,213,955	1,293,916	1,386,509	1,478,586	1,533,136
Total comprehensive income/ (loss)	1,213,955	1,293,916	1,386,509	1,478,586	1,533,136

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,965	1,965	1,965	1,965	1,965
Taxation receivables	388,713	393,053	408,597	414,866	420,002
Trade and other receivables	6,514	6,641	6,770	6,902	7,036
Total financial assets	397,192	401,659	417,332	423,733	429,003
Total assets administered on behalf of Government	397,192	401,659	417,332	423,733	429,003
LIABILITIES					
Payables					
Suppliers	24,808	27,999	31,739	36,125	41,270
Other payables	8,222	8,686	9,180	9,708	10,271
Total payables	33,030	36,685	40,919	45,833	51,541
Provisions					
Other provisions	338,924	344,640	354,854	360,680	364,693
Total provisions	338,924	344,640	354,854	360,680	364,693
Total liabilities administered on behalf of Government	371,954	381,325	395,773	406,513	416,234
Net assets/(liabilities)	25,238	20,334	21,559	17,220	12,769

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	174,618	198,616	190,296	196,840	118,384
Taxes	831,054	869,012	890,477	952,021	996,431
Other	274,946	302,071	383,143	416,244	503,650
Total cash received	1,280,618	1,369,699	1,463,916	1,565,105	1,618,465
Cash used					
Grant	15,848	7,083	7,132	7,172	4,695
Suppliers	(1,651)	(2,121)	(2,665)	(3,807)	(4,562)
Borrowing costs	4,024	4,726	5,157	5,787	6,334
Other	58,915	61,191	69,008	73,028	74,411
Total cash used	77,136	70,879	78,632	82,180	80,878
Net cash from/(used by) operating activities	1,203,482	1,298,820	1,385,284	1,482,925	1,537,587
Net increase/(decrease) in cash held	1,203,482	1,298,820	1,385,284	1,482,925	1,537,587
Cash and cash equivalents at beginning of reporting period	1,641	1,965	1,965	1,965	1,965
Cash from Official Public Account for:					
- Appropriations	90,028	84,034	92,366	97,094	96,586
Total cash from Official Public Account	90,028	84,034	92,366	97,094	96,586
Cash to Official Public Account for:					
- Appropriations	(1,293,186)	(1,382,854)	(1,477,650)	(1,580,019)	(1,634,173)
Total cash to Official Public Account	(1,293,186)	(1,382,854)	(1,477,650)	(1,580,019)	(1,634,173)
Cash and cash equivalents at end of reporting period	1,965	1,965	1,965	1,965	1,965

Prepared on Australian Accounting Standards basis.

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The role of the Australian Taxation Office (ATO) is to effectively manage and shape the tax and superannuation systems that support and fund services for Australians, including ensuring the community has confidence in the administration of these systems.

The vision of the ATO is to be a leading tax and superannuation administration, known for its contemporary service, expertise and integrity. The ATO seeks to foster the willing participation of the community in the tax and superannuation systems and to make it easy for them to understand and comply with their obligations.

Our strategic direction relates to designing the right experience through improving digital services and embracing new technologies. The ATO will continue to connect with other government agencies and data sources to collect, share and use data to provide tailored client interactions and encourage voluntary tax compliance.

Critically, the integrity of the system will be maintained by supporting those who choose to do the right thing and dealing with those who do not. Ultimately, client experience and participation in the tax and superannuation systems will be the true measure of success.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Australian Taxation Office resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	385,454	421,054
Departmental appropriation (d)	3,253,256	3,449,758
s74 External Revenue (e)	149,409	134,960
Departmental capital budget (f)	112,322	118,338
Annual appropriations - other services - non-operating (g)		
Prior year appropriations available (c)	5,382	7,541
Equity injection	28,055	40,187
Total departmental annual appropriations	3,933,878	4,171,838
Special accounts (h)		
Opening balance	3,044	3,116
Appropriation receipts (i)	16,205	16,082
Total special accounts	19,249	19,198
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(19,249)	(19,198)
Total departmental resourcing	3,933,878	4,171,838
Administered		
Annual appropriations - ordinary annual services (j)		
Outcome 1	1,903	5,379
Total administered annual appropriations	1,903	5,379
Special appropriations		
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>	100,000	100,000
<i>Product Grants and Benefits Administration Act 2000 - Product stewardship for oil</i>	81,000	90,000
<i>Superannuation Guarantee (Administration) Act 1992</i>	420,000	390,000
<i>Taxation Administration Act 1953 - s16 (Non-refund items) (k)</i>	11,148,227	11,857,734
Total administered special appropriations	11,749,227	12,437,734
Special accounts (h)		
Opening balance	294,745	415,945
Appropriation receipts (l)	26,000	13,900
Non-appropriation receipts	5,109,000	5,971,000
Total special account receipts	5,429,745	6,400,845
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(26,000)	(13,900)
Total administered resourcing	17,154,875	18,830,058
Total resourcing for the Australian Taxation Office	21,088,753	23,001,896
	2018-19	2019-20
Average staffing level (number)	17,416	18,104

Table 1.1: Australian Taxation Office resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)

Third party payments from and on behalf of other entities

	2018-19 <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	182,210	179,990
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	122,207	116,047
Payments made to corporate entities within the Portfolio Reserve Bank of Australia	99,755	98,999

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Estimated adjusted balance carried from previous year for annual appropriation. Excludes \$2.0m subject to administrative quarantine under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) Excludes departmental capital budget (DCB).

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

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

(g) Appropriation Bill (No. 2) 2019-20.

(h) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(i) Amounts credited to the special account(s) from ATO's Departmental annual appropriations.

(j) 2018-19 Estimated Actual excludes \$4.3m subject to administrative quarantine under section 51 of the PGPA Act.

(k) These figures relate to administered expenses such as fuel tax credits, research and development tax incentives, and the Australian Screen Production Incentive. Tax refunds items for 2018-19 are \$99.7b including \$260m made on behalf of the ATO by the Department of Home Affairs (DHA) for the Tourist Refund Scheme (TRS) under Section 16 of the Tax Administration Act. Estimated tax refund items for 2019-20 are \$106.8b including \$290m made on behalf of the ATO by the DHA under the TRS.

(l) Amounts credited to the special account(s) from ATO's Administered annual and special appropriations.

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

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

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	
Expense measures						
Black Economy — strengthening the Australian Business Number system						
Departmental expenses	1.1	-	-	194	642	190
Closing the Gap refresh — Indigenous Youth Education Package						
Departmental expenses	1.1	-	854	49	49	-
Continued Funding for GovPass — Trusted Digital Identity						
Administered expenses	1.1	-	240	-	-	-
Departmental expenses	1.1	-	14,987	-	-	-
Electronic Invoicing Adoption						
Departmental expenses	1.1	(2,300)	1,300	-	-	-
Increasing Analytical Capabilities						
Departmental expenses	1.1	50,000	-	-	-	-
Protecting Your Super Package — amendment						
Administered expenses	1.15	-	(15,000)	6,000	(1,000)	(1,000)
Reducing costs for super industry by including superannuation release authorities in electronic SuperStream Rollover standard						
Departmental expenses	1.1	-	-	4,457	1,159	1,166
Single Touch Payroll — expansion						
Departmental expenses	1.1	-	20,240	13,305	10,524	9,339
Tax Integrity — extension and expansion of the ATO Tax Avoidance Taskforce on Large Corporates, Multinationals and High Wealth Individuals						
Departmental expenses	1.1	-	54,446	315,517	317,625	316,908

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Tax Integrity — increasing engagement and on-time payment of tax and superannuation liabilities						
Departmental expenses	1.1	-	7,923	10,672	11,628	11,835
Total		47,700	84,990	350,194	340,627	338,438
Total expense measures						
Administered		-	(14,760)	6,000	(1,000)	(1,000)
Departmental		47,700	99,750	344,194	341,627	339,438
Total expense measures		47,700	84,990	350,194	340,627	338,438
Capital measures						
Black Economy — strengthening the Australian Business Number system						
Departmental capital	1.1	-	-	-	1,813	-
Continued Funding for GovPass — Trusted Digital Identity						
Departmental capital	1.1	-	18,060	-	-	-
Reducing costs for super industry by including superannuation release authorities in electronic SuperStream Rollover standard						
Departmental capital	1.1	-	-	12,566	-	-
Single Touch Payroll — expansion						
Departmental capital	1.1	-	9,899	623	672	676
Tax Integrity — extension and expansion of the ATO Tax Avoidance Taskforce on Large Corporates, Multinationals and High Wealth Individuals						
Departmental capital	1.1	-	6,476	-	-	-
Total		-	34,435	13,189	2,485	676
Total capital measures						
Departmental		-	34,435	13,189	2,485	676
Total capital measures		-	34,435	13,189	2,485	676

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

Confidence in the administration of aspects of Australia’s taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.

Linked programs

Australian Financial Security Authority
<p>Program 1.1 – Personal Insolvency and Trustee Services</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Australian Financial Security Authority exchanges information with the ATO and administers the bankruptcy notices and payment arrangements to support this service.</p>
Australian Prudential Regulation Authority
<p>Program 1.1 – Australian Prudential Regulation Authority</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Australian Prudential Regulation Authority (APRA) exchanges information with the ATO on superannuation matters. APRA also contributes to the governance and management of the Standard Business Reporting program.</p>
Australian Securities and Investments Commission
<p>Program 1.1 – Australian Securities and Investment Commission</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Australian Securities and Investments Commission (ASIC) exchanges information with the ATO in relation to self-managed superannuation fund auditor registration, and financial crime intelligence. ASIC contributes to the management and governance of the Standard Business Reporting program.</p>

<p>Australian Transaction Reports and Analysis Centre</p>
<p>Program 1.1 – AUSTRAC</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Australian Transaction Reports and Analysis Centre (AUSTRAC) exchanges information with the ATO and delivers financial crime intelligence that assist key stakeholder agencies to make operational and intelligence decisions.</p>
<p>Department of Education and Training</p>
<p>Program 2.4 – Higher Education Loan Program</p> <p>Program 2.8 – Building Skills and Capability</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Department of Education and Training exchanges information with the ATO in relation to the Higher Education Loans Program and Trade Support Loans.</p>
<p>Department of the Environment and Energy</p>
<p>Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants</p> <p>Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>The Department of the Environment and Energy (DoEE) works with the Australian Taxation Office in the following ways:</p> <ul style="list-style-type: none"> • ATO administers financial aspects of the Product Stewardship for Oil program, pays the benefits on recycled motor oil and collects the levy on new oil entering the market from domestic sources. • DoEE shares information with the ATO to confirm trees meet certain conditions when a taxpayer claims a deduction under the Carbon Sink Forest measure.
<p>Department of Health</p>
<p>Program 4.1 – Medical Benefits</p> <p>Program 4.3 – Pharmaceutical Benefits</p> <p>Program 4.4 – Private Health Insurance</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Department of Health (DoH) contributes to the administrative arrangements for the Government’s Private Health Insurance Rebate. DoH also works with the ATO to deliver the Multi-agency Data Integration Project.</p>

<p>Department of Human Services</p>
<p>Program 1.1 – Services to the Community – Social Security and Welfare Program 1.2 – Services to the Community – Health Program 1.3 – Child Support</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Department of Human Services supports individuals, families and communities to achieve greater self-sufficiency by providing administration and payments services on behalf of the ATO.</p>
<p>Department of Home Affairs</p>
<p>Program 3.1 – Border-Revenue Collection</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Department of Home Affairs exchanges information with the ATO, administers the Tourist Refund Scheme and collects border revenue for: Goods and Services Tax, Luxury Car Tax and Wine Equalisation Tax on behalf of the ATO.</p>
<p>Department of Industry, Innovation and Science</p>
<p>Program 1 – Supporting Science and Commercialisation Program 2 – Growing Business Investment and Improving Business Capability Program 3 – Program Support</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>The Department of Industry, Innovation and Science works together with the ATO to enable the growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.</p>
<p>Department of the Treasury</p>
<p>Program 1.1 – Department of the Treasury</p> <p><i>Contribution to Outcome 1 made by linked programs</i></p> <p>Department of the Treasury (the Treasury) contributes to the administration of the National Tax Equivalent Regime. Treasury also exchanges information and provides advice to the ATO relating to foreign investment proposals.</p>

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,903	5,379	470	-	-
Administered total	1,903	5,379	470	-	-
Departmental expenses					
Departmental appropriation (a)	3,062,785	3,273,677	3,283,114	3,303,155	3,226,563
s74 External Revenue (b)	146,198	133,910	132,267	130,445	133,394
Expenses not requiring appropriation in the Budget year (c)	274,959	146,454	172,219	155,371	148,919
Departmental total	3,483,942	3,554,041	3,587,600	3,588,971	3,508,876
Total expenses for Program 1.1	3,485,845	3,559,420	3,588,070	3,588,971	3,508,876
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	19,582	20,698	23,206	21,256	19,969
Departmental total	19,582	20,698	23,206	21,256	19,969
Total expenses for Program 1.2	19,582	20,698	23,206	21,256	19,969
Program 1.3: Australian Business Register					
Departmental expenses					
Departmental appropriation	139,330	139,301	140,252	141,636	142,606
Departmental total	139,330	139,301	140,252	141,636	142,606
Total expenses for Program 1.3	139,330	139,301	140,252	141,636	142,606
Program 1.4: Australian Charities and Not-for-profits Commission					
Departmental expenses					
Special accounts <i>Australian Charities and Not-for-profits Commission Special Accounts</i>	16,205	16,082	18,055	17,678	17,778
Departmental total	16,205	16,082	18,055	17,678	17,778
Total expenses for Program 1.4	16,205	16,082	18,055	17,678	17,778

(a) Includes Appropriation Bills (No.1 and No.3).

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

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

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

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.5: Australian Screen Production Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	413,000	379,000	369,000	381,000	364,000
Administered total	413,000	379,000	369,000	381,000	364,000
Total expenses for Program 1.5	413,000	379,000	369,000	381,000	364,000
Program 1.6: Junior Minerals Exploration Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	28,300	27,600	27,600	-	-
Administered total	28,300	27,600	27,600	-	-
Total expenses for Program 1.6	28,300	27,600	27,600	-	-
Program 1.7: Fuel Tax Credit Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	7,168,000	7,504,000	7,937,000	8,424,000	8,966,000
Administered total	7,168,000	7,504,000	7,937,000	8,424,000	8,966,000
Total expenses for Program 1.7	7,168,000	7,504,000	7,937,000	8,424,000	8,966,000
Program 1.8: National Rental Affordability Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	153,927	179,134	173,583	159,471	131,419
Administered total	153,927	179,134	173,583	159,471	131,419
Total expenses for Program 1.8	153,927	179,134	173,583	159,471	131,419
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special Appropriations					
<i>Product Grants and Benefits</i>					
<i>Administration Act 2000 -</i>					
<i>product stewardship (oil)</i>					
<i>benefits</i>	81,000	90,000	93,000	94,000	95,000
Administered total	81,000	90,000	93,000	94,000	95,000
Total expenses for Program 1.9	81,000	90,000	93,000	94,000	95,000

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

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.10: Research and Development Tax Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	1,967,000	2,237,000	2,249,000	2,292,000	2,410,000
Administered total	1,967,000	2,237,000	2,249,000	2,292,000	2,410,000
Total expenses for Program 1.10	1,967,000	2,237,000	2,249,000	2,292,000	2,410,000
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	788,000	762,000	756,000	776,000	794,000
Administered total	788,000	762,000	756,000	776,000	794,000
Total expenses for Program 1.11	788,000	762,000	756,000	776,000	794,000
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	223,000	261,000	271,000	282,000	294,000
Administered total	223,000	261,000	271,000	282,000	294,000
Total expenses for Program 1.12	223,000	261,000	271,000	282,000	294,000
Program 1.13: Superannuation Co-contribution Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	128,000	127,000	127,000	124,000	124,000
Administered total	128,000	127,000	127,000	124,000	124,000
Total expenses for Program 1.13	128,000	127,000	127,000	124,000	124,000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	420,000	390,000	402,000	416,000	453,000
Administered total	420,000	390,000	402,000	416,000	453,000
Total expenses for Program 1.14	420,000	390,000	402,000	416,000	453,000

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

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.15: Targeted Assistance Through the Taxation System					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	132,000	219,000	25,000	19,000	19,000
Administered total	132,000	219,000	25,000	19,000	19,000
Total expenses for					
Program 1.15	132,000	219,000	25,000	19,000	19,000
Program 1.16: Interest on Overpayment and Early Payments of Tax					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - s16</i>					
<i>(Non-refund items)</i>	140,000	155,000	155,000	155,000	155,000
Administered total	140,000	155,000	155,000	155,000	155,000
Total expenses for					
Program 1.16	140,000	155,000	155,000	155,000	155,000
Program 1.17: Bad and Doubtful Debts and Remissions					
Administered expenses					
Expenses not requiring appropriation in the budget year (c)	7,471,000	7,475,000	7,643,000	8,107,000	8,324,000
Administered total	7,471,000	7,475,000	7,643,000	8,107,000	8,324,000
Total expenses for					
Program 1.17	7,471,000	7,475,000	7,643,000	8,107,000	8,324,000
Program 1.18: Other Administered					
Administered expenses					
Seafarer Tax Offset	7,000	7,000	7,000	7,000	7,000
Administered total	7,000	7,000	7,000	7,000	7,000
Total expenses for					
Program 1.18	7,000	7,000	7,000	7,000	7,000

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

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

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,903	5,379	470	-	-
Special appropriations	11,649,227	12,337,734	12,592,183	13,129,471	13,812,419
Expenses not requiring appropriation in the Budget year (c)	7,471,000	7,475,000	7,643,000	8,107,000	8,324,000
Administered total	19,122,130	19,818,113	20,235,653	21,236,471	22,136,419
Departmental expenses					
Departmental appropriation (a)	3,221,697	3,433,676	3,446,572	3,466,047	3,389,138
s74 External Revenue (b)	146,198	133,910	132,267	130,445	133,394
Special appropriations					
Special accounts	16,205	16,082	18,055	17,678	17,778
Expenses not requiring appropriation in the Budget year (c)	274,959	146,454	172,219	155,371	148,919
Departmental total	3,659,059	3,730,122	3,769,113	3,769,541	3,689,229
Total expenses for Outcome 1	22,781,189	23,548,235	24,004,766	25,006,012	25,825,648
	2018-19	2019-20			
Average staffing level (number)	17,416	18,104			

(a) Includes Appropriation Bills (No.1 and No.3).

