



Budget

2022–23

Portfolio Budget Statements 2022–23
Budget Related Paper No. 1.13

Treasury Portfolio

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

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TREASURER
PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2022-23 Budget for the Treasury portfolio.

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

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

Yours sincerely

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

The Hon Josh Frydenberg MP

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

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

**User Guide
To The
Portfolio Budget Statements**

User guide

The purpose of the 2022-23 *Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

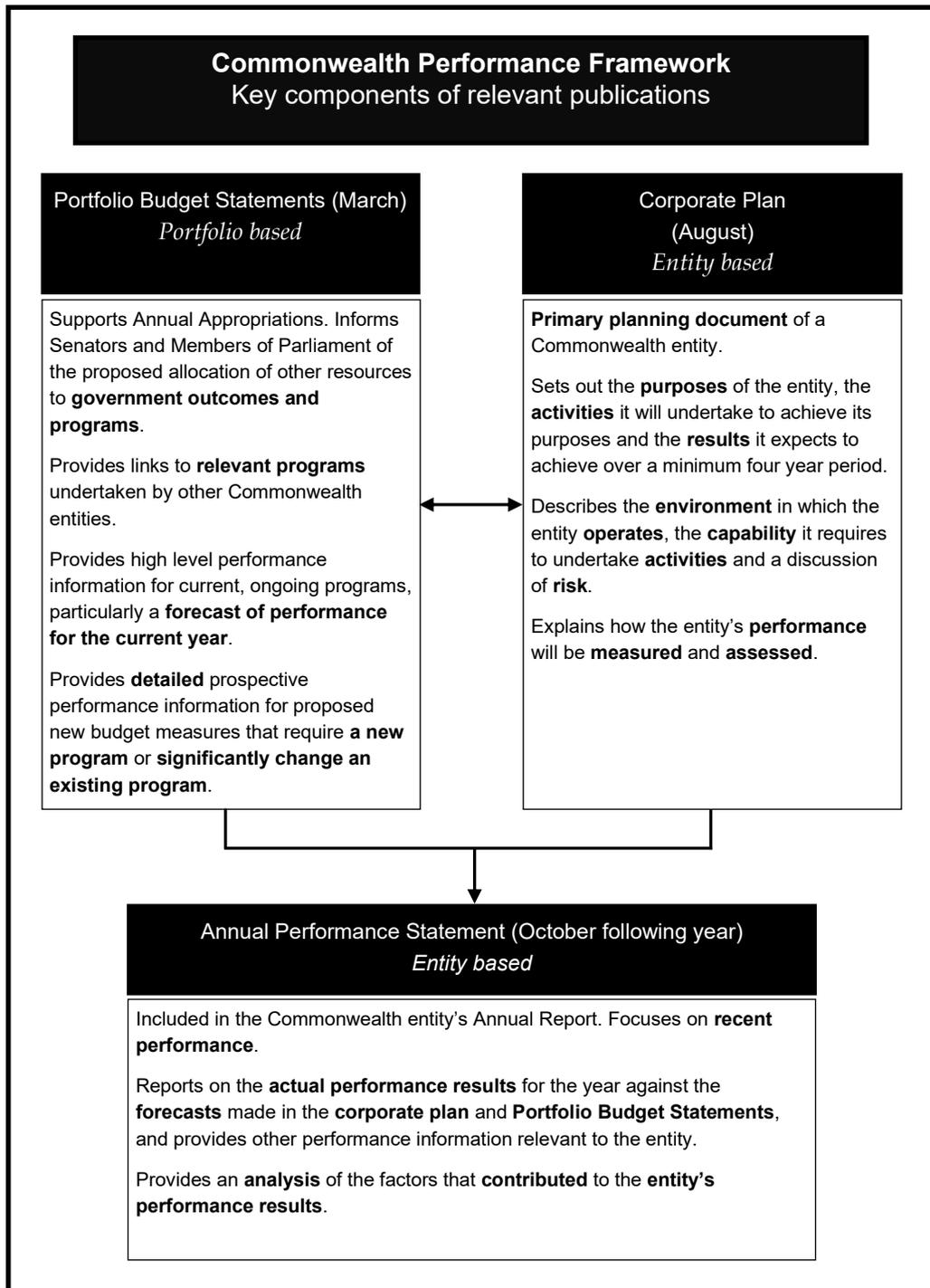
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2022-23 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2022-23 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

The Commonwealth Performance Framework

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



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Portfolio Overview

Treasury Portfolio overview

Minister(s) and portfolio responsibilities

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

The Treasury portfolio comprises 16 entities in the general government sector.

The **Department of the Treasury** is the Australian Government's lead economic adviser. Treasury provides advice to Government and implements policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

The **Australian Bureau of Statistics** is Australia's national statistical agency. It provides trusted official statistics on a wide range of economic, social, population and environmental matters of importance to Australia.

The **Australian Competition and Consumer Commission** is an independent statutory authority which administers the *Competition and Consumer Act 2010* and a range of additional legislation (including national energy legislation and rules through the Australian Energy Regulator), promoting competition, fair trading, consumer protection and regulating national infrastructure for the benefit of all Australians.

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

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

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

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

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

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

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

The **National Housing Finance and Investment Corporation's** objective is to improve housing outcomes by operating an affordable housing bond aggregator to provide loans to registered community housing providers financed by the issue of bonds on the commercial market; and a National Housing Infrastructure Facility to provide loans, grants and investments to overcome impediments to the provision of housing that is due to the lack of necessary infrastructure. It also administers the First Home Loan Deposit Scheme to support first home buyers and single parents to access the housing market sooner and undertakes research into housing supply, demand and affordability in Australia.

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

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

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

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

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

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

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury portfolio structure and outcomes (continued)

<p style="text-align: center;">Australian Taxation Office Commissioner: Mr Chris Jordan AO</p> <p>Outcome 1: Confidence in the administration of aspects of Australia’s taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services</p>
<p style="text-align: center;">Commonwealth Grants Commission Secretary: Mr Jonathan Rollings</p> <p>Outcome 1: Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue</p>
<p style="text-align: center;">Inspector-General of Taxation Inspector-General of Taxation: Ms Karen Payne</p> <p>Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities</p>
<p style="text-align: center;">National Competition Council President: Ms Julie-Anne Schafer</p> <p>Outcome 1: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure</p>
<p style="text-align: center;">National Housing Finance and Investment Corporation Chair: Mr Adrian Harrington</p> <p>Outcome 1: Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector, as well as for critical infrastructure that increases housing supply</p>
<p style="text-align: center;">Office of the Auditing and Assurance Standards Board Chair: Mr Bill Edge</p> <p>Outcome 1: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements</p>
<p style="text-align: center;">Office of the Australian Accounting Standards Board Chair: Dr Keith Kendall</p> <p>Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions</p>
<p style="text-align: center;">Productivity Commission Chair: Mr Michael Brennan</p> <p>Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective</p>

Figure 1: Treasury portfolio structure and outcomes (continued)

<p style="text-align: center;">Reserve Bank of Australia Governor: Mr Philip Lowe</p> <p>Purpose: In its role as Australia's central bank, the Reserve Bank of Australia determines and implements monetary policy, fosters financial stability, undertakes a range of activities in financial markets, acts as a banker to the Australian Government, issues Australia's banknotes and has policy, supervisory and operational roles in the payments system</p>
<p style="text-align: center;">Royal Australian Mint Chief Executive Officer: Mr Leigh Gordon AO CSM</p> <p>Outcome 1: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products</p>

**Department of the
Treasury**

**Entity resources and planned
performance**

Department of the Treasury

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Department of the Treasury

Section 1: Entity overview and resources

1.1 Strategic direction statement

Treasury is the Government's lead economic adviser. Treasury's purpose is to provide advice to the Government and implement policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

Our work includes promoting a sound economic environment, effective Government spending arrangements and regulations, well-functioning markets to serve consumers and investors, and sustainable taxation and revenue arrangements.

The Treasury achieves this through providing policy advice, analysis and the delivery of economic policies and programs, including legislation, administrative payments and our regulatory functions, which support the effective management of the Australian economy.

Our priorities to achieve this over 2022-23 include:

- continuing Australia's COVID-19 response and recovery work
- delivering the Budget, the Mid-Year Economic and Fiscal Outlook and any other economic updates as required by Government
- promoting a stronger, more sustainable tax system in line with Government priorities
- ensuring payments to the States and Territories are timely and accurate
- ensuring effective implementation of Australia's foreign investment regulatory framework
- strengthening Australia's financial system and promoting sound corporate and consumer regulation in line with Government priorities
- delivering measures focused on supporting small to medium business, the digital economy and reducing the regulatory burden on business
- informing Government infrastructure planning and investment decision making
- increasing choice, control, transparency and competition for Australia's consumers
- continuing to improve our governance across the Treasury portfolio.

1.2 Entity resource statement

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

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

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

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

Table 1.1: Department of the Treasury resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	83,378	100,872
Departmental appropriation (b)	324,281	325,426
s74 External Revenue (c)	11,023	11,023
Departmental capital budget (d)	10,262	8,837
Annual appropriations – other services – non-operating (e)		
Equity injection	301	303
Total departmental annual appropriations	<u>429,245</u>	<u>446,461</u>
Total departmental resourcing	<u>429,245</u>	<u>446,461</u>
Administered		
Annual appropriations – ordinary annual services (a)		
Outcome 1 (b)	90,949	99,194
Annual appropriations – other services – non-operating (e)		
Administered assets and liabilities (b)	165,000	165,000
Total administered annual appropriations	<u>255,949</u>	<u>264,194</u>
Special appropriations		
<i>Australian Business Growth Fund (Coronavirus Economic Response Package) Act 2020</i>	12,407	-
<i>Federal Financial Relations Act 2009</i>	108,946,951	114,595,530
<i>Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020</i>	18,587	136,777
<i>International Finance Corporation Act 1955</i>	27,588	27,470
<i>International Monetary Agreements Act 1947</i>	871,065	82,520
Total administered special appropriations (f)	<u>109,876,598</u>	<u>114,842,297</u>
Special accounts (f)		
Opening balance	797,269	1,024,065
Appropriation receipts	165,000	-
Non-appropriated receipts	75,322,388	71,343,518
Total special account receipts	<u>76,284,657</u>	<u>72,367,583</u>
Total administered resourcing	<u>186,417,204</u>	<u>187,474,074</u>
Total resourcing for Treasury	<u>186,846,449</u>	<u>187,920,535</u>
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	1,360	1,357

Third party payments from and on behalf of other entities

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Estimate \$'000</i>
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
<i>Department of Finance</i>	2,191,177	1,286,744
<i>Department of Agriculture, Water and Environment</i>	38,467	30,467
Payments made to corporate entities within the Portfolio		
<i>National Housing Finance and Investment Corporation</i>	39,939	41,416

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) 2022-23.
- (b) \$3.676 million (Departmental) and \$47.966 million (Administered) will be received through the 2021-22 Annual Appropriation Bill No.3, and \$6.153 million (Administered) will be received through 2021-22 Annual Appropriation Bill No.4. The annual appropriations received from these bills will be recognised in a future Portfolio Budget Statement but only after the Bills have received Royal Assent.
- (c) Estimated External Revenue receipts under section 74 of the 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) 2022-23.
- (f) 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 Treasury are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2022-23 Budget measures
Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
Addressing Cost of Living Pressures – Temporary Reduction in Fuel Excise					
Administered payments	(65,000)	(130,000)	–	–	–
Affordable Housing and Home Ownership					
Administered payments	–	1,255	1,408	1,729	4,174
Ageing and Aged Care					
Administered payments	–	10,301	10,301	–	–
Agriculture – continuing to deliver Agriculture 2030					
Administered payments	–	6,000	14,000	11,700	5,300
Albury Wodonga Regional Deal (b)					
Administered payments	–	19,000	20,000	21,000	15,000
Attorney-General's Portfolio – additional resourcing					
Administered payments	8,271	8,271	–	–	–
Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries					
Administered payments	–	–	10,000	25,000	35,000
Boosting Participation and Building Australia's Workforce					
Administered payments	–	26,461	22,051	–	–
Building Australia's Circular Waste Economy					
Administered payments	–	5,750	20,750	20,750	12,750
Changes To Visa Rules – supplementing Australia's workforce during the recovery					
Administered payments	–	5,000	10,000	5,000	–
Commonwealth's Deregulation Agenda (b)					
Administered payments	–	4,000	4,700	1,800	–
Departmental payments	245	622	–	–	–

Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
COVID-19 Economic Support	1.9					
Administered payments		53,875	–	–	–	–
COVID-19 Response Package – guaranteeing Medicare and access to medicines	1.9					
Administered payments		14,494	8,862	–	–	–
COVID-19 Response Package – personal protective equipment and rapid antigen tests (a)	1.9					
Administered payments		67,169	(95,260)	–	–	–
COVID-19 Response Package – supporting hospitals and emergency response extension	1.9					
Administered payments		–	982,488	–	–	–
COVID-19 Response Package – vaccines and treatments (a)(c)	1.9					
Administered payments		nfp	nfp	nfp	nfp	nfp
Development of Future Support for Improved Outcomes for Indigenous Australians in the Northern Territory (a)	1.9					
Administered payments		–	–	–	–	–
Digital Economy Strategy (b)	1.1					
Departmental payments		–	3,914	8,366	8,366	8,366
Disaster Support	1.9					
Administered payments		–	–	–	–	–
Fighting Cancer	1.9					
Administered payments		–	58,343	105,931	199,471	11,292
Flood Package	1.9					
Administered payments		154,209	1,195,540	–	–	–
Forestry and Fishing – supporting the forestry and fishery industry (b)	1.9					
Administered payments		–	10,000	25,000	30,000	20,000
Guaranteeing Medicare – strengthening primary care	1.9					
Administered payments		–	107,755	–	–	–
Humanitarian Program and Update on Afghan Arrivals	1.4					
Administered payments		–	–	–	5,000	5,000
Indirect Tax Concession Scheme – diplomatic and consular concessions	1.4					
Administered payments		(2,600)	(1,500)	(1,500)	(400)	(400)

Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
Infrastructure Investment (b)	1.9					
Administered payments		–	140,000	290,000	334,000	258,000
Infrastructure Investment – Australian Capital Territory (b)	1.9					
Administered payments		–	1,500	12,325	12,647	22,166
Infrastructure Investment – New South Wales (a)(b)	1.9					
Administered payments		2,000	210,484	422,076	420,431	583,354
Infrastructure Investment – Northern Territory (b)	1.9					
Administered payments		–	29,772	43,029	44,999	40,000
Infrastructure Investment – Queensland (b)	1.9					
Administered payments		6,000	103,602	222,276	347,937	510,045
Infrastructure Investment – South Australia (b)	1.9					
Administered payments		24,221	65,131	114,248	492,500	433,200
Infrastructure Investment – Tasmania (b)	1.9					
Administered payments		–	5,000	38,200	125,300	126,800
Infrastructure Investment – Victoria (a)(b)	1.9					
Administered payments		–	72,187	144,526	275,724	330,954
Infrastructure Investment – Western Australia (b)	1.9					
Administered payments		1,000	348,842	393,734	286,290	361,634
International Support (d)	1.2					
Administered payments		nfp	nfp	nfp	nfp	nfp
Japanese Encephalitis Virus National Plan	1.9					
Administered payments		22,500	5,000	–	–	–
Migration Program – 2022-23 planning levels	1.4					
Administered payments		–	–	–	–	–
National Water Grid Fund – project funding (b)	1.9					
Administered payments		500	15,470	230,000	563,900	820,600
Perth City Deal – Edith Cowan University CBD Campus	1.9					
Administered payments		–	15,000	15,000	19,000	–

Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
Preventive Health	1.9				
Administered payments		1,950	7,750		
School Education Support	1.9				
Administered payments		6,300			
Skills Reform to Support Future Growth	1.9				
Administered payments		461,100	545,132	727,245	845,535
Small Business Support Package (a)	1.1, 1.3				
Administered payments		8,000			
Departmental payments		5,909	4,528		
South East Queensland City Deal (b)	1.9				
Administered payments		59,810	152,333	141,525	115,600
Strengthening Australia's arrangements for managing terrorist offenders and countering violent extremism (a)	1.9				
Administered payments					
Treasury Portfolio – resourcing for Government priorities					
Departmental payments	1.1	900	5,900	2,600	
Varying the GDP uplift factor for tax instalments	1.4				
Administered payments		(50,000)	50,000		
Women's Health Package	1.9				
Administered payments		4,390	4,464	4,541	
Women's Leadership Package	1.1				
Departmental payments					
Women's Safety Package	1.9				
Administered payments		19,673	12,604	15,709	8,550
Total		287,784	3,761,822	2,955,832	4,141,164
Total payment measures					
Administered		286,639	3,745,477	2,940,338	4,132,798
Departmental		1,145	16,345	15,494	8,366
Total		287,784	3,761,822	2,955,832	4,141,164

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

(a) The financial implications for this measure exclude amounts previously disclosed in the 2021-22 Portfolio Additional Estimates Statements.

(b) The financial implications for this measure include amounts previously provisioned in the Contingency Reserve in the 2021-22 MYEFO or earlier Budget updates.

(c) The financial implications for this measure are not for publication (nfp) due to commercial sensitivities.

(d) The financial implications for this measure are not for publication (nfp) due to international negotiations.

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 measure 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 Treasury can be found at: (<https://corporate-plan.treasury.gov.au>).

The most recent annual performance statement can be found at: (<https://treasury.gov.au/publication>)

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury’s functions.

Linked programs

<p>Contribution made by Outcome 1</p> <p>Treasury Outcome 1 contributes to the following programs by making payments to the states and territories under National Partnership agreements, National Specific Purpose Payments (SPP) and bilateral agreements that support the delivery of the programs.</p>
<p>Attorney-General’s Department</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.4 – Justice Services
<p>Australian Trade and Investment Commission</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.2 – Programs to promote Australia’s export and other international economic interests
<p>Department of Agriculture, Water and the Environment</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Sustainable Management – Natural Resources and Environment • Program 1.4 – Conservation of Australia’s Heritage and Environment • Program 1.5 – Environmental Regulation • Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants • Program 3.2 – Sustainable Management – Natural Resources • Program 3.3 – Forestry Industry • Program 3.4 – Fishing Industry • Program 3.10 – Agricultural Resource • Program 3.11 – Drought Programs • Program 4.1 – Biosecurity and Export Services • Program 4.2 – Plant and Animal Health • Program 5.1 – Water Reform

Department of Defence
Program
<ul style="list-style-type: none"> • Program 2.1 – Strategic Policy and Intelligence
Department of Education, Skills and Employment
Program
<ul style="list-style-type: none"> • Program 1.5 – Early Learning and Schools Support • Program 3.1 – Building Skills and Capability
Department of Finance
Program
<ul style="list-style-type: none"> • Program 2.4 – Insurance and Risk Management
Department of Health
Programs
<ul style="list-style-type: none"> • Program 1.1 – Health Research, Coordination and Access • Program 1.2 – Mental Health • Program 1.3 – Aboriginal and Torres Strait Islander Health • Program 1.5 – Preventative Health and Chronic Disease Support • Program 1.6 – Primary Health Care Quality and Coordination • Program 1.8 – Health Protection, Emergency Response and Regulation • Program 2.5 – Dental Services • Program 3.2 – Aged Care Services • Program 4.1 – Sport and Recreation
Department of Home Affairs
Program
<ul style="list-style-type: none"> • Program 1.7 – National Security and Criminal Justice
Department of Industry, Science, Energy and Resources
Programs
<ul style="list-style-type: none"> • Program 1.3 – Supporting a strong resources sector • Program 2.1 – Reducing Australia’s greenhouse gas emissions • Program 3.1 – Supporting reliable, secure and affordable energy

Department of Infrastructure, Transport, Regional Development and Communications
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Infrastructure Investment • Program 3.1 – Regional Development • Program 3.3 – Cities • Program 5.1 – Digital Technologies and Communications Services
Department of the Prime Minister and Cabinet
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – Prime Minister and Cabinet
Department of Social Services
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.10 – Family Assistance • Program 2.1 – Families and Communities • Program 2.3 – Social and Community Services • Program 3.2 – National Disability Insurance Scheme • Program 4.1 – Housing and Homelessness
Department of Veterans’ Affairs
<p>Program</p> <ul style="list-style-type: none"> • Program 2.4 – Veterans’ Community Care and Support
National Indigenous Australians Agency
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Jobs, Land and the Economy • Program 1.2 – Children and Schooling • Program 1.3 – Safety and Wellbeing • Program 1.5 – Remote Australia Strategies
National Recovery and Resilience Agency
<p>Program</p> <ul style="list-style-type: none"> • Program 1.2 – Australian Government Resilience, Preparedness and Disaster Risk Reduction Support

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.

Detailed information about general revenue assistance (Program 1.4) and payments for specific purposes (Programs 1.5, 1.6, 1.7, 1.8 and 1.9) can be found in Budget Paper No. 3, Federal Financial Relations 2022-23.

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
National Housing Finance and Investment Corporation	39,939	41,416	4,845	4,878	4,220
Other	53,944	27,375	11,412	9,514	7,887
Special accounts					
Special account – Medicare Guarantee Fund	44,867,877	46,467,038	47,296,749	49,001,481	50,770,771
Expenses not requiring appropriation in the Budget year (b)	7,368	32,268	33,424	34,630	26,114
Administered total	44,969,128	46,568,098	47,346,429	49,050,504	50,808,992
Departmental expenses					
Departmental appropriation	327,640	324,281	271,589	249,850	243,323
s74 External Revenue (a)	15,156	15,156	15,156	15,156	15,156
Expenses not requiring appropriation in the Budget year (b)	9,118	8,508	8,464	8,671	8,622
Departmental total	351,914	347,945	295,209	273,677	267,101
Total expenses for program 1.1	45,321,042	46,916,043	47,641,638	49,324,181	51,076,093

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.2: Payments to International Financial Institutions					
Administered expenses					
Special appropriations					
<i>Special appropriation- International Monetary Agreements Act 1947</i>	23,354	62,164	111,117	147,179	193,392
Expenses not requiring appropriation in the Budget year (b)	1,331,102	161,155	352,720	304,791	469,872
Administered total	1,354,456	223,319	463,837	451,970	663,264
Total expenses for program 1.2	1,354,456	223,319	463,837	451,970	663,264
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Payment to International Financial Reporting Standards	1,000	1,000	1,000	-	-
Other	42,077	29,115	7,818	7,691	7,691
Expenses not requiring appropriation in the Budget year (b)	995,921	19,782	16,941	12,035	8,989
Administered total	1,038,998	49,897	25,759	19,726	16,680
Total expenses for program 1.3	1,038,998	49,897	25,759	19,726	16,680

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.4: General Revenue Assistance					
Administered expenses					
Special appropriations					
GST Revenue Entitlements –					
<i>Federal Financial Relations Act 2009</i>	73,443,199	83,884,879	87,608,615	91,984,863	93,641,231
Special accounts					
COAG Reform Fund					
ACT municipal services	41,700	42,409	43,045	43,734	44,390
Compensation for reduced royalties	34,110	42,708	39,092	29,766	21,523
Royalties	860,424	816,815	714,054	608,961	450,795
GST Transitional assistance	2,115,221	-	-	-	-
Administered total	76,494,654	84,786,811	88,404,806	92,667,324	94,157,939
Total expenses for program 1.4	76,494,654	84,786,811	88,404,806	92,667,324	94,157,939
Program 1.5: Assistance to the States for Healthcare Services					
Administered expenses					
Special appropriations					
National Health Reform funding -					
<i>Federal Financial Relations Act 2009</i>	24,694,171	27,205,410	28,717,335	30,659,300	32,652,513
Special accounts					
COAG Reform Fund	318,687	127,806	-	-	-
Administered total	25,012,858	27,333,216	28,717,335	30,659,300	32,652,513
Total expenses for program 1.5	25,012,858	27,333,216	28,717,335	30,659,300	32,652,513

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.6: Assistance to the States for Skills and Workforce Development					
Administered expenses					
Special appropriations					
National Skills and Workforce Development SPP – <i>Federal Financial Relations Act 2009</i>	1,577,500	1,605,737	1,630,546	1,657,858	1,683,969
Administered total	1,577,500	1,605,737	1,630,546	1,657,858	1,683,969
Total expenses for program 1.6	1,577,500	1,605,737	1,630,546	1,657,858	1,683,969
Program 1.7: Assistance to the States for Disability Services					
Administered expenses					
Special appropriations					
National Disability Services SPP - <i>Federal Financial Relations Act 2009</i>	-	-	-	-	-
Administered total	-	-	-	-	-
Total expenses for program 1.7	-	-	-	-	-
Program 1.8: Assistance to the States for Affordable Housing					
Administered expenses					
Special appropriations					
National Affordable Housing SPP - <i>Federal Financial Relations Act 2009</i>	1,616,170	1,644,502	1,604,931	1,630,610	1,655,069
Administered total	1,616,170	1,644,502	1,604,931	1,630,610	1,655,069
Total expenses for program 1.8	1,616,170	1,644,502	1,604,931	1,630,610	1,655,069

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.9: National Partnership Payments to the States					
Administered expenses					
Special appropriations					
National General Health Services SPP – <i>Federal Financial Relations Act 2009</i>	4,909,625	934,055	-	-	-
Special accounts					
COAG Reform Fund	27,480,803	20,978,671	21,761,998	17,794,134	11,215,821
Expenses not requiring appropriation in the Budget year (b)	669,807	-	-	-	-
Administered total	33,060,235	21,912,726	21,761,998	17,794,134	11,215,821
Total expenses for program 1.9	33,060,235	21,912,726	21,761,998	17,794,134	11,215,821
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	136,980	98,906	25,075	22,083	19,798
Special appropriations	106,264,019	115,336,747	119,672,544	126,079,810	129,826,174
Special accounts	75,718,822	68,475,447	69,854,938	67,478,076	62,503,300
Expenses not requiring appropriation in the Budget year (b)	3,004,178	213,205	403,085	351,456	504,975
Administered total	185,123,999	184,124,305	189,955,642	193,931,425	192,854,247

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	327,640	324,281	271,589	249,850	243,323
s74 External Revenue (a)	15,156	15,156	15,156	15,156	15,156
Expenses not requiring appropriation in the Budget year (b)	9,118	8,508	8,464	8,671	8,622
Departmental total	351,914	347,945	295,209	273,677	267,101
Total expenses for Outcome 1	185,475,913	184,472,251	190,250,850	194,205,103	193,121,348
Movement of administered funds between years (c)					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.9: National Partnership Payments to the States	(263,497)	(52,991)	948,506	841,965	(1,233,349)
Total movement of administered funds	(263,497)	(52,991)	948,506	841,965	(1,233,349)
Average staffing level (number)	2021-22 1,360	2022-23 1,357			

(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 expense, audit fees, revaluation of grants provision, revaluation of loan amounts and foreign exchange losses.

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

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

Table 2.3: Performance measure for Outcome 1

Table 2.3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury’s functions.</p>		
<p>Program 1.1 – Department of the Treasury</p> <p>The objective of this program is to support Ministers to effectively manage the Australian economy by:</p> <ul style="list-style-type: none"> • providing analysis to promote a sound macroeconomic environment; • promoting effective Government spending arrangements that contribute to overall fiscal outcomes and influence strong sustainable economic growth; • developing effective taxation and retirement income arrangements consistent with the Government’s reform priorities; and • developing well-functioning markets that support business, investor and consumer confidence. 		
<p>Key Activities (a)</p>	<p>A strong and sustainable economic and fiscal environment</p> <p>Activity 1 Provide informed, influential, and impactful policy advice and analysis.</p> <p>Activity 2 Ensure effective Government spending arrangements.</p> <p>Effective Government policies, programs and regulation</p> <p>Activity 3 Deliver programs associated with the Government’s economic priorities, including COVID-19 economic response programs.</p> <p>Activity 4 Delivery of the Government’s legislative agenda associated with the Treasury portfolio</p> <p>Activity 5 Administer Treasury’s regulator functions.</p> <p>Activity 7 Deliver infrastructure and project financing advice and actuarial services.</p>	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Percentage of feedback from Treasury ministers, key government entities and stakeholders that indicate our advice was impactful.	Target: Baseline established A baseline will be established for future years using the performance result from the 2021-22 period.
	Number and quality of engagements or consultations with stakeholders to inform policy advice and analysis.	Target: Baseline established A baseline will be established for future years using the performance result from the 2021-22 period.

