

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

ASIC's strategic priorities are to:

- promote investor and financial consumer trust and confidence;
- ensure fair, orderly, transparent and efficient markets; and
- provide efficient and accessible registration.

As the financial services regulator, ASIC has responsibility for investor and consumer protection in financial services. ASIC administers the Australian financial services (AFS) licensing regime and monitors financial services businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in

superannuation, managed funds, deposit and payment products, shares and company securities, derivatives and insurance.

As the consumer credit regulator, ASIC regulates people and businesses engaging in consumer credit activities (including banks, credit unions, finance companies, and mortgage and finance brokers). ASIC ensures that licensees meet the standards - including their responsibilities to consumers - that are set out in the *National Consumer Credit Protection Act 2009* (National Credit Act).

As the markets regulator, ASIC monitors how effectively financial markets are complying with their legal obligations to operate fair, orderly and transparent markets. ASIC also advises the Minister about authorising new markets. It has responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives and futures markets.

As the corporate regulator, ASIC ensures that companies, schemes and related entities meet their 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. This 'cradle to grave' approach enhances regulatory oversight. It also registers and, where necessary, take disciplinary action against company auditors and liquidators. ASIC also monitors public companies' financial reporting and disclosure and fundraising activities.

ASIC promotes financial literacy, to ensure investors can have greater confidence when buying financial services, and are able to make sensible and informed 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 (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 Securities and Investments Commission resource statement — Budget estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	91,049	96,478
Departmental appropriations (c)	311,480	341,588
s74 retained revenue receipts (d)	3,073	4,522
Departmental capital budget (e)	19,131	24,095
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (a)	-	-
Equity injection	5,301	29,449
Total departmental annual appropriations	430,034	496,132
Special accounts (g)		
Opening balance	-	62,127
Appropriation receipts (h)	26,920	26,815
Non-appropriation receipts	1,000	1,000
Total special accounts	27,920	89,942
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(26,920)</i>	<i>(26,815)</i>
Total departmental resourcing	431,034	559,259
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	2,142	-
Outcome 1 - Assetless Administration fund	3,580	3,591
Outcome 1 - Ordinary annual services	2,515	577
Outcome 1 - Corporations Unclaimed Money interest	1,332	1,695
Total administered annual appropriations	9,569	5,863
Special appropriations		
<i>Banking Act 1959</i>	75,343	32,869
<i>Life Insurance Act 1995</i>	8,719	3,540
Total administered special appropriations (f)	84,062	36,409
Total administered resourcing	93,631	42,272
Total resourcing for ASIC	524,665	601,531
	2015-16	2016-17
Average staffing level (number)	1,658	1,687

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 adjusted balance carried forward from previous year. Excludes \$0.631 million withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes the Departmental Capital Budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (e) DCB is 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) 2016-17.
- (g) Excludes 'Special Public 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, for example, annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from ASIC's annual and special appropriations.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to ASIC 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 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures						
Asia Region Funds Passport						
Administered revenues	1.1	-	435	870	870	870
Ten Year Enterprise Tax Plan — implementing a new suite of collective investment vehicles						
Administered revenues	1.1	-	-	232	238	244
Total revenue measures		-	435	1,102	1,108	1,114
Expense measures						
Asia Region Funds Passport						
Departmental expenses	1.1	-	786	888	896	904
Superannuation Complaints Tribunal — sustaining and modernising functions						
Departmental expenses	1.1	-	2,504	-	-	-
Ten Year Enterprise Tax Plan — implementing a new suite of collective investment vehicles						
Departmental expenses	1.1	-	1,556	1,403	1,039	355
Australian Securities Investment Commission — Commission Registry Further Market Testing						
Departmental expenses	1.1	1,100	5,900	-	-	-
Australian Securities Investment Commission - improving outcomes in financial services						
Departmental expenses	1.1	-	22,023	27,569	19,672	12,899
- industry charging arrangements						
Departmental expenses	1.1	-	-	-	-	-
Total expense measures		1,100	33,204	29,860	21,607	14,158