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1</p> <p>Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.</p>	
<p>Program 1.1 – Australian Taxation Office</p> <p>The objective of the ATO is to administer aspects of Australia's tax and superannuation systems providing confidence that the right amount of payments are being made and collected.</p>	
<p>Delivery</p>	<p>The ATO will deliver their objective by:</p> <ul style="list-style-type: none"> • collecting revenue; • making it easy for the community to understand and comply with obligations; • administering the goods and services tax on behalf of the Australian States and Territories; and • administering major aspects of Australia's superannuation system.
<p>Purposes</p>	<p>The ATO contributes to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems.</p> <p>We achieve this by:</p> <ul style="list-style-type: none"> • building trust and confidence • being streamlined, integrated and data driven
<p>Performance information 2018-19 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Confidence — Community confidence in the ATO</p>	<p>Latest result: Not yet reported. New measure for 2018-19.</p> <p>Target 2019-20: 65/100</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
<p>Registration — Proportion of companies and individuals registered in the system</p>	<p>Latest result (2017-18): Companies registered in the system: 66.2%</p> <p>Individuals registered in the system: 105.8%</p> <p>Target 2019-20: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation system are registered on the ATO's client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Performance information 2018-19 and beyond (continued)	
Performance criteria	Targets
Lodgment — Proportion of activity statements and income tax returns lodged on time	<p>Latest result (2017-18): 77.6% activity statements, 83.0% income tax returns (2016-17 returns)</p> <p>Target: 2019-20: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
Payment — Proportion of liabilities paid on time by value	<p>Latest result (2017-18): 89.5%</p> <p>Target 2019-20: 88%</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
Correct reporting — Tax gap as a proportion of revenue	<p>Latest result: Refer to Commissioner of Taxation Annual Report 2017-18 (page 79-81) for detailed information and trends.</p> <p>Target 2019-20: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
Debt — Ratio of collectable debt to net tax collections	<p>Latest result (2017-18): 5.7%</p> <p>Target 2019-20: Below 5.5%</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
Total revenue effects — Tax revenue from all compliance activities	<p>Latest result (2017-18): \$16 billion</p> <p>Target 2019-20: \$15 billion</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
Tax assured — Proportion of the tax base where the ATO has justified trust that tax paid is correct based on the proportion of income, deductions and tax offsets assured	<p>Latest result (2017-18): 45.5% (of total tax reported in 2015-16). Refer to the Commissioner of Taxation Annual report 2017-18 (page 82) for detailed information.</p> <p>Target 2019-20: Increase the proportion of the tax base where the ATO has justified trust to a level as high as practicable given the nature and complexity of the law and resources available.</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
Influence — Government and Treasury perceptions of the ATO and the quality of our advice	<p>Latest result (2017-18): Satisfactory</p> <p>Target 2019-20: Good</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Performance information 2018-19 and beyond (continued)	
Performance criteria	Targets
Compliance cost — Adjusted median cost to individual taxpayers of managing their tax affairs	Latest result (2017-18): Unchanged (2016-17 returns) Target 2019-20: Remain steady Target 2020-21 and beyond: As per 2019-20
Working together — Partner perceptions of how the ATO is working together with them to administer the tax and superannuation system	Latest result (2017-18): 61% Target 2019-20: Equal to or better than the 2018-19 result Target 2020-21 and beyond: As per 2019-20
Digital — Proportion of inbound transactions received digitally for key services	Latest result (2017-18): 88% Target 2019-20: 90% Target 2020-21 and beyond: As per 2019-20
Availability — Key digital systems availability	Latest result: (2017-18): 99.4% Target 2019-20: 99.5% (excluding planned outages) Target 2020-21 and beyond: As per 2019-20
Culture — Level of employee engagement	Latest result (2017-18): 6.9 / 10 Target 2019-20: Equal or better than the average result for large agencies Target 2020-21 and beyond: As per 2019-20
Gender equality — Female representation in the senior executive service (SES) and executive level (EL) classifications	Latest result (2017-18): SES 44.2% female, 55.8% male and EL 48.6% female, 51.4% male. Target 2019-20: Approx. 50% of SES and approx. 50% of EL staff Target 2020-21 and beyond: As per 2019-20
Indigenous representation — Proportion of ATO staff who identify as Indigenous	Latest result (2017-18): 2.1% Target 2019-20: 2.5% Target 2020-21 and beyond: As per 2019-20
Staff experience — Employee perceptions around whether they have access to the tools and resources needed to perform well	Latest result: Not yet reported. New measure for 2018-19 Target 2019-20: Under development Target 2020-21 and beyond: As per 2019-20
Tax returns — Proportion of items that are pre-filled	Latest result (2017-18): 87.5% Target 2019-20: Under development Target 2020-21 and beyond: As per 2019-20

Performance information 2018-19 and beyond (continued)	
Performance criteria	Targets
Budget — ATO manages its operating budget to balance	Latest result (2017-18): 1.0% deficit Target 2019-20: +/-0.6% of budget allocation Target 2020-21 and beyond: As per 2019-20
Cost of collection — Cost to collect \$100	Latest result (2017-18): \$0.74 (net) Target 2019-20: Consistent with trend Target 2020-21 and beyond: As per 2019-20
Security policy — level of compliance with Protective Security Policy Framework mandatory requirements	Latest result (2017-18): Compliant Target 2019-20: Not applicable, ceased in 2018-19

<p>Program 1.2 – Tax Practitioners Board (TPB)</p> <p>The TPB has the general administration of the <i>Tax Agent Services Act 2009</i> (TASA) and is responsible for the registration and regulation of tax practitioners. These include tax agents, business activity statement (BAS) agents and tax (financial) advisers.</p> <p>The TPB's establishment, functions and powers are defined in the TASA. The TPB's role is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.</p>	
<p>Delivery</p>	<p>The TPB has five overarching strategies to deliver its program:</p> <ul style="list-style-type: none"> • Client Services, supporting consumers and practitioners in the delivery of tax services – legal and ethically • Investigations and Enforcement, data-driven compliance activities focusing on high risk and unregistered tax practitioners • Law and Policy, providing guidance and legal advice to shape the law through litigation and legislation • Corporate Services, providing a complete and uniform governance framework - including budgeting, people, planning, risk assessment, change management, and corporate strategy • Technology, supporting business outcomes with digital and IT solutions for clients and staff, including improved data analytics.
<p>Purpose (a)</p>	<p>The TPB seeks to protect consumers of taxation services by regulating tax practitioners in a fair, consistent and practical way, thereby strengthening the integrity of the tax practitioner profession by:</p> <ol style="list-style-type: none"> 1. Protect all consumers of tax practitioner services 2. Maintain, protect and enhance the integrity of the registered tax practitioner profession 3. The TPB as an efficient and effective regulator
<p>Performance information 2018-19</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Register tax practitioners in accordance with eligibility requirements under TASA</p>	
<p>Provide information guidance and advice to entities to help them to register</p>	<ul style="list-style-type: none"> • Majority of feedback on the registration process is positive Forecast: target is achieved as majority of feedback is positive • Majority of feedback on usefulness of TPB website content, communications and education initiatives is positive Forecast: target is achieved as majority of feedback is positive
<p>Register new practitioners and include them onto the tax practitioner register</p>	<p>Meet published service standards for processing registration applications Forecast: target met at 99%</p>

Performance information 2018-19 (continued)	
Performance criteria	Targets
Ensure eligibility requirements for registration under TASA are met	Quality assurance processes demonstrate that mandatory eligibility requirements are appropriately checked and confirmed before majority of applications are approved Forecast: Quality assurance reviews show registration decisions align with requirements
Take action to ensure tax practitioners continue to meet eligibility requirements	
Utilise the Annual Declaration process to ensure the timely termination of registered tax practitioners that no longer meet eligibility requirements	Outcomes of Annual Declaration process reflect appropriate termination of registered tax practitioners where they cease to meet eligibility requirements Forecast: target is achieved due to the high numbers of ceased registrations
Ensure that only practitioners who meet eligibility requirements remain registered	Outcomes from renewal process reflect that practitioners who cease to meet eligibility requirements are no longer registered Forecast: target is met
Maintain a public register of registered and deregistered practitioners	
Educate the public regarding the benefits of using registered tax practitioners and the risks of not doing so	<ul style="list-style-type: none"> • Regular consumer awareness messaging Forecast: publicly available information is up to date on the website • Number of media releases regarding unregistered conduct Forecast: The TPB continues to focus on unregistered tax practitioners and publicise by media releases
Ensure the register is maintained and accessible to the public	Public register is available 99% of the time Forecast: target met at 99%

Performance information 2018-19 (continued)	
Performance criteria	Targets
Educate tax practitioners to understand their obligations under the TASA	
Publish information and provide guidance and advice to registered tax practitioners to assist them to understand their duties and obligations under the TASA, including the Code of Professional Conduct	<ul style="list-style-type: none"> Regular publication of information sheets and other guidance material and eNews for tax practitioner subscribers Forecast: target achieved as the TPB continues to publish and release new and updated information Attendance rates and feedback reflects satisfaction with Outreach events, speaking engagements and webinars Forecast: target achieved as attendance rates continues to be high
Engage with recognised professional associations	<p>Feedback reflects satisfaction with communication and consultation by the TPB</p> <p>Forecast: target achieved with regular consultative forums and communiques</p>
Investigate registered tax practitioner conduct that breaches the TASA and impose sanctions where appropriate	
Maintain effective processes for registered tax practitioners, consumers, the public and other agencies to detect, deter and respond to conduct that breaches the TASA	<ul style="list-style-type: none"> Majority of cases finalised within published service standard timeframes Forecast: met as within standards of 80% Quality assurance and quality control processes demonstrate that complaint handling aligns with the TPB's policies and procedures Forecast: Quality assurance reviews show compliance decisions align with requirements Majority of case outcomes unvaried when reviewed by the Inspector General of Taxation Forecast: target achieved is based on less than 1% subject to oversight
Apply a targeted and strategic risk-based compliance approach	<p>Statistics demonstrate that matters are progressed in accordance with the TPB's risk matrix</p> <p>Forecast: target met</p>

Performance information 2018-19 (continued)	
Performance criteria	Targets
Investigate conduct by unregistered entities that is prohibited under the TASA and initiate Federal Court proceedings where appropriate	
Maintain effective processes to respond to conduct that is prohibited by the TASA	<ul style="list-style-type: none"> Majority of cases finalised within published service standard timeframes Forecast: met as within standards of 80% Quality assurance and quality control processes demonstrate that complaint handling aligns with TPB's policies and procedures Forecast: Quality assurance reviews show compliance decisions align with requirements Majority of case outcomes unvaried when reviewed by the Inspector General of Taxation Forecast: target achieved is based on less than 1% subject to oversight
Take appropriate action to deter unregistered entities from providing services prohibited by the TASA	<ul style="list-style-type: none"> Cases are finalised within published service standards Forecast: target met as within standards Majority of Federal Court decisions affirm breaches of the TASA. Following any Federal Court decision, a media release will be issued where appropriate Forecast: target achieved at 100% of decisions affirmed
Recognise professional associations and ensure they meet the eligibility requirements for registration	
Assess new applications for recognition against eligibility criteria	All new applications are processed and assessed against the eligibility criteria as required under the Tax Agent Services Regulations Forecast: target achieved at 99%
Utilise the Annual Declaration process to ensure recognised professional associations continue to meet eligibility requirements (including appropriate governance requirements)	Outcomes of Annual Declaration process reflect appropriate scrutiny and assurance that professional associations should remain recognised Forecast: target achieved at 100%

Performance information 2018-19 (continued)	
Performance criteria	Targets
All actions and decisions are made in accordance with the law	
Make evidence based, consistent, transparent, legally sound decisions that can withstand external scrutiny	Majority of decisions of the Inspector General of Taxation, AAT and Federal Court affirm TPB's procedures and decisions Forecast: target achieved
Ensure TPB is appropriately supported by flexible, agile and capable workforce and information technology systems	
Develop and implement strategies to enable a flexible workforce and enhance staff capability	<ul style="list-style-type: none"> All staff have current individual performance and development agreements in place (compass discussions) Forecast: target not achieved Internal TPB digital systems and services are available a majority of the time Forecast: target achieved at 99%
Implement priority initiatives arising from the Board and relevant Committees	<ul style="list-style-type: none"> Priority initiatives are scoped and implemented Forecast: the TPB continues to prioritise this work Compliance with whole of government standards regarding security of information Forecast: the TPB continues to work within these standards The KPIs set in the Regulator Performance Framework are met Forecast: KPI targets achieved
Engage with other government agencies particularly the ATO and the Australian Securities and Investments Commission (ASIC)	
Have appropriate Memorandums of Understanding (MOU) in place to improve data exchange arrangements with relevant government agencies to allow TPB to take appropriate action under the TASA	MOUs in place with relevant government agencies Forecast: the TPB continues to work on and improve its range of MOU's
Identify and raise legislative matters impacting upon the efficient and effective operation of the TASA with Treasury	
Make submissions to Treasury as required	Treasury considers the TPB's submissions Forecast: the TPB continues to work with Treasury on a range of items

Performance information 2019-20	
Performance criteria	Targets
Supporting consumers	
Educate consumers of their rights when using registered tax practitioners	Target: Measures for this new priority focus are in their formative stage. Will be detailed further in 2019-20 Corporate Plan.
Supporting the legal and ethical standards of the professions	
All practitioner applications are processed in a timely manner to reduce delays for tax practitioners	All new and renewal applications are processed within service standards
Acting on misconduct	
Build on voluntary compliance as a result of our investigations and enforcement campaigns	Increase in voluntary practitioner compliance
Shaping and influencing law and policy	
Work with Government and Treasury on statutory reform	Treasury considers TPB submissions
Strengthening capability	
Ensure TPB is appropriately supported by a flexible, agile and capable workforce and information technology systems	Internal TPB digital systems and services are available a majority of the time
Performance information 2020-21 and beyond	
Performance criteria	Targets
As per 2019-20	As per 2019-20

(a) The purpose has changed since the 2018-19 corporate plan was published, and the new purpose will be reflected in the 2019-20 corporate plan to be published by 31 August 2019.

<p>Program 1.3 — Australian Business Register</p> <p>The Commissioner of Taxation is also the Registrar of the Australian Business Register (ABR). The Registrar has separate and distinct responsibilities as outlined in section 28 of the <i>A New Tax System (Australian Business Number) Act 1999</i>.</p> <p>The ABR program contributes to micro-economic reform initiatives as the custodian of trusted business information and provider of associated services used by businesses, government and communities to unlock economic and social value for Australia.</p> <p>The ABR program encompasses:</p> <ul style="list-style-type: none"> • the Register, which is a trusted national business dataset and business registry services • Standard Business Reporting, which defines a common language for business information and standards for digital information exchange and sharing with businesses and government • secure authentication options, giving business easy access to a range of services. 	
Delivery	<p>The ABR program works with Government, Digital Service Providers, the business community and other key stakeholders to support a fairer business environment that fosters greater economic growth and job creation. This will be achieved through increased use of a trusted national business dataset and use of consistent information exchange standards.</p>
Purpose	<p>The ABR program contributes to improving national productivity by:</p> <ul style="list-style-type: none"> • delivering effective and efficient business registry services that provide trusted and accessible national business data • encourage trust and confidence in the broader use of national business data, by the community, businesses and government to promote the development of new and better services for businesses, using the ABN as a key identifier • reducing the administrative cost to businesses in their dealings with other businesses and government.

