

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

SECTION 1: ENTITY OVERVIEW AND RESOURCES	75
1.1 Strategic direction statement	75
1.2 Entity resource statement	77
1.3 Budget measures.....	79
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	80
2.1 Budgeted expenses and performance for Outcome 1.....	81
SECTION 3: BUDGETED FINANCIAL STATEMENTS.....	88
3.1 Budgeted financial statements.....	88
3.2 Budgeted financial statements tables.....	89

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 that it engages with for 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 is the national regulator of natural monopoly infrastructure services in communication, postal services and rail industries, and has specific regulatory roles in relation to bulk water and bulk wheat port facilities. The ACCC also has a role in enforcing industry-specific competition and market rules in some infrastructure-based

markets, such as retail electricity. 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 sectors (such as major airports, container stevedoring petrol and communications) where there is limited competition or high consumer concern to provide information about the operation of the relevant markets.

In 2020-21 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 inquiries, industry analysis and reporting activities covering a broad range of sectors, including gas and electricity, digital platforms, domestic aviation, agriculture, financial services, private health insurance and residential insurance in Northern Australia.

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

The ACCC will continue to engage extensively with a wide range of stakeholders to achieve our purpose to make markets work for consumers, now and in the future, especially as we operate through the COVID-19 environment.

The AER exists so that energy consumers are better off, now and in the future. The AER regulates wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions mostly relate to energy markets in eastern and southern Australia. We place consumers at the heart of our work, and are focused on ensuring a secure, reliable and affordable energy future for Australia.

The AER's objectives have been updated in 2020 and are designed to support the outcomes outlined by the COAG Energy Council's Strategic Energy Plan: affordable energy and satisfied consumers; secure electricity and gas system; reliable and low emissions electricity and gas supply; effective development of open and competitive markets; and efficient and timely investment in networks.

The AER's objectives, that is the steps we will take to achieve the outcomes, are:

- protect vulnerable consumers while enabling consumers to participate in energy markets;
- effectively regulate competitive markets through monitoring and reporting, enforcement and compliance;
- deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services; and
- use our expertise to inform debate about Australia's energy future and support the energy transition.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the 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 2020-21 as at Budget October 2020

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	48,198	50,764
Departmental appropriation (b)	259,215	270,156
s74 External Revenue (c)	4,932	1,599
Departmental capital budget (d)	14,602	32,286
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	11,100	1,100
Equity injection (f)	1,100	36,200
Total departmental annual appropriations	339,147	392,105
Total departmental resourcing	339,147	392,105
Special appropriations (g)	20	20
Total administered resourcing (h)	20	20
Total resourcing for ACCC	339,167	392,125
	<i>2019-20</i>	2020-21
Average staffing level (number)	1,113	1,184

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

Third party payments from and on behalf of other entities

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'000
Payments made on behalf of NCC (as disclosed in the NCC's resource statement)	1,700	1,701
Receipts received from the NCC for the provision of services (disclosed above in s74 Retained revenue receipts section above)	850	850

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

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

- (a) Appropriation Bill (No. 1) 2020-21.
- (b) Excludes departmental capital budget (DCB).
- (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) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2020-21.
- (f) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

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

**Table 1.2: ACCC 2020-21 Budget measures
Measures announced after the Economic and Fiscal Update July 2020**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	
Receipt measures						
Treasury Portfolio — additional funding						
	Administered receipt	1.1	-	-	7,379	19,985
Total receipt measures			-	-	7,379	19,985
Payment measures						
ACCC Inquiry into the Supply Chains of Perishable Agricultural Goods						
	Departmental payment	1.1	419	-	-	-
JobMaker — Digital Business Plan						
	Departmental payment	1.1	23,905	-	-	-
	Departmental payment	1.2	625	-	-	-
Treasury Portfolio — additional funding						
	Departmental payment	1.1	20,589	27,260	34,451	34,239
JobMaker Plan — Infrastructure Investment — road safety and upgrades						
	Departmental payment	1.1	436	-	-	-
Total payment measures			45,974	27,260	34,451	34,239

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:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance 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 a complete picture of an entity's planned and actual performance.