Year	Performance measures	Planned Performance Results
Current year 2021-22 (continued)	Forecasting activities are based on best practice and deliver outcomes that inform our economic policy advice.	Target: Positive assessment and identified areas for improvement are actioned Expected to be achieved
	Delivered within the required timeframes in line with the Charter.	Target: 100% Expected to be achieved
	Treasury ministers confirm that our program delivery is timely and in line with the Government's economic priorities.	Target: Delivery is aligned to Government priorities Structured interviews will be conducted with Treasury ministers or their delegate at the end of the period to assess this performance measure for reporting in the 2021-22 Annual Performance Statements.
	Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period compared to the number actually introduced.	Target: 90% Expected to be achieved
	Percentage of key stakeholders agree that regulator activities are responsive to the environment and builds trust.	Target: 70% An end of cycle stakeholder feedback survey will be conducted to assess this performance measure for reporting in the 2021-22 Annual Performance Statements.
	Percentage of key stakeholders agree that regulatory activities are risk based and data driven.	Target: 70% An end of cycle stakeholder feedback survey will be conducted to assess this performance measure for reporting in the 2021-22 Annual Performance Statements.
	Percentage of key stakeholders who have a high level of satisfaction with regulator services, engagement and consultation.	Target: 70% An end of cycle stakeholder feedback survey will be conducted to assess this performance measure for reporting in the 2021-22 Annual Performance Statements.
	Proportion of clients that are satisfied with the delivery of specialist services and advice.	Target: 80% An end of cycle client survey will be conducted to assess this performance measure for reporting in the 2021-22 Annual Performance Statements.

Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Percentage of feedback from Treasury ministers, key government entities and stakeholders that indicate our advice was impactful.	Target to be determined following the establishment of a baseline during 2021-22
	Number and quality of engagements or consultations with stakeholders to inform policy advice and analysis.	Target to be determined following the establishment of a baseline during 2021-22
	Forecasting activities are based on best practice and deliver outcomes that inform our economic policy advice.	Positive assessment and identified areas for improvement are actioned
	Delivered within the required timeframes in line with the Charter.	100%
	Treasury ministers confirm that our program delivery is timely and in line with the Government's economic priorities.	Delivery is aligned to Government priorities
	Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period compared to the number actually introduced.	90%
	Percentage of key stakeholders agree that regulator activities are responsive to the environment and builds trust.	70%
	Percentage of key stakeholders agree that regulatory activities are risk based and data driven.	70%
	Percentage of key stakeholders who have a high level of satisfaction with regulator services, engagement and consultation.	70%
	Proportion of clients that are satisfied with the delivery of specialist services and advice.	80%
Forward Estimates 2023-24	Percentage of feedback from Treasury ministers, key government entities and stakeholders that indicate our advice was impactful.	Target to be determined following the establishment of a baseline during 2021-22.
	Number and quality of engagements or consultations with stakeholders to inform policy advice and analysis.	Target to be determined following the establishment of a baseline during 2021-22.
	Treasury ministers confirm that our program delivery is timely and in line with the Government's economic priorities.	Delivery is aligned to Government priorities
	Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period compared to the number actually introduced.	100%

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Year	Performance measures	Planned Performance Results
Forward Estimates 2023-24 (continued)	Percentage of key stakeholders agree that regulator activities are responsive to the environment and builds trust.	2023-24 target: 75% 2024-25 target: 80%
	Percentage of key stakeholders agree that regulatory activities are risk based and data driven.	2023-24 target: 75% 2024-25 target: 80%
	Percentage of key stakeholders who have a high level of satisfaction with regulator services, engagement and consultation.	2023-24 target: 75% 2024-25 target: 80%
	Proportion of clients that are satisfied with the delivery of specialist services and advice.	80%
There are no Material changes to Program 1.1 resulting from 2022-23 Budget Measures.		

(a) Refers to updated key activities that are reflected in the 2021-22 Corporate Plan. The Treasury's performance measures are set out in full in the 2021-22 Corporate Plan and will be reported in the 2021-22 Annual Performance Statements. Treasury updated the performance measures through the 2021-22 Portfolio Additional Estimates Statements to align with the 2021-22 Corporate Plan. New or modified performance measures that reflect new or materially changed programs are shown in italics.

Outcome 1 – Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury’s functions.		
Program 1.2 – Payments to International Financial Institutions		
The objective of this program is to make payments to international financial institutions on behalf of Government to:		
<ul style="list-style-type: none"> • promote international monetary cooperation; • promote stability of the international financial system and orderly exchange arrangements; • foster economic growth and high levels of employment; • provide temporary financial assistance to countries to help ease balance of payments adjustments; • facilitate the achievement of Government objectives in international forums, including support for development objectives and improved infrastructure in the Asian region; and • support multilateral debt relief. 		
Key Activities (a)	A strong and sustainable economic and fiscal environment <ul style="list-style-type: none"> • Activity 2 Ensure effective Government spending arrangements. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Percentage of payments administered within agreed requirements and timeframes.	Target: 100% Expected to be achieved
Budget Year 2022-23	Percentage of payments administered within agreed requirements and timeframes.	100%
Forward Estimates 2023-24	As per 2022-23	As per 2022-23
<ul style="list-style-type: none"> • There are no Material changes to Program 1.2 resulting from 2022-23 Budget Measures. 		

(a) Refers to updated key activities that are reflected in the 2021-22 Corporate Plan. The Treasury’s performance measures are set out in full in the 2021-22 Corporate Plan and will be reported in the 2021-22 Annual Performance Statements. Treasury updated the performance measures through the 2021-22 Portfolio Additional Estimates Statements to align with the 2021-22 Corporate Plan. New or modified performance measures that reflect new or materially changed programs are shown in italics.

Outcome 1 – Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury’s functions.		
Program 1.3 – Support for Markets and Business		
The objective of this program is to make payments on behalf of the Australian Government to support markets and business.		
Key Activities (a)	A strong and sustainable economic and fiscal environment <ul style="list-style-type: none"> • Activity 2 Ensure effective Government spending arrangements. Effective Government policies, programs and regulation <ul style="list-style-type: none"> • Activity 6 Deliver measures focused on small businesses and reduce the regulatory burden on business. 	
Year	Performance measures (b)	Expected Performance Results (c)
Current year 2021-22	Percentage of payments administered within agreed requirements and timeframes.	Target: 100% Expected to be partially achieved
	Number of small businesses assisted.	17,000 Expected to be achieved
Budget Year 2022-23	Percentage of payments administered within agreed requirements and timeframes.	100%
	Number of small businesses assisted.	7,000
Forward Estimates 2023-24	As per 2022-23	As per 2022-23
	As per 2022-23	As per 2022-23
<ul style="list-style-type: none"> • There are no Material changes to Program 1.3 resulting from 2022-23 Budget Measures. 		

(a) Refers to updated key activities that are reflected in the 2021-22 Corporate Plan.

(b) The Treasury’s performance measures are set out in full in the 2021-22 Corporate Plan and will be reported in the 2021-22 Annual Performance Statements. Treasury updated the performance measures through the 2021-22 Portfolio Additional Estimates Statements to align with the 2021-22 Corporate Plan.

(c) The 2021-22 target for the number of small businesses assisted involves additional funding allocated to support small businesses during the COVID-19 pandemic. The targets for future years are based on the standard funding allocation.

New or modified performance measures that reflect new or materially changed programs are shown in *italics*.

Outcome 1 – Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury’s functions.

Program 1.4 to 1.9 – Department of the Treasury

- a) The objectives of programs 1.4 to 1.9 are to make payments which provide financial support to the States and Territories on a wide range of activities under the *Intergovernmental Agreement on Federal Financial Relations* (IGAFFR) and other relevant agreements between the Commonwealth and the States and Territories. Since these programs have common performance criteria, they have been presented together below.
- b) **Program 1.4 – General Revenue Assistance.** The Treasury, on behalf of the Government, will make general revenue assistance payments to the States and Territories.
- c) **Program 1.5 – Assistance to the States for Healthcare Services.** The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of healthcare services.
- d) **Program 1.6 – Assistance to the States for Skills and Workforce Development.** The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of skills and workforce development services.
- e) **Program 1.7 – Assistance to the States for Disability Services.** The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of disability services.
- f) **Program 1.8 – Assistance to the States for Affordable Housing.** The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of affordable housing services.
- g) **Program 1.9 – National Partnership Payments to the States.** The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent on improving outcomes in the areas specified in each of the National Partnership agreements. These payments support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. This program is linked to programs administered by a number of other portfolios. This contributes to the linked programs by making payment on behalf of the following:
- Attorney-General’s Department
 Department of Agriculture, Water and the Environment
 Department of Defence
 Department of Education, Skills and Employment
 Department of Finance
 Department of Health
 Department of Home Affairs
 Department of Industry, Science, Energy and Resources
 Department of Infrastructure, Transport, Regional Development and Communications
 Department of the Prime Minister and Cabinet
 Department of Social Services, and
 Department of Veterans’ Affairs.

Key Activities (a)	A strong and sustainable economic and fiscal environment	
	<ul style="list-style-type: none"> Activity 2 Ensure effective Government spending arrangements. 	
Year	Performance measures (b)	Expected Performance Results
Current year 2021-22	Percentage of payments administered within agreed requirements and timeframes.	Target: 100% Expected to be partially achieved

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Year	Performance measures	Expected Performance Results
Budget Year 2022-23	Percentage of payments administered within agreed requirements and timeframes.	100%
Forward Estimates 2023-24	As per 2022-23	As per 2022-23
<ul style="list-style-type: none"> • There are no Material changes to Programs 1.4 to 1.9 resulting from 2022-23 Budget Measures. 		

(a) Refers to updated key activities that are reflected in the 2021-22 Corporate Plan.

(b) The Treasury's performance measures are set out in full in the 2021-22 Corporate Plan and will be reported in the 2021-22 Annual Performance Statements. Treasury updated the performance measures through the 2021-22 Portfolio Additional Estimates Statements to align with the 2021-22 Corporate Plan.

New or modified performance measures that reflect new or materially changed programs are shown in *italics*

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

Additionally, the financial statements tables for the 2022-23 Budget include funding to be received through the 2021-22 Annual Appropriation Bills No.3 and No.4, which are not included in the entity resource statement due to the timing of the 2022-23 Budget.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2022-23 and over the forward estimates.

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

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	210,904	212,665	181,309	175,613	169,889
Suppliers	123,649	118,632	97,283	81,679	80,827
Grants	958	958	958	958	958
Depreciation and amortisation (a)	14,551	13,957	13,931	13,703	13,703
Finance costs	1,852	1,733	1,728	1,724	1,724
Total expenses	351,914	347,945	295,209	273,677	267,101
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10,251	10,251	10,251	10,251	10,251
Other	4,905	4,905	4,905	4,905	4,905
Total own-source revenue	15,156	15,156	15,156	15,156	15,156
Gains					
Other	49	49	49	49	-
Total gains	49	49	49	49	-
Total own-source income	15,205	15,205	15,205	15,205	15,156
Net (cost of)/contribution by services	(336,709)	(332,740)	(280,004)	(258,472)	(251,945)
Revenue from Government	327,640	324,281	271,589	249,850	243,323
Surplus/(deficit) attributable to the Australian Government	(9,069)	(8,459)	(8,415)	(8,622)	(8,622)
Total comprehensive income/(loss)	(9,069)	(8,459)	(8,415)	(8,622)	(8,622)
Total comprehensive income/(loss) attributable to the Australian Government	(9,069)	(8,459)	(8,415)	(8,622)	(8,622)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(9,069)	(8,459)	(8,415)	(8,622)	(8,622)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	7,567	7,225	13,494	13,476	13,703
plus: depreciation/amortisation expenses for ROU assets (b)	6,984	6,732	437	227	-
less: lease principal repayments (b)	5,482	5,498	5,516	5,081	5,081
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	767	755	755	755	755
Trade and other receivables	88,426	89,175	89,175	89,175	89,175
Total financial assets	89,193	89,930	89,930	89,930	89,930
Non-financial assets					
Land and buildings	144,369	135,812	127,288	118,999	110,705
Property, plant and equipment	15,374	17,846	20,384	23,222	26,002
Intangibles	18,128	19,396	19,708	20,034	20,326
Other non-financial assets	6,446	6,446	6,446	6,446	6,446
Total non-financial assets	184,317	179,500	173,826	168,701	163,479
Total assets	273,510	269,430	263,756	258,631	253,409
LIABILITIES					
Payables					
Suppliers	9,096	9,096	9,096	9,096	9,096
Other payables	5,321	5,351	5,351	5,351	5,351
Total payables	14,417	14,447	14,447	14,447	14,447
Interest bearing liabilities					
Leases	131,031	125,533	120,017	114,936	109,855
Total interest bearing liabilities	131,031	125,533	120,017	114,936	109,855
Provisions					
Employee provisions	63,976	64,683	64,683	64,683	64,683
Other provisions	5,510	5,510	5,510	5,510	5,510
Total provisions	69,486	70,193	70,193	70,193	70,193
Total liabilities	214,934	210,173	204,657	199,576	194,495
Net assets	58,576	59,257	59,099	59,055	58,914

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	120,335	129,475	137,732	146,310	154,791
Reserves	14,343	14,343	14,343	14,343	14,343
Retained surplus (accumulated deficit)	(76,102)	(84,561)	(92,976)	(101,598)	(110,220)
Total parent entity interest	58,576	59,257	59,099	59,055	58,914
Total equity	58,576	59,257	59,099	59,055	58,914

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 2022-23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	(76,102)	14,343	-	120,335	58,576
Adjusted opening balance	(76,102)	14,343	-	120,335	58,576
Comprehensive income					
Surplus/(deficit) for the period	(8,459)	-	-	-	(8,459)
Total comprehensive income	(8,459)	-	-	-	(8,459)
Transactions with owners					
Contributions by owners					
Equity injection – Appropriation	-	-	-	303	303
Departmental Capital Budget (DCB)	-	-	-	8,837	8,837
Sub-total transactions with owners	-	-	-	9,140	9,140
Estimated closing balance as at 30 June 2023	(84,561)	14,343	-	129,475	59,257
Closing balance attributable to the Australian Government	(84,561)	14,343	-	129,475	59,257

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	332,461	313,963	260,623	241,484	234,957
Sale of goods and rendering of services	10,251	10,251	10,251	10,251	10,251
Other	772	772	772	772	772
Total cash received	343,484	324,986	271,646	252,507	245,980
Cash used					
Employees	215,131	208,113	177,844	174,286	168,562
Suppliers	118,878	108,451	85,600	70,458	69,655
Interest payments on lease liability	1,851	1,732	1,727	1,724	1,724
Other	958	958	958	958	958
Total cash used	336,818	319,254	266,129	247,426	240,899
Net cash from/(used by) operating activities	6,666	5,732	5,517	5,081	5,081
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	10,564	9,141	8,258	8,578	8,481
Total cash used	10,564	9,141	8,258	8,578	8,481
Net cash from/(used by) investing activities	(10,564)	(9,141)	(8,258)	(8,578)	(8,481)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	10,563	9,140	8,257	8,578	8,481
Total cash received	10,563	9,140	8,257	8,578	8,481
Cash used					
Principal payments on lease liability	5,482	5,498	5,516	5,081	5,081
Total cash used	5,482	5,498	5,516	5,081	5,081
Net cash from/(used by) financing activities	5,081	3,642	2,741	3,497	3,400
Net increase/(decrease) in cash held	1,183	233	-	-	-
Cash and cash equivalents at the beginning of the reporting period	760	1,943	2,176	2,176	2,176
Cash and cash equivalents at the end of the reporting period	1,943	2,176	2,176	2,176	2,176

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	10,262	8,837	7,952	8,273	8,176
Equity injections – Bill 2	301	303	305	305	305
Total new capital appropriations	10,563	9,140	8,257	8,578	8,481
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>10,563</i>	<i>9,140</i>	<i>8,257</i>	<i>8,578</i>	<i>8,481</i>
Total items	10,563	9,140	8,257	8,578	8,481
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	301	303	305	305	152
Funded by capital appropriation - DCB (b)	10,262	8,837	7,952	8,273	8,329
TOTAL	10,563	9,140	8,257	8,578	8,481
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,563	9,140	8,257	8,578	8,481
Total cash used to acquire assets	10,563	9,140	8,257	8,578	8,481

Prepared on Australian Accounting Standards basis.