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Capital measures						
Asia Region Funds Passport						
Departmental capital	1.1	-	2,900	-	-	-
Australian Securities Investment Commission						
- improving outcomes in financial services						
Departmental capital	1.1	-	14,939	18,767	5,478	12,899
- industry charging arrangements						
Departmental capital	1.1	-	-	-	-	-
Superannuation Complaints Tribunal — sustaining and modernising functions						
Departmental capital	1.1	-	2,685	-	-	-
Ten Year Enterprise Tax Plan — implementing a new suite of collective investment vehicles						
Departmental capital	1.1	-	1,852	1,610	-	-
Total capital measures		-	22,376	20,377	5,478	12,899

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.

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						
Departmental expenses	1.1	-	(124)	(248)	(248)	(305)
Total expense measures		-	(124)	(248)	(248)	(305)

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.

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

Note:

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: To allow markets to allocate capital efficiently to fund the real economy by promoting investor and financial consumer trust and confidence, facilitating fair, orderly and transparent markets and delivering efficient and accessible registration

Budgeted expenses for Outcome 1

This table shows how much ASIC 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: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,095	4,168	4,237	4,263	4,292
Expenses not requiring appropriation in the Budget year (a)	46,920	47,495	45,377	48,667	49,265
Administered total	53,015	51,663	49,614	52,930	53,557
Departmental expenses					
Departmental appropriation	323,950	341,987	337,513	331,245	327,865
Expenses not requiring appropriation in the Budget year (b)	40,148	37,899	30,510	30,276	31,037
Departmental total	364,098	379,886	368,023	361,521	358,902
Total expenses for program 1.1	417,113	431,549	417,637	414,451	412,459
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	30,813	31,230	31,230	31,796	32,226
Ordinary annual services (Appropriation Bill No. 1)	1,332	1,695	2,025	2,242	2,486
Special appropriations					
<i>Banking Act 1959</i> - Banking Unclaimed Monies	20,301	4,338	3,644	3,156	45,634
<i>Life Insurance Act 1995</i> - Life Insurance Unclaimed Monies	2,637	453	377	321	4,330
Administered total	55,083	37,716	37,276	37,515	84,676
Total expenses for program 1.2	55,083	37,716	37,276	37,515	84,676

Table 2.1. Budgeted expenses for Outcome 1 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Ordinary annual services (Appropriation Bill No. 1)	7,427	5,863	6,262	6,505	6,778
Companies unclaimed monies - section 77 of the PGPA Act	30,813	31,230	31,230	31,796	32,226
Special appropriations	22,938	4,791	4,021	3,477	49,964
Expenses not requiring appropriation in the Budget year (a)	46,920	47,495	45,377	48,667	49,265
Administered total	108,098	89,379	86,890	90,445	138,233
Departmental expenses					
Departmental appropriation	323,950	341,987	337,513	331,245	327,865
Expenses not requiring appropriation in the Budget year (b)	40,148	37,899	30,510	30,276	31,037
Departmental total	364,098	379,886	368,023	361,521	358,902
Total expenses for Outcome 1	472,196	469,265	454,913	451,966	497,135
	2015-16	2016-17			
Average staffing level (number)	1,658	1,687			

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

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

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

Table 2. 2: Performance criteria for Outcome 1

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

To allow markets to allocate capital efficiently to fund the real economy by promoting investor and financial consumer trust and confidence, facilitating fair, orderly and transparent markets and delivering efficient and accessible registration

Program 1.1 – Australian Securities and Investments Commission

Program 1.1 contributes to Outcome 1 by improving industry behaviour through ASIC’s detect, understand and respond approach where investor and financial consumer trust and confidence and fair, orderly and transparent markets are most at risk. ASIC:

- detects misconduct or the risk of misconduct through surveillance, breach reporting, reports from whistleblowers and the public, data gathering and matching;
- understands and analyses the intelligence it receives; and
- responds to misconduct or the risk of misconduct through education, disrupting harmful behaviour, enforcement, communicating the actions we take, engagement with industry and stakeholders, guidance and policy advice.