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 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	191,754	205,769	187,445	175,060	174,044
s74 External Revenue (a)	4,930	1,599	1,335	575	1,372
Expenses not requiring appropriation in the Budget year (b)	40,242	11,305	10,039	9,816	9,242
Departmental total	236,926	218,673	198,819	185,451	184,658
Total expenses for program 1.1	236,926	218,673	198,819	185,451	184,658
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	67,461	64,387	63,289	63,325	63,570
s74 External Revenue (a)	2	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	1,269	-	-	-	-
Departmental total	68,732	64,387	63,289	63,325	63,570
Total expenses for program 1.2	68,732	64,387	63,289	63,325	63,570

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriations	259,215	270,156	250,734	238,385	237,614
s74 External Revenue (a)	4,932	1,599	1,335	575	1,372
Expenses not requiring appropriation in the Budget year (b)	41,511	11,305	10,039	9,816	9,242
Departmental total	305,658	283,060	262,108	248,776	248,228
Total expenses for Outcome 1	305,658	283,060	262,108	248,776	248,228

	2019-20	2020-21
Average staffing level (number)	1,113	1,184

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

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and Litigation Contingency Fund payments funded from equity

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

Table 2.2: Performance 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 2020-21 Budget measures have created new programs or materially changed existing programs.

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.	
Program 1.1 – Australian Competition and Consumer Commission	
To achieve compliance with the <i>Competition and Consumer Act 2010</i> and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.	
Delivery	<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 • making decisions on authorisation, notification and certification trademark applications in the public interest, and • reliably supporting the operation of the Consumer Data Right for banking and delivering change program to expand the Consumer Data Right. 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 and Industry Codes • 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 to: <ul style="list-style-type: none"> • develop a sophisticated understanding of how well competition and markets are working in particular sectors, and • provide advice on a broad range of competition and consumer issues.

Australian Competition and Consumer Commission Budget Statements

Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement / 2020-21 Targets
2019-20	Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)	6
	Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment	89%
	Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)	100%
	Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)	50
	Number of initial and in depth investigations of emerging product safety hazards	12
	Number of small business Infocentre contacts served	12 143
	Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)	312 773
	Number of major regulatory decisions	1
	Number of annual monitoring reports	7
	Number of reports on monitoring of unleaded petroleum products	6
	Number of reports on broadband markets	10
	Number of completed markets studies and inquiries	3
2020-21	Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)	4 - 6
	Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment	80%
	Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)	100%
	Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)	35
	Number of initial and in depth investigations of emerging product safety hazards	10
	Number of small business Infocentre contacts served	12 000
	Number of Infocentre contacts served (includes Infocentre contacts served and web forms received)	200 000
	Number of major regulatory decisions	5
	Number of annual monitoring reports	6
	Number of reports on monitoring of unleaded petroleum products	6
	Number of reports on broadband markets	10
	Number of completed markets studies and inquiries	3

Australian Competition and Consumer Commission Budget Statements

Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement / 2020-21 Targets
Purpose	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. The ACCC's purpose is to make markets work for consumers, now and in the future.	

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, Science, Energy and Resources (Program 1.2 - Growing Business Investment and Improving Business Capability and Program 3.1 - Energy).

Table 2.2: Performance criteria for Outcome 1 (continued)

Program 1.2 - Australian Energy Regulator		
The AER's priorities and work program are guided by the objectives of national energy legislation and rules and the five core outcomes for the energy system established by the COAG Energy Council's Strategic Plan. 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.		
Delivery	The AER achieves Outcome 1 by: <ul style="list-style-type: none"> Wholesale energy market regulation: monitoring, investigating and enforcing compliance with national energy legislation and rules in wholesale electricity and gas markets. We monitor participant bidding and rebidding, market dispatch and prices, network constraints and outages, demand forecasts and forecasts of production and capacity. We also report on market activity. Energy networks regulation: regulating electricity networks and natural gas pipelines by setting the maximum amount of revenue they can earn, with reference to factors including projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards. Retail energy market regulation: regulating retail electricity and gas markets in jurisdictions that have commenced the National Energy Retail Law: Tasmania (for electricity customers only), the Australian Capital Territory, South Australia, New South Wales and Queensland. Consumer protection: empowering consumers to make informed choices about their energy supplier, including through a price comparison website, Energy Made Easy, setting the Default Market Offer to protect consumers from high prices and encourage participation in the market, approving retailer policies to assist customers facing financial hardship, and operating a retailer of last resort scheme if a retailer fails. Policy and advocacy: advocating for improvements to energy laws across participating jurisdictions, as well as positive changes to the behaviour of energy businesses and consumers. This includes simplifying the retail market regulatory framework to encourage effective competition and reduce cost to serve. 	
Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement / 2020-21 Targets
2019-20	Number of completed revenue decisions for electricity networks and gas pipelines	5
	Number of annual benchmarking reports on electricity networks	2
	Percentage of disputes resolved within legislated timeframes, including on network access and connections, and regulatory investment tests	n/a (zero disputes)
	Number of electricity distribution annual pricing (tariff) proposals and annual gas tariff variations approved	21
	Number of annual reports on compliance in, and performance of, retail energy markets	2
	Percentage of retail authorisation and exemptions applications to sell energy assessed within 12 weeks of receiving all relevant information	50%
	Percentage of new retailer hardship policies approved within 12 weeks of receiving the submitted policy	100%
	Percentage of offers published on the AER's Energy Made Easy price comparator website within two business days of receipt from retailers	100%