Performance information 2018-19 and beyond	
Performance criteria	Targets
Increased use of the ABR as the national business dataset	<p>Latest result (2017-18): 312 government agencies using ABR Explorer (34% increase) 11 agencies using ABR connect Total of 1.031 billion ABN Lookup searches, a 32.5% increase</p> <p><u>Target 2019-20:</u> ABR Explorer — 370 ABR Connect — 14 ABN Lookup — 1.3 billion</p> <p><u>Target 2020-21:</u> ABR Explorer — 400 ABR Connect — 16 ABN Lookup — 1.5 billion</p> <p><u>Target 2021-22:</u> ABR Explorer — 420 ABR Connect — 18 ABN Lookup — 1.8 billion</p> <p><u>Target 2022-23:</u> As per 2021-22</p>
Reduction in the administrative cost to businesses and government in dealing with each other	<p>Latest result (2017-18): \$1.58 billion</p> <p><u>Target 2019-20:</u> Total — \$1.95 billion</p> <p><u>Target 2020-21:</u> Total — \$1.98 billion</p> <p><u>Target 2021-22:</u> Total — \$2.00 billion</p> <p><u>Target 2022-23:</u> as per 2021-22</p>

<p>Program 1.4 — Australian Charities and Not-for-profits Commission</p> <p>The Australian Charities and Not for profits Commission (ACNC) is the independent national regulator of charities. The ACNC Commissioner (the Commissioner) has a number of statutory functions and regulatory powers set out in the <i>Australian Charities and Not-for-profits Commission Act 2012</i> (Cth) (ACNC Act), the <i>Charities Act 2013</i> (Cth) (the Charities Act) and accompanying regulations. The ACNC contributes to a charity sector that inspires confidence and respect by:</p> <ul style="list-style-type: none"> • Adopting best practice in regulation and delivering effective regulatory services; • Collecting data that is securely stored, populates the register for public access and to share with authorized partners; • Working collaboratively across Government to reduce the administrative burden on charities; • Building systems and processes that support quality, efficient and effective interactions with customers; • Sustaining an independent, transparent and well governed agency with a positive culture and strong customer service ethos. 	
<p>Delivery</p>	<p>The ACNC effectively managed a regulatory system for the Australian charitable sector by:</p> <ul style="list-style-type: none"> • registering eligible not-for-profit entities as charities in accordance with the <i>ACNC Act</i> and the <i>Charities Act</i>. • providing information, guidance and advice about good governance practices and to assist charities to meet their obligations to maintain charity registration. • assess concerns raised about registered charities, investigate where appropriate and initiate compliance action against charities that contravene the <i>ACNC Act</i>, the <i>Charities Act</i>, Governance Standards or External Conduct Standards. • working with other Government agencies (Commonwealth, state and territory) to reduce unnecessary regulation on charities and align regulatory obligations through various mechanisms, including the ACNC's Charity Passport.
<p>Purpose</p>	<ul style="list-style-type: none"> • to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector; • to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector; • to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.
<p>Performance information 2018-19</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector</p>	
<p>Meet published service standards for processing registration applications and finalising investigations</p>	<p>Target: met Latest result: Target met for registration application processing Latest result: Target not met for finalising investigations</p>
<p>Registered charities meet their obligations to lodge an Annual Information Statement (AIS)</p>	<p>Target: 75% of charities lodge their AIS on time Latest result: Not yet reported, first AIS due date in future</p>

Performance information 2018-19 (continued)	
Performance criteria	Targets
Charities identified as being ineligible to be registered are revoked and removed from the charity register	Target: 100% Latest result: Target not met
Develop, publish on the website and implement a data integrity strategy for each Annual Information Statement detailing the risk based approach to confirming accuracy of reporting	Target: met Latest result: Target met
Decisions are evidence based, consistent and transparent	Target: Quality assurance processes demonstrate decisions align with the regulatory approach and are legally sound Latest result: Target met
Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
Information, guidance and advice provided to charities to help them understand their obligations and support good governance is timely accurate and accessible	Targets: <ul style="list-style-type: none"> Enquiries are responded to according to the published service standards Latest result: Target not met <ul style="list-style-type: none"> Quality assurance reviews of advice provided by staff meets a 75% or higher rating Latest result: Target met
Data about charities collected by the ACNC is made available to the public in an accessible format	Targets: <ul style="list-style-type: none"> Publicly available data about registered charities is up to date and available on data.gov.au Latest result: Target met <ul style="list-style-type: none"> The charity register is redesigned to better present data to inform donor decision making Latest result: Target met
Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
Reduce red tape for charities by simplifying and streamlining reporting	Target: The Regulator Performance Framework demonstrates a reduction in red tape for charities Latest result: Target met

Performance information 2019-20	
Performance criteria	Targets
Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector	
New charities are registered and included on the Charity Register and charities identified as being ineligible to be registered are revoked and removed from the Charity Register	Target: Meet published service standards for processing registration applications and finalising investigations
Registered charities meet their obligations to lodge an Annual Information Statement (AIS) and where applicable, an Annual Financial Report (AFR)	Target: <ul style="list-style-type: none"> 75% of charities lodge their AIS on time 100% of charities with two outstanding AIS's are removed from the register biannually
ACNC operates in accordance with a clearly articulated risk framework and risk based approach to charity registration, and compliance activities	Target: Policies and business processes align with the ACNC's Regulatory Risk Framework and risk based approach
Decisions are evidence based, consistent and transparent	Target: Quality assurance processes demonstrate decisions align with the regulatory approach and are legally sound
Information provided by charities in the AIS and where applicable, AFR, is examined for accuracy	Target: Develop, publish on the website and implement a data integrity strategy for each AIS detailing the risk based approach to confirming accuracy of reporting
Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
The ACNC will publish data against the criteria that have been determined to measure the characteristics referred to in Object 2 of the ACNC Act.	Publicly available data about these measures is up to date and available on data.gov.au
Information, guidance and advice provided to charities to help them understand their obligations and support good governance is timely accurate and accessible	Targets: <ul style="list-style-type: none"> Enquiries are responded to according to the published service standards Quality assurance reviews of advice provided by staff meets a 75% or higher rating
Data about charities collected by the ACNC is made available to the public in an accessible format	Targets: <ul style="list-style-type: none"> Publicly available data about registered charities is up to date and available on data.gov.au The charity register is redesigned to better present data to inform donor decision making

Performance information 2019-20 (continued)	
Performance criteria	Targets
Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
Reduce unnecessary regulation for charities by simplifying and streamlining reporting	Target: The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities
Performance information 2020-21 and beyond	
Performance criteria	Targets
As per 2019-20	As per 2019-20

Program 1.5 – 1.18 Administered programs	
The ATO administers a range of payments and transfers on behalf of the Australian Government, including incentives and rebates delivered through the taxation and superannuation systems.	
Delivery	Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the taxation and superannuation systems.
Purpose	The ATO contributes to the economic and social wellbeing of Australians through governing a range of programs that result in transfers and benefits back to the community.

Program 1.5 — Australian Screen Production Incentive	
The Australian Screen Production Incentive comprises three refundable film tax offsets: the Producer Offset, the Location Offset, and the Post, Digital and Visual Effects (PDV) Offset. These offsets are designed to ensure Australia remains competitive in attracting high budget film and television productions and are aimed at providing increased opportunities for Australian casts, crew, post-production companies and other services to participate in these productions. The Ministry for the Arts, along with Screen Australia and the ATO, have co-administration responsibilities for the program. Screen Australia has responsibility for the Producer Offset while the Ministry for the Arts has responsibility for the Location and PDV Offset. The ATO conducts verification and reconciliation with the certificates provided by the government agencies before the offset is paid to the taxpayer.	
Performance information 2018-19 and beyond	
Performance criteria	Targets
Value of tax offsets processed	<p>Latest result (2017-18): \$281.8 million</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Program 1.6 — Junior Minerals Exploration Incentive	
The Junior Minerals Exploration Incentive will allow small mineral exploration companies with no taxable income to provide exploration credits, paid as a refundable tax offset, to their Australian resident shareholders for greenfield mineral exploration.	
Performance information 2018-19 and beyond	
Performance criteria	Targets
All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing	<p>Latest result (2017-18): 100%</p> <p>Target 2019-20: 100% notifications issued within 28 calendar days of the application period closing</p> <p>Target 2020-21: As per 2019-20</p> <p>The program ends in 2020-21</p>
Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued	<p>Latest result (2017-18): KPI met</p> <p>Target 2019-20: Within 56 calendar days of the application period closing</p> <p>Target 2020-21: As per 2019-20</p> <p>The program ends in 2020-21</p>

<p>Program 1.7— Fuel Tax Credits Scheme</p> <p>The objective of the Fuel Tax Credits Scheme is to remove or reduce the incidence of fuel tax levied on taxable fuels by providing a credit for fuel used for:</p> <ul style="list-style-type: none"> • business activities in machinery, plant and equipment and vehicles; • the domestic generation of electricity by taxpayers not in business. 	
<p>Performance information 2018-19 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of claims</p>	<p>Latest result (2017-18): \$6.8 billion</p> <p>Target 2019-20: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

<p>Program 1.8 — National Rental Affordability Scheme</p> <p>The Department of Social Services has policy responsibility for the National Rental Affordability Scheme. The objectives are to:</p> <ul style="list-style-type: none"> • increase the supply of new affordable rental housing; • reduce rental costs for low and moderate income households — National Rental Affordability Scheme homes rented to eligible tenants at a rate that is at least 20 per cent below the market value rent; and • encourage large-scale investment and innovative delivery of affordable housing through the provision of the following incentives: <ul style="list-style-type: none"> – an Australian Government incentive per dwelling per year as a tax offset or direct payment; and – a State or Territory Government incentive as a direct payment per dwelling per year or in-kind financial support. 	
<p>Performance information 2018-19 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of tax offsets processed</p>	<p>Latest result (2017-18): \$188.2 million</p> <p>Target 2019-20: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

<p>Program 1.9 — Product Stewardship for Oil</p> <p>The objective of the Product Stewardship for Oil Program is to:</p> <ul style="list-style-type: none"> • provide incentives to increase used oil recycling; and • encourage the environmentally sustainable management and re-refining of used oil and its re-use. <p>These objectives are met through the payment of a levy by producers and importers of petroleum based oils and their synthetic equivalents. Benefits are paid to oil recyclers as an incentive to undertake increased recycling of used oil.</p> <p>The Department of the Environment and Energy has policy responsibility for the program, with the ATO administering the program on its behalf.</p>	
<p>Performance information 2018-19 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of revenue collected</p>	<p>Latest result (2017-18): \$33.6 million</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
<p>Value of payments processed</p>	<p>Latest result (2017-18): \$74.9 million</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Program 1.10 — Research and Development Tax Incentive	
<p>The Research and Development (R&D) Tax Incentive is an ongoing scheme designed to increase the level of research and development being conducted by Australian companies.</p> <p>The Department of Industry, Innovation and Science has the primary policy responsibility for the program with the aim of increasing both the number of companies investing in innovation and the value of innovation investment over time.</p> <p>The ATO has an important supporting role in processing claims through the tax system for the R&D offset.</p>	
Performance information 2018-19 and beyond	
Performance criteria	Targets
<p>Value of claims processed for 38.5% non-refundable research and development tax offset claimants</p> <p>Value of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)</p> <p>(Note: change to measure name for 2019-20)</p>	<p>Latest result (2017-18): \$2.9 billion tax offset paid (based on 38.5% non-refundable research and development tax offset claimants)</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
<p>Value of claims processed for 43.5% refundable research and development tax offset claimants</p> <p>Value of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)</p> <p>(Note: change to measure name for 2019-20)</p>	<p>Latest result (2017-18): \$2.5 billion tax offset paid (based on 43.5% refundable research and development tax offset claimants)</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
<p>Number of claims processed for 38.5% non-refundable research and development tax offset claimants</p> <p>Number of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)</p> <p>(Note: change to measure name for 2019-20)</p>	<p>Latest result (2017-18): 1,754 (based on 38.5% non-refundable research and development tax offset claimants)</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Performance information 2018-19 and beyond (continued)	
Performance criteria	Targets
<p>Number of claims processed for 43.5% refundable research and development tax offset claimants</p> <p>Number of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)</p> <p>(Note: change to measure name for 2019-20)</p>	<p>Latest result (2017-18): 11,402 (based on 43.5% refundable research and development tax offset claimants)</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
<p>Proportion of offsets processed within service standard timeframes</p>	<p>Latest result (2017-18): 76%</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Program 1.11 — Low Income Superannuation Tax Offset

The Low Income Superannuation Tax Offset (LISTO) is aimed to address some of the inequity in the superannuation system, where low income earners with a marginal rate of tax less than 15 per cent, pay a higher rate of tax on superannuation contributions than if they had received the money as salary and wages.

The LISTO replaces the low income superannuation contribution (LISC) policy from 1 July 2017. LISC will continue to be payable for concessional contributions made up to and including the 2016-17 year, however, determinations will cease at 1 July 2019.

The Treasury has policy responsibility for the program, while the ATO administers the program and provides information and support to individuals and superannuation funds through advice and education services.

Performance information 2018-19 and beyond	
Performance criteria	Targets
<p>Value of entitlements paid</p>	<p>Latest result (2017-18): \$779.3 million</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

<p>Program 1.12 — Private Health Insurance Rebate</p> <p>The objective of the Private Health Insurance Rebate is to provide access to a benefit to eligible individuals with private health insurance and to act as an incentive to take up private health insurance. The Department of Health has policy responsibility for the program, and the administration of the program is split between the ATO and registered health insurers, depending on the claim method.</p>	
<p>Performance information 2018-19 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of rebates processed</p>	<p>Latest result (2017-18): \$248.8 million</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

<p>Program 1.13 — Superannuation Co-contribution Scheme</p> <p>The Superannuation Co-contribution Scheme is to help low and middle income earners save for their retirement. Eligible individuals who make personal superannuation contributions to a complying superannuation fund or retirement savings account receive a co-contribution from the Government up to certain limits.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program and provides information and support to individuals and superannuation funds through marketing and education services.</p>	
<p>Performance information 2018-19 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of entitlements paid</p>	<p>Latest result (2017-18): \$125.8 million</p> <p>Target 2019-20: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Program 1.14 — Superannuation Guarantee Scheme	
<p>Under the <i>Superannuation Guarantee (Administration) Act 1992</i> (SGAA), most employers must pay superannuation contributions into a complying superannuation fund or retirement savings account.</p> <p>Non-compliance with the SGAA by employers means that eligible employees will not receive their entitlements to, and benefits of, superannuation in their retirement.</p>	
Performance information 2018-19 and beyond	
Performance criteria	Targets
Superannuation guarantee gap as a proportion of superannuation guarantee contributions	<p>Latest result : 4.8% or \$2,790 million (2015-16). Refer to Commissioner of Taxation Annual Report 2017-18 (page 79-81) for detailed information and trends.</p> <p>Target 2019-20: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>2020-21 and beyond: as per 2019-20</p>
<p>Value of superannuation guarantee charge:</p> <ul style="list-style-type: none"> • raised (including penalties and interest) • collected 	<p>Latest result (2017-18): \$1,107.2 million raised; \$440.9 million collected (Raised)</p> <p>Target 2019-20 : \$985 million</p> <p>Target 2020-21: \$971 million</p> <p>Target 2021-22: \$984 million</p> <p>Target 2022-23: as per 2021-22 (Collected)</p> <p>Target 2019-20: \$438 million</p> <p>Target 2020-21: \$392 million</p> <p>Target 2021-22: \$404 million</p> <p>Target 2022-23: as per 2021-22</p>
Value of superannuation guarantee entitlements distributed to individuals or superannuation funds	<p>Latest result (2017-18): \$401.6 million</p> <p>Target 2019-20: \$404 million</p> <p>Target 2020-21: \$362 million</p> <p>Target 2021-22: \$375 million</p> <p>Target 2022-23: as per 2021-22</p>
Value of superannuation guarantee debt on hand and the amount of superannuation guarantee debt irrecoverable at law or uneconomical to pursue	<p>Latest result (2017-18): \$1.9 billion debt on hand; \$238.8 million irrecoverable or uneconomical to pursue</p> <p>Debt on hand:</p> <p>Target 2019-20: \$2,600 million</p> <p>Target 2020-21:\$3,000 million</p> <p>Target 2021-22:\$3,300 million</p> <p>Target 2022-23:as per 2021-22</p> <p>Irrecoverable at law or uneconomical to pursue:</p> <p>Target 2019-20: \$223 million</p> <p>Target 2020-21:\$231 million</p> <p>Target 2021-22:\$240 million</p> <p>Target 2022-23: As per 2021-22</p>

Performance information 2018-19 and beyond (continued)	
Performance criteria	Targets
Number of superannuation guarantee complaints leading to a superannuation liability being raised and those leading to no result	Latest result (2017-18): 13,441 liability being raised; 5,472 no result Target 2019-20: Not applicable, ceased in 2018-19
Number of employees who have had superannuation guarantee entitlements raised as a result of ATO compliance activities and voluntary disclosures	Latest result (2017-18): 237,945 compliance activities; 77,785 voluntary disclosures Target 2019-20: Not applicable, ceased in 2018-19
Number of employers whose records are checked and the number leading to a superannuation liability being raised	Latest result (2017-18): 24,106 checked; 16,416 liability raised Target 2019-20: Not applicable, ceased in 2018-19
Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO	Latest result (2017-18): 1.8% Target 2019-20: Not applicable, ceased in 2018-19

Program 1.15 — Targeted Assistance Through the Taxation System

Under the *Superannuation (Unclaimed Money and Lost Members) Act 1999*, superannuation funds must identify certain types of lost and former temporary resident accounts as unclaimed superannuation money and transfer amounts to the ATO every six months.

Since 1 July 2013, any unclaimed superannuation money payments from the ATO to individuals includes interest, at a rate equivalent to the consumer price index, to preserve the value of these accounts. While the Treasury has policy responsibility, the ATO administers the program.

Performance information 2018-19 and beyond	
Performance criteria	Targets
Value of interest payments processed	Latest result (2017-18): \$14.9 million Target 2019-20: The ATO aims to administer the program in accordance with the law Target 2020-21 and beyond: As per 2019-20

Program 1.16 — Interest on Overpayment and Early Payments of Tax

The objective of the program is to apply credit interest to taxpayers' accounts where they are entitled under the law.

The application of credit interest is non-discretionary where an entitlement exists under the *Taxation (Interest on Overpayments and Early Payments) Act 1983*. Administered interest regimes include:

- interest on overpayments of tax;
- delayed refund interest; and
- interest on early payments of tax.

Performance information 2018-19 and beyond	
Performance criteria	Targets
Value of credit interest applied to client accounts due to processing performance	<p>Latest result (2017-18): \$13 million</p> <p>Target 2019-20: The ATO aims to administer the program in accordance with the law</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Program 1.17 — Bad and Doubtful Debts and Remissions

The primary objective of the program is to help ensure that the value of tax receivables reported is a true and fair estimate of what can be collected on behalf of the Australian Government.

The ATO may not be able to collect all tax liabilities due. The ATO estimates the amount it does not expect to recover and, in accordance with Australian Accounting Standards, creates an impairment allowance provision for this amount. This provision is one of the amounts offset against the gross total taxation receivables to determine the net total taxation receivables, which is a true and fair estimate of what can be collected on behalf of the Australian Government.

