

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. 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 core mission is to establish and enforce 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 and, as a national statistical agency for the Australian financial sector, collects and publishes data from prudentially regulated and other financial institutions.

In undertaking its core mission, APRA places a strong emphasis on an active program of prudential supervision. APRA's supervisory 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 takes a risk-based approach to 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 supervisory resources and attention to these risks. APRA seeks to ensure that its supervisory judgments are accurate, timely and robust and that its responses are targeted and proportionate.

In doing so, APRA does not pursue a zero failure objective. Rather, APRA seeks to maintain a low incidence of failure of APRA-regulated institutions while not impeding continued improvement in efficiency or hindering competition. 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's objective is to identify likely failure of an APRA-regulated institution early enough so that corrective action can be promptly initiated or orderly exit achieved.

APRA's integrated structure and risk-based supervisory approach enable it to deal efficiently and effectively with the evolution of the financial sector, and the wide range of financial institutions within it.

The global financial crisis provided a searching test of Australia's prudential regime and financial stability arrangements, the strength of which have been widely accepted as an important contributing factor to Australia's continued economic and financial stability through the crisis. Strong and safe financial institutions that will meet their financial promises under all reasonable circumstances, and a stable financial system, are fundamental for fostering growth and sustainable competition.

Each year, APRA considers opportunities to strengthen its core functions and capabilities. APRA's 2016-17 strategic initiatives provide the areas of focus over the medium term:

- enhancing our ability to retain, develop and reward our people;
- honing governance and workplace effectiveness;
- sharpening risk-based management; and
- building recovery and resolution planning capability.

Successful delivery of these initiatives will support the effective delivery of APRA's mission.

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 (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses for Outcome 1' table 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 2016-17 as at Budget May 2016

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation	1,237	1,543
s74 retained revenue receipts (b)	4,720	5,056
<i>Total departmental annual appropriations</i>	<i>5,957</i>	<i>6,599</i>
<i>Total departmental special appropriations</i>		
Special accounts		
Opening balance (c)	65,439	69,111
Appropriation receipts (d)	5,957	6,599
Non-appropriation receipts to Special Accounts	125,221	123,066
<i>Total special accounts</i>	<i>196,617</i>	<i>198,776</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>5,957</i>	<i>6,599</i>
Total departmental resourcing	196,617	198,776
Administered		
Special accounts		
Opening balance (c)	2,835	2,835
Non-appropriation receipts to Special Accounts (e)	494,762	532,737
<i>Total special account receipts</i>	<i>497,597</i>	<i>535,572</i>
Total administered resourcing	497,597	535,572
Total resourcing for APRA	694,214	734,348
	2015-16	2016-17
Average staffing level (number)	602	605

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

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

(a) Appropriation Bill (No.1) 2016-17.

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

(c) Excludes 'Special Public Money'. For further information on special appropriations and special accounts, 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.

(d) Appropriation receipts from the Reserve Bank of Australia, the Australian Bureau of Statistics, the Australian Taxation Office, and special appropriations included above.

(e) Comprises Private Health Insurance industry risk equalisation receipts, which are redistributed to industry, of \$494.8 million in 2015-16 and \$532.7 million in 2016-17.

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 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 MYEFO

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures						
Australian Prudential Regulation Authority — modernising data capabilities						
Administered revenues	1.1	-	2,433	3,118	2,307	3,348
Australian Securities and Investments Commission — improving outcomes in financial services (a)						
Administered revenues	1.1	-	36,962	46,336	25,150	12,899
Superannuation Complaints Tribunal — sustaining and modernising functions (a)						
Administered revenues	1.1	-	5,189	-	-	-
Total revenue measures		-	44,584	49,454	27,457	16,247
Expense measures						
Australian Prudential Regulation Authority — modernising data capabilities						
Departmental expenses	1.1	-	2,433	3,118	2,307	3,348
Total expense measures		-	2,433	3,118	2,307	3,348
Capital measures						
Australian Prudential Regulation Authority — modernising data capabilities						
Departmental capital	1	-	2,750	3,698	3,203	-
International Trade Agreements — government procurement reforms						
Departmental capital	1.1	-	150	-	-	-
Total capital measures		-	2,900	3,698	3,203	-

(a) The lead entity for measures 'Superannuation Complaints Tribunal – Sustaining and modernising functions' and 'Improving outcomes in Financial Services' is the Australian Securities and Investments Commission. The full measure description and package details appear in *Budget Paper No. 2* under the Treasury portfolio.