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

(b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	23,265	1,935	59,793	84,993
Gross book value – ROU assets	149,233	34	-	149,267
Accumulated depreciation/amortisation and impairment	(2,598)	13,522	(41,665)	(30,741)
Accumulated depreciation/amortisation and impairment – ROU assets	(25,531)	(117)	-	(25,648)
Opening net book balance	144,369	15,374	18,128	177,871
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	453	4,791	3,896	9,140
Total additions	453	4,791	3,896	9,140
Other movements				
Depreciation/amortisation expense	(2,278)	(2,319)	(2,628)	(7,225)
Depreciation/amortisation on ROU assets	(6,732)	-	-	(6,732)
Total other movements	(9,010)	(2,319)	(2,628)	(13,957)
As at 30 June 2023				
Gross book value	23,718	6,726	63,689	94,133
Gross book value – ROU assets	149,233	34	-	149,267
Accumulated depreciation/amortisation and impairment	(4,876)	11,203	(44,293)	(37,966)
Accumulated depreciation/amortisation and impairment – ROU assets	(32,263)	(117)	-	(32,380)
Closing net book balance	135,812	17,846	19,396	173,054

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	60,791	5,197	1,557	1,557	1,557
Grants	137,838,586	137,376,701	142,143,134	144,429,752	141,383,552
Payments to the Medicare Guarantee Fund	44,867,877	46,467,038	47,296,749	49,001,481	50,770,771
Finance costs	327,751	62,164	111,117	147,179	193,392
Other expenses	2,028,994	213,206	403,084	351,457	504,975
Total expenses administered on behalf of Government	185,123,999	184,124,305	189,955,642	193,931,425	192,854,247
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	593,274	679,781	483,738	484,039	486,965
Fees and fines	949	949	1,018	1,018	1,018
Interest	61,435	102,029	144,436	174,957	212,445
COAG revenue from government entities	2,229,644	1,317,211	1,163,843	-	-
Other revenue	174,641	181,868	178,566	175,327	171,575
Total non-taxation revenue	3,059,943	2,281,838	1,971,601	835,341	872,003
Total own-source revenue administered on behalf of Government	3,059,943	2,281,838	1,971,601	835,341	872,003

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Gains					
Other gains	425,015	105,878	228,272	197,121	303,901
Total gains administered on behalf of Government	425,015	105,878	228,272	197,121	303,901
Total own-sourced income administered on behalf of Government	3,484,958	2,387,716	2,199,873	1,032,462	1,175,904
Net (cost of)/contribution by services	(181,639,041)	(181,736,590)	(187,755,768)	(192,898,964)	(191,678,343)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	(181,639,041)	(181,736,590)	(187,755,768)	(192,898,964)	(191,678,343)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	974,065	873,310	791,364	950,000	900,000
Trade and other receivables	2,224,555	2,195,093	2,136,940	1,879,921	1,838,544
Other investments	50,851,541	50,915,284	50,623,364	50,322,351	49,858,281
Total financial assets	54,050,161	53,983,687	53,551,668	53,152,272	52,596,825
Total assets administered on behalf of Government	54,050,161	53,983,687	53,551,668	53,152,272	52,596,825
LIABILITIES					
Payables					
Grants	3,359,086	526,015	117,080	50,779	41,790
Other payables	1,393,847	1,284,852	1,205,195	954,576	686,388
Total payables	4,752,933	1,810,867	1,322,275	1,005,355	728,178
Interest bearing liabilities					
Loans	9,419,858	9,419,603	9,418,838	9,418,177	9,417,159
Other	17,886,748	17,780,871	17,552,600	17,355,479	17,051,578
Total interest bearing liabilities	27,306,606	27,200,474	26,971,438	26,773,656	26,468,737
Provisions					
Other provisions	39,984	72,253	105,091	137,417	155,403
Total provisions	39,984	72,253	105,091	137,417	155,403
Total liabilities administered on behalf of Government	32,099,523	29,083,594	28,398,804	27,916,428	27,352,318
Net assets/(liabilities)	21,950,638	24,900,093	25,152,864	25,235,844	25,244,507

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	937	777	-	-	-
Interest	46,735	86,014	131,219	160,780	201,871
Dividends	2,669,000	-	-	-	-
COAG receipts from government entities	27,263,544	27,729,843	28,864,653	28,689,593	29,659,353
Net GST received	1,530,334	1,612,623	1,689,041	1,746,777	1,800,486
Other	95,906	95,128	94,453	94,487	94,522
Total cash received	31,606,456	29,524,385	30,779,366	30,691,637	31,756,232
Cash used					
Grant	164,447,290	165,943,351	169,769,141	172,701,607	170,564,929
Suppliers	60,811	5,197	1,557	1,557	1,557
Net GST paid	1,530,228	1,612,623	1,689,041	1,746,777	1,800,486
Borrowing costs	14,536	53,328	105,217	138,541	187,661
Payments to the Medicare Guarantee Fund	44,867,877	46,467,038	47,296,749	49,001,481	50,770,771
Other	18,587	137,065	103,083	273,597	291,036
Total cash used	210,939,329	214,218,602	218,964,788	223,863,560	223,616,440
Net cash from/(used by) operating activities	(179,332,873)	(184,694,217)	(188,185,422)	(193,171,923)	(191,860,208)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	283,280	264,834	303,488	443,754	173,202
Investments	5,950	-	-	-	-
Total cash received	289,230	264,834	303,488	443,754	173,202

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Cash used					
Advances and loans made	708,520	135,755	152,616	95,139	50,000
Investments	246,524	56,662	55,935	-	-
Other	165,000	165,000	-	-	-
Total cash used	1,120,044	357,417	208,551	95,139	50,000
Net cash from/(used by) investing activities	(830,814)	(92,583)	94,937	348,615	123,202
FINANCING ACTIVITIES					
Cash received					
Other	441,796	114,245	(31,946)	158,636	(50,000)
Total cash received	441,796	114,245	(31,946)	158,636	(50,000)
Net cash from/(used by) financing activities	441,796	114,245	(31,946)	158,636	(50,000)
Net increase/(decrease) in cash held	(179,721,891)	(184,672,555)	(188,122,431)	(192,664,672)	(191,787,006)
Cash and cash equivalents at beginning of reporting period	797,269	974,065	873,310	791,364	950,000
Cash from Official Public Account for:					
- Appropriations	109,817,352	114,984,246	119,378,945	125,724,177	129,694,312
- Special accounts	75,487,386	71,343,518	70,334,543	67,798,152	62,512,289
Total cash from Official Public Account	185,304,738	186,327,764	189,713,488	193,522,329	192,206,601
Cash to Official Public Account for:					
- Appropriations	(3,062,244)	(403,753)	(438,490)	(445,246)	(469,595)
- Special accounts	(2,343,807)	(1,352,211)	(1,234,513)	(253,775)	-
Total cash to Official Public Account	(5,406,051)	(1,755,964)	(1,673,003)	(699,021)	(469,595)
Cash and cash equivalents at end of reporting period	974,065	873,310	791,364	950,000	900,000

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered Assets and Liabilities – Bill 2	165,000	165,000	-	-	-
Total new capital appropriations	165,000	165,000	-	-	-
Provided for:					
<i>Funding for National Housing Finance and Investment Corporation</i>	(165,000)	(165,000)	-	-	-
Total items	(165,000)	(165,000)	-	-	-

Prepared on Australian Accounting Standards basis

Australian Bureau of Statistics

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Australian Bureau of Statistics

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Bureau of Statistics (ABS) provides independent and trusted official statistics on a range of economic, social, population and environmental matters of importance to governments, industry, and the wider Australian community. The ABS plays a central role in developing statistical standards, including through liaison with international organisations.

The ABS purpose is to inform Australia's important decisions by delivering relevant, trusted, and objective data, statistics, and insights. The ABS will maintain its emphasis on the delivery of high-quality official statistics and drawing new insights from effective and safe use of available data. In 2022–23, the ABS will:

- release data from the 2021 Census of Population and Housing and the 2020-21 Agricultural Census.
- increase the use of non-survey data to reduce the burden on providers while continuing to deliver important statistics.
- use new data sources to address emerging information needs, augment existing products, and validate existing methodologies.
- use big data to deliver more timely indicators of the Australian economy.
- help small to medium business respond to ABS surveys by using their existing accounting software.
- update the Australian and New Zealand Standard Classification of Occupations (ANZSCO) to reflect changes in the labour market.
- enhance regional labour market statistics and provide more detailed geographic breakdowns.

The ABS is continuing to adapt our practices and statistical products in response to the changing conditions in which we operate, the needs of our partners, and the expectations of our clients. Within this environment, the ABS is responding to an increasing demand for quality data, exploring and embracing emergent alternate sources of data, forming new partnerships with business, innovating through new technologies, and increasing our vigilance around cyber security.

Each year, in setting its priorities, the ABS also takes into consideration the needs of key information users, current and emerging risks, the burden placed on data providers, and the importance of improving access to statistical information.

1.2 Entity resource statement

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

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

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

Table 1.1: Australian Bureau of Statistics resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 (a) Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (b)		
Prior year appropriations available	90,808	89,040
Departmental appropriation (c)	573,860	357,035
s74 External Revenue (d)	66,972	85,907
Departmental capital budget (e)	15,807	12,466
Annual appropriations – other services – non-operating		
Prior year appropriations available	2,243	-
Equity injection (f)	9,136	7,251
Total departmental annual appropriations	<u>758,826</u>	<u>551,699</u>
Total departmental resourcing	<u>758,826</u>	<u>551,699</u>
Total resourcing for Australian Bureau of Statistics	<u>758,826</u>	<u>551,699</u>
Average staffing level (number)	<u>3,398</u>	<u>2,666</u>

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

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

- (a) Annual appropriation amounts appearing for 2021-22, does not include the Appropriation Bills (No.3) and (No.4) 2021-22, as it had not been enacted at the time of publication.
- (b) Appropriation Bill (No. 1) 2022-23.
- (c) Excludes departmental capital budget (DCB). 2021-22 figure does not include the \$5.6m Appropriation Bill (No.3), refer to footnote (a). 2022-23 figure includes supplementation of \$1.3m recognised in 2021- 22 but not appropriated in that year.
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act 2013.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a ‘contribution by owner’. Annual appropriation amounts appearing for 2021-22 included the s.51 quarantined funding of \$3.2m as it had not been signed at the time of publication.
- (f) Appropriation Bill (No.2) 2022-23. 2022-23 includes supplementation of \$0.5m for equity injection recognised in 2021-22 but not appropriated in that year. 2021-22 does not include the \$0.4m Appropriation Bill (No.4), refer to footnote (a).

1.3 Budget measures

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

Table 1.2: ABS 2022-23 Budget measures
Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
Commonwealth's Deregulation Agenda	1.1					
Departmental payments (a) (b)		1,858	7,999	7,090	2,991	-
Treasury Portfolio – resourcing for Government priorities	1.1					
Departmental payments		-	8,317	8,191	6,678	3,669
Total payment measures						
Departmental		1,858	16,316	15,281	9,669	3,669
Total		1,858	16,316	15,281	9,669	3,669

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

(a) The Department of Prime Minister and Cabinet is the lead entity for measure titled 'Commonwealth's Deregulation Agenda'. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

(b) The financial implications for this measure include amounts previously provisioned in the Contingency Reserve in the 2021-22 MYEFO or earlier Budget updates.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1005.0>

The most recent annual performance statement can be found in the latest ABS Annual Report located on the Government's Transparency Portal at:

<https://www.transparency.gov.au/annual-reports/australian-bureau-statistics/reporting-year/2020-21>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Decisions on important matters made by governments, business and the broader community are informed by objective, relevant and trusted official statistics produced through the collection and integration of data, its analysis, and the provision of statistical information.

Linked programs

Many programs rely on ABS statistics to inform decision-making. Many ABS statistics rely on data held by State, Territory, and other Australian Government agencies.