This program also seeks to improve ASIC’s registry services by developing initiatives for business and consumer stakeholders to simplify and reduce the cost of interactions with ASIC.

Delivery

ASIC will deliver this objective through engagement with industry and stakeholders, surveillance, guidance, education, enforcement, policy advice, and communicating the actions we take.

Program deliverables are focused under each strategic priority.

Promoting investor and financial consumer trust and confidence

Deliverables are designed to:

- educate investors and promote information about risk, reward and diversification, and improve financial literacy levels so investors and financial consumers are empowered with trust and confidence in the financial system;
- hold people with a trusted role in the financial system (gatekeepers such as advisers, custodians, and product manufacturers and distributors) to account if they are not meeting their obligations;
- supervise and hold accountable those in the financial services sector where misconduct is detected; and
- recognise and understand how and why investors and financial consumers make financial decisions, and respond using this understanding.

Ensuring fair, orderly, transparent, and efficient markets

Deliverables focus on:

- supervising equities and derivatives markets for instances of market misconduct;
- supervising market operators for compliance with statutory obligations;
- promoting good corporate governance; and
- holding people with a trusted role in the financial system (gatekeepers such as auditors, directors, market operators and participants) to account if they are not meeting their obligations.

Providing efficient and accessible registration

Deliverables seek to:

- provide stakeholders with modern, efficient, accurate and cost effective corporate registers;
- improve public access to information about registered and licensed entities;
- reduce costs and red tape for business by making it easier to transact with ASIC; and
- administer the law to enhance commercial certainty and reduce business costs.

Performance information		
Performance criteria	2015–16 targets	2016–17 and forward year targets
<p><i>Promoting investor and financial consumer trust and confidence</i></p> <ul style="list-style-type: none"> investors and financial consumers have trust and confidence to participate, and when participating, in the financial system; product issuers, credit providers and advisers meet required standards; fair and efficient processes are in place for resolution of disputes; and misconduct is dealt with and deterred. <p><i>Ensuring fair, orderly, and transparent markets</i></p> <ul style="list-style-type: none"> participants in financial markets meet required standards; issuers and their officers meet required standards; financial markets are fair, orderly and transparent; and misconduct is dealt with and deterred. <p><i>Providing efficient and accessible registration</i></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 	<p><i>Promoting investor and financial consumer trust and confidence/ensuring fair, orderly, transparent, and efficient markets</i></p> <p>On track to meet performance criteria for 2015-16 through engagement, surveillance, enforcement, guidance, education, and policy activities.</p> <p><i>Providing efficient and accessible registration</i></p> <p>On track to meet the performance criteria for 2015-16.</p>	<p><i>Promoting investor and financial consumer trust and confidence/ensuring fair, orderly, transparent, and efficient markets</i></p> <p>Surveillance</p> <ul style="list-style-type: none"> number of surveillances completed failures to comply with conduct obligations identified and addressed improvements to market practices, disclosures and systems, processes or procedures by regulated entities in response to identified areas of improvement published reports on surveillance and review data to articulate standards and expectations, and industry commitment to address ASIC concerns raised industry messages delivered to stakeholders, including market intermediaries, to articulate standards and expectations <p>Enforcement</p> <ul style="list-style-type: none"> successful enforcement or other action—including criminal actions, civil actions; administrative actions; enforceable undertakings; infringement notices; and compensation secured. <p>Education</p> <ul style="list-style-type: none"> number of financial literacy resources and tools produced number of unique visitors to ASIC's MoneySmart website, and proportion who took subsequent action on their finance external survey data e.g. ANZ Survey of Adult Financial Literacy in Australia. <p>Guidance</p> <ul style="list-style-type: none"> published regulatory guidance