Table 1.2: Entity 2016-17 Budget measures (continued)

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Expense measures						
Public Sector Savings — Shared and Common Services Programme						
	1.1	-	(17)	(35)	(35)	-
Total expense measures		-	(17)	(35)	(35)	-

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 programs, specifying the performance indicators and targets used to assess and monitor the performance of APRA in achieving government outcomes.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. 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 from October 2016 - to provide an entity's complete performance story.

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

The role of APRA is to develop and enforce a robust prudential framework that promotes prudent behaviour by authorised deposit-taking institutions, insurance companies, superannuation funds and other financial institutions it supervises, with the key aim of protecting the interests of their depositors, policyholders and superannuation fund members.

Prudential regulation focuses on the quality of an institution's systems for identifying, measuring and managing the various risks in its business.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Australia Prudential Regulation Authority					
Administered expenses					
Special accounts (a)	494,762	532,737	572,162	613,038	655,364
Administered total	494,762	532,737	572,162	613,038	655,364
Departmental expenses					
Special accounts	125,221	124,719	130,160	127,367	128,303
Ordinary annual services (Appropriation Bill No. 1)	1,237	1,543	2,459	2,860	3,716
s74 Retained revenue receipts (b)	4,532	4,860	4,860	4,860	4,860
Expenses not requiring appropriation in the Budget year (c)					
	188	196	196	196	196
Departmental total	131,178	131,318	137,675	135,283	137,075
Total expenses for program 1.1	625,940	664,055	709,837	748,321	792,439
Outcome 1 Totals by appropriation type					
Administered expenses					
Special accounts (a)	494,762	532,737	572,162	613,038	655,364
Administered total	494,762	532,737	572,162	613,038	655,364
Departmental expenses					
Special accounts	125,221	124,719	130,160	127,367	128,303
Departmental appropriation	5,769	6,403	7,319	7,720	8,576
Expenses not requiring appropriation in the Budget year (c)	188	196	196	196	196
Departmental total	131,178	131,318	137,675	135,283	137,075
Total expenses for Outcome 1	625,940	664,055	709,837	748,321	792,439
	2015-16	2016-17			
Average staffing level (number)	602	605			

(a) Private Health Insurance industry risk equalisation payments.

(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 ANAO audit services that are received free of charge, however the expense is recognised along with an equal and offsetting income stream.

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

Table 2.2: Performance criteria for Outcome 1

The Table below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

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		
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 promotes financial stability.		
Delivery	Maintain a robust prudential framework that sets requirements for prudent behaviour at regulated institutions and actively supervise regulated institutions with the aim of mitigating financial loss by depositors, policyholders and superannuation fund members that may result from the failure of a regulated institution to adequately manage risk.	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>In 2015-16 APRA included the following performance criteria in its Budgets Statements:</p> <ul style="list-style-type: none"> timely issuance of prudential standards and guidance that address risk management exposures of regulated institutions; identification of emerging prudential risks within regulated institutions through programs of on-site visits and off-site surveillance and the supervision of remedial actions to effectively manage such risks; exercise of APRA’s formal enforcement powers where necessary to protect the interests of depositors, policyholders, superannuation fund members or the public interest generally; and transparent engagement with stakeholders including timely briefings to government on financial system developments and on major items of policy interest emerging from APRA’s participation in international fora. <p>Expected achievement against criteria: APRA expects to meet these performance criteria.</p>	<p>Each of these performance criteria support APRA’s role of protection of the interests of depositors, policyholders and superannuation fund members (which APRA refers to collectively as its beneficiaries).</p> <p>APRA does not pursue a ‘zero failure’ target. Rather, the objective is to maintain a low incidence of failure of supervised institutions while not impeding continued improvements in efficiency or hindering competition.</p> <p>APRA’s aim is to identify likely failures early enough so that corrective action can be initiated to prevent the failure, or at least to set in train appropriate wind-up or other exit strategies, to minimise losses to beneficiaries.</p>