Performance information 2018-19 and beyond	
Performance criteria	Targets
<p>Provision for bad and doubtful debts as a proportion of total tax receivables</p> <p>Proportion of total tax receivables unlikely to be collected (provision)</p> <p>(Note: change to measure name for 2019-20)</p>	<p>Latest result (2017-18): 35%</p> <p>Target 2019-20: Below 35%</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Program 1.18 — Other Administered

The **Seafarer Tax Offset** commenced from 1 July 2012 and is designed to stimulate employment opportunities for Australian seafarers to gain maritime skills. The offset will provide a refundable tax offset for qualifying companies employing eligible seafarers. A Bill to abolish the Seafarer Tax Offset was tabled in Parliament, but has now lapsed. There has been no Government announcement on the future of the Seafarer Tax Offset since the lapsing of the Bill.

Performance information 2018-19 and beyond	
Performance criteria	Targets
Seafarer Tax Offset	
Eligible taxpayers are aware of how to claim the offset	<p>Latest result (2017-18): 100%</p> <p>Target 2019-20: 100%</p> <p>Target 2020-21 and beyond: As per 2019-20</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resourcing statements (Table 1.1) have been prepared on cash/appropriation available basis whilst the budgeted financial statements presented in this section have been prepared on an accrual basis under *AASB 1049 Whole of Government and General government sector financial reporting*, and requirements applicable to entity level financial reporting.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental comprehensive income statement (Table 3.1)

The ATO's total operating revenue for 2019-20 is estimated at \$3.6 billion while expenditure is estimated to be \$3.7 billion, inclusive of unfunded depreciation. These budgeted amounts have increased since the 2018-19 Additional estimates mainly due to new Budget expense measures, changes in own-source income and indexation movements.

Departmental balance sheet (Table 3.2)

ATO's net assets as at 30 June 2020 is expected to be \$48.1 million. Net assets have decreased by \$9.1 million since 2018-19 Additional Estimates mainly due to increases in depreciation expenses.

Departmental capital budget statement (Table 3.5)

Total new capital appropriations and total purchase of non-financial assets in 2019-20 have increased by \$34.3 million since the 2018-19 Additional Estimates as a net result of new capital measures.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	1,880,669	1,984,215	1,980,817	1,982,238	1,982,279
Suppliers	1,549,431	1,552,453	1,619,077	1,634,932	1,561,031
Depreciation and amortisation (a)	228,959	193,454	169,219	152,371	145,919
Total expenses	3,659,059	3,730,122	3,769,113	3,769,541	3,689,229
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	114,036	99,456	98,664	97,588	99,993
Rental income	22,162	24,454	23,603	22,857	23,401
Other	13,000	13,000	13,000	13,000	13,000
Total own-source revenue	149,198	136,910	135,267	133,445	136,394
Total own-source income	149,198	136,910	135,267	133,445	136,394
Net (cost of)/contribution by services	(3,509,861)	(3,593,212)	(3,633,846)	(3,636,096)	(3,552,835)
Revenue from Government	3,237,902	3,449,758	3,464,627	3,483,725	3,406,916
Surplus/(deficit) attributable to the Australian Government	(271,959)	(143,454)	(169,219)	(152,371)	(145,919)
Total comprehensive income/(loss) attributable to the Australian Government	(271,959)	(143,454)	(169,219)	(152,371)	(145,919)

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

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

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(43,000)	50,000	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	228,959	193,454	169,219	152,371	145,919
Total comprehensive income/(loss) - as per the statement of comprehensive income	(271,959)	(143,454)	(169,219)	(152,371)	(145,919)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	29,016	29,073	29,131	29,190	29,190
Trade and other receivables	427,956	466,228	457,631	443,879	435,375
Total financial assets	456,972	495,301	486,762	473,069	464,565
Non-financial assets					
Building - Leasehold Improvements	175,516	197,758	214,656	228,907	216,396
Property, plant and equipment	51,724	47,363	44,878	45,874	40,817
Intangibles - computer software	487,588	437,778	392,387	354,169	347,196
Other non-financial assets	87,377	87,296	87,655	87,938	88,442
Total non-financial assets	802,205	770,195	739,576	716,888	692,851
Total assets	1,259,177	1,265,496	1,226,338	1,189,957	1,157,416
LIABILITIES					
Payables					
Suppliers	392,748	394,983	394,428	387,862	380,359
Employees	16,250	32,302	38,822	45,247	53,565
Other payables	66,659	55,487	45,254	35,094	26,279
Total payables	475,657	482,772	478,504	468,203	460,203
Provisions					
Employee provisions	723,528	710,627	710,681	710,740	710,740
Other provisions	27,013	24,047	20,981	17,813	17,813
Total provisions	750,541	734,674	731,662	728,553	728,553
Total liabilities	1,226,198	1,217,446	1,210,166	1,196,756	1,188,756
Net assets	32,979	48,050	16,172	(6,799)	(31,340)
EQUITY*					
Contributed equity	1,710,487	1,869,012	2,006,353	2,135,753	2,257,131
Reserves	115,401	115,401	115,401	115,401	115,401
Retained surplus (accumulated deficit)	(1,792,909)	(1,936,363)	(2,105,582)	(2,257,953)	(2,403,872)
Total equity	32,979	48,050	16,172	(6,799)	(31,340)

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(1,792,909)	115,401	1,710,487	32,979
Adjusted opening balance	(1,792,909)	115,401	1,710,487	32,979
Comprehensive income				
Surplus/(deficit) for the period	(143,454)	-	-	(143,454)
Total comprehensive income	(143,454)	-	-	(143,454)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	40,187	40,187
Departmental Capital Budget (DCB)	-	-	118,338	118,338
Total transactions with owners	-	-	158,525	158,525
Closing balance attributable to the Australian Government	(1,936,363)	115,401	1,869,012	48,050

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,270,540	3,410,433	3,472,052	3,498,293	3,414,401
Sale of goods and rendering of services	146,195	133,915	131,866	130,050	132,981
Net GST received	150,863	141,867	132,476	131,034	130,218
Total cash received	3,567,598	3,686,215	3,736,394	3,759,377	3,677,600
Cash used					
Employees	1,876,950	1,995,134	1,987,405	1,988,870	1,982,776
Suppliers	1,538,086	1,547,202	1,617,129	1,638,998	1,566,038
Net GST paid	147,649	140,822	130,902	131,450	128,786
Total cash used	3,562,685	3,683,158	3,735,436	3,759,318	3,677,600
Net cash from/(used by) operating activities	4,913	3,057	958	59	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	165,218	161,525	138,241	129,400	121,378
Total cash used	165,218	161,525	138,241	129,400	121,378
Net cash from/(used by) investing activities	(165,218)	(161,525)	(138,241)	(129,400)	(121,378)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	160,377	158,525	137,341	129,400	121,378
Total cash received	160,377	158,525	137,341	129,400	121,378
Net cash from/(used by) financing activities	160,377	158,525	137,341	129,400	121,378
Net increase/(decrease) in cash held	72	57	58	59	-
Cash and cash equivalents at the beginning of the reporting period	28,944	29,016	29,073	29,131	29,190
Cash and cash equivalents at the end of the reporting period	29,016	29,073	29,131	29,190	29,190

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB) (a)	132,322	118,338	119,729	120,556	121,378
Equity injections - Bill 2	28,055	40,187	17,612	8,844	-
Total new capital appropriations	160,377	158,525	137,341	129,400	121,378
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>160,377</i>	<i>158,525</i>	<i>137,341</i>	<i>129,400</i>	<i>121,378</i>
Total items	160,377	158,525	137,341	129,400	121,378
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (b)	25,896	43,187	18,512	8,844	-
Funded by capital appropriation - DCB (c)	132,322	118,338	119,729	120,556	121,378
Funded internally from departmental resources (d)	7,000	-	-	-	-
TOTAL	165,218	161,525	138,241	129,400	121,378
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	165,218	161,525	138,241	129,400	121,378
Total cash used to acquire assets	165,218	161,525	138,241	129,400	121,378

(a) Includes reclassification of \$20m from Operating Budget to Departmental Capital Budget (DCB) subject to Appropriation Bill (No. 3) 2018-19.

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

(c) Does not include annual finance lease costs. Include purchases from current and previous years' DCBs.

(d) Includes s74 External Revenue.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	261,916	102,591	1,749,363	2,113,870
Accumulated depreciation/ amortisation and impairment	(86,400)	(50,867)	(1,261,775)	(1,399,042)
Opening net book balance	175,516	51,724	487,588	714,828
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	43,187	43,187
By purchase - appropriation ordinary annual services (b)	52,076	12,991	53,271	118,338
Total additions	52,076	12,991	96,458	161,525
Other movements				
Depreciation/amortisation expense	(29,834)	(17,352)	(146,268)	(193,454)
Total other movements	(29,834)	(17,352)	(146,268)	(193,454)
As at 30 June 2020				
Gross book value	313,992	115,582	1,845,821	2,275,395
Accumulated depreciation/ amortisation and impairment	(116,234)	(68,219)	(1,408,043)	(1,592,496)
Closing net book balance	197,758	47,363	437,778	682,899

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Suppliers	1,903	5,379	470	-	-
Subsidies	9,818,227	10,423,734	10,856,183	11,357,471	11,973,419
Personal benefits	1,139,000	1,150,000	1,154,000	1,182,000	1,212,000
Penalty and interest charge remission expense	1,305,000	1,360,000	1,450,000	1,540,000	1,610,000
Write-down and impairment of assets	6,166,000	6,115,000	6,193,000	6,567,000	6,714,000
Interest on overpayments	140,000	155,000	155,000	155,000	155,000
Superannuation Guarantee Charge	420,000	390,000	402,000	416,000	453,000
Other expenses	132,000	219,000	25,000	19,000	19,000
Total expenses administered on behalf of Government	19,122,130	19,818,113	20,235,653	21,236,471	22,136,419
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	340,089,000	349,331,000	367,100,000	389,966,000	398,174,000
Indirect tax	93,105,000	95,510,000	99,610,000	104,450,000	109,900,000
Other taxes	2,787,000	2,852,000	2,935,600	3,051,000	3,220,800
Total taxation revenue	435,981,000	447,693,000	469,645,600	497,467,000	511,294,800
Non-taxation revenue					
Unclaimed Superannuation Monies	(42,000)	236,000	242,000	165,000	164,000
Other Revenue	3,300	4,700	7,100	5,000	5,000
Total non-taxation revenue	(38,700)	240,700	249,100	170,000	169,000
Total own-source revenue administered on behalf of Government	435,942,300	447,933,700	469,894,700	497,637,000	511,463,800
Net (cost of)/contribution by services	(416,820,170)	(428,115,587)	(449,659,047)	(476,400,529)	(489,327,381)
Surplus/(deficit)	416,820,170	428,115,587	449,659,047	476,400,529	489,327,381

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	406,274	406,274	406,274	406,274	406,274
Total financial assets	406,274	406,274	406,274	406,274	406,274
Non-financial assets					
Taxation Receivables	25,043,669	27,112,669	28,796,669	30,583,669	32,170,669
Other Receivables	3,091	3,091	3,091	3,091	3,091
Accrued Revenues	14,609,258	14,702,258	15,285,258	15,942,258	16,697,258
Total non-financial assets	39,656,018	41,818,018	44,085,018	46,529,018	48,871,018
Total assets administered on behalf of Government	40,062,292	42,224,292	44,491,292	46,935,292	49,277,292
LIABILITIES					
Payables					
Subsidies	20,282	20,282	20,282	20,282	20,282
Personal benefits	15,494	15,494	15,494	15,494	15,494
Superannuation guarantee charge	33,397	33,397	33,397	33,397	33,397
Taxation refunds due	1,007,219	1,007,219	1,007,219	1,007,219	1,007,219
Superannuation holding account	106,218	80,418	84,818	93,218	101,618
Other payables	(25,626)	4,574	8,574	8,574	7,274
Total payables	1,156,984	1,161,384	1,169,784	1,178,184	1,185,284

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Provisions					
Subsidies	3,602,684	3,659,959	3,689,059	3,717,852	3,901,359
Personal Benefits	1,229,922	1,235,922	1,239,922	1,268,922	1,302,922
Income Taxation refunds provided for	2,164,983	2,164,983	2,164,983	2,164,983	2,164,983
Indirect Taxation refunds provided for	294,972	294,972	294,972	294,972	294,972
Superannuation guarantee payments	830,612	827,612	838,612	850,612	863,612
Unclaimed superannuation payments	886,000	2,518,000	1,888,000	1,562,000	1,340,000
Targeted Assistance through the Taxation Program	194,000	272,000	263,000	253,000	237,000
Provision for interest on overpayments of taxes	68	68	68	68	68
Total provisions	9,203,241	10,973,516	10,378,616	10,112,409	10,104,916
Total liabilities administered on behalf of Government	10,360,225	12,134,900	11,548,400	11,290,593	11,290,200
Net assets/(liabilities)	29,702,067	30,089,392	32,942,892	35,644,699	37,987,092

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	425,669,000	438,179,000	459,743,600	486,908,000	500,628,800
Other	75,500	1,754,100	(380,500)	(139,600)	(45,900)
Total cash received	425,744,500	439,933,100	459,363,100	486,768,400	500,582,900
Cash used					
Subsidies paid	10,125,201	10,366,459	10,827,083	11,328,678	11,789,912
Personal benefits	1,132,000	1,144,000	1,150,000	1,153,000	1,178,000
Suppliers	1,903	5,379	470	-	-
Interest	140,000	155,000	155,000	155,000	155,000
Other	459,000	534,000	425,000	433,000	475,000
Total cash used	11,858,104	12,204,838	12,557,553	13,069,678	13,597,912
Net cash from/(used by) operating activities	413,886,396	427,728,262	446,805,547	473,698,722	486,984,988
Net increase/(decrease) in cash held	413,886,396	427,728,262	446,805,547	473,698,722	486,984,988
Cash and cash equivalents at beginning of reporting period	406,274	406,274	406,274	406,274	406,274
Cash from Official Public Account for:					
- Appropriations	11,962,382	12,304,838	12,657,553	13,169,678	13,697,912
- Special accounts	51,800	9,500	10,000	10,800	11,600
Total cash from Official Public Account	12,014,182	12,314,338	12,667,553	13,180,478	13,709,512
Cash to Official Public Account for:					
- Administered receipts	(425,874,578)	(440,028,700)	(459,454,700)	(486,860,000)	(500,675,800)
- Special accounts	(26,000)	(13,900)	(18,400)	(19,200)	(18,700)
Total cash to Official Public Account	(425,900,578)	(440,042,600)	(459,473,100)	(486,879,200)	(500,694,500)
Cash and cash equivalents at end of reporting period	406,274	406,274	406,274	406,274	406,274

Prepared on Australian Accounting Standards basis.

COMMONWEALTH GRANTS COMMISSION

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COMMONWEALTH GRANTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Grants Commission (the Commission) operates under the *Commonwealth Grants Commission Act 1973*. It is a statutory authority whose role is to provide advice to the Australian Government in response to terms of reference.

The main subject on which the Commission provides advice is the allocation among the states of the goods and services tax (GST) revenue. Terms of reference for these inquiries are decided by the Australian Government in consultation with the states. The reports are considered by the Council on Federal Financial Relations.

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

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: Commonwealth Grants Commission resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a) Estimated actual \$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	4,961	4,961
Departmental appropriation (c)	6,067	8,227
Departmental capital budget (d)	61	825
Total departmental annual appropriations	<u>11,089</u>	<u>14,013</u>
Total departmental resourcing	11,089	14,013
<hr/>		
Average staffing level (number)	<u>26</u>	<u>34</u>

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No.1) 2019-20.

(c) Excludes departmental capital budget (DCB).