<ul style="list-style-type: none"> misconduct is dealt with and deterred. 		<p>Policy</p> <ul style="list-style-type: none"> identification of policy issues and law reform options international policy initiatives progressed and milestones achieved <p>Engagement</p> <ul style="list-style-type: none"> financial literacy messages delivered about innovative products and services number of meetings with industry groups and other stakeholders relief applications received and processed total dollar value of regulatory cost savings <p><i>Delivering efficient and accessible registration</i></p> <ul style="list-style-type: none"> total companies registered new companies registered total business names registered estimated savings in fees to register or renew business names calls and online inquiries responded to forms lodged online percentage of forms lodged online number of searches on ASIC registers performance against ASIC's service charter
<p>Purposes</p>	<p>ASIC's vision is to allow markets to fund the real economy and, in turn, economic growth. In doing so, we contribute to improved standards of living for all Australians.</p>	

<p>Program 1.2 – Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts.</p> <p>ASIC is responsible for the administration of unclaimed money from banking and deposit taking institutions and life insurance institutions</p>		
<p>Delivery</p>	<p>Provide an accurate register of unclaimed money and special accounts administered by ASIC.</p>	
<p>Performance information</p>		
<p>Performance criteria</p>	<p>2015–16 targets</p>	<p>2016–17 and forward year targets</p>
<ul style="list-style-type: none"> • ensure that refunds of unclaimed monies are paid to successful claimants promptly; and • ensure that payments of monies from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation. 	<p>Process claims within 28 days of receiving all necessary claim documentation.</p>	<p>As per 2016-17</p>
<p>Purposes</p>	<p>ASIC's vision is to allow markets to fund the real economy and, in turn, economic growth. In doing so, we contribute to improved standards of living for all Australians.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity 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

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of ASIC's finances for the 2016-17 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds and special accounts.

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 2016-17 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 2016-17 is \$110.7 million.

The 2016-17 equity position reflects the cumulative effect of capital injections of \$53.5 million received during 2016-17.

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).

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 2016-17 and in the forward estimates is the estimated amount of fees and charges under the *Corporations Act 2001* remaining unpaid at 30 June.

The amounts shown in other payables for 2016-17 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.

3.1.3 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	218,161	239,544	241,306	234,564	229,938
Suppliers	105,289	101,943	95,707	96,177	92,251
Depreciation and amortisation	40,148	37,899	30,510	30,276	31,037
Finance costs	500	500	500	504	5,676
Total expenses	364,098	379,886	368,023	361,521	358,902
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,208	3,657	3,698	3,662	3,720
Other revenue	865	865	865	865	865
Total own-source revenue	3,073	4,522	4,563	4,527	4,585
Gains					
Other	330	330	330	330	330
Total gains	330	330	330	330	330
Total own-source income	3,403	4,852	4,893	4,857	4,915
Net (cost of)/contribution by services	(360,695)	(375,034)	(363,130)	(356,664)	(353,987)
Revenue from Government	323,900	340,488	335,973	329,741	324,013
Surplus/(deficit) attributable to the Australian Government	(36,795)	(34,546)	(27,157)	(26,923)	(29,974)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	(36,795)	(34,546)	(27,157)	(26,923)	(29,974)
Total comprehensive income/(loss) attributable to the Australian Government	(36,795)	(34,546)	(27,157)	(26,923)	(29,974)
Note: Impact of net cash appropriation arrangements					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	36,795	34,546	27,157	26,923	29,974
Total comprehensive income/(loss) - as per the statement of comprehensive income	(36,795)	(34,546)	(27,157)	(26,923)	(29,974)