Year	Performance criteria	Targets
		<p>Since APRA's inception in 1998 the annual Performing Entity Ratio (PER) has averaged 99.92 per cent and the annual Money Protection Ratio (MPR), which is dominated by the losses associated with HIH Insurance in 2001, has averaged 99.96 per cent.</p>
2016-17	<p>Criteria for assessing performance in 2016-17:</p> <ul style="list-style-type: none"> • The Performing Entity Ratio (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) — 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. Again, the higher the percentage, the lower the incidence of loss. 	<p>APRA does not pursue a 'zero failure' target. Rather, the objective is to maintain a low incidence of failure of supervised institutions while not impeding continued improvements in efficiency or hindering competition.</p> <p>APRA's aim is to identify likely failures early enough so that corrective action can be initiated to prevent the failure, or at least to set in train appropriate wind-up or other exit strategies to minimise losses to beneficiaries.</p> <p>Since APRA's inception in 1998 the annual PER has averaged 99.92 per cent and the annual MPR, which is dominated by the losses associated with HIH Insurance in 2001, has averaged 99.96 per cent.</p>
2017-18 and the forward years	As per 2016-17	As per 2016-17
Purposes	<p>APRA is an independent statutory authority established for the purpose of prudential supervision of individual financial institutions and for promoting financial system stability in Australia. In performing this role, APRA is responsible for, in particular, 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 2016-17 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 departmental comprehensive income statement (Table 3.1) indicates a small reduction in available appropriation revenue for 2016-17 as a consequence of the proposed return of a small over-collection of industry levies in 2016-17.

Employee expenses of \$98.4 million support an average staffing level (ASL) of 605 in 2016-17. The estimated staffing will enable APRA to supervise regulated institutions and respond to emerging risks, finalise a new prudential standard in relation to bank funding and a simplified framework for securitisation, and contribute to the implementation of a number of recommendations of the Financial System Inquiry. APRA will also continue to monitor the impact of prudential reforms introduced since the global financial crisis.

Supplier costs in 2016-17 reflect the accounting effect of new 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.

Retained surpluses and general reserves are set at a level sufficient to accommodate unforeseen business needs that may arise from supervision of at-risk institutions.

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

The schedule of budgeted income and expenses administered on behalf of Government (Table 3.7) shows the amounts APRA collects in supervisory 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 implementation of the Stronger Super – SuperStream reforms; the Australian Securities and Investments Commission (ASIC) for consumer protection, market integrity functions and the recently announced Improving Outcomes in Financial Services measure; and the Department of Human Services (DHS) for the administration of claims for early release of superannuation benefits on compassionate grounds.

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 also included.

The schedule of budgeted assets and liabilities administered on behalf of government (Table 3.8) mainly reflects the unused funds relating to the Financial Claims Scheme.

The schedule of budgeted administered cash flows (Table 3.9), indicates that cash collected is either 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 3.2), or returned 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, ASIC and DHS.

3.1.3 Budgeted financial statements tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	97,254	98,350	100,494	105,004	110,124
Suppliers	27,530	24,976	28,898	22,275	18,467
Depreciation and amortisation	6,394	7,992	8,283	8,004	8,484
Total expenses	131,178	131,318	137,675	135,283	137,075
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,743	4,000	4,000	4,000	4,000
Other revenue	977	1,056	1,056	1,056	1,056
Total own-source revenue	4,720	5,056	5,056	5,056	5,056
Total own-source income	4,720	5,056	5,056	5,056	5,056
Net (cost of)/contribution by services	(126,458)	(126,262)	(132,619)	(130,227)	(132,019)
Appropriation revenue	126,458	124,609	132,619	130,227	132,019
Surplus/(deficit) attributable to the Australian Government	-	(1,653)	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	1,311	1,311	1,311	1,311	1,311
Receivables	71,117	74,925	79,560	79,352	82,510
Total financial assets	72,428	76,236	80,871	80,663	83,821
Non-financial assets					
Property, plant and equipment	6,267	7,041	5,866	4,491	3,116
Intangibles	20,422	23,055	27,045	30,619	30,510
Other	3,021	2,482	2,482	2,482	2,482
Total non-financial assets	29,710	32,578	35,393	37,592	36,108
Total assets	102,138	108,814	116,264	118,255	119,929
LIABILITIES					
Provisions					
Employee provisions	36,491	38,369	40,365	42,570	44,936
Other provisions	5,607	9,467	14,216	13,557	12,471
Total provisions	42,098	47,836	54,581	56,127	57,407
Payables					
Suppliers	6,758	9,349	10,054	10,499	10,893
Total payables	6,758	9,349	10,054	10,499	10,893
Total liabilities	48,856	57,185	64,635	66,626	68,300
Net assets	53,282	51,629	51,629	51,629	51,629
EQUITY*					
Contributed equity	16,657	16,657	16,657	16,657	16,657
Reserves	13,392	13,392	13,392	13,392	13,392
Retained surplus (accumulated deficit)	23,233	21,580	21,580	21,580	21,580
Total equity	53,282	51,629	51,629	51,629	51,629