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

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

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

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures						
Commonwealth Grants Commission —						
ICT strategy and transformation						
	1.1					
		-	2,169	2,408	2,128	1,976
		-	2,169	2,408	2,128	1,976
Total						
Total expense measures						
		-	2,169	2,408	2,128	1,976
		-	2,169	2,408	2,128	1,976
Total						
Capital measures (if applicable)						
Commonwealth Grants Commission —						
ICT strategy and transformation						
	1.1					
		-	764	1,043	1,049	205
		-	764	1,043	1,049	205
Total						
Total capital measures						
		-	764	1,043	1,049	205
		-	764	1,043	1,049	205
Total						

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

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the Commission can be found at:
<https://www.cgc.gov.au/governance/corporate-plan-2018-19>

The most recent annual performance statement can be found at:
<https://www.cgc.gov.au/governance/annual-report>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Commonwealth Grants Commission					
Departmental expenses					
Departmental appropriation	6,067	8,227	8,502	8,276	8,041
Expenses not requiring appropriation in the Budget year (a)	108	108	106	106	107
Departmental total	6,175	8,335	8,608	8,382	8,148
Total expenses for Program 1.1	6,175	8,335	8,608	8,382	8,148
Total expenses for Outcome 1	6,175	8,335	8,608	8,382	8,148

	2018-19	2019-20
Average staffing level (number)	26	34

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue.		
Program 1.1 – The Commission makes recommendations on the distribution of the GST pool, which are considered by Government		
Delivery	The Commission will prepare a report, on an annual basis, recommending the distribution of the GST pool to the states and territories.	
Performance information		
Year	Performance criteria	Targets
2019-20	Excellent research and analysis Stakeholder engagement Responsiveness to government	Recognised analytical work of a technically high quality Consultation in accordance with the agreed engagement plan Timely provision of advice in accordance with terms of reference
2020-21 and beyond	As per 2019-20 criteria	As per 2019-20 targets
Purpose	<p>The Commission's sole function is to provide advice to the Australian Government in response to terms of reference from the Treasurer. The main subject on which the Commission provides advice is the allocation among the states of GST revenue.</p> <p>The Commission, or its staff, may also be asked to provide advice on the finances of Australia's external territories, local government matters and the financing of services for Indigenous people. Where required, terms of reference for those inquiries are developed by relevant Australian Government entities and the reports are considered by their Ministers.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	4,846	5,509	5,564	5,417	5,472
Suppliers	1,266	2,763	2,983	2,904	2,614
Depreciation and amortisation	63	63	61	61	62
Total expenses	6,175	8,335	8,608	8,382	8,148
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	45	45	45	45	45
Total gains	45	45	45	45	45
Total own-source income	45	45	45	45	45
Net (cost of)/contribution by services	(6,130)	(8,290)	(8,563)	(8,337)	(8,103)
Revenue from Government	6,067	8,227	8,502	8,276	8,041
Surplus/(deficit) attributable to the Australian Government	(63)	(63)	(61)	(61)	(62)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(63)	(63)	(61)	(61)	(62)
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	-	-	-	-
Total comprehensive income/(loss) - as per the statement of comprehensive income	(63)	(63)	(61)	(61)	(62)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	4,929	4,906	4,872	4,825	4,825
Total financial assets	5,029	5,006	4,972	4,925	4,925
Non-financial assets					
Land and buildings	282	282	282	282	282
Property, plant and equipment	227	225	225	225	225
Computer Software	-	764	1,807	2,856	3,061
Prepayments	30	30	30	30	30
Total non-financial assets	539	1,301	2,344	3,393	3,598
Total assets	5,568	6,307	7,316	8,318	8,523
LIABILITIES					
Payables					
Suppliers	108	108	108	108	108
Other payables	202	179	145	98	98
Total payables	310	287	253	206	206
Provisions					
Employee provisions	1,533	1,533	1,533	1,533	1,533
Other provisions	85	85	85	85	85
Total provisions	1,618	1,618	1,618	1,618	1,618
Total liabilities	1,928	1,905	1,871	1,824	1,824
Net assets	3,640	4,402	5,445	6,494	6,699
EQUITY*					
Parent entity interest					
Contributed equity	61	886	1,990	3,100	3,367
Reserves	552	552	552	552	552
Retained surplus (accumulated deficit)	3,027	2,964	2,903	2,842	2,780
Total equity	3,640	4,402	5,445	6,494	6,699

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	3,027	552	61	3,640
Adjusted opening balance	3,027	552	61	3,640
Comprehensive income				
Surplus/(deficit) for the period	(63)	-		(63)
Total comprehensive income	(63)	-	-	(63)
Contributions by owners				
Departmental Capital Budget (DCB)			825	825
Sub-total transactions with owners	-	-	825	825
Estimated closing balance as at 30 June 2020	2,964	552	886	4,402
Closing balance attributable to the Australian Government	2,964	552	886	4,402

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,067	8,250	8,536	8,323	8,041
Total cash received	6,067	8,250	8,536	8,323	8,041
Cash used					
Employees	4,846	5,509	5,564	5,417	5,472
Suppliers	1,181	2,741	2,972	2,906	2,569
Total cash used	6,027	8,250	8,536	8,323	8,041
Net cash from/(used by) operating activities	40	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	61	825	1,104	1,110	267
Total cash used	61	825	1,104	1,110	267
Net cash from/(used by) investing activities	(61)	(825)	(1,104)	(1,110)	(267)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	61	825	1,104	1,110	267
Total cash received	61	825	1,104	1,110	267
Net cash from/(used by) financing activities	61	825	1,104	1,110	267
Net increase/(decrease) in cash held	40	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	60	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	61	825	1,104	1,110	267
Total new capital appropriations	61	825	1,104	1,110	267
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>61</i>	<i>825</i>	<i>1,104</i>	<i>1,110</i>	<i>267</i>
Total items	61	825	1,104	1,110	267
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	61	825	1,104	1,110	267
TOTAL	61	825	1,104	1,110	267
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	61	825	1,104	1,110	267
Total cash used to acquire assets	61	825	1,104	1,110	267

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Land & buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	493	357	-	850
Accumulated depreciation/ amortisation and impairment	(211)	(130)	-	(341)
Opening net book balance	282	227	-	509
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	61	764	825
Total additions	-	61	764	825
Other movements				
Depreciation/amortisation expense	-	(63)	-	(63)
Total other movements	-	(63)	-	(63)
As at 30 June 2020				
Gross book value	493	418	764	1,675
Accumulated depreciation/ amortisation and impairment	(211)	(193)	-	(404)
Closing net book balance	282	225	764	1,271

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

INSPECTOR-GENERAL OF TAXATION

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INSPECTOR-GENERAL OF TAXATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

The IGT's strategic direction for 2018-19 is to achieve this by delivering independent advice for improvement through:

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

1.2 ENTITY RESOURCE STATEMENT

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

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

Table 1.1: Inspector-General of Taxation resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	5,187	5,938
Departmental appropriation (c)	6,451	6,449
Departmental capital budget (d)	30	31
Total departmental annual appropriations	<u>11,668</u>	<u>12,418</u>
Total departmental resourcing	11,668	12,418
Total resourcing for Inspector-General of Taxation	11,668	12,418
	<i>2018-19</i>	2019-20
Average staffing level (number)	35	35

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes departmental capital budget (DCB).

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

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

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

1.3 BUDGET MEASURES

The IGT has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the IGT can be found at:

<http://igt.gov.au/about-us/accountability-and-reporting/corporate-plan-2018-19/>

The most recent annual performance statement can be found at:

<http://igt.gov.au/publications/annual-reports/annual-report-2017-18/performance-report/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Inspector-General of Taxation					
Departmental expenses					
Departmental appropriation	6,451	6,449	6,493	6,557	6,602
Expenses not requiring appropriation in the Budget year (a)	336	346	345	336	281
Departmental total	6,787	6,795	6,838	6,893	6,883
Total expenses for Program 1.1	6,787	6,795	6,838	6,893	6,883
Total expenses for Outcome 1	6,787	6,795	6,838	6,893	6,883

	2018-19	2019-20
Average staffing level (number)	35	35

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities.		
Program 1.1 – To improve tax administration through investigation of complaints, consulting with stakeholders to prioritise areas of tax administration for review as well as providing independent advice to the Government, the ATO and the TPB.		
Delivery	<ul style="list-style-type: none"> • effective handling of tax administration complaints • identify and prioritise areas of tax administration for improvement • conduct reviews and make independent recommendations for improvement to Government, the ATO and the TPB 	
Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • effective handling of tax administration complaints • efficient conduct of reviews into tax administration issues • publication of reports on tax administration • independent advice to Government and relevant entities on improvements to tax administration 	<ul style="list-style-type: none"> • tax administration complaint responses • positive feedback on complaints handling and broader reviews from community stakeholders including taxpayers, tax practitioners, other citizens and relevant government entities • areas of tax administration for improvement identified and prioritised through complaints handling and stakeholder consultation • reviews, reports and recommendations on areas of tax administration
2019-20 and beyond	As per 2018-19 targets	As per 2018-19 targets
Purposes	<p>The IGT is an independent statutory agency. Our role is to improve tax administration in Australia through:</p> <ul style="list-style-type: none"> • an effective and efficient complaints handling function; • identifying and prioritising areas of tax administration requiring improvement; and • conducting reviews and making recommendations for improvement to the Government, the ATO and the TPB. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

The IGT is budgeting for a break-even operating result in 2019-20.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	4,522	4,718	4,850	4,856	4,887
Suppliers	1,929	1,731	1,643	1,701	1,715
Depreciation and amortisation (a)	336	346	345	336	281
Total expenses	6,787	6,795	6,838	6,893	6,883
Net (cost of)/contribution by services	(6,787)	(6,795)	(6,838)	(6,893)	(6,883)
Revenue from Government	6,451	6,449	6,493	6,557	6,602
Surplus/(deficit) attributable to the Australian Government	(336)	(346)	(345)	(336)	(281)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	336	346	345	336	281
Total comprehensive income/(loss) - as per the statement of comprehensive income	(336)	(346)	(345)	(336)	(281)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	56	56	56	56	56
Trade and other receivables	5,166	5,166	5,166	5,166	5,166
Total financial assets	5,222	5,222	5,222	5,222	5,222
Non-financial assets					
Land and buildings	1,000	754	508	262	16
Property, plant and equipment	253	248	244	203	201
Intangibles	145	81	17	-	-
Other non-financial assets	83	83	83	83	83
Total non-financial assets	1,481	1,166	852	548	300
Total assets	6,703	6,388	6,074	5,770	5,522
LIABILITIES					
Payables					
Suppliers	141	141	141	141	141
Other payables	84	84	84	84	84
Total payables	225	225	225	225	225
Provisions					
Employee provisions	1,474	1,474	1,474	1,474	1,474
Other provisions	162	162	162	162	162
Total provisions	1,636	1,636	1,636	1,636	1,636
Total liabilities	1,861	1,861	1,861	1,861	1,861
Net assets	4,842	4,527	4,213	3,909	3,661
EQUITY*					
Contributed equity	1,291	1,322	1,353	1,385	1,418
Reserves	453	453	453	453	453
Retained surplus	3,098	2,752	2,407	2,071	1,790
Total equity	4,842	4,527	4,213	3,909	3,661

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	3,098	453	1,291	4,842
Adjusted opening balance	3,098	453	1,291	4,842
Comprehensive income				
Surplus/(deficit) for the period	(346)	-	-	(346)
Total comprehensive income	(346)	-	-	(346)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	31	31
Total transactions with owners	-	-	31	31
Closing balance attributable to the Australian Government	2,752	453	1,322	4,527

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,451	6,449	6,493	6,557	6,602
Total cash received	6,451	6,449	6,493	6,557	6,602
Cash used					
Employees	4,522	4,718	4,850	4,856	4,887
Suppliers	1,929	1,731	1,643	1,701	1,715
Total cash used	6,451	6,449	6,493	6,557	6,602
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	30	31	31	32	33
Total cash used	30	31	31	32	33
Net cash from/(used by) investing activities	(30)	(31)	(31)	(32)	(33)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	30	31	31	32	33
Total cash received	30	31	31	32	33
Net cash from/(used by) financing activities	30	31	31	32	33
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	56	56	56	56	56
Cash and cash equivalents at the end of the reporting period	56	56	56	56	56

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	30	31	31	32	33
Total new capital appropriations	30	31	31	32	33
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	30	31	31	32	33
Total items	30	31	31	32	33
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	30	31	31	32	33
TOTAL	30	31	31	32	33
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	30	31	31	32	33
Total cash used to acquire assets	30	31	31	32	33

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	1,502	349	405	2,256
Accumulated depreciation/ amortisation and impairment	(502)	(96)	(260)	(858)
Opening net book balance	1,000	253	145	1,398
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	31	-	31
Total additions	-	31	-	31
Other movements				
Depreciation/amortisation expense	(246)	(36)	(64)	(346)
Total other movements	(246)	(36)	(64)	(346)
As at 30 June 2020				
Gross book value	1,502	380	405	2,287
Accumulated depreciation/ amortisation and impairment	(748)	(132)	(324)	(1,204)
Closing net book balance	754	248	81	1,083

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

NATIONAL COMPETITION COUNCIL

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NATIONAL COMPETITION COUNCIL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

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

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

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: National Competition Council resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	3,667	3,716
Departmental appropriation (d)	1,990	1,700
Total departmental annual appropriations	5,657	5,416
Total departmental resourcing	5,657	5,416
Total resourcing for the National Competition Council	5,657	5,416
	<i>2018-19</i>	2019-20
Average staffing level (number)	1	1

Third party payments from and on behalf of other entities

	<i>2018-19</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Payments made by the ACCC on behalf of the NCC	1,990	1,700
Payments made to the ACCC for the provision of corporate and professional services	850	850

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes \$4.627m subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

(d) Excludes departmental capital budget (DCB).

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1.3 BUDGET MEASURES

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

Table 1.2: Entity 2019-20 Budget measures

Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

The NCC has no new budget measures.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Measures					
Department of the Treasury — reform agenda (a)					
	1.1	-	(2,141)	(2,129)	(2,129)
Total		-	(2,141)	(2,129)	(2,129)
Total measures					
		-	(2,141)	(2,129)	(2,129)
Total		-	(2,141)	(2,129)	(2,129)

(a) The measure was originally announced in the 2017-18 Budget and was partially reversed by Small Business Regulatory Reform Agenda - additional funding announced in the 2017-18 MYEFO. The remaining funding has been redirected to Department of the Treasury - Reform Agenda announced in the 2018-19 MYEFO. The above financial figures reflect the current net fiscal impact of the measure. Refer to the MYEFO for more details.

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

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the NCC can be found at:
http://ncc.gov.au/about/strategic_plan

The most recent annual performance statement can be found at:
<http://ncc.gov.au/about/annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

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

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: National Competition Council					
Departmental expenses					
Departmental appropriation	1,990	1,700	1,704	1,744	1,773
Expenses not requiring appropriation in the Budget year (a)	32	32	32	32	32
Departmental total	2,022	1,732	1,736	1,776	1,805
Total expenses for Program 1.1	2,022	1,732	1,736	1,776	1,805
Total expenses for Outcome 1	2,022	1,732	1,736	1,776	1,805

	2018-19	2019-20
Average staffing level (number)	1	1

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.</p>		
<p>Program 1.1 – National Competition Council</p> <p>The NCC’s objective is to provide advice to Governments and make decisions on infrastructure access issues that accord with statutory requirements (including time limits) and good regulatory practice, and ensuring that advice meets requirements of decision making ministers, such that Australia achieves a consistent approach to access regulation that promotes the efficient operation of, use of and investment in infrastructure thereby promoting effective competition.</p>		
<p>Delivery</p>	<p>Program 1.1 aims to:</p> <ul style="list-style-type: none"> • Make recommendations to ministers pursuant to Part IIIA of the CCA in relation to applications for the declaration of services provided by monopoly infrastructure and the certification of state and territory access regimes; • Make recommendations to ministers pursuant to the NGL in relation to application for coverage of natural gas pipelines and for price regulation and greenfields pipeline exemptions; • Make decisions pursuant to the NGL relating to the form of regulation and classification of natural gas pipelines; and • Advise the Parliament on the operation of the National Access Regime in accordance with section 29O(f) of the CCA. 	
<p>Performance information</p>		
<p>Performance criteria</p>	<p>2018-19</p>	<p>2019-20 and forward year targets</p>
<p>Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days) and meet advice requirements of Ministers.</p>	<p>All recommendations are forecast to be made within the statutory time limits.</p>	<p>As per 2018-19.</p>
<p>Recommendations on certification applications are made within statutory time limits (consideration period of 180 days) and meet advice requirements of Ministers.</p>	<p>All recommendations are forecast to be made within the statutory time limits.</p>	<p>As per 2018-19.</p>
<p>Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.</p>	<p>All recommendations and decisions are forecast to be made within the statutory time limits.</p>	<p>As per 2018-19.</p>

Performance information (continued)		
Performance criteria	2018-19	2019-20 and forward year targets
Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is forecast to hold all documents relevant to the Council's functions.	As per 2018-19.
Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.	Guidelines are forecast to be updated within 30 days of relevant decisions or developments in case law.	As per 2018-19.
Case law developments, legislative amendments and developments in the NCC's processes or policies are reflected in the NCC's information resources within 30 days.	Case law developments, legislative amendments and developments in Council processes or policies are forecast to be reflected in Council information resources within 30 days.	As per 2018-19.
The NCC's annual report to the Parliament includes a comprehensive report that meets the requirements of s290 of the CCA and is provided within the timeframe required by the PGPA Act (i.e. by the 15th day of the fourth month after the end of the reporting period).	The Council annual report provides comprehensive information on the National Access Regime and NGL, addresses all matters required under section 290 of the CCA and is forecast to be provided within the required timeframe.	As per 2018-19.
Purposes	<p>The NCC is a Commonwealth statutory agency established by section 29A of the CCA. It was created in 1995 following agreement by the Council of Australian Governments (COAG) to a National Competition Policy (NCP). NCP places competition at the forefront as a means of promoting productivity and economic growth to enhance the economic welfare of Australians.</p> <p>The NCC makes recommendations under the National Access Regime in Part IIIA of the CCA and recommendations and decisions under the National Gas Law (NGL). The National Access Regime provides for access to the services of monopoly infrastructure facilities on appropriate terms, through the declaration of services. The NCC's role is to make recommendations to relevant ministers in relation to applications for declaration of services and also the certification of state or territory access regimes.</p> <p>The NCC has a similar role under the National Gas Law (NGL), contained in the Schedule to the <i>National Gas (South Australia) Act 2008</i>, where it makes recommendations on the coverage of natural gas pipeline systems. Under the NGL, the NCC also has responsibility for deciding the form of regulation applying to natural gas pipeline systems (light or full regulation), classifying pipeline (as transmission or distribution) and making recommendations in relation to various exemptions for greenfields gas pipelines.</p> <p>Both the National Access Regime and the NGL seek to promote the efficient operation of, use of, and investment in significant bottleneck infrastructure, and to promote competition, efficiency and productivity in markets that depend on the use of services provided by significant bottleneck infrastructure facilities.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The NCC is budgeting for a break-even operating result for 2019-20 and the forward years. The financial statements have been prepared on an Australian Accounting Standards basis.

The NCC is estimated to receive own-source income of \$8,000 in 2019-20 being fees for applications made to it under the NGL.