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

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

	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 and cash equivalents	8,132	9,232	9,232	9,232	9,232
Trade and other receivables	100,314	96,697	93,955	93,955	93,955
Total financial assets	108,446	105,929	103,187	103,187	103,187
Non-financial assets					
Land and buildings	30,502	25,391	24,487	30,890	29,264
Property, plant and equipment	20,136	17,362	14,794	13,984	14,061
Intangibles	83,463	107,992	123,773	117,372	112,525
Other non-financial assets	10,032	10,032	10,032	10,032	10,032
Total non-financial assets	144,133	160,777	173,086	172,278	165,882
Total assets	252,579	266,706	276,273	275,465	269,069
LIABILITIES					
Payables					
Suppliers	37,775	36,827	34,801	34,801	34,801
Other payables	27,018	22,948	18,879	15,526	14,463
Total payables	64,793	59,775	53,680	50,327	49,264
Provisions					
Employee provisions	80,369	80,369	80,369	80,369	80,369
Other provisions	15,685	15,832	13,943	13,439	13,439
Total provisions	96,054	96,201	94,312	93,808	93,808
Total liabilities	160,847	155,976	147,992	144,135	143,072
Net assets	91,732	110,730	128,281	131,330	125,997
EQUITY*					
Contributed equity	314,306	367,850	412,558	442,530	467,171
Reserves	6,365	6,365	6,365	6,365	6,365
Retained surplus (accumulated deficit)	(228,939)	(263,485)	(290,642)	(317,565)	(347,539)
Total equity	91,732	110,730	128,281	131,330	125,997

*'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 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(228,939)	6,365	314,306	91,732
Opening balance	(228,939)	6,365	314,306	91,732
Comprehensive income				
Surplus/(deficit) for the period	(34,546)	-	-	(34,546)
Total comprehensive income	(34,546)	-	-	(34,546)
Contributions by owners				
Equity injection - Appropriation	-	-	29,449	29,449
Departmental capital budget (DCB)	-	-	24,095	24,095
Total transactions with owners	-	-	53,544	53,544
Estimated closing balance as at 30 June 2017	(263,485)	6,365	367,850	110,730
Closing balance attributable to the Australian Government	(263,485)	6,365	367,850	110,730

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					
Appropriations	321,347	344,105	338,715	329,741	324,013
Sale of goods and rendering of services	2,208	3,657	3,698	3,662	3,720
Net GST received	12,501	12,188	13,972	12,577	9,584
Other	865	865	865	865	865
Total cash received	336,921	360,815	357,250	346,845	338,182
Cash used					
Employees	215,482	239,544	241,306	234,564	229,938
Suppliers	108,591	106,704	101,545	96,855	97,597
Net GST paid	12,500	12,188	13,972	12,577	9,584
Other	597	280	2,316	3,353	1,063
Total cash used	337,170	358,716	359,139	347,349	338,182
Net cash from/(used by) operating activities	(249)	2,099	(1,889)	(504)	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	22,407	54,543	42,819	29,468	24,641
Total cash used	22,407	54,543	42,819	29,468	24,641
Net cash from/(used by) investing activities	(22,407)	(54,543)	(42,819)	(29,468)	(24,641)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	21,556	53,544	44,708	29,972	24,641
Total cash received	21,556	53,544	44,708	29,972	24,641
Net cash from/(used by) financing activities	21,556	53,544	44,708	29,972	24,641
Net increase/(decrease) in cash held	(1,100)	1,100	-	-	-
Cash and cash equivalents at the beginning of the reporting period	9,232	8,132	9,232	9,232	9,232
Cash and cash equivalents at the end of the reporting period	8,132	9,232	9,232	9,232	9,232

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					
Capital budget - Bill 1 (DCB)	19,131	24,095	24,331	24,473	24,641
Equity injections - Bill 2	5,301	29,449	20,377	5,499	-
Total new capital appropriations	24,432	53,544	44,708	29,972	24,641
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	23,762	53,191	42,819	29,468	18,965
Total items	23,762	53,191	42,819	29,468	18,965
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	3,946	30,801	20,377	5,499	-
Funded by capital appropriation - DCB (b)	18,461	23,742	22,442	23,969	24,641
TOTAL	22,407	54,543	42,819	29,468	24,641
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	22,407	54,543	42,819	29,468	24,641
Total cash used to acquire assets	22,407	54,543	42,819	29,468	24,641

(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 2016-17)