Australian Taxation Office
Programs
• Program 1.3 – Australian Business Register
Contribution to Outcome 1 made by linked programs
Program 1.3 – Australian Business Register provides essential infrastructure to the operation of ABS business surveys.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Bureau of Statistics					
Departmental expenses					
Departmental appropriation	584,267	359,704	351,674	364,859	413,270
s74 External Revenue (a)	62,987	78,198	40,926	40,358	40,313
Expenses not requiring appropriation in the Budget year (b)	25,529	24,655	25,913	28,990	22,142
Departmental total	672,783	462,557	418,513	434,207	475,725
Total expenses for program 1.1	672,783	462,557	418,513	434,207	475,725
<hr/>					
Average staffing level (number)	3,398	2,666			

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – Decisions on important matters made by governments, business and the broader community are informed by objective, relevant and trusted official statistics produced through the collection and integration of data, its analysis, and the provision of statistical information.</p>		
<p>Program 1.1 – Australian Bureau of Statistics</p> <p>This program contributes to the outcome through delivery of high-quality statistical information to inform Australia’s most important issues and through engaging with users within government, business, and the community to ensure they have the confidence in the statistical resources available to enable them to make informed decisions.</p>		
<p>Key Activities</p>	<p>Produce key economic, industry, environmental, labour, population, and social statistics, as well as conduct of the five-yearly Census of Population and Housing and Agricultural Census.</p> <p>Undertake data integration projects including those supported by the Business Longitudinal Analysis Data Environment (BLADE) and the Multi-Agency Data Integration Project (MADIP).</p> <p>Use administrative and alternate data sources to deliver more timely economic indicators.</p> <p>Provide access to ABS statistics through a range of avenues including the ABS website, machine-to machine access through an application programming interface, the DataLab, TableBuilder, and customised data requests.</p> <p>Deliver data capability initiatives across the Australian Public Service (APS) developed under the Data Profession Stream. Lead recruitment of data graduates for the APS.</p> <p>Investigate options for reducing burden on data providers.</p>	
<p>Year</p>	<p>Performance measures</p>	<p>Expected Performance Results</p>
<p>Current year 2021-22</p>	<p>Decision making by governments, business, and the community is informed by high quality statistics.</p> <p>Target: The ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund (IMF) against the Special Data Dissemination Standard.(a)</p>	<p>100% compliance with Special Data Dissemination Standard (SDDS) for in-scope collections.</p>

Year	Performance measures ^(b)	Planned Performance Results
Budget Year 2022-23	Decision making by governments, business, and the community is informed by high quality statistics. Target: The ABS continues to produce key economic and population statistics with appropriate coverage, frequency and timeliness as assessed by the International Monetary Fund against the Special Data Dissemination Standard. ^(a)	100% compliance with SDDS for in-scope collections.
Forward Estimates 2023-24 and beyond	As per 2022-23.	As per 2022-23.
<p>Material changes to Program 1.1 resulting from 2022-23 Budget Measure: There are no budget measures that materially impact on Program 1.1 – Australian Bureau of Statistics.</p>		

(a) The Special Data Dissemination Standard (SDDS) is produced and managed by the International Monetary Fund (IMF). The IMF monitors and reports on how well countries comply with SDDS requirements for the range of statistics produced – including the coverage, frequency, and timeliness of the statistics that are published. The statistics required by the SDDS include national accounts, labour force, unemployment, consumer price index, and estimates of resident population. The latest information on Australia's compliance with the SDDS is available on the IMF website: <http://dsbb.imf.org/Pages/SDDS/SOOCtyCtgList.aspx?ctycode=AUS>.

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

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement, refer Table 1.1, is prepared on a cash basis and provides a view of cash/appropriations resources available to the ABS whilst the financial statements are prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ABS is budgeting for a breakeven operating result in 2022-23 after adjusting for non-appropriated expenses of depreciation and amortisation and omitting the impact of AASB 16 Leases.

Total appropriation revenue in 2022-23 is estimated to be \$355.7 million, with Own Source Income of \$78.1 million. Appropriations have increased from \$342.6 million as reported in the *2021-22 Portfolio Additional Estimates Statements*, mainly due to new measures announced prior to or at the 2022-23 Budget as outlined in Table 1.2.

- Commonwealth's Deregulation Agenda \$3.8 million; and
- Treasury Portfolio – resourcing for Government priorities \$8.3 million.

Total operating expenses in 2022-23 are estimated to be \$462.6 million. This has increased from \$446.6 million as reported in the *2021-22 Portfolio Additional Estimates Statements*. The increase predominantly reflects activities relating to the expenditures from the new measures as outlined in Table 1.2.

The total capital budget in 2022-23 is estimated to be \$19.2 million. This is \$3.4 million less than 2021-22 which reflects terminating funding for leasehold improvements and the conclusion of the 2021 Census.

3.2. Budgeted financial statements tables**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	449,508	303,937	286,938	301,966	331,679
Suppliers	176,388	111,396	86,834	84,600	100,447
Depreciation and amortisation (a)	45,260	45,707	43,372	46,250	42,367
Finance costs	1,627	1,517	1,369	1,391	1,232
Total expenses	672,783	462,557	418,513	434,207	475,725
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	62,125	77,305	40,000	40,000	40,000
Sublease income	762	793	826	258	213
Total own-source revenue	62,887	78,098	40,826	40,258	40,213
Gains					
Sale of assets	100	100	100	100	100
Other	126	126	126	126	126
Total gains	226	226	226	226	226
Total own-source income	63,113	78,324	41,052	40,484	40,439
Net (cost of)/contribution by services	(609,670)	(384,233)	(377,461)	(393,723)	(435,286)
Revenue from Government	580,805	355,700	352,135	365,075	415,293
Surplus/(deficit) attributable to the Australian Government	(28,865)	(28,533)	(25,326)	(28,648)	(19,993)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(28,865)	(28,533)	(25,326)	(28,648)	(19,993)
Total comprehensive income/(loss) attributable to the Australian Government	(28,865)	(28,533)	(25,326)	(28,648)	(19,993)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(28,865)	(28,533)	(25,326)	(28,648)	(19,993)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	25,403	24,529	25,787	28,864	22,016
plus: depreciation/amortisation expenses for ROU assets (b)	19,857	21,178	17,585	17,386	20,351
less: lease principal repayments (b)	16,395	17,174	18,046	17,602	22,374
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,165	3,500	3,500	3,500	3,500
Trade and other receivables	97,281	98,761	101,040	101,594	101,912
Other financial assets	1,335	-	-	-	-
Total financial assets	100,781	102,261	104,540	105,094	105,412
Non-financial assets					
Land and buildings	120,131	106,597	89,212	97,994	75,884
Property, plant and equipment	47,868	47,085	47,972	45,115	42,875
Intangibles	88,017	79,824	69,374	62,382	59,966
Other non-financial assets	15,486	12,307	12,267	11,713	11,395
Total non-financial assets	271,502	245,813	218,825	217,204	190,120
Assets held for sale					
Total assets	372,283	348,074	323,365	322,298	295,532
LIABILITIES					
Payables					
Suppliers	10,781	12,110	16,053	15,083	11,808
Other payables	60,646	64,076	63,676	64,754	66,890
Total payables	71,427	76,186	79,729	79,837	78,698
Interest bearing liabilities					
Leases	129,881	115,697	97,651	109,182	86,808
Total interest bearing liabilities	129,881	115,697	97,651	109,182	86,808
Provisions					
Employee provisions	121,290	116,795	115,487	115,375	116,511
Other provisions	1,983	510	514	518	521
Total provisions	123,273	117,305	116,001	115,893	117,032
Total liabilities	324,581	309,188	293,381	304,912	282,538
Net assets	47,702	38,886	29,984	17,386	12,994
EQUITY*					
Parent entity interest					
Contributed equity	432,592	452,309	468,733	484,783	500,384
Reserves	33,493	33,493	33,493	33,493	33,493
Retained surplus (accumulated deficit)	(418,383)	(446,916)	(472,242)	(500,890)	(520,883)
Total parent entity interest	47,702	38,886	29,984	17,386	12,994
Total equity	47,702	38,886	29,984	17,386	12,994

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 2022-23)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(418,383)	33,493	432,592	47,702
Adjusted opening balance	(418,383)	33,493	432,592	47,702
Comprehensive income				
Surplus/(deficit) for the period	(28,533)	-	-	(28,533)
Total comprehensive income	(28,533)	-	-	(28,533)
Contributions by owners				
Equity injection – Appropriation	-	-	7,251	7,251
Departmental Capital Budget (DCB)			12,466	12,466
Sub-total transactions with owners	-	-	19,717	19,717
Estimated closing balance as at 30 June 2023	(446,916)	33,493	452,309	38,886
Closing balance attributable to the Australian Government	(446,916)	33,493	452,309	38,886

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	583,036	353,242	349,649	364,507	415,293
Sale of goods and rendering of services	66,511	85,807	40,597	40,124	40,094
Net GST received	8,344	7,863	7,699	7,691	11,750
Other	361	-	-	-	-
Total cash received	658,252	446,912	397,945	412,322	467,137
Cash used					
Employees	444,665	310,940	288,495	300,866	328,288
Suppliers	183,064	109,248	82,721	84,886	103,275
Net GST paid	7,981	7,453	7,376	7,677	12,068
Interest payments on lease liability	1,627	1,517	1,369	1,391	1,232
Total cash used	637,337	429,158	379,961	394,820	444,863
Net cash from/(used by) operating activities	20,915	17,754	17,984	17,502	22,274
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	100	100	100	100	100
Total cash received	100	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	29,510	19,194	16,424	16,050	15,601
Total cash used	29,510	19,194	16,424	16,050	15,601
Net cash from/(used by) investing activities	(29,410)	(19,094)	(16,324)	(15,950)	(15,501)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	22,547	19,849	16,386	16,050	15,601
Total cash received	22,547	19,849	16,386	16,050	15,601
Cash used					
Principal payments on lease liability	16,395	17,174	18,046	17,602	22,374
Total cash used	16,395	17,174	18,046	17,602	22,374
Net cash from/(used by) financing activities	6,152	2,675	(1,660)	(1,552)	(6,773)
Net increase/(decrease) in cash held	(2,343)	1,335	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,508	2,165	3,500	3,500	3,500
Cash and cash equivalents at the end of the reporting period	2,165	3,500	3,500	3,500	3,500

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	12,576	12,466	12,407	15,043	15,601
Equity injections – Bill 2	9,526	7,251	4,017	1,007	-
Total new capital appropriations	22,102	19,717	16,424	16,050	15,601
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>22,102</i>	<i>19,717</i>	<i>16,424</i>	<i>16,050</i>	<i>15,601</i>
Total items	22,102	19,717	16,424	16,050	15,601
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	9,526	6,728	4,017	1,007	-
Funded by capital appropriation - DCB (b)	19,461	12,466	12,407	15,043	15,601
Funded Internally by Departmental resources (c)	523	-	-	-	-
TOTAL	29,510	19,194	16,424	16,050	15,601

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Includes purchase from current and previous years' Department Capital Budgets (DCBs).

(c) Includes purchases from departmental supplementary appropriation.

Table 3.6: Statement of asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	-	62,010	292,473	354,483
Gross book value – ROU assets	178,598	184	-	178,782
Accumulated depreciation/ amortisation and impairment	-	(14,192)	(204,456)	(218,648)
Accumulated depreciation/amortisation and impairment – ROU assets	(58,467)	(134)	-	(58,601)
Opening net book balance	120,131	47,868	88,017	256,016
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	39	6,689	6,728
By purchase – appropriation ordinary annual services (b)	-	11,003	1,463	12,466
By purchase – appropriation ordinary annual services – ROU assets	4,003	-	-	4,003
Total additions	4,003	11,042	8,152	23,197
Other movements				
Depreciation/amortisation expense	-	(11,777)	(16,345)	(28,122)
Depreciation/amortisation on ROU assets	(17,537)	(48)	-	(17,585)
Total other movements	(17,537)	(11,825)	(16,345)	(45,707)
As at 30 June 2023				
Gross book value	-	73,052	300,625	373,677
Gross book value – ROU assets	182,601	184	-	182,785
Accumulated depreciation/ amortisation and impairment	-	(25,969)	(220,801)	(246,770)
Accumulated depreciation/amortisation and impairment – ROU assets	(76,004)	(182)	-	(76,186)
Closing net book balance	106,597	47,085	79,824	233,506

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to Equity injection appropriations provided through Appropriation Bill (No. 2) 2022-23.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2022-23 for Departmental Capital Budgets (DCBs).

Australian Competition and Consumer Commission

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Australian Competition and Consumer Commission

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Competition and Consumer Commission (ACCC) is an independent Commonwealth statutory authority whose role is to enforce the *Competition and Consumer Act 2010* (CCA) and a range of additional legislation, promoting competition, fair trading, consumer protection, 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 are founded on the principle 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. Competition is a positive force that promotes economic growth and job creation.

It falls to the ACCC to determine which competition, consumer, fair trading, and product safety matters it investigates, although it also receives directions on market studies and inquiries and industry monitoring from the Minister. The ACCC's role is to focus on those matters that have the potential to harm the competitive process or result in widespread consumer detriment.

The ACCC directs its resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its competition, consumer protection and fair-trading priorities, as set out in the ACCC Compliance and Enforcement Policy.

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

The ACCC will continue to assess and review mergers via the informal clearance process to prevent changes in market structures that would substantially lessen competition. It will also continue to assess conduct and agreements that may breach relevant competition laws but which should be authorised because there is expected to be a net public benefit.

The ACCC will continue to focus on its role in relation to implementing and enforcing the Consumer Data Right, which provides consumers with more access to and control of their personal data, to promote competition across the economy.

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. Promoting efficient infrastructure provision through industry-specific regulation and access conditions is a major focus of the ACCC's 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 to governments and the public about the operation of the relevant markets.

In 2022-23 the ACCC will continue to focus on markets characterised by a lack of transparency or insufficient competition which inhibit efficient market outcomes. This includes undertaking 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 home, contents and strata insurance in northern Australia.

When undertaking all these key activities the ACCC will continue to engage extensively with a wide range of stakeholders to:

- achieve outcomes that enhance the welfare of all Australians; and
- minimise the regulatory burden for businesses without compromising its statutory responsibilities to promote competition and protect consumers.

The ACCC also seeks to contribute to the continuous improvement of regulatory frameworks to deliver on our purpose to, 'make markets work for consumers, now and in the future'.

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.

In December 2020 the AER finalised and launched its Strategic Plan 2020-2025. The outcomes sought are grounded in the former Council of Australian Government (COAG) Strategic Energy Plan. To achieve these outcomes the AER has four objectives:

- protect vulnerable consumers, while enabling consumers to participate in energy markets;
- effectively regulate competitive markets primarily through monitoring and reporting, and 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 entity for its operations and to deliver programs and services on behalf of the Government.