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

Councillor members do not receive leave entitlements. Councillor remuneration is established through the *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2018*, which is set by the Remuneration Tribunal, an independent statutory authority established under the *Remuneration Tribunal Act 1973*.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	124	155	149	128	128
Suppliers	1,898	1,577	1,587	1,648	1,677
Total expenses	2,022	1,732	1,736	1,776	1,805
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	32	32	32	32	32
Total gains	32	32	32	32	32
Total own-source income	32	32	32	32	32
Net (cost of)/contribution by services	(1,990)	(1,700)	(1,704)	(1,744)	(1,773)
Revenue from Government	1,990	1,700	1,704	1,744	1,773
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	49	49	49	49	49
Trade and other receivables	3,668	3,668	3,668	3,668	3,668
Total financial assets	3,717	3,717	3,717	3,717	3,717
Non-financial assets					
Other non-financial assets	213	213	213	213	213
Total non-financial assets	213	213	213	213	213
Total assets	3,930	3,930	3,930	3,930	3,930
LIABILITIES					
Payables					
Suppliers	-	-	-	-	-
Other payables	1	1	1	1	1
Total payables	1	1	1	1	1
Total liabilities	1	1	1	1	1
Net assets	3,929	3,929	3,929	3,929	3,929
EQUITY*					
Parent entity interest					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,848	3,848	3,848	3,848	3,848
Total equity	3,929	3,929	3,929	3,929	3,929

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	3,848	81	3,929
Adjusted opening balance	3,848	81	3,929
Comprehensive income			
Surplus/(deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2020	3,848	81	3,929
Closing balance attributable to the Australian Government	3,848	81	3,929

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,990	1,700	1,704	1,744	1,773
Net GST received	187	155	156	162	165
Total cash received	2,177	1,855	1,860	1,906	1,938
Cash used					
Employees	124	155	149	128	128
Suppliers	1,866	1,545	1,555	1,616	1,645
Net GST paid	187	155	156	162	165
Total cash used	2,177	1,855	1,860	1,906	1,938
Net cash from/(used by) operating activities	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	49	49	49	49	49
Cash and cash equivalents at the end of the reporting period	49	49	49	49	49

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	8	8	8	8	8
Total non-taxation revenue	8	8	8	8	8
Total own-source revenue administered on behalf of Government	8	8	8	8	8
Net cost of/(contribution by) services	(8)	(8)	(8)	(8)	(8)
Surplus/(deficit)	8	8	8	8	8

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	8	8	8	8	8
Total cash received	8	8	8	8	8
Net cash from/(used by) operating activities	8	8	8	8	8
Net increase/(decrease) in cash held	8	8	8	8	8
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(8)	(8)	(8)	(8)	(8)
Total cash to Official Public Account	(8)	(8)	(8)	(8)	(8)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

OFFICE OF THE AUDITING AND ASSURANCE STANDARDS BOARD

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OFFICE OF THE AUDITING AND ASSURANCE STANDARDS BOARD

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

The strategic directions of the AUASB are:

- develop, issue and maintain high quality Australian auditing and assurance standards that meet the needs of report users;
- with the Australian Accounting Standards Board (AASB), play a leading role in reshaping the Australian external reporting framework;
- actively influence international auditing and assurance standards and guidance;
- attain significant levels of key stakeholder engagement;
- influence initiatives to develop assurance standards and guidance that meet user needs for external reporting beyond financial reporting;
- monitor and respond to emerging issues impacting the development of auditing and assurance standards and guidance; and
- develop guidance and education initiatives to enhance consistent application of auditing and assurance standards and guidance.

The vision of the AUASB is to contribute to stakeholder confidence in the Australian economy, including its capital markets, and enhanced creditability in external reporting through independence auditing and assurance.

This is achieved by developing, issuing and maintaining in the public interest high quality Australian auditing and assurance standards and guidance that meet user needs and enhanced audit and assurance consistency and quality.

We use our expertise and influence to contribute to the development of a single set of auditing and assurance standards and guidance for worldwide use.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: Office of the Auditing and Assurance Standards Board resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	716	365
Departmental appropriation (d)	2,117	2,398
Departmental capital budget (e)	-	38
Total departmental annual appropriations	2,833	2,801
Total departmental resourcing	2,833	2,801
Total resourcing for AUASB	2,833	2,801
	<i>2018-19</i>	2019-20
Average staffing level (number)	6	8

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No.1) 2019-20.

(c) Excludes \$0.38m subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

(d) Excludes departmental capital budget (DCB). For 2018-19 the Bill 1 DCB has been reallocated from Departmental Capital to Operating.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'. For 2018-19 the Bill 1 DCB has been reallocated from departmental Capital to Operating.

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (that is, appropriations available) basis.

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures						
Improving Audit Quality	1.1					
Departmental expenses		-	281	282	284	-
Total		-	281	282	284	-

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

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for AUASB can be found at:
https://www.auasb.gov.au/admin/file/content102/c3/AASB-AUASB_CorporatePlan_2018-19.pdf

The most recent annual performance statement can be found at:
https://www.auasb.gov.au/admin/file/content102/c3/2017-18_AnnualReport.pdf

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Auditing and Assurance Standards Board					
Departmental expenses					
Departmental appropriation	2,117	2,398	2,375	2,391	2,121
Expenses not requiring appropriation in the Budget year (a)	167	94	134	136	136
Departmental total	2,284	2,492	2,509	2,527	2,257
Total expenses for Program 1.1	2,284	2,492	2,509	2,527	2,257
Total expenses for Outcome 1	2,284	2,492	2,509	2,527	2,257

	2018-19	2019-20
Average staffing level (number)	6	8

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

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

Table 2.2: Performance criteria for Outcome 1

The table below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1</p> <p>The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.</p>	
<p>Program 1.1 – Office of the Auditing and Assurance Standards Board</p> <p>The key strategies to achieve Outcome 1 are:</p> <ul style="list-style-type: none"> • Develop, issue and maintain in the public interest, high quality Australian auditing and assurance standards and guidance that meet user needs and enhance audit and assurance consistency and quality. • Contribute to the development of a single set of auditing and assurance standards and guidance for world-wide use. 	
<p>Delivery</p>	<ul style="list-style-type: none"> • Develop, issue and maintain high quality Australian auditing and assurance standards that meet the needs of report users. Use International Auditing and Assurance Standards Board (IAASB) Standards – where they exist, modified as necessary – or develop Australian-specific standards and guidance. • With the AASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on: <ul style="list-style-type: none"> - who prepares external reports (including financial reports) - the nature and extent of assurance required on external reports. • Actively influence international auditing and assurance standards and guidance by demonstrating thought leadership and enhancing key international relationships. • Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach. • Influence initiatives to develop assurance standards and guidance that meet user needs for external reporting beyond financial reporting. • Monitor and respond to emerging issues impacting the development of auditing and assurance standards and guidance, including changing technologies. • Develop guidance and education initiatives, or promote development by others, to enhance consistent application of auditing and assurance standards and guidance.

Performance information		
Year	Performance criteria (a)	Targets
2018-19	<ul style="list-style-type: none"> • Issue Australian Auditing and Assurance Standards (ASAs, ASREs, ASAEs & ASRSs) based on IAASB equivalent standards in accordance with AUASB legislative drafting and registration requirements. • Develop, update and maintain Australian specific Standards and/or Guidance Statements for topics not specifically addressed by IAASB Standards as required. • Monitor the Assurance Environment, considering the implications for Australian auditing and assurance standards and guidance and responding as appropriate. • Build, maintain and enhance key international relationships around key focus areas with both global (e.g. IAASB, IFAC, IIRC) and national standard setters and professional bodies (e.g. FRC, PCAOB, CPAC, IRBA). • Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols. • Complete a number of strategic projects addressing current areas of auditing and assurance thought leadership and emerging issues, in particular the areas of external reporting beyond financial reporting (e.g. EER) and the impact of changing technologies (e.g. Data Analytics) • Achieve a high level of stakeholder satisfaction through increased engagement (i.e. events and publications) that demonstrate the AUASB has a thorough awareness of ideas and concerns of Australian stakeholders. • Conduct awareness initiatives, such as webinars and presentations for new major Standards issued, and promote the development of education initiatives by others (for example professional bodies, regulators, accounting firms and tertiary institutions) by providing, technical input to their initiatives and co-presenting at their education sessions. • Analyse regulator inspection findings to identify AUASB actions that help improve audit quality and the consistency of audit execution, predominately through the development of new publications (such as AUASB Bulletins and frequently asked questions ('FAQs')) that facilitate the consistent application of auditing and assurance standards. 	<ul style="list-style-type: none"> • Timely release of relevant standards. • An increase in engagement of Australian constituents in the standard setting process, • Responses made to all significant IAASB exposure drafts. • Guidance reviewed and released according to the Annual Plan • Monitor audit quality issues and review standards where required. • Implement a research strategy and program of work to inform, educate and influence domestic and international standards setting. <p>The AUASB expects to meet all its targets and expectations implied by performance criteria in 2018-19.</p>

Performance information (continued)		
Year	Performance criteria (a)	Targets
2019-20	<ul style="list-style-type: none"> • Issue Australian Auditing and Assurance Standards based on IAASB equivalent standards in accordance with AUASB functions and mandate from the Financial Reporting Council (FRC). • Develop, update and maintain Australian specific Standards and/or Guidance Statements for topics not specifically addressed by IAASB Standards as required. • Monitor the Assurance Environment (including the impact of regulator inspection findings) and address any implications for Australian auditing and assurance standards and guidance. • Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols. • Develop thought leadership by identifying and implementing strategic projects that address emerging issues in auditing and assurance. • Increase stakeholder satisfaction and engagement with AUASB activities, with a specific focus on assurance practitioners, regulators, the professional bodies and financial report users. • Build, maintain and enhance key international relationships around key focus areas with both global and national standard setters. 	<ul style="list-style-type: none"> • Timely release of all AUASB standards. • Timely responses to all significant IAASB exposure drafts and requests for comment. • Identify and implement strategic projects on EER, Audit Technologies, Public Sector Audit Issues and other relevant topics as they arise. • In conjunction with the FRC, develop appropriate responses to audit quality issues. • Collaborate with the NZAuASB on common projects and outreach activities. • Increase in engagement of Australian constituents in the standard setting process, measured by attendance at AUASB events, number of submissions received and online traffic. • Increase influence and engagement with IAASB and other major national auditing and assurance standard setters.
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	<p>The functions of the AUASB are to:</p> <ul style="list-style-type: none"> • make auditing standards under section 336 of the <i>Corporations Act 2001</i> for the purposes of the corporations legislation; • formulate auditing and assurance standards for other purposes; • formulate guidance on auditing and assurance matters; • participate in and contribute to the development of a single set of auditing standards for world-wide use; and • advance and promote the main objectives of part 12 of the <i>Australian Securities and Investments Commission Act 2001</i>. 	
Material changes to Program 1.1 resulting from the following measures:		
No Budget measures in 2018-19 impact on this program.		

(a) The AUASB has streamlined the description of its performance criteria and targets for 2019-20. This does not represent a material change from 2018-19.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The AUASB and the AASB have an arrangement where the AASB provides corporate services for both entities. Under the arrangement, AASB charges AUASB a management fee for providing corporate support.

The comprehensive income statement is comprised mainly of employee expenses relating to technical staff and supplier expenses relating to AASB management fee. These items are projected to be steady over the budget and forwarded years.

The balance sheet is predominantly comprised of receivables and provisions relating to the accounting of unspent appropriation and employees.

Other financial items are immaterial in movements.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	1,168	1,365	1,390	1,415	1,238
Suppliers	1,076	1,087	1,079	1,072	979
Depreciation and amortisation	40	40	40	40	40
Total expenses	2,284	2,492	2,509	2,527	2,257
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	127	54	94	96	96
Total gains	127	54	94	96	96
Total own-source income	127	54	94	96	96
Net (cost of)/contribution by services	(2,157)	(2,438)	(2,415)	(2,431)	(2,161)
Revenue from Government	2,117	2,398	2,375	2,391	2,121
Surplus/(deficit) attributable to the Australian Government	(40)	(40)	(40)	(40)	(40)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	40	40	40	40	40
Total comprehensive income/(loss) - as per the statement of comprehensive income	(40)	(40)	(40)	(40)	(40)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	230	371	371	371	371
Trade and other receivables	700	555	558	561	561
Total financial assets	930	926	929	932	932
Non-financial assets					
Property, plant and equipment	9	6	15	25	25
Intangibles	21	22	12	2	2
Total non-financial assets	30	28	27	27	27
Total assets	960	954	956	959	959
LIABILITIES					
Payables					
Suppliers	192	184	184	184	184
Other payables	20	23	26	29	29
Total payables	212	207	210	213	213
Provisions					
Employee provisions	231	232	232	232	232
Total provisions	231	232	232	232	232
Total liabilities	443	439	442	445	445
Net assets	517	515	514	514	514
EQUITY*					
Parent entity interest					
Contributed equity	350	388	427	467	507
Retained surplus (accumulated deficit)	167	127	87	47	7
Total equity	517	515	514	514	514

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	167	350	517
Adjusted opening balance	167	350	517
Comprehensive income			
Surplus/(deficit) for the period	(40)	-	(40)
Total comprehensive income	(40)	-	(40)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	38	38
Sub-total transactions with owners	-	38	38
Estimated closing balance as at 30 June 2020	127	388	515
Closing balance attributable to the Australian Government	127	388	515

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,082	2,506	2,375	2,391	2,121
Other	1	1	-	-	-
Total cash received	2,083	2,507	2,375	2,391	2,121
Cash used					
Employees	1,139	1,364	1,390	1,415	1,238
Suppliers	1,026	1,002	985	976	883
Other	(18)	-	-	-	-
Total cash used	2,147	2,366	2,375	2,391	2,121
Net cash from/(used by) operating activities	(64)	141	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	38	38	39	40	40
Total cash used	38	38	39	40	40
Net cash from/(used by) investing activities	(38)	(38)	(39)	(40)	(40)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	38	39	40	40
Total cash received	-	38	39	40	40
Net cash from/(used by) financing activities	-	38	39	40	40
Net increase/(decrease) in cash held	(102)	141	-	-	-
Cash and cash equivalents at the beginning of the reporting period	332	230	371	371	371
Cash and cash equivalents at the end of the reporting period	230	371	371	371	371

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB) (a)	-	38	39	40	40
Total new capital appropriations	-	38	39	40	40
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	38	38	39	40	40
Total items	38	38	39	40	40
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (b)	38	38	39	40	40
TOTAL	38	38	39	40	40
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	38	38	39	40	40
Total cash used to acquire assets	38	38	39	40	40

(a) 2018-19 Bill 1 DCB has been reallocated from Capital to Operating.

(b) Includes 2018-19 being funded from 2017-18 Bill 1 DCB.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	173	107	280
Accumulated depreciation/ amortisation and impairment	(173)	(77)	(250)
Opening net book balance	-	30	30
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity (a)	38	-	38
Total additions	38	-	38
Other movements			
Depreciation/amortisation expense	(32)	(8)	(40)
Total other movements	(32)	(8)	(40)
As at 30 June 2020			
Gross book value	211	107	318
Accumulated depreciation/ amortisation and impairment	(205)	(85)	(290)
Closing net book balance	6	22	28

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

Prepared on Australian Accounting Standards basis.

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OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

The strategic directions of the AASB are:

- develop, issue and maintain principle based accounting standards and reporting guidelines that meet the needs of external report users;
- in partnership with the Auditing and Assurance Standards Board (AUASB) play a lead role in reshaping the Australian external reporting framework;
- actively influence international accounting standards and reporting guidance;
- attain significant key stakeholder engagement;
- influence initiatives to develop standards and guidance that meet the user's needs for external reporting beyond financial reporting;
- monitor and respond to emerging issues impacting the development of external reporting standards and guidance; and
- develop guidance and education initiatives to enhance the consistent application of external reporting and accounting standards guidance.

The vision of the AASB is to contribute to stakeholder confidence in the Australian economy, including Australian capital markets and in external reporting.

This is achieved by developing, issuing and maintaining principle-based Australian accounting and external reporting standards, together with guidance that meets the needs of external users and enhances the consistency and quality of external reporting.

We use our expertise and influence to contribute to the development of a single set of accounting and external reporting standards for world-wide use.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: Office of the Australian Accounting Standards Board resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	2,039	2,058
Departmental appropriation (d)	3,597	3,519
s74 Retained revenue receipts (e)	1,127	1,124
Departmental capital budget (f)	-	79
Total departmental annual appropriations	6,763	6,780
Total departmental resourcing	6,763	6,780
Total resourcing for AASB	6,763	6,780
<hr/>		
	2018-19	2019-20
Average staffing level (number)	22	22

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes \$0.79m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) Excludes departmental capital budget (DCB).

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

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

All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1.3 BUDGET MEASURES

The AASB has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the AASB at:

<https://www.aasb.gov.au/AASB-Board/AASB-Board-Strategy-and-Corporate-Plan.aspx>

The most recent annual performance statement can be found at:

<https://www.aasb.gov.au/About-the-AASB/AASB-annual-reports.aspx>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Australian Accounting Standards Board					
Departmental expenses					
Departmental appropriation	3,597	3,519	3,544	3,568	3,592
s74 External Revenue (a)	1,127	1,124	1,136	1,153	1,153
Expenses not requiring appropriation in the Budget year (b)	171	173	176	178	178
Departmental total	4,895	4,816	4,856	4,899	4,923
Total expenses for Program 1.1	4,895	4,816	4,856	4,899	4,923
Total expenses for Outcome 1	4,895	4,816	4,856	4,899	4,923

	2018-19	2019-20
Average staffing level (number)	22	22

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

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

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

Table 2.2: Performance criteria for Outcome 1

The table below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1</p> <p>The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.</p>	
<p>Program 1 – Office of the Australian Accounting Standards Board</p> <ul style="list-style-type: none"> • Develop, issue and maintain principles-based Australian accounting and external reporting standards and guidance that meet user needs and enhance external reporting consistency and quality. • Contribute to the development of a single set of accounting and external reporting standards for world-wide use. 	
<p>Delivery</p>	<p>To achieve program 1 the AASB:</p> <ul style="list-style-type: none"> • Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users. For 'publicly accountable' entities maintain International Financial Reporting Standards (IFRS) compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance • With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on: <ul style="list-style-type: none"> - who prepares external reports (including financial reports) - the nature and extent of assurance required on these external reports. • Actively influence International Accounting Standards Board (IASB), International Public Sector Accounting Standards Board (IPSASB) standards and other international accounting and external reporting standards and guidance, by demonstrating through leadership and enhancing key international relationships. • Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach. • Influence initiatives to develop standards and guidance that meet user needs for external reporting beyond financial reporting. • Monitor and respond to emerging issues impacting the development of accounting and external reporting standards and guidance, including changing technologies. • Develop guidance and education initiatives, or promote development by others, to enhance consistent application of accounting and external reporting standards and guidance.

Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • IASB equivalent Standards issued in the same timeframe of the release of the IFRS and in accordance with legislative drafting and registration requirements. • Develop Australian specific Standards and/or guidance for topics not specifically addressed by IFRS Standards within timelines in project plans agreed with the Board. • Develop consultative documents in relation to the Australian Financial Reporting Framework, to develop objective criteria for which entities in the for-profit sector and the not-for-profit sector prepare external reports including financial reports and the type of assurance needed for these reports. Includes working with policy makers in the for-profit and not-for-profit sectors (including public sector policy makers). • Maintain Australia/New Zealand convergence in accordance with Trans-Tasman requirements for for-profit entities by harmonising, wherever possible given the different regulatory environments, Australian and New Zealand Accounting Standards through working actively with the New Zealand Accounting Standards Board. • Maintain and enhance key international relationships (IASB, IPSASB and Asian-Oceanian Standard-Setters Group (AOSSG)). • Complete projects for external reporting beyond financial reporting as per timelines in project plans agreed with the Board. • Consider emerging issues and impact of changing technologies in all AASB submissions and each major AASB project. • Education initiatives, such as webinars and presentations for new major Standards issued considered effective by stakeholders. • Promote the development of education initiatives by others (for example the Australian Charities and Not-for-profits Commission (ACNC)) by providing, technical input to their initiatives and co-presenting at their education sessions. • Develop staff publications, and frequently asked questions (FAQs) to help with consistent application of accounting and external reporting standards as agreed with the Board. 	<ul style="list-style-type: none"> • Timely release of relevant standards and guidance. • The identification and development of Australian specific standards and Guidance to meet the needs of external reporting users. • An increase in engagement of Australian constituents in the standard setting process, • Development and implementation of an annual performance and service benchmark to measure improvements. • Build data analytics that indicate the use and impact of external reporting on the confidence levels of the economy and capital markets. • Enhanced research program to inform, educate and influence domestic and international standard setting. <p>The AASB expects to meet all its targets and expectations implied by performance criteria in 2018-19</p>

Performance information (continued)		
Year	Performance criteria	Targets
2018-19 (continued)	<ul style="list-style-type: none"> • Conduct agenda consultation, usually in connection with IASB agenda consultation, to seek formal input on AASB's work program. • The AASB has a thorough awareness of ideas and concerns of Australian Stakeholders through effective engagement. Stakeholder satisfaction survey net promoter score used to obtain initial year results to benchmark for performance improvement including of Board and staff. • Improved levels of stakeholder engagement. • Monitor through press coverage, Minister, Financial Reporting Council and other stakeholder feedback, ASIC, APRA and other regulator surveillance program results that there is no evidence that confidence in the Australian economy, including its capital market has been lost due to accounting standard issues. 	
2019-20	As per 2018-19	<p>As per 2018-19 &</p> <ul style="list-style-type: none"> • IASB equivalent Standards issued within two months of the release of the IFRS. • Australian specific Standards for the projects outlined below: <ul style="list-style-type: none"> - insurance in the NFP public sector. - implement the IASB Revised Conceptual Framework in Australia for other entities. - other topics coming out of agenda consultation process. • Consultative Documents outlined below: <ul style="list-style-type: none"> - NFP private sector development of tiering proposal in conjunction with ACNC and state and territory regulators. - NFP public sector consultation on AASB Discussion Paper - Improving Financial Reporting for Australian Public Sector, including discussion with parliamentary accounts committees.

Performance information (continued)		
Year	Performance criteria	Targets
2019-20 (continued)		<ul style="list-style-type: none"> • Present at least two papers to the Accounting Standards Advisory Forum, International Forum of Accounting Standard-Setters and/or AOSSG and receive positive feedback on the paper. • Commence the following projects for external reporting: <ul style="list-style-type: none"> - reporting service performance information. - remuneration reporting. - management commentary. <p>Conduct formal agenda consultation.</p>
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	<p>Make accounting standards under the <i>Corporations Act 2001</i> for corporations and for other purposes. Participate in and contribute to the development of a single set of accounting standards for world-wide use. In a financial reporting context, enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including its capital markets; having regard to the interests of Australian corporations raising capital in major international financial centres.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the financial information presented in the Portfolio Budget Statements and the Financial Statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The comprehensive income statement is comprised mainly of employee expenses relating to technical and corporate staff; supplier expenses relating to office rental expenses; and revenue relating to funding received from the States and management fees charged to AUASB. These items are projected to be steady over the budget and forward years.

The balance sheet is predominantly comprised of receivables, employee provisions and unspent appropriations.

Other financial items are immaterial in movements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	3,223	3,255	3,320	3,386	3,386
Suppliers	1,617	1,506	1,481	1,458	1,482
Depreciation and amortisation	55	55	55	55	55
Total expenses	4,895	4,816	4,856	4,899	4,923
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	627	624	636	653	653
Other	500	500	500	500	500
Total own-source revenue	1,127	1,124	1,136	1,153	1,153
Gains					
Other	116	118	121	123	123
Total gains	116	118	121	123	123
Total own-source income	1,243	1,242	1,257	1,276	1,276
Net (cost of)/contribution by services	(3,652)	(3,574)	(3,599)	(3,623)	(3,647)
Revenue from Government	3,597	3,519	3,544	3,568	3,592
Surplus/(deficit) attributable to the Australian Government	(55)	(55)	(55)	(55)	(55)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	55	55	55	55	55
Total comprehensive income/(loss) - as per the statement of comprehensive income	(55)	(55)	(55)	(55)	(55)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	47	132	132	132	132
Trade and other receivables	2,278	2,195	2,195	2,196	2,196
Total financial assets	2,325	2,327	2,327	2,328	2,328
Non-financial assets					
Property, plant and equipment	82	70	98	126	151
Intangibles	35	71	67	63	63
Other non-financial assets	49	46	44	42	42
Total non-financial assets	166	187	209	231	256
Total assets	2,491	2,514	2,536	2,559	2,584
LIABILITIES					
Payables					
Suppliers	304	282	280	278	278
Other payables	12	33	33	33	33
Total payables	316	315	313	311	311
Provisions					
Employee provisions	414	414	414	414	414
Total provisions	414	414	414	414	414
Total liabilities	730	729	727	725	725
Net assets	1,761	1,785	1,809	1,834	1,859
EQUITY*					
Parent entity interest					
Contributed equity	681	760	839	919	999
Retained surplus (accumulated deficit)	1,080	1,025	970	915	860
Total equity	1,761	1,785	1,809	1,834	1,859

*'Equity' is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	1,080	681	1,761
Adjusted opening balance	1,080	681	1,761
Comprehensive income			
Surplus/(deficit) for the period	(55)	-	(55)
Total comprehensive income	(55)	-	(55)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	79	79
Sub-total transactions with owners	-	79	79
Estimated closing balance as at 30 June 2020	1,025	760	1,785
Closing balance attributable to the Australian Government	1,025	760	1,785

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,624	3,606	3,544	3,567	3,592
Sale of goods and rendering of services	627	624	636	653	653
Other	498	497	500	500	500
Total cash received	4,749	4,727	4,680	4,720	4,745
Cash used					
Employees	3,231	3,255	3,320	3,386	3,386
Suppliers	1,488	1,407	1,360	1,335	1,359
Other	(9)	(20)	-	-	-
Total cash used	4,710	4,642	4,680	4,721	4,745
Net cash from/(used by) operating activities	39	85	-	(1)	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	26	79	79	79	80
Total cash used	26	79	79	79	80
Net cash from/(used by) investing activities	(26)	(79)	(79)	(79)	(80)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	79	79	80	80
Total cash received	-	79	79	80	80
Net cash from/(used by) financing activities	-	79	79	80	80
Net increase/(decrease) in cash held	13	85	-	-	-
Cash and cash equivalents at the beginning of the reporting period	8	21	106	106	106
Cash and cash equivalents at the end of the reporting period	21	106	106	106	106

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB) (a)	-	79	79	79	80
Total new capital appropriations	-	79	79	79	80
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	26	79	79	79	80
Total items	26	79	79	79	80
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (b)	26	79	79	79	80
TOTAL	26	79	79	79	80
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	26	79	79	79	80
Total cash used to acquire assets	26	79	79	79	80

(a) 2018-19 Bill 1 DCB has been reallocated from Capital to Operating.

(b) Includes 2018-19 being funded from 2017-18 Bill 1 DCB.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	198	142	340
Accumulated depreciation/ amortisation and impairment	(116)	(107)	(223)
Opening net book balance	82	35	117
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity (a)	39	40	79
Total additions	39	40	79
Other movements			
Depreciation/amortisation expense	(51)	(4)	(55)
Total other movements	(51)	(4)	(55)
As at 30 June 2020			
Gross book value	237	182	419
Accumulated depreciation/ amortisation and impairment	(167)	(111)	(278)
Closing net book balance	70	71	141

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

Prepared on Australian Accounting Standards basis.

PRODUCTIVITY COMMISSION

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PRODUCTIVITY COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Productivity Commission (the Commission) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. The Commission's work encompasses all sectors of the economy as well as social and environmental issues. Its activities cover all levels of government responsibility – federal, state and territory and local.

As a review and advisory body, the Commission does not have responsibility for implementing government programs. It carries out inquiry, research, advising and incidental functions prescribed under the *Productivity Commission Act 1998*.

The Commission contributes to well-informed policy decision-making and public understanding on matters relating to Australia's economic performance and community wellbeing, based on independent and transparent analysis that takes a broad view encompassing the interests of the community as a whole, rather than just particular industries or groups. The Commission has four broad components of work:

- government commissioned projects;
- performance reporting and other services to government bodies;
- competitive neutrality complaints activities; and
- self-initiated research and statutory annual reporting.

In 2019-20 and the forward years, the Commission will continue to examine a variety of economic, social and environmental issues through its public inquiry and commissioned research. Commissioned projects underway and carrying over into 2019-20 include: a public inquiry into the role of *Mental Health* in supporting economic participation, enhancing productivity and economic growth; and a study into the *Zone Tax Offset and Related Remote Area Tax Concessions and Payments*.

The Commission will continue to be responsible for developing a whole-of-government approach to evaluating policies and programs affecting Indigenous Australians. The Commission will also operate the COAG performance dashboard, and undertake reviews of nationally significant sector-wide Commonwealth-State agreements.

The Commission will continue to provide cross-jurisdictional reporting to the Council of Australian Governments (COAG) on performance of government services; indicators of Indigenous wellbeing; and expenditure on services to Indigenous Australians.

The Australian Government Competitive Neutrality Complaints Office (AGCNCO) is an autonomous office located within the Commission. It receives and investigates complaints, and advises the Treasurer on the application of competitive neutrality arrangements. AGCNCO also provides informal advice on, and assists agencies in, implementing competitive neutrality requirements.

The Commission has a mandate to undertake research to complement its other activities. This self-initiated research currently includes work on *The Housing Needs of Australian Renters*. A full list of the Commission's research reports and supporting research is provided on the Commission's website.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Commission.

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

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

Table 1.1: Productivity Commission resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	32,072	32,502
Departmental appropriation (d)	33,541	33,517
s74 External Revenue (e)	431	145
Departmental capital budget (f)	826	824
Total departmental annual appropriations	66,870	66,988
Total departmental resourcing	66,870	66,988
Total resourcing for the Productivity Commission	66,870	66,988
	2018-19	2019-20
Average staffing level (number)	162	176

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes \$0.15m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) Excludes departmental capital budget (DCB).

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

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

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

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

1.3 BUDGET MEASURES

The Commission has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the Commission can be found at:
<http://www.pc.gov.au/about/governance/corporate-plan>

The most recent annual performance statement can be found at:
<http://www.pc.gov.au/about/governance/annual-reports/2017-18>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

Budgeted expenses for Outcome 1

This table shows how much the Commission intends to spend (on an accrual basis) on achieving the outcome.

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Productivity Commission					
Departmental expenses					
Departmental appropriation	33,541	33,517	33,724	33,958	34,163
s74 External Revenue (a)	425	145	10	10	10
Expenses not requiring appropriation in the Budget year (b)	1,105	1,110	1,100	1,100	1,100
Departmental total	35,071	34,772	34,834	35,068	35,273
Total expenses for Program 1.1	35,071	34,772	34,834	35,068	35,273
Total expenses for Outcome 1	35,071	34,772	34,834	35,068	35,273

	2018-19	2019-20
Average staffing level (number)	162	176

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for the program associated with Outcome 1, and summarises how that program is delivered.

<p>Outcome 1 Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective.</p>	
<p>Program 1.1 – Productivity Commission The Commission provides governments and the Australian community with information and advice that better informs policy decisions to improve Australians’ wellbeing.</p>	
<p>Delivery</p>	<p>The Commission undertakes inquiries, research, and performance reporting and analysis. It provides robust analysis and advice on a range of economic, social and environmental issues, taking a community-wide perspective. The Commission engages widely, including through hearings, release of draft reports, roundtables, seminars and submissions, to seek informed input to its reports.</p>
<p>Performance information</p>	
<p>Performance criteria</p>	<p>2018-19 and forward years</p>
<p>The Commission aims to be a valuable source of robust evidence-based analysis to inform public policy; to generate effective public debate; and have recognition that our approach to evidence-based policy analysis is worthy of consideration by other governments. In doing so, it seeks to engage effectively with the community, have open and transparent processes, and provide timely reporting.</p>	<p>A range of indicators inform the Commission’s performance assessment, including: the Commission’s work being widely referenced in public policy forums; projects and reports meeting commissioned timelines; and open and transparent processes being followed.</p>
<p>Purposes</p>	<p>The Commission’s purpose, as embodied in the <i>Productivity Commission Act 1998</i>, is to provide governments and the Australian community with information and advice that better inform policy decisions to improve Australians’ wellbeing.</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Commission is budgeting for a break-even result in 2019-20 and the forward years.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	27,220	27,359	27,408	27,672	27,835
Suppliers	6,784	6,342	6,365	6,346	6,388
Depreciation and amortisation	1,055	1,060	1,050	1,050	1,050
Finance costs	12	11	11	-	-
Total expenses	35,071	34,772	34,834	35,068	35,273
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	425	145	10	10	10
Other	50	50	50	50	50
Total own-source revenue	475	195	60	60	60
Total own-source income	475	195	60	60	60
Net (cost of)/contribution by services	(34,596)	(34,577)	(34,774)	(35,008)	(35,213)
Revenue from Government	33,541	33,517	33,724	33,958	34,163
Surplus/(deficit) attributable to the Australian Government	(1,055)	(1,060)	(1,050)	(1,050)	(1,050)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,055	1,060	1,050	1,050	1,050
Total comprehensive income/(loss) - as per the statement of comprehensive income	(1,055)	(1,060)	(1,050)	(1,050)	(1,050)

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

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	337	337	337	337	337
Trade and other receivables	32,316	32,579	30,195	30,977	31,744
Total financial assets	32,653	32,916	30,532	31,314	32,081
Non-financial assets					
Land and buildings	2,575	1,925	3,075	2,425	1,775
Property, plant and equipment	1,076	1,168	1,447	1,237	1,029
Intangibles	59	49	49	49	49
Other non-financial assets	751	751	751	751	751
Total non-financial assets	4,461	3,893	5,322	4,462	3,604
Total assets	37,114	36,809	35,854	35,776	35,685
LIABILITIES					
Payables					
Suppliers	344	344	344	344	344
Other payables	1,398	1,098	747	765	765
Total payables	1,742	1,442	1,091	1,109	1,109
Provisions					
Employee provisions	10,915	11,135	11,355	11,475	11,595
Other provisions	592	603	-	-	-
Total provisions	11,507	11,738	11,355	11,475	11,595
Total liabilities	13,249	13,180	12,446	12,584	12,704
Net assets	23,865	23,629	23,408	23,192	22,981
EQUITY*					
Parent entity interest					
Contributed equity	8,456	9,280	10,109	10,943	11,782
Reserves	1,593	1,593	1,593	1,593	1,593
Retained surplus (accumulated deficit)	13,816	12,756	11,706	10,656	9,606
Total equity	23,865	23,629	23,408	23,192	22,981

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	13,816	1,593	8,456	23,865
Adjusted opening balance	13,816	1,593	8,456	23,865
Comprehensive income				
Surplus/(deficit) for the period	(1,060)	-	-	(1,060)
Total comprehensive income	(1,060)	-	-	(1,060)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	824	824
Sub-total transactions with owners	-	-	824	824
Estimated closing balance as at 30 June 2020	12,756	1,593	9,280	23,629
Closing balance attributable to the Australian Government	12,756	1,593	9,280	23,629

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	33,513	33,586	34,458	33,820	34,043
Sale of goods and rendering of services	431	145	10	10	10
Total cash received	33,944	33,731	34,468	33,830	34,053
Cash used					
Employees	27,000	27,139	27,188	27,552	27,715
Suppliers	6,944	6,592	7,280	6,278	6,338
Total cash used	33,944	33,731	34,468	33,830	34,053
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	424	492	2,479	190	192
Total cash used	424	492	2,479	190	192
Net cash from/(used by) investing activities	(424)	(492)	(2,479)	(190)	(192)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	424	492	2,479	190	192
Total cash received	424	492	2,479	190	192
Net cash from/(used by) financing activities	424	492	2,479	190	192
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	337	337	337	337	337
Cash and cash equivalents at the end of the reporting period	337	337	337	337	337

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	826	824	829	834	839
Total new capital appropriations	826	824	829	834	839
<i>Provided for:</i>					
Purchase of non-financial assets	424	492	829	190	192
Other items	402	332	-	644	647
Total items	826	824	829	834	839
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	424	492	2,479	190	192
TOTAL	424	492	2,479	190	192
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	424	492	2,479	190	192
Total cash used to acquire assets	424	492	2,479	190	192

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2019-20)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	3,818	1,776	617	6,211
Accumulated depreciation/ amortisation and impairment	(1,243)	(700)	(558)	(2,501)
Opening net book balance	2,575	1,076	59	3,710
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	472	20	492
Total additions	-	472	20	492
Other movements				
Depreciation/amortisation expense	(650)	(380)	(30)	(1,060)
Total other movements	(650)	(380)	(30)	(1,060)
As at 30 June 2020				
Gross book value	3,818	2,248	637	6,703
Accumulated depreciation/ amortisation and impairment	(1,893)	(1,080)	(588)	(3,561)
Closing net book balance	1,925	1,168	49	3,142

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

ROYAL AUSTRALIAN MINT

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ROYAL AUSTRALIAN MINT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Royal Australian Mint (the Mint) is a listed entity operating under the *Public Governance, Performance and Accountability Act 2013*. The Mint's vision is to achieve excellence as the world's best performing Mint. Its goal is to meet the circulating coin and collector coin needs of Australia and selected international markets. The Mint is also the custodian of Australia's National Coin Collection and provides educational and tourist services to local and overseas visitors.