*'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 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016					
Balance carried forward from previous period	23,233	7,392	6,000	16,657	53,282
Opening balance	23,233	7,392	6,000	16,657	53,282
Comprehensive income					
Surplus/(deficit) for the period	(1,653)	-	-	-	(1,653)
Total comprehensive income recognised directly in equity	(1,653)	-	-	-	(1,653)
Estimated closing balance as at 30 June 2017	21,580	7,392	6,000	16,657	51,629

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	3,743	4,000	4,000	4,000	4,000
Appropriations	126,458	124,609	132,619	130,227	132,019
Receipts from Government	4,721	5,056	5,056	5,056	5,056
Other	977	1,056	1,056	1,056	1,056
Machinery of Government (MOG) receipt (a)	3,794	-	-	-	-
Total cash received	139,693	134,721	142,731	140,339	142,131
Cash used					
Employees	97,254	98,350	100,494	105,004	110,124
Suppliers	22,047	19,916	26,083	20,076	19,951
s74 Retained revenue receipts transferred to OPA	4,721	5,056	5,056	5,056	5,056
MOG transfer to Special Account	3,794	-	-	-	-
Total cash used	127,816	123,322	131,633	130,136	135,131
Net cash from/(used by) operating activities	11,877	11,399	11,098	10,203	7,000
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	11,877	11,399	11,098	10,203	7,000
Total cash used	11,877	11,399	11,098	10,203	7,000
Net cash from/(used by) investing activities	(11,877)	(11,399)	(11,098)	(10,203)	(7,000)
FINANCING ACTIVITIES					
Net increase/(decrease) in cash held					
Cash at the beginning of the reporting period	1,311	1,311	1,311	1,311	1,311
Cash at the beginning of the reporting period	1,311	1,311	1,311	1,311	1,311

(a) Machinery of Government (MOG) receipt refers to the closure and transition of the responsibilities of the former Private Health Insurance Administration Council (PHIAC) to APRA on 1 July 2015.

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total new capital appropriations	-	-	-	-	-
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	11,877	11,399	11,098	10,203	7,000
TOTAL	11,877	11,399	11,098	10,203	7,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,877	11,399	11,098	10,203	7,000
Total cash used to acquire assets	11,877	11,399	11,098	10,203	7,000

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016			
Gross book value	15,248	53,102	68,350
Accumulated depreciation/amortisation and impairment	(8,981)	(32,680)	(41,661)
Opening net book balance	6,267	20,422	26,689
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	2,149	9,250	11,399
Total additions	2,149	9,250	11,399
Other movements			
Depreciation/amortisation expense	(1,375)	(6,617)	(7,992)
Total other movements	(1,375)	(6,617)	(7,992)
As at 30 June 2017			
Gross book value	17,397	62,352	79,749
Accumulated depreciation/ amortisation and impairment	(10,356)	(39,297)	(49,653)
Closing net book balance	7,041	23,055	30,096

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)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Waivers and write-offs					
Risk Equalisation distributions	494,762	532,737	572,162	613,038	655,364
Total expenses administered on behalf of Government	494,762	532,737	572,162	613,038	655,364
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
<i>Financial Institutions Supervisory Levies Collection Act 1998</i>					
Collection Act 1998	237,748	251,655	259,382	203,479	192,164
Risk Equalisation receipts	494,762	532,737	572,162	613,038	655,364
Total non-taxation revenue	732,510	784,392	831,544	816,517	847,528
Total own-source revenue administered on behalf of Government	732,510	784,392	831,544	816,517	847,528
Total own-sourced income administered on behalf of Government	732,510	784,392	831,544	816,517	847,528
Net cost of/(contribution by) services	(237,748)	(251,655)	(259,382)	(203,479)	(192,164)
Surplus/(deficit)	(237,748)	(251,655)	(259,382)	(203,479)	(192,164)

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash - Financial Claims Scheme special account	835	835	835	835	835
Receivables	373	373	373	373	373
Total financial assets	1,208	1,208	1,208	1,208	1,208
Total assets administered on behalf of Government	1,208	1,208	1,208	1,208	1,208

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash or equivalent received					
Transfer from Official Public Account					
- Administered revenue	732,510	784,392	831,544	816,517	847,528
Total cash or equivalents received	732,510	784,392	831,544	816,517	847,528
Cash or equivalents used					
Cash to Official Public Account					
- Administered revenue	732,510	784,392	831,544	816,517	847,528
Total cash or equivalent used	732,510	784,392	831,544	816,517	847,528
Net cash from/(used by) operating activities	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