Australian Competition and Consumer Commission Budget Statements

Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement / 2020-21 Targets
	Percentage of reports on wholesale electricity market high price events and significant price variations in spot gas markets activity published within statutory timeframes Number of reports on effective competition in the wholesale electricity market	100% 3
2020-21	<p><i>Proportion of survey respondents that Strongly Agree / Agree with the statements:</i></p> <ul style="list-style-type: none"> • <i>The AER equips consumers to participate effectively, and protects those who are unable to safeguard their own interests</i> • <i>The AER supports and protects energy consumers, particularly those in vulnerable circumstances</i> • <i>The AER demonstrates a sound knowledge and understanding of energy consumers</i> Number of people completing their search on Energy Made Easy (EME) Percent of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information Percent of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information (c) All market reports published within agreed/statutory timeframes: <ul style="list-style-type: none"> • Weekly Wholesale Markets • Quarterly Retail & Wholesale Market Performance • Annual Retail Compliance • Annual State of the Energy Market • Biennial Wholesale Electricity Market • High Price Events. Revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes Number of completed revenue decisions for electricity networks and gas pipelines	> 2018 stakeholder survey (51%) > 2018 stakeholder survey (60%) > 2018 stakeholder survey (71%) > 2019-20 figure (666,573) 100% 100% 100% 100% 8
2021-22 and beyond	As per 2020-21, with further measures to be designed.	
Purposes (b)	The AER exists so that energy consumers are better off, now and in the future. The AER is striving to be a high high-performing regulator that is independent, open and accountable; builds trust in Australia's energy system; takes considered risks; ensures the regime is fit for purpose; and engages actively with stakeholders.	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

(b) Refers to updated purpose in the *ACCC and AER 2020-21 Corporate Plan*.

(c) Timescale in measure amended due to significant increase in number of applications.

The above program is linked to the Department of Industry, Science, Energy and Resources (Program 3.1 - Energy).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 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

Total appropriation revenue for 2020-21 is estimated to be \$270.2 million. This has increased from \$238.6 million as reported in the *Portfolio Additional Estimates Statements 2019-20*. The increase is due to additional funding received from new budget measures. Refer to Table 1.2 and the July 2020 Economic and Fiscal Update (<https://budget.gov.au/2020-efu/economic-fiscal-update.htm>) for further details.

The ACCC also received an increase in its 2020-21 equity injection of \$35.1 million to supplement the Litigation Contingency Fund (LCF). This has been reported under Table 3.5 as 'Equity Injections – Bill 2'.

On 23 August 2018, legislation passed (<https://www.accc.gov.au/media-release/consumer-law-penalties-set-to-increase>) to increase maximum financial penalties under the Australian Consumer Law (ACL). As a result, Tables 3.7 and 3.9 have been updated to align with the expected increase in 'Fines and costs' (2020-21: \$40.0 million increase; 2021-22: \$64.0 million increase; 2022-23: \$73.3 million increase; and 2023-24: \$77.5 million increase). This update is in addition to the administered receipt measure reported under Table 1.2.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	160,436	157,842	151,294	142,064	141,709
Suppliers	126,656	100,855	86,808	82,422	82,483
Depreciation and amortisation (a)	17,704	23,419	23,195	23,375	23,341
Finance costs	844	944	811	915	695
Other expenses	18	-	-	-	-
Total expenses	305,658	283,060	262,108	248,776	248,228
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,279	1,532	1,277	526	1,333
Rental income	193	-	-	-	-
Sublease interest income	84	67	58	49	39
Other revenue	3,261	-	-	-	-
Total own-source revenue	4,817	1,599	1,335	575	1,372
Gains					
Other	115	94	94	94	94
Total gains	115	94	94	94	94
Total own-source income	4,932	1,693	1,429	669	1,466
Net (cost of)/contribution by services	(300,726)	(281,367)	(260,679)	(248,107)	(246,762)
Revenue from Government	259,215	270,156	250,734	238,385	237,614
Surplus/(deficit) attributable to the Australian Government	(41,511)	(11,211)	(9,945)	(9,722)	(9,148)