2019-20 will be the fourth year of the Mint's strategic plan which acknowledges the decline in the demand for circulating coin and identifies opportunities for growth in commercial domestic and foreign business. Key strategies identified in this plan include:

- leveraging in-house capability to produce innovative circulating and numismatic products;
- identifying opportunities to fill the revenue gap caused by the decline in the demand for circulating coin;
- continuing to seek efficiency improvements, reduction in cost and improvements in effectiveness;
- delivering in full and on time to all customers;
- maintaining the record for workplace health and safety, as well as environmental conditions;
- continuing to recognise the importance of staff; and
- continuing to build brand recognition.

As the sole supplier of Australia's circulating coin requirements, the Mint is responsible for the continuous review of Australian coinage and for providing advice to the Treasury and the Government on coin related issues.

In 2019-20, the Mint will continue to target profitable revenue growth opportunities for both numismatic and international circulating coin.

The Mint's return on net assets is forecasted to be 29 per cent in 2018-19, inclusive of the seigniorage return to the Commonwealth. Across the forward estimates, the Mint

will be focussed on maintaining its return on net assets. With the decline in demand for circulating coin, seigniorage is expected to fall over the next four years from the budgeted \$34 million in 2018-19 to \$27 million in 2022-23. However, the decline is offset by commercial pre-tax profit and royalties.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government. The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

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

Table 1.1: Royal Australian Mint resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Special accounts (b)		
Opening balance	45,072	45,151
Non-appropriation receipts	130,662	171,456
<i>Total special accounts</i>	<i>175,734</i>	<i>216,607</i>
Total departmental resourcing	175,734	216,607
Total resourcing for the Royal Australian Mint	175,734	216,607
	2018-19	2019-20
Average staffing level (number)	240	239

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.

(b) Excludes trust money and "other CRF money" held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1.3 BUDGET MEASURES

The Mint has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the Mint can be found at:
<https://www.ramint.gov.au/corporate-plan>

The most recent annual performance statement can be found inside the latest annual report at: <https://www.ramint.gov.au/annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Royal Australian Mint Special Account	34,502	31,983	33,683	32,904	32,812
Administered total	34,502	31,983	33,683	32,904	32,812
Departmental expenses					
Special accounts					
Royal Australian Mint Special Account	92,147	121,574	152,355	242,034	273,926
Departmental total	92,147	121,574	152,355	242,034	273,926
Total expenses for Program 1.1	126,649	153,557	186,038	274,938	306,738
Total expenses for Outcome 1	126,649	153,557	186,038	274,938	306,738
	2018-19	2019-20			
Average staffing level (number)	240	239			

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1			
The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.			
Program 1.1 – Royal Australian Mint			
To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.			
Delivery	<ul style="list-style-type: none"> • Production, maintenance and sales to meet demand for: <ul style="list-style-type: none"> - Australian circulating coins; - Foreign country circulating coins; - Numismatic products; and - Other custom minted products. • Maintenance of Australia’s National Coin Collection. • Tourism and education services to public and school groups: <ul style="list-style-type: none"> - Maintenance of the Mint’s visitor gallery, including building and surrounds; - Educational programs to school students who visit the Mint; and - Promote public understanding about the cultural and historical significance of coins. 		
Performance information			
Performance criteria	2018-19	2019-20	2020-21 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage: \$34.3m Volume: 119 mpcs	Seigniorage: \$33.6m Volume: 109 mpcs	Seigniorage: \$31.8m; \$27.5m; \$27.1m Volume: 100 mpcs; 92 mpcs; 86 mpcs
Optimum return on investment	Return on Net Assets: 35%	Return on Net Assets: 35%	Return on Net Assets: 35%
Commercial orders placed are produced and delivered within agreed delivery time	Delivered on time and in full: 90%	Delivered on time and in full: 90%	Delivered on time and in full: 90%
Visitor satisfaction rating of Mint experience	Survey result: 95%	Survey result: 95%	Survey result: 95%
Increase in visitor numbers compared to prior year	Visitors: 340,000	Visitors: 350,000	Visitors: 350,000

Performance information (continued)			
Performance criteria	2018-19	2019-20	2020-21 and the forward estimates
Provide a safe, secure and sustainable operational environment	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil
Build on brand awareness	Net Promoter Score: 50%	Net Promoter Score: 50%	Net Promoter Score: 50%
Have engaged, motivated and committed staff	Staff satisfaction survey: 70%	Staff satisfaction survey: 70%	Staff satisfaction survey: 70%
Purposes	To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Mint has two streams of revenue. One stream comes from the production and subsequent sale of circulating coins at face value to commercial banks. The second stream comes from the production and sale of numismatic products, foreign circulating coins and other minted products.

The Mint's Departmental projected results for the 2018-19 and forward years reflect the Mint's focus on identifying opportunities in its numismatic business (refer to Table 3.1). The ongoing implementation of 'lean' principles will enable the Mint to manufacture coins (both circulating and numismatic) in a more efficient manner which is expected to deliver a reduction in cost and improved business effectiveness.

An after-tax surplus is budgeted on the sale of numismatic products and foreign circulating coins. It is expected to be \$10.9 million in 2018-19 and around \$7.5 million in 2022-23 and will offset the reduction in seigniorage received by the government from Australian circulating coins.

The anticipated decline in demand for Australian circulating coin is reflected in a fall in Administered surplus over the next four years from the forecasted \$34.3 million in 2018-19 to \$27.1 million in 2022-23 (refer to Table 3.7). However with the stabilised Departmental commercial 'pre-tax profit' and Commonwealth royalties, the decline in seigniorage returned to Commonwealth will be less significant.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	26,053	28,290	28,290	28,290	28,290
Suppliers	58,214	84,791	115,001	204,016	235,717
Depreciation and amortisation	5,409	5,832	6,007	6,187	6,373
Finance costs	30	25	22	21	20
Other expenses	2,441	2,636	3,035	3,520	3,526
Total expenses	92,147	121,574	152,355	242,034	273,926
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	105,738	135,411	159,200	250,242	282,870
Interest	575	650	725	800	875
Rental Income	353	375	386	397	409
Other	657	480	500	520	540
Total own-source revenue	107,323	136,916	160,811	251,959	284,694
Total own-source income	107,323	136,916	160,811	251,959	284,694
Net (cost of)/contribution by services	15,176	15,342	8,456	9,925	10,768
Notional income tax expense	2,196	4,602	2,537	2,978	3,231
Total comprehensive income/(loss) - as per the statement of comprehensive income	12,980	10,740	5,919	6,947	7,537

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	45,151	58,736	62,948	70,755	79,109
Trade and other receivables	7,124	6,185	6,185	6,185	6,185
Total financial assets	52,275	64,921	69,133	76,940	85,294
Non-financial assets					
Property, plant and equipment	32,318	29,782	27,966	25,996	23,867
Intangibles	2,209	2,013	2,022	2,005	1,961
Heritage and cultural	21,847	21,847	21,847	21,847	21,847
Inventories	52,443	55,750	57,423	59,146	60,920
Tax assets	1,129	1,291	1,291	1,291	1,291
Other non-financial assets	1,823	1,823	1,823	1,823	1,823
Total non-financial assets	111,769	112,506	112,372	112,108	111,709
Total assets	164,044	177,427	181,505	189,048	197,003
LIABILITIES					
Payables					
Employees	206	381	466	554	646
Suppliers	4,023	4,134	4,190	4,170	4,170
Other payables	3,482	5,888	3,823	4,264	4,517
Total payables	7,711	10,403	8,479	8,988	9,333
Interest bearing liabilities					
Leases	496	434	372	311	247
Total interest bearing liabilities	496	434	372	311	247
Provisions					
Employee provisions	6,575	6,575	6,707	6,841	6,978
Other provisions	506	519	532	546	546
Total provisions	7,081	7,094	7,239	7,387	7,524
Total liabilities	15,288	17,931	16,090	16,686	17,104
Net assets	148,756	159,496	165,415	172,362	179,899
EQUITY*					
Parent entity interest					
Contributed equity	77,903	77,903	77,903	77,903	77,903
Reserves	20,798	20,798	20,798	20,798	20,798
Retained surplus (accumulated deficit)	50,055	60,795	66,714	73,661	81,198
Total equity	148,756	159,496	165,415	172,362	179,899

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	50,055	20,798	77,903	148,756
Opening balance	50,055	20,798	77,903	148,756
Comprehensive income				
Surplus/(deficit) for the period	10,740	-	-	10,740
Total comprehensive income	10,740	-	-	10,740
Estimated closing balance as at 30 June 2020	60,795	20,798	77,903	159,496
Closing balance attributable to the Australian Government	60,795	20,798	77,903	159,496

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	129,595	170,526	191,550	280,224	308,779
Interest received	575	650	725	800	875
Other	492	280	300	320	340
Total cash received	130,662	171,456	192,575	281,344	309,994
Cash used					
Employees	25,953	28,115	28,073	28,068	28,061
Suppliers	61,082	90,077	119,110	210,628	238,743
Net GST paid	447	480	440	440	450
Borrowing and other financing costs	17	12	9	7	6
Taxes paid	4,237	2,358	4,602	2,537	2,978
Other	34,268	33,667	31,867	27,596	27,138
Total cash used	126,004	154,709	184,101	269,276	297,376
Net cash from/(used by) operating activities	4,658	16,747	8,474	12,068	12,618
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,405	3,100	4,200	4,200	4,214
Total cash used	4,405	3,100	4,200	4,200	4,214
Net cash from/(used by) investing activities	(4,405)	(3,100)	(4,200)	(4,200)	(4,214)
FINANCING ACTIVITIES					
Cash used					
Repayments of borrowings	174	62	62	61	64
Total cash used	174	62	62	61	64
Net cash from/(used by) financing activities	(174)	(62)	(62)	(61)	(64)
Net increase/(decrease) in cash held	79	13,585	4,212	7,807	8,340
Cash and cash equivalents at the beginning of the reporting period	45,072	45,151	58,736	62,948	70,755
Cash and cash equivalents at the end of the reporting period	45,151	58,736	62,948	70,755	79,095

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	4,405	3,100	4,200	4,200	4,214
TOTAL	4,405	3,100	4,200	4,200	4,214
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,405	3,100	4,200	4,200	4,214
Total cash used to acquire assets	4,405	3,100	4,200	4,200	4,214

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	46,077	21,847	7,982	75,906
Accumulated depreciation/ amortisation and impairment	(13,759)	-	(5,773)	(19,532)
Opening net book balance	32,318	21,847	2,209	56,374
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	2,453	-	647	3,100
Total additions	2,453	-	647	3,100
Other movements				
Depreciation/amortisation expense	(4,989)	-	(843)	(5,832)
Total other movements	(4,989)	-	(843)	(5,832)
As at 30 June 2020				
Gross book value	48,530	21,847	8,629	79,006
Accumulated depreciation/ amortisation and impairment	(18,748)	-	(6,616)	(25,364)
Closing net book balance	29,782	21,847	2,013	53,642

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Suppliers	32,676	30,111	31,764	30,927	30,776
Other expenses	1,826	1,872	1,919	1,977	2,036
Total expenses administered on behalf of Government	34,502	31,983	33,683	32,904	32,812
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	68,850	65,650	65,550	60,500	59,950
Total non-taxation revenue	68,850	65,650	65,550	60,500	59,950
Total own-source revenue administered on behalf of Government	68,850	65,650	65,550	60,500	59,950
Total own-sourced income administered on behalf of Government	68,850	65,650	65,550	60,500	59,950
Net cost of/ (contribution by) services	(34,348)	(33,667)	(31,867)	(27,596)	(27,138)
Surplus/(deficit)	34,348	33,667	31,867	27,596	27,138

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Non-financial assets					
Inventories	3,717	3,717	3,717	3,717	3,717
Total non-financial assets	3,717	3,717	3,717	3,717	3,717
Total assets administered on behalf of Government	3,717	3,717	3,717	3,717	3,717
LIABILITIES					
Payables					
Other payables	1,898	1,898	1,898	1,898	1,898
Total payables	1,898	1,898	1,898	1,898	1,898
Total liabilities administered on behalf of Government	1,898	1,898	1,898	1,898	1,898
Net assets/(liabilities)	1,819	1,819	1,819	1,819	1,819

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	34,348	33,667	31,867	27,596	27,138
Total cash received	34,348	33,667	31,867	27,596	27,138
Net cash from/(used by) operating activities	34,348	33,667	31,867	27,596	27,138
Net increase/(decrease) in cash held	34,348	33,667	31,867	27,596	27,138
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(34,348)	(33,667)	(31,867)	(27,596)	(27,138)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

GLOSSARY

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the Consolidated Revenue Fund (CRF) at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the CRF). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes in the Appropriation Acts.
Appropriation Bill (No. 1)	This Bill proposes spending from the CRF for the ordinary annual services of government. Bills proposing appropriations for ordinary annual services cannot be amended by the Senate under Section 53 of the Australian Constitution. Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 1).
Appropriation Bill (No. 2)	This Bill proposes spending from the CRF for purposes other than the ordinary annual services of government. Under existing arrangements between the two Houses of Parliament, this Bill includes appropriation funding of administered expenses for new outcomes, for payments to the states and territories, and for departmental or administered capital. Funding for extensions to existing programs can be included in Appropriation Bill (No. 1). Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 2).

Term	Meaning
Appropriation Bills (Nos. 3 and 4)	If an amount provided in Appropriation Acts (Nos. 1 or 2) is not enough to meet approved expenditure in a financial year, supplementary appropriation may be sought in Appropriation Bills (Nos. 3 or 4). Once these Bills are passed by Parliament and given royal assent, they become the Appropriation Acts (Nos. 3 and 4). They are also commonly referred to as the Additional Estimates Bills.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Average staffing level	The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole-of-government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on federal funding provided to the states and territories.
Budget Paper 4 (BP4)	Entity Resourcing. Details total resourcing available to agencies.
Capital Expenditure	Expenditure by an entity on capital projects; for example, purchasing a building.

Term	Meaning
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Capital Budget (DCB)	Net cash appropriation arrangements involve the cessation of funding for depreciation, amortisation and make good expenses. Funding for these expenses has been replaced with a collection development and acquisition budget (CDAB) for designated collection institutions (DCIs), and departmental capital budgets (DCBs).
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity chief executive officers control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Entity	A department, agency, company or authority under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) or any other Commonwealth statutory authority.
Estimated actual expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.

Term	Meaning
Expenditure	Spending money from the Consolidated Revenue Fund or a notional payment to a PGPA entity.
Expense	Decreases in economic benefits in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed; for example, ANAO audit services. The ANAO does not charge for audit services; however, the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Forward estimates period	The three years following the Budget year. For example if 2015-16 is the Budget year, 2016-17 is forward year 1, 2017-18 is forward year 2 and 2018-19 is forward year 3. This period does not include the current or Budget year.
Funds	Money that has been appropriated but not drawn from the Consolidated Revenue Fund.
Income	Total value of resources earned or received to cover the production of goods and services.
Make good	Make good is the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. A common example of make good in the public sector is the restoration of office premises at the end of a lease period.

Term	Meaning
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
'Movement of Funds' between years	A 'movement of funds' process is carried out twice each year in relation to un-expensed administered operating appropriations. This involves portfolio ministers submitting requests to the Finance Minister advising of timing changes to funding requirements. If agreed by the Finance Minister, there will be an increase in the amount appropriated in later year(s).
Net cash appropriation arrangements	The net cash framework, implemented from the 2010-11 Budget, replaces funding for depreciation and amortisation expenses with a departmental capital budget (DCB) and the funding of make good expenses will cease to be paid in advance. The net cash framework applies to general government sector entities that receive funding from annual appropriations directly or via a special account, with the exception of the Department of Defence.
Non-operating	Sometimes called 'capital' costs.
Official Public Account (OPA)	The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Operating	Normally related to ongoing, or recurring expenses, such as paying salaries or making program payments.
Operating result	Equals income less expenses.

Term	Meaning
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.
Public Governance, Performance and Accountability Act 2013 (PGPA Act)	The PGPA Act is the principal legislation concerning the governance, performance and accountability of, and the use and management of public resources by the Commonwealth.
Portfolio Budget Statements	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program support	The entity running costs allocated to a program. This is funded as part of the entity's departmental appropriations.
Special account	Balances existing within the CRF that are supported by standing appropriations, PGPA Act s.78, s.79 and s.80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account can only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (s. 78 of the PGPA Act) or through an Act of Parliament (referred to in s. 80 of the PGPA Act).
Special appropriations (including standing appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from the CRF does not generally cease at the end of the financial year. Standing appropriations are a subcategory consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.