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

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

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

Table 1.1: ACCC resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	53,877	73,040
Departmental appropriation (b)(c)	286,646	286,876
s74 External Revenue (d)	3,763	3,410
Departmental capital budget (e)(c)	31,872	30,021
Annual appropriations – other services – non-operating (f)		
Prior year appropriations available (b)	24,128	24,128
Equity injection	1,100	14,000
Total departmental annual appropriations	401,386	431,475
Total departmental resourcing	401,386	431,475
Administered		
Special appropriations (g)	20	20
Total administered resourcing	20	20
Total resourcing for the ACCC	401,406	431,495
	2021-22	2022-23
Average staffing level (number)	1,245	1,287

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

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Payments made on behalf of the NCC (as disclosed in the NCCs resource statement)	1,731	1,762
Receipts received from the NCC for the provision of services (disclosed above in s74 External Revenue 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) 2022-23.
- (b) Excludes departmental capital budget (DCB).
- (c) \$2.5m will be received through the 2021-22 Annual Appropriation Bill No.3 and will be recognised in a future PB statement but only after the Bill has received Royal Assent.
- (d) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2022-23.
- (g) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

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: Entity 2022-23 Budget measures**Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)**

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
Commonwealth's Deregulation Agenda (a)					
Departmental payments	–	1,750	3,514	3,527	1,770
Digital Economy Strategy (a)					
Departmental payments	–	3,548	8,554	3,149	3,149
Government Response to 2021 Regional Telecommunications Review					
Departmental payments	–	1,843	–	–	–
Total payment measures	–	7,141	12,068	6,676	4,919

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

- (a) The financial implications for this measure include amounts previously provisioned in the Contingency Reserve in the 2021-22 MYEFO or earlier Budget updates.

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 measure 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: Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	212,569	208,393	189,752	182,484	172,139
s74 External Revenue (a)	2,985	2,585	1,285	1,285	1,285
Expenses not requiring appropriation in the Budget year (b)	16,880	22,166	23,624	22,637	22,141
Departmental total	232,434	233,144	214,661	206,406	195,565
Total expenses for program 1.1	232,434	233,144	214,661	206,406	195,565
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	76,286	78,483	64,390	64,894	65,337
Departmental total	76,286	78,483	64,390	64,894	65,337
Total expenses for program 1.2	76,286	78,483	64,390	64,894	65,337

Table 2. 1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	288,855	286,876	254,142	247,378	237,476
s74 External Revenue (a)	2,985	2,585	1,285	1,285	1,285
Expenses not requiring appropriation in the Budget year (b)	16,880	22,166	23,624	22,637	22,141
Departmental total	308,720	311,627	279,051	271,300	260,902
Total expenses for Outcome 1	308,720	311,627	279,051	271,300	260,902

	2021-22	2022-23
Average staffing level (number)	1,245	1,287

(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 measure for Outcome 1

Outcome 1 – Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks	
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.	
Key Activities	<p>The ACCC achieves Outcome 1 by using its resources to undertake the following key activities to achieve its seven strategic objectives:</p> <ol style="list-style-type: none"> 1. Address anti-competitive conduct and promote competition <ul style="list-style-type: none"> • Initiate compliance and enforcement actions to address harm to consumers and businesses resulting from anti-competitive conduct; • Make decisions on authorisation, notification and certification trademark applications in the public interest; and • Undertake market studies and inquiries to contribute to improved market outcomes. 2. Prevent anti-competitive mergers <ul style="list-style-type: none"> • Assess mergers to prevent changes in market structures that substantially lessen competition. 3. Improve market outcomes by reducing information asymmetries through Consumer Data Right <ul style="list-style-type: none"> • Facilitate the enabling technology solutions for Consumer Data Right; • Support Consumer Data Right participants. including testing and on-boarding; • Accredited Consumer Data Right data recipients; and • Promote compliance with and enforce the Consumer Data Right rules and standards. 4. Protect consumers from misleading and deceptive conduct and promote fair trading <ul style="list-style-type: none"> • Initiate compliance and enforcement actions to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and industry codes; • Empower small businesses by increasing awareness of their rights under the Australian Consumer Law and industry codes; and • Empower consumers by increasing awareness of their rights under the Australian Consumer Law and alerting them to the risk of scams. 5. Protect consumers from unsafe products <ul style="list-style-type: none"> • Identify safety hazards in consumer products and prioritise the risks that may result in serious injury and death; and • Address the highest priority risks of serious injury and death arising from safety hazards in consumer products through regulation, education, compliance and enforcement actions. 6. Regulate monopoly infrastructure and monitor concentrated markets in the long-term interests of consumers

	<ul style="list-style-type: none"> • Formulate regulatory decisions that promote the long-term interests of end-users and consumers; • Provide industry monitoring reports to government in relation to highly concentrated or emerging markets; and • Improve the efficient operation of markets by enforcing industry-specific competition and market rules. <p>7. Improve our own systems, capabilities and ways of working</p> <ul style="list-style-type: none"> • Support our people to develop and meet their full potential; and facilitate a diverse, respectful and inclusive culture; • Modernise our ICT and improve the reliability, flexibility and security of our business and data systems; • Adapt our ways of working to allow resources to be used flexibly to meet changing priorities and to adopt innovative practises commensurate with the level of risk; and • Further develop our standing as a world-class independent regulator through external engagement and internal collaboration to support robust and transparent decision making that is responsive to complex challenges and demands. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	<p>Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions).</p> <p>Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment.</p> <p>Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding).</p> <p>Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions).</p> <p>Number of small business Infocentre contacts served.</p> <p>Number of Infocentre contacts served (includes Infocentre contacts served and webforms received).</p> <p>Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation, ports and stevedoring sectors).</p>	<p>Expect to achieve target of 6+</p> <p>Expect to exceed target of 80%</p> <p>Expect to achieve target of 100%</p> <p>Expect to achieve target of 40+</p> <p>Expect to exceed target of 8 000</p> <p>Will exceed target of 200 000</p> <p>Expect to exceed target of 22</p>

Year	Performance measures (a)	Planned Results	Performance
Budget 2022-23	Year	<p>Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions).</p> <p>Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment.</p> <p>Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding).</p> <p>Number of Australian Consumer Law and industry codes enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions).</p> <p>Number of small business Infocentre contacts served.</p> <p>Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation, ports, and stevedoring sectors).</p>	<p>Target is 6+</p> <p>Target is [80% to 95%]</p> <p>Target is 100%</p> <p>Target is 40+</p> <p>Target is 7,000</p> <p>Target is 30</p>
Forward Estimates 2023-24-and beyond	As per 2022-23		

The above program is linked to the Department of Health (Program 1.8 – Health Protection, Emergency Response and Regulation) and the Department of Industry, Science, Energy and Resources (Program 1.2 – Growing innovative and competitive businesses, industries and regions and Program 3.1 – Supporting reliable, secure and affordable energy).

Table 2.2: Performance measure for Outcome 1 (continued)

<p>Outcome 1 – Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks</p>		
<p>Program 1.2 – Australian Energy Regulator</p> <p>The AER exists so that energy consumers are better off, now and in the future.</p> <p>We focus on ensuring a secure, reliable and affordable energy future for Australia. We regulate wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions relate mostly to energy markets in eastern and southern Australia.</p>		
<p>Key Activities</p>	<p>The AER achieves Outcome 1 by:</p> <ul style="list-style-type: none"> • Consumer protection: enabling consumers to make informed choices about their energy supplier, including through 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 administering a retailer of last resort scheme if a retailer fails. • 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. We also provide a price comparison website – Energy Made Easy – to help consumers find the best energy offers for their needs. • 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 quality of engagement with customers, projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards. • Policy and advocacy: advocating for policy changes and improvements to energy laws and rules that protect and promote the interests of energy consumers. 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected Performance Results</p>
<p>Current year 2021-22</p>	<p>Proportion of stakeholder survey respondents that agree with the statements:</p> <ul style="list-style-type: none"> • The AER supports and protects energy consumers, particularly those in vulnerable circumstances; • The AER demonstrates a sound knowledge and understanding of energy consumers. <p>Number of people completing their plan search on Energy Made Easy (EME).</p> <p>Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information.</p>	<p>N/A – survey for 2021-22 not yet undertaken</p> <p>N/A – survey for 2021-22 not yet undertaken</p> <p>Expect to achieve target of ≥ 2020-21 result</p>

<p>Outcome 1 – Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks</p>		
<p>Program 1.2 – Australian Energy Regulator</p> <p>The AER exists so that energy consumers are better off, now and in the future.</p> <p>We focus on ensuring a secure, reliable and affordable energy future for Australia. We regulate wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions relate mostly to energy markets in eastern and southern Australia.</p>		
	<p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information¹.</p> <p>Percentage of market reports published within agreed/statutory timeframes:</p> <ul style="list-style-type: none"> • Weekly Wholesale Markets; • Quarterly Retail & Wholesale Market Performance; • Annual Retail Markets; • Annual Retail Compliance; • Annual State of the Energy Market; • Biennial Wholesale Electricity Market; and • High Price Events. <p>Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes.</p>	<p>Expect to achieve target of 100%</p> <p>Expect full year result to be between 60-80%, (target is 100%).</p> <p>Expect to achieve target of 100%, except for Weekly Wholesale Markets reports (which are not a statutory requirement)</p> <p>Expect to achieve target of 100%</p>
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<p>Proportion of stakeholder survey respondents that agree with the statements:</p> <ul style="list-style-type: none"> • The AER supports and protects energy consumers, particularly those in vulnerable circumstances; and • The AER demonstrates a sound knowledge and understanding of energy consumers. <p>Number of people completing their plan search on Energy Made Easy (EME).</p>	<p>Target is ≥ 2021-22 result</p> <p>Target is ≥ 2021-22 result</p> <p>Target is ≥ 2021-22 result</p>

¹ Noting that the 16 week service standard may not be met for complex applications that have greater due diligence requirements.

<p>Outcome 1 – Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks</p>		
<p>Program 1.2 – Australian Energy Regulator</p> <p>The AER exists so that energy consumers are better off, now and in the future.</p> <p>We focus on ensuring a secure, reliable and affordable energy future for Australia. We regulate wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions relate mostly to energy markets in eastern and southern Australia.</p>		
	<p>Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information.</p> <p>Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information².</p> <p>Percentage of market reports published within agreed/statutory timeframes.</p> <p>Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes.</p>	<p>Target is 100%</p> <p>Target is 100%</p> <p>Target is 100%</p> <p>Target is 100 %</p>
<p>Forward Estimates 2023-24 and beyond</p>	<p>As per 2022-23</p>	

The above program is linked to the Department of Industry, Science, Energy and Resources (Program 3.1 – Supporting reliable, secure and affordable energy).

² Noting that the 16 week service standard may not be met for complex applications that have greater due diligence requirements.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

Total appropriation revenue for 2022-23 is estimated to be \$286.9 million. This has increased from \$281.7 million as reported in the 2021-22 Portfolio Additional Estimates Statements (PAES). The total capital budget for 2022-23, which exists to cover the purchase of non-financial assets, is estimated to be \$30.6m. This has increased from \$27.8m as reported in the 2021-22 PAES. The increases in operating and capital funding are primarily due to the new budget measures reported under Table 1.2.

The ACCC also received an increase in its 2022-23 equity injection of \$12.9 million to supplement the Litigation Contingency Fund (LCF). This has been reported under Table 3.5 as 'Equity Injections – Bill 2'.

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

Non-financial assets represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset. Buildings largely represent the recognition of the ACCC's long-term office accommodation leases under *AASB 16-Leases*.

Provisions and payables include:

- employee entitlements arising from services rendered by employees. The liability includes unpaid annual leave and long service leave;
- long-term office accommodation lease liabilities under *AASB16 – Leases*; and
- unpaid expenses as at balance date.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	175,711	178,052	161,738	157,288	154,952
Suppliers	103,648	101,231	83,279	79,582	71,284
Depreciation and amortisation (a)	28,821	31,599	33,559	33,823	33,952
Finance costs	540	745	475	607	714
Total expenses	308,720	311,627	279,051	271,300	260,902
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,927	2,536	1,246	1,256	1,256
Sublease interest income	58	49	39	29	29
Total own-source revenue	2,985	2,585	1,285	1,285	1,285
Gains					
Other	115	115	115	115	115
Total gains	115	115	115	115	115
Total own-source income	3,100	2,700	1,400	1,400	1,400
Net (cost of)/contribution by services	(305,620)	(308,927)	(277,651)	(269,900)	(259,502)
Revenue from Government	288,855	286,876	254,142	247,378	237,476
Surplus/(deficit) attributable to the Australian Government	(16,765)	(22,051)	(23,509)	(22,522)	(22,026)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(16,765)	(22,051)	(23,509)	(22,522)	(22,026)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	16,104	21,443	23,590	24,062	24,233
plus: depreciation/amortisation expenses for ROU assets (b)	12,717	10,156	9,969	9,761	9,719
less: lease principal repayments (b)	12,834	10,373	10,925	11,301	11,926
Net Cash Operating Surplus/ (Deficit)	(778)	(825)	(875)	-	-

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,078	2,078	2,078	2,078	2,078
Trade and other receivables	97,168	108,533	98,570	96,836	95,755
Total financial assets	99,246	110,611	100,648	98,914	97,833
Non-financial assets					
Land and buildings	85,871	87,402	75,932	64,778	53,430
Property, plant and equipment	3,604	5,087	5,714	5,180	4,700
Intangibles	51,928	61,747	57,529	45,360	33,266
Other non-financial assets	2,280	2,280	2,280	2,280	2,280
Total non-financial assets	143,683	156,516	141,455	117,598	93,676
Total assets	242,929	267,127	242,103	216,512	191,509
LIABILITIES					
Payables					
Suppliers	23,163	21,953	17,542	16,697	15,116
Other payables	6,299	6,299	6,299	6,299	6,299
Total payables	29,462	28,252	23,841	22,996	21,415
Interest bearing liabilities					
Leases	78,676	82,114	71,586	60,285	48,359
Total interest-bearing liabilities	78,676	82,114	71,586	60,285	48,359
Provisions					
Employee provisions	54,822	54,822	49,645	48,256	48,256
Other provisions	162	162	162	162	162
Total provisions	54,984	54,984	49,807	48,418	48,418
Total liabilities	163,122	165,350	145,234	131,699	118,192
Net assets	79,807	101,777	96,869	84,813	73,317
EQUITY*					
Parent entity interest					
Contributed equity	216,743	260,764	279,365	289,831	300,361
Reserves	4,561	4,561	4,561	4,561	4,561
Retained surplus (accumulated deficit)	(141,497)	(163,548)	(187,057)	(209,579)	(231,605)
Total parent entity interest	79,807	101,777	96,869	84,813	73,317
Total equity	79,807	101,777	96,869	84,813	73,317