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

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(36,676)	(732)	(778)	(825)	(875)
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	6,010	10,427	9,967	9,370	9,355
less: depreciation/amortisation expenses for ROU assets (b)	11,694	12,992	13,228	14,005	13,986
add: Principal repayments on leased assets (b)	12,869	12,940	14,028	14,478	15,068
Total comprehensive income/(loss) - as per the statement of comprehensive income	(41,511)	(11,211)	(9,945)	(9,722)	(9,148)

Prepared on Australian Accounting Standards basis.

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

(b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,164	1,164	1,164	1,164	1,164
Trade and other receivables	63,842	80,031	76,470	72,563	72,188
Total financial assets	65,006	81,195	77,634	73,727	73,352
Non-financial assets					
Land and buildings	79,808	82,878	69,843	78,010	61,558
Property, plant and equipment	3,177	6,196	5,440	7,370	9,075
Intangibles	19,451	38,856	40,237	44,005	47,860
Other non-financial assets	1,627	1,627	1,627	1,627	1,627
Total non-financial assets	104,063	129,557	117,147	131,012	120,120
Total assets	169,069	210,752	194,781	204,739	193,472
LIABILITIES					
Payables					
Suppliers	17,309	17,163	16,989	16,432	16,432
Other payables	3,658	7,714	4,848	4,848	4,848
Total payables	20,967	24,877	21,837	21,280	21,280
Interest bearing liabilities					
Leases	75,076	78,163	64,631	75,038	59,970
Total interest bearing liabilities	75,076	78,163	64,631	75,038	59,970
Provisions					
Employee provisions	48,227	47,089	47,188	44,163	44,163
Other provisions	25,824	4,373	4,031	4,031	4,031
Total provisions	74,051	51,462	51,219	48,194	48,194
Total liabilities	170,094	154,502	137,687	144,512	129,444
Net assets	(1,025)	56,250	57,094	60,227	64,028
EQUITY*					
Parent entity interest					
Contributed equity	114,985	183,471	194,260	207,115	220,064
Reserves	4,198	4,198	4,198	4,198	4,198
Retained surplus (accumulated deficit)	(120,208)	(131,419)	(141,364)	(151,086)	(160,234)
Total equity	(1,025)	56,250	57,094	60,227	64,028

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity —
summary of movement (Budget year 2020-21)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(120,208)	4,198	-	114,985	(1,025)
Adjusted opening balance	(120,208)	4,198	-	114,985	(1,025)
Comprehensive income					
Surplus/(deficit) for the period	(11,211)	-	-	-	(11,211)
Total comprehensive income	(11,211)	-	-	-	(11,211)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	36,200	36,200
Departmental Capital Budget (DCB)	-	-	-	32,286	32,286
Sub-total transactions with owners	-	-	-	68,486	68,486
Estimated closing balance as at 30 June 2021	(131,419)	4,198	-	183,471	56,250
Closing balance attributable to the Australian Government	(131,419)	4,198	-	183,471	56,250

Prepared on Australian Accounting Standards basis

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	274,770	279,114	264,896	251,480	247,614
Sale of goods and rendering of services	1,223	2,331	2,113	1,400	2,247
Net GST received	10,022	9,170	8,910	8,513	8,000
Other	3,965	185	185	-	-
Total cash received	289,980	290,800	276,104	261,393	257,861
Cash used					
Employees	151,004	157,740	151,593	145,089	141,709
Suppliers	91,268	103,378	88,952	82,945	82,389
Net GST paid	10,892	9,355	9,095	8,513	8,000
s74 External Revenue transferred to the OPA	25,193	11,879	11,379	10,013	10,000
Other	15,223	17,108	1,557	855	695
Total cash used	293,580	299,460	262,576	247,415	242,793
Net cash from/(used by) operating activities	(3,600)	(8,660)	13,528	13,978	15,068
INVESTING ACTIVITIES					
Cash received					
Other	2,194	-	-	-	-
Total cash received	2,194	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	19,018	32,886	10,289	12,355	12,449
Other	224	-	-	-	-
Total cash used	19,242	32,886	10,289	12,355	12,449
Net cash from/(used by) investing activities	(17,048)	(32,886)	(10,289)	(12,355)	(12,449)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	32,282	54,486	10,789	12,855	12,449
Other	743	-	-	-	-
Total cash received	33,025	54,486	10,789	12,855	12,449
Cash used					
Principal payments on lease liability	12,869	12,940	14,028	14,478	15,068
Total cash used	12,869	12,940	14,028	14,478	15,068
Net cash from/(used by) financing activities	20,156	41,546	(3,239)	(1,623)	(2,619)
Net increase/(decrease) in cash held	(492)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,656	1,164	1,164	1,164	1,164
Cash and cash equivalents at the end of the reporting period	1,164	1,164	1,164	1,164	1,164