	Land and Buildings \$'000	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	74,137	61,588	288,060	423,785
Accumulated depreciation/amortisation and impairment	(43,635)	(41,452)	(204,597)	(289,684)
Opening net book balance	30,502	20,136	83,463	134,101
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	1,469	3,600	49,474	54,543
Total additions	1,469	3,600	49,474	54,543
Other movements				
Depreciation/amortisation expense	(6,580)	(6,374)	(24,945)	(37,899)
Total other movements	(6,580)	(6,374)	(24,945)	(37,899)
As at 30 June 2017				
Gross book value	75,606	65,188	337,534	478,328
Accumulated depreciation/ amortisation and impairment	(50,215)	(47,826)	(229,542)	(327,583)
Closing net book balance	25,391	17,362	107,992	150,745

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2016-17.

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					
Suppliers	2,515	577	585	589	593
Grants	3,580	3,591	3,652	3,674	3,699
Write-down and impairment of assets	46,920	47,495	45,377	48,667	49,265
Interest expense	4,382	3,939	4,159	4,261	4,552
Other expenses	58,579	33,360	33,117	33,254	80,124
Total expenses administered on behalf of Government	115,976	88,962	86,890	90,445	138,233
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Fees and fines	869,156	898,766	925,512	953,896	980,474
Total taxation revenue	869,156	898,766	925,512	953,896	980,474
Non-taxation revenue					
Other revenue	39,337	43,016	44,091	45,193	115,216
Total non-taxation revenue	39,337	43,016	44,091	45,193	115,216
Total own-source revenue administered on behalf of Government	908,493	941,782	969,603	999,089	1,095,690
Total own-sourced income administered on behalf of Government	908,493	941,782	969,603	999,089	1,095,690
Net cost of/(contribution by) services	(792,517)	(852,820)	(882,713)	(908,644)	(957,457)
Surplus/(deficit)	792,517	852,820	882,713	908,644	957,457
Total comprehensive income/(loss)	792,517	852,820	882,713	908,644	957,457

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 and cash equivalents	2,464	2,464	2,464	2,464	2,464
Taxation receivables	76	76	76	76	76
Trade and other receivables	141,583	148,940	155,098	156,526	160,730
Total financial assets	144,123	151,480	157,638	159,066	163,270
Total assets administered on behalf of Government	144,123	151,480	157,638	159,066	163,270
LIABILITIES					
Payables					
Suppliers	19,921	19,922	19,920	19,919	19,919
Other payables	352,652	323,991	305,441	293,174	319,983
Total payables	372,573	343,913	325,361	313,093	339,902
Total liabilities administered on behalf of Government	372,573	343,913	325,361	313,093	339,902
Net assets/(liabilities)	(228,450)	(192,433)	(167,723)	(154,027)	(176,632)

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 received					
Fees and fines	804,491	843,915	873,976	905,840	927,005
Net GST received	328	331	331	331	331
Other	39,337	43,016	44,091	45,193	115,216
Total cash received	844,156	887,262	918,398	951,364	1,042,552
Cash used					
Grant	3,580	3,591	3,652	3,710	3,699
Other	130,512	66,537	56,411	50,371	58,460
Net GST paid	328	331	331	331	331
Total cash used	134,420	70,459	60,394	54,412	62,490
Net cash from/(used by) operating activities	709,736	816,803	858,004	896,952	980,062
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	144,399	80,128	70,063	64,081	72,159
Total cash received	144,399	80,128	70,063	64,081	72,159
Cash used					
Cash to Official Public Account	853,828	896,931	928,067	961,033	1,052,221
Total cash used	853,828	896,931	928,067	961,033	1,052,221
Net cash from/(used by) financing activities	(709,429)	(816,803)	(858,004)	(896,952)	(980,062)
Net increase/(decrease) in cash held	307	-	-	-	-
Cash and cash equivalents at beginning of reporting period	2,157	2,464	2,464	2,464	2,464
Cash and cash equivalents at end of reporting period	2,464	2,464	2,464	2,464	2,464

Prepared on Australian Accounting Standards basis.