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 2022-23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(141,497)	4,561	216,743	79,807
Adjusted opening balance	(141,497)	4,561	216,743	79,807
Comprehensive income				
Surplus/(deficit) for the period	(22,051)	-	-	(22,051)
Total comprehensive income	(22,051)	-	-	(22,051)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	14,000	14,000
Departmental Capital Budget (DCB)	-	-	30,021	30,021
Sub-total transactions with owners	-	-	44,021	44,021
Estimated closing balance as at 30 June 2023	(163,548)	4,561	260,764	101,777
Closing balance attributable to the Australian Government	(163,548)	4,561	260,764	101,777

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	299,736	306,185	277,767	260,753	249,437
Sale of goods and rendering of services	3,763	3,410	2,160	1,285	1,285
Net GST received	14,526	13,864	11,002	9,856	9,095
Other	-	-	-	-	-
Total cash received	318,025	323,459	290,929	271,894	259,817
Cash used					
Employees	171,788	178,052	166,915	158,677	154,952
Suppliers	99,800	102,952	88,321	80,183	72,621
Net GST paid	14,825	14,123	11,131	9,985	9,224
s74 External Revenue transferred to the OPA	18,289	17,274	13,162	11,141	10,380
Interest payments on lease liability	489	685	475	607	714
Total cash used	305,191	313,086	280,004	260,593	247,891
Net cash from/(used by) operating activities	12,834	10,373	10,925	11,301	11,926
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	32,772	30,621	18,101	9,966	10,030
Total cash used	32,772	30,621	18,101	9,966	10,030
Net cash from/(used by) investing activities	(32,772)	(30,621)	(18,101)	(9,966)	(10,030)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	32,772	30,621	18,101	9,966	10,030
Total cash received	32,772	30,621	18,101	9,966	10,030
Cash used					
Principal payments on lease liability	12,834	10,373	10,925	11,301	11,926
Total cash used	12,834	10,373	10,925	11,301	11,926
Net cash from/(used by) financing activities	19,938	20,248	7,176	(1,335)	(1,896)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,078	2,078	2,078	2,078	2,078
Cash and cash equivalents at the end of the reporting period	2,078	2,078	2,078	2,078	2,078

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	32,172	30,021	17,501	9,366	9,430
Equity injections – Bill 2	1,100	14,000	1,100	1,100	1,100
Total new capital appropriations	33,272	44,021	18,601	10,466	10,530
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	32,772	30,621	18,101	9,966	10,030
<i>Other Items</i>	500	13,400	500	500	500
Total items	33,272	44,021	18,601	10,466	10,530
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	600	600	600	600	600
Funded by capital appropriation - DCB (b)	32,172	30,021	17,501	9,366	9,430
TOTAL	32,772	30,621	18,101	9,966	10,030
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	32,772	30,621	18,101	9,966	10,030
Total cash used to acquire assets	32,772	30,621	18,101	9,966	10,030

Prepared on Australian Accounting Standards basis.

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

(d) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	23,853	5,146	76,294	105,293
Gross book value – ROU assets	96,858	-	-	96,858
Accumulated depreciation/ amortisation and impairment	(3,132)	(1,542)	(24,366)	(29,040)
Accumulated depreciation/amortisation and impairment – ROU assets	(31,708)	-	-	(31,708)
Opening net book balance	85,871	3,604	51,928	141,403
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	600	600
By purchase – appropriation ordinary annual services (b)	785	3,363	25,873	30,021
By purchase – appropriation equity - ROU assets	13,811	-	-	13,811
Total additions	14,596	3,363	26,473	44,432
Other movements				
Depreciation/amortisation expense	(2,909)	(1,880)	(16,654)	(21,443)
Depreciation/amortisation on ROU assets	(10,156)	-	-	(10,156)
Total other movements	(13,065)	(1,880)	(16,654)	(31,599)
As at 30 June 2023				
Gross book value	24,638	8,509	102,767	135,914
Gross book value – ROU assets	110,669	-	-	110,669
Accumulated depreciation/ amortisation and impairment	(6,041)	(3,422)	(41,020)	(50,483)
Accumulated depreciation/amortisation and impairment – ROU assets	(41,864)	-	-	(41,864)
Closing net book balance	87,402	5,087	61,747	154,236

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fines and costs	104,028	120,724	137,498	137,478	137,478
Total non-taxation revenue	104,028	120,724	137,498	137,478	137,478
Total own-source revenue administered on behalf of Government	104,028	120,724	137,498	137,478	137,478
Total own-sourced income administered on behalf of Government	104,028	120,724	137,498	137,478	137,478
Net (cost of)/contribution by services	104,028	120,724	137,498	137,478	137,478
Surplus/(deficit)	104,028	120,724	137,498	137,478	137,478

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	46,014	46,014	46,014	46,014	46,014
Total financial assets	46,014	46,014	46,014	46,014	46,014
Total assets administered on behalf of Government	46,014	46,014	46,014	46,014	46,014
Net assets/(liabilities)	46,014	46,014	46,014	46,014	46,014

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fines and costs	104,028	120,724	137,498	137,478	137,478
Total cash received	104,028	120,724	137,498	137,478	137,478
Net cash from/(used by) operating activities	104,028	120,724	137,498	137,478	137,478
Net increase/(decrease) in cash held	104,028	120,724	137,498	137,478	137,478
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Transfers to other entities (Finance – Whole of Government)	(104,028)	(120,724)	(137,498)	(137,478)	(137,478)
<i>Total cash to Official Public Account</i>	<i>(104,028)</i>	<i>(120,724)</i>	<i>(137,498)</i>	<i>(137,478)</i>	<i>(137,478)</i>
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Australian Office of Financial Management

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Australian Office of Financial Management

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Office of Financial Management (AOFM) is responsible for managing Australian Government debt and certain financial assets. It issues Treasury Bonds, Treasury Indexed Bonds and Treasury Notes (collectively called Australian Government Securities or AGS), manages the government's cash balances and invests in financial assets as directed by government policy.

The government requires that AOFM finance Budget deficits and maturing debt in a cost-effective manner subject to acceptable risk; ensure government outlays are met at all times; and conduct its financing operations in a way that supports a well-functioning AGS market. The AOFM's main financing instrument is Treasury Bonds but Treasury Indexed Bonds and Treasury Notes also play a role.

The AOFM's influence on the cost structure of the debt portfolio is through its issuance activities, and primarily through the maturity profile of Treasury Bonds it issues. It issues according to an annual debt issuance strategy based on qualitative and quantitative factors. The aim of the strategy is to achieve an interest rate profile that appropriately balances cost and cost variability, the refinancing task (of maturing debt), and the promotion of financial market efficiency. The AOFM has lengthened the duration of its Treasury Bond portfolio over the last decade through longer term issuance, and by extending the yield curve. Most issuance is achieved using competitive tenders. Where appropriate, the AOFM also undertakes issuance through syndications (large volume point-in-time transactions using an 'book building' bid process conducted by a panel of banks appointed by the AOFM).

Between mid-2016 and early 2020 the AOFM conducted regular buy-backs of short-dated Treasury Bonds. This program aimed to reduce the size of bond lines ahead of their maturity dates; it was suspended in March 2020 as the RBA commenced its own large bond buying operations. The AOFM will review relevant market and financial system considerations each year to determine the appropriateness of restarting this program.

Issuing Treasury Indexed Bonds facilitates diversification of the investor base. It has a heavy domestic (Australian based) investor focus and at times can be useful in facilitating an extension of the Treasury Bonds yield curve. Demand for this asset class is contingent on inflationary expectations.

The AOFM manages the government's cash balances to ensure it can meet all financial obligations when they fall due; and minimising the net cost of funding is an additional consideration. Treasury Bonds and Treasury Indexed Bonds issuance tends to be at a steady rate throughout the year. Therefore, fluctuations in the cash balances through the

year are managed using deposits with RBA and issuance of Treasury Notes. Cash balance fluctuations arise from the difference in timing of revenue collections and outlays. The AOFM also maintains a 'cash buffer' to counter the risks associated with forecasting accuracy (revenue and outlays) and volatility in financial market conditions that could impact the ability to issue AGS at any time.

In April 2019 the Government established the Australian Business Securitisation Fund (ABSF). The Structured Finance Support Fund (SFSF) was established as part of the *Structured Finance Support (Coronavirus Economic Response Package) Bill 2020*, in response to the COVID-19 pandemic. The AOFM is responsible for the administration of both funds.

Australian Business Securitisation Fund

The ABSF is a \$2 billion investment fund established by the *Australian Business Securitisation Fund Act 2019*. The policy aim is to enhance access to finance for small and medium-sized enterprises (SMEs) through targeted securitisation market investments. This will promote more competition between smaller lenders and the major banks and other lenders; and fill niche gaps in the lending market that are otherwise underserved in Australia.

While the securitisation market for residential mortgages in Australia is well developed, the Australian SME securitisation market is constrained by a lack of scale. Low volumes of capital raisings tend to deter potential investors from committing to the task of due diligence needed to enter the market. The ABSF is used to invest in SME loan securitisations and over time this will help to establish a track record in lending against the type of collateral new to the securitisation market. It will also help SME lenders to obtain credit ratings and in turn promote broader investor interest.

Structured Finance Support Fund

This Fund provides for up to \$15 billion to facilitate continued access to funding markets by SME lenders impacted by the economic effects of the COVID-19 pandemic. In particular, smaller lenders were assessed as vulnerable to loss of access to funding from markets during the period of pandemic disruption. These smaller lenders did not have access to the RBA's term funding facility. The policy aim of the SFSF has been achieved through targeted government investments in structured finance markets.

There are three key elements to the SFSF implementation strategy:

1. support new issuance of public securitisations sponsored by smaller lenders. This has included the AOFM purchasing existing securities through the secondary market, with the proceeds used by investors to facilitate participation in new primary transactions;

2. invest in revolving warehouse facilities of small lenders (primarily to fill the gaps in existing facilities arising from investors exiting these arrangements; and/or being unable to meet additional funding calls; and/or being required to elevate the level of credit enhancement within the facilities they finance ostensibly to meet prudential regulation requirements); and
3. establish a ‘forbearance trust’ to enable the SFSF to invest in trust-issued securities, the proceeds of which are advanced to existing warehouses and public securitisation vehicles of eligible small lenders against capitalised interest on loans that were in COVID-19 related hardship from April 2020 and March 2021, to provide liquidity support during the pandemic.

1.2 Entity resource statement

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

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

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

Information is presented on a resourcing basis (that is, appropriations/cash available), 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: AOFM resource statement – Budget estimates for 2022-23 at Budget March 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	28,672	30,214
Departmental appropriation (b)	16,513	16,737
s74 External Revenue (c)	25	25
Departmental capital budget (d)	368	377
Total departmental annual appropriations	45,578	47,353
Total departmental resourcing	45,578	47,353
Administered		
Total administered special appropriations (e)	191,010,808	561,580,435
Special accounts (f)		
Opening balance	13,704,009	14,786,996
Appropriation receipts (g)	500,000	500,000
Non-appropriation receipts	1,675,020	539,334
Adjustments	-	-
Total special account receipts	15,879,029	15,826,330
<i>less administered appropriations drawn from annual/special</i>	-	-
<i>less payments to corporate entities from annual/special appropriations</i>	-	-
Total administered resourcing	206,889,837	577,406,765
Total resourcing for AOFM	206,935,415	577,454,118
<hr/>		
Average staffing level (number)	44	50

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) 2022-23.

(b) Excludes departmental capital budget (DCB).

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

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

(e) Special Appropriations comprise funding to meet estimated operating expenditures such as interest on Australian Government Securities (AGS), investing expenditures such as acquisition of financial assets, and financing expenditures such as maturity of AGS.

(f) The AOFM administers three special accounts – the Debt Retirement Reserve Trust Account (DRRTA), the ABSF Special Account and the SFSF Special Account. Figures include all special accounts. For further information on special accounts refer to Budget Paper No. 4 – Agency Resourcing. Table 2.1 has further information on outcome and program expenses broken down by various funding sources, that is, annual appropriations, special appropriations and special accounts.

(g) Comprises amounts credited to the ABSF Special Account under section 14 of the *Australian Business Securitisation Fund Act 2019*.

1.3 Budget measures

There are no 2022-23 Budget measures for the AOFM.

Section 2: Outcomes and planned performance

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

Each AOFM outcome is described below, together with related programs. Detailed information on expenses for each outcome and program are 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 AOFM can be found at:
<https://www.aofm.gov.au/publications/corporate-plan>

The most recent annual performance statement can be found at:
<https://www.aofm.gov.au/publications/annual-reports/part-2-performance-and-outcome>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, and investing in financial assets and managing debt, investments and cash for the Australian Government.

Budgeted expenses for Outcome 1

Table 2.1 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Commonwealth Debt Management					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	-	-	-	-	-
Other services (Appropriation Bill No. 2)	-	-	-	-	-
Special appropriations					
<i>Commonwealth Inscribed Stock Act 1911</i>	18,458,934	19,817,175	21,239,004	23,089,119	24,646,802
<i>Financial Agreement Act 1994</i>	7	6	6	6	6
Special accounts					
Special account – ABSF	-	-	-	-	-
Special account – SFSF	-	-	-	-	-
Special account – DRRTA	-	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)					
	38,508	2,126	4,128	5,054	3,065
Administered total	18,497,449	19,819,307	21,243,138	23,094,179	24,649,873
Total expenses for program 1.1	18,497,449	19,819,307	21,243,138	23,094,179	24,649,873

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.2: AOFM – Departmental – Outcome 1					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	14,796	16,496	16,615	14,034	14,170
s74 External Revenue (a)	25	25	25	25	25
Expenses not requiring appropriation in the Budget year (b)	813	813	813	813	813
Departmental total	15,634	17,334	17,453	14,872	15,008
Total expenses for program 1.2	15,634	17,334	17,453	14,872	15,008
Total expenses for Outcome 1	18,513,083	19,836,641	21,260,591	23,109,051	24,664,881

	2021-22	2022-23
Average staffing level (number)	44	50

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

(b) Administered expenses not requiring appropriation comprises provision for bad and doubtful debts and accrual losses on repurchase of debt. Departmental expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and ANAO audit fees.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 provides performance measures for each program associated with Outcome 1. It also provides related key activities as expressed in the current corporate plan. Further detail is also provided on: the delivery of the activities related to the program; the context in which these activities are delivered; and how activity performance will be measured.