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	14,602	32,286	9,689	11,755	11,849
Equity injections - Bill 2 (a)	1,100	36,200	1,100	1,100	1,100
Total new capital appropriations	15,702	68,486	10,789	12,855	12,949
Provided for:					
Purchase of non-financial assets	15,202	32,886	10,289	12,355	12,449
Other Items	500	35,600	500	500	500
Total items	15,702	68,486	10,789	12,855	12,949
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	600	600	600	600
Funded by capital appropriation - DCB (b)	14,602	32,286	9,689	11,755	11,849
TOTAL	15,202	32,886	10,289	12,355	12,449
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	15,202	32,886	10,289	12,355	12,449
Total cash used to acquire assets	15,202	32,886	10,289	12,355	12,449

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 appropriations.

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

Table 3.6: Statement of asset movements (Budget year 2020-21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	23,581	6,324	25,536	55,441
Gross book value - ROU assets	73,062	-	-	73,062
Accumulated depreciation/ amortisation and impairment	(5,141)	(3,147)	(6,085)	(14,373)
Accumulated depreciation/amortisation and impairment - ROU assets	(11,694)	-	-	(11,694)
Opening net book balance	79,808	3,177	19,451	102,436
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	600	600
By purchase - appropriation ordinary annual services (b)	4,075	4,711	23,500	32,286
By purchase - other - ROU assets	16,027	-	-	16,027
Total additions	20,102	4,711	24,100	48,913
Other movements				
Depreciation/amortisation expense	(4,040)	(1,692)	(4,695)	(10,427)
Depreciation/amortisation on ROU assets	(12,992)	-	-	(12,992)
Total other movements	(17,032)	(1,692)	(4,695)	(23,419)
As at 30 June 2021				
Gross book value	27,656	11,035	49,636	88,327
Gross book value - ROU assets	89,089	-	-	89,089
Accumulated depreciation/ amortisation and impairment	(9,181)	(4,839)	(10,780)	(24,800)
Accumulated depreciation/amortisation and impairment - ROU assets	(24,686)	-	-	(24,686)
Closing net book balance	82,878	6,196	38,856	127,930

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.
 (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020-21.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Impairment and repayment of fees and fines	26,445	-	-	-	-
Total expenses administered on behalf of Government	26,445	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fines and costs	203,769	80,000	104,028	120,724	137,498
Other revenue	2	-	-	-	-
Total non-taxation revenue	203,771	80,000	104,028	120,724	137,498
Total own-source revenue administered on behalf of Government	203,771	80,000	104,028	120,724	137,498
Total own-sourced income administered on behalf of Government	203,771	80,000	104,028	120,724	137,498
Net (cost of)/contribution by services	(177,326)	(80,000)	(104,028)	(120,724)	(137,498)
Surplus/(deficit)	177,326	80,000	104,028	120,724	137,498

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	500	500	500	500	500
Trade and other receivables	37,553	37,553	37,553	37,553	37,553
Total financial assets	38,053	38,053	38,053	38,053	38,053
Total assets administered on behalf of Government	38,053	38,053	38,053	38,053	38,053
Net assets/(liabilities)	38,053	38,053	38,053	38,053	38,053

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fines and costs	162,743	80,000	104,028	120,724	137,498
Total cash received	162,743	80,000	104,028	120,724	137,498
Net cash from/(used by) operating activities					
	162,743	80,000	104,028	120,724	137,498
Net increase/(decrease) in cash held					
	162,743	80,000	104,028	120,724	137,498
Cash and cash equivalents at beginning of reporting period	-	500	500	500	500
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(162,243)	(80,000)	(104,028)	(120,724)	(137,498)
Total cash to Official Public Account	(162,243)	(80,000)	(104,028)	(120,724)	(137,498)
Cash and cash equivalents at end of reporting period	500	500	500	500	500

Prepared on Australian Accounting Standards basis.