Outcome 1 – The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government.		
Program 1.1 – Australian Office of Financial Management <i>The AOFM issue AGS debt, makes investments and manages debt and investments in accordance with policy objectives.</i>		
Purpose 1.1.1: Meeting the Budget financing task while maintaining the trade-offs between cost and risks for the cash and debt portfolios over the medium-long term		
Key Activities	Establish a debt management strategy; execute the debt issuance program; settle transactions ad coupon and redemption payments; monitor the costs and risks of the portfolio of assets and liabilities.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Annual debt management strategy: formulate an annual debt management strategy and advise the Secretary with supporting analysis.	Prior to start of fiscal year
	Term issuance: the shortfall in volume in dollar terms for the fiscal year between actual Treasury Bond issuance and planned issuance announced at the most recent official Budget related update.	Zero
	New issuance yields: the weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	At or below mid-market yields
	Tender coverage ratio: the average tender coverage ratio across all tenders for the fiscal year.	Greater than 2.5 times
	Settlement of AGS transactions: number of times AGS transactions fail to settle in a complete, timing and accurate manner where the AOFM is responsible for the failure.	Zero
	Settlement of AGS coupons and redemptions: number of times AGS coupon and redemption payments fail to occur in a complete, timing and accurate manner where the AOFM is responsible for the failure.	Zero
	Financing costs – issuance: the cost of Treasury Bond issuance in percentage terms over the past 12 months compared to the average 10-year bond rate over the same period.	Lower

Purpose 1.1.2: Enabling the government to meet its cash outlay requirements at all times		
Key Activities	Establish a liquidity management strategy; conduct the cash management task.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Annual liquidity management strategy: formulate an annual liquidity management strategy and advise the Secretary with supporting analysis.	Prior to start of fiscal year
	Use of overdraft facility: the number of instances the RBA overdraft facility was utilised.	Zero
Purpose 1.1.3: Conducting market facing operations in a manner which supports a well-functioning AGS market		
Key Activities	Communicate AOFM operations clearly and consistently to the market; conduct a market engagement program; support financial market liquidity.	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	Market commitments: the number of times the AOFM failed to conduct issuance operations consistent with prior market announcements.	Zero
	Investor publications: number of times investor targeted information publications are updated and made available on the AOFM website.	At least twice a year
	Secondary market turnover: the annual turnover in dollar value terms in the secondary market for Treasury Bonds and Treasury Indexed Bonds in a fiscal year.	Greater than previous fiscal year
Purpose 1.1.4: Efficiently and effectively implementing the ABSF and SFSF programs		
Key Activities	Develop the SME lending market; manage the SFSF program	
Year	Performance measures	Expected performance results
Current year, Budget year and forward years	ABSF rate of return: the accrual earnings (net of losses) for a fiscal year divided by the average drawn (invested) amount in percentage point terms.	Greater than Bloomberg AusBond Treasury 0-1 year index
	SFSF losses: gross credit losses for a fiscal year divided by the average drawn amount in percentage point terms.	Zero

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements. These provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

Departmental

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

The AOFM's estimated departmental expenses as shown in Table 2.1 are itemised in the departmental comprehensive income statement (Table 3.1).

Administered

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

The AOFM's estimated administered expenses as shown in Table 2.1 are itemised in the schedule of budgeted administered income and expenses (Table 3.7).

3.1.2 Explanatory notes and analysis of budgeted financial statements

Administered

The AOFM produces budget estimates of Australian Government Securities (AGS) liabilities (debt) and certain financial assets. The projections of AGS debt are a consequence of forecasts arising from the expenditure, investment and revenue decisions incorporated in the Budget. Annual debt servicing costs on AGS debt are largely determined after considering changes in the volume of AGS debt over the projection period, yields on existing debt and technical assumptions about yields on new debt to be issued over the projection period.

Estimated budgeting impacts of the ABSF and the SFSF are incorporated in the administered budgeted financial statements.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	8,344	9,014	9,412	9,107	9,222
Suppliers	6,676	7,710	7,434	5,162	5,187
Depreciation and amortisation (a)	553	553	553	553	553
Finance costs	61	57	54	50	46
Total expenses	15,634	17,334	17,453	14,872	15,008
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	25	25	25	25	25
Other	260	260	260	260	260
Total own-source revenue	285	285	285	285	285
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	285	285	285	285	285
Net (cost of)/contribution by services	(15,349)	(17,049)	(17,168)	(14,587)	(14,723)
Revenue from Government	16,513	16,737	16,868	14,296	14,436
Surplus/(deficit) attributable to the Australian Government	1,164	(312)	(300)	(291)	(287)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	1,164	(312)	(300)	(291)	(287)
Total comprehensive income/(loss) attributable to the Australian Government	1,164	(312)	(300)	(291)	(287)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	1,485	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	261	261	261	261	261
less: depreciation/amortisation expenses for ROU assets (b)	292	292	292	292	292
add: Principal repayments on leased assets (b)	232	241	253	261	265
Total comprehensive income/(loss) – as per the statement of comprehensive income	1,164	(312)	(300)	(291)	(287)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	30,167	30,218	30,218	30,219	30,220
Total financial assets	30,267	30,318	30,318	30,319	30,320
Non-financial assets					
Property, plant and equipment	5,903	5,699	5,316	5,309	5,306
Intangibles	644	672	882	720	558
Other non-financial assets	355	355	355	355	355
Total non-financial assets	6,902	6,726	6,553	6,384	6,219
Assets held for sale					
Total assets	37,169	37,044	36,871	36,703	36,539
LIABILITIES					
Payables					
Suppliers	750	750	750	750	750
Personal benefits	141	141	141	141	141
Total payables	891	891	891	891	891
Interest bearing liabilities					
Leases	4,143	3,902	3,649	3,388	3,123
Total interest bearing liabilities	4,143	3,902	3,649	3,388	3,123
Provisions					
Employee provisions	2,945	2,996	2,996	2,996	2,996
Other provisions	460	460	460	460	460
Total provisions	3,405	3,456	3,456	3,456	3,456
Total liabilities	8,439	8,249	7,996	7,735	7,470
Net assets	28,730	28,795	28,875	28,968	29,069
EQUITY*					
Parent entity interest					
Contributed equity	(8,486)	(8,109)	(7,729)	(7,345)	(6,957)
Reserves	338	338	338	338	338
Retained surplus (accumulated deficit)	36,878	36,566	36,266	35,975	35,688
Total parent entity interest	28,730	28,795	28,875	28,968	29,069
Total equity	28,730	28,795	28,875	28,968	29,069

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 2022-23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	36,878	338	-	(8,486)	28,730
Adjusted opening balance	36,878	338	-	(8,486)	28,730
Comprehensive income					
Surplus/(deficit) for the period	(312)				(312)
Total comprehensive income	(312)	-	-	-	(312)
of which:					
Attributable to the Australian Government	(312)	-	-	-	(312)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	377	377
Sub-total transactions with owners	-	-	-	377	377
Estimated closing balance as at 30 June 2022	36,566	338	-	(8,109)	28,795
Closing balance attributable to the Australian Government	36,566	338	-	(8,109)	28,795

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	15,004	16,711	16,893	14,320	14,460
Sale of goods and rendering of services	25	25	25	25	25
Total cash received	15,029	16,736	16,918	14,345	14,485
Cash used					
Employees	8,295	8,963	9,412	9,107	9,222
Suppliers	6,416	7,450	7,174	4,902	4,927
Interest payments on lease liability	61	57	54	50	46
s74 External Revenue transferred to the OPA	25	25	25	25	25
Total cash used	14,797	16,495	16,665	14,084	14,220
Net cash from/(used by) operating activities	232	241	253	261	265
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	368	377	380	384	388
Total cash used	368	377	380	384	388
Net cash from/(used by) investing activities	(368)	(377)	(380)	(384)	(388)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	368	377	380	384	388
Total cash received	368	377	380	384	388
Cash used					
Principal payments on lease liability	232	241	253	261	265
Total cash used	232	241	253	261	265
Net cash from/(used by) financing activities	136	136	127	123	123
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	100	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	368	377	380	384	388
Total new capital appropriations	368	377	380	384	388
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	368	377	380	384	388
Total items	368	377	380	384	388
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	368	377	380	384	388
TOTAL	368	377	380	384	388
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	368	377	380	384	388
Total cash used to acquire assets	368	377	380	384	388

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022			
Gross book value	2,514	1,889	4,403
Gross book value – ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(554)	(1,245)	(1,799)
Accumulated depreciation/amortisation and impairment – ROU assets	(877)	-	(877)
Opening net book balance	5,903	644	6,547
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase – appropriation ordinary annual services (a)	187	190	377
By purchase – appropriation ordinary annual services – ROU assets	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-
Total additions	187	190	377
Other movements			
Depreciation/amortisation expense	(99)	(162)	(261)
Depreciation/amortisation on ROU assets	(292)	-	(292)
Total other movements	(391)	(162)	(553)
As at 30 June 2023			
Gross book value	2,701	2,079	4,780
Gross book value – ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(653)	(1,407)	(2,060)
Accumulated depreciation/amortisation and impairment – ROU assets	(1,169)	-	(1,169)
Closing net book balance	5,699	672	6,371

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2022-23 for depreciation/amortisation expenses, DCBs or other operational expenses

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs (a)	18,474,788	19,784,380	21,206,209	23,056,324	24,614,007
Write-down and impairment of assets	3,660	2,126	4,128	5,054	3,065
Other expenses	19,000	32,800	32,800	32,800	32,800
Total expenses administered on behalf of Government before re-measurement	18,497,449	19,819,307	21,243,138	23,094,179	24,649,873
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	134,010	127,517	127,934	129,853	128,567
Total non-taxation revenue	134,010	127,517	127,934	129,853	128,567
Total own-source revenue administered on behalf of Government before re-measurement	134,010	127,517	127,934	129,853	128,567
Total own-sourced income administered on behalf of Government	134,010	127,517	127,934	129,853	128,567
Net (cost of)/contribution by services	(18,363,439)	(19,691,790)	(21,115,204)	(22,964,326)	(24,521,306)
Surplus/(deficit) before income tax	(18,363,439)	(19,691,790)	(21,115,204)	(22,964,326)	(24,521,306)
OTHER COMPREHENSIVE INCOME					
Re-measurements					
Net market revaluation gains/(losses)	48,065,555	(3,363,936)	(3,285,191)	(2,533,081)	(2,496,112)
Total other comprehensive income	48,065,555	(3,363,936)	(3,285,191)	(2,533,081)	(2,496,112)
Total comprehensive income/(loss)	29,702,116	(23,055,726)	(24,400,395)	(25,497,407)	(27,017,418)

(a) Includes \$34.8 million of accrual losses on repurchase of debt in 2021-22.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents (includes special account)	79,925,973	54,527,281	60,958,247	62,952,497	60,639,408
Loans to state and territory governments	1,333,592	1,251,822	1,170,041	1,089,499	1,004,217
Structured finance securities	1,280,820	1,131,439	1,491,631	1,988,878	1,988,781
Accrued interest on cash management account	5,212	5,212	5,212	5,212	5,212
Total financial assets	82,545,597	56,915,754	63,625,131	66,036,086	63,637,618
Total assets administered on behalf of Government	82,545,597	56,915,754	63,625,131	66,036,086	63,637,618
LIABILITIES					
Payables					
Suppliers	45	45	45	45	45
Total payables	45	45	45	45	45
Interest bearing liabilities					
Australian Government securities (at fair value)					
Treasury Bonds	848,917,980	900,613,445	974,050,509	1,036,759,364	1,095,787,585
Treasury Indexed Bonds	51,167,114	55,668,889	61,698,140	65,781,404	58,733,087
Treasury Notes	28,999,612	47,999,460	51,999,338	49,999,364	51,999,338
Other government securities	6,375	6,375	6,375	6,375	6,375
Total interest bearing liabilities	929,091,081	1,004,288,169	1,087,754,362	1,152,546,507	1,206,526,385
Provisions					
Other provisions	1,791	1,791	1,791	1,791	1,791
Total provisions	1,791	1,791	1,791	1,791	1,791
Total liabilities administered on behalf of Government	929,092,917	1,004,290,005	1,087,756,198	1,152,548,343	1,206,528,221
Net assets/(liabilities)	(846,547,320)	(947,374,251)	(1,024,131,067)	(1,086,512,257)	(1,142,890,603)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and services	-	-	-	-	-
Interest	118,674	112,415	113,163	117,632	117,298
Total cash received	118,674	112,415	113,163	117,632	117,298
Cash used					
Grant	1	1	1	1	1
Suppliers	19,000	32,800	32,800	32,800	32,800
Borrowing costs	21,453,478	22,217,926	22,551,301	24,451,552	29,357,287
Other	-	-	-	-	-
Total cash used	21,472,479	22,250,727	22,584,102	24,484,353	29,390,088
Net cash from/(used by) operating activities	(21,353,805)	(22,138,312)	(22,470,939)	(24,366,721)	(29,272,790)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	93,672	94,784	94,284	92,482	96,565
Structured finance securities	1,662,734	515,888	368,674	369,510	525,461
Total cash received	1,756,406	610,672	462,958	461,992	622,026
Cash used					
Structured finance securities	1,092,033	366,545	730,726	871,530	528,443
Total cash used	1,092,033	366,545	730,726	871,530	528,443
Net cash from (used by) investing activities	664,373	244,127	(267,768)	(409,538)	93,583

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	260,617,152	612,642,288	713,964,569	756,268,879	759,700,316
Other	42,595	64,818	13,803	23,616	45,107
Contributed equity	500,000	500,000	500,000	-	-
Total cash received	261,159,747	613,207,106	714,478,372	756,292,495	759,745,423
Cash used					
Net repayments of borrowing	168,904,182	538,375,589	632,438,475	692,614,587	703,473,270
Other	42,595	64,818	13,803	23,616	45,107
Total cash used	168,946,777	538,440,407	632,452,278	692,638,203	703,518,377
Net cash from (used by) financing activities	92,212,970	74,766,699	82,026,094	63,654,292	56,227,046
Net increase/(decrease) in cash held	71,523,538	52,872,514	59,287,387	38,878,033	27,047,839
Cash at beginning of reporting period	70,256,058	79,925,973	54,527,281	60,958,247	62,952,497
Cash from Official Public Account for:					
- Appropriations	191,010,808	561,580,435	655,722,217	718,054,156	733,841,192
- Special accounts	-	-	-	-	-
- CMA transfers	8,586,928	-	6,266,892	2,461,018	-
Total cash from Official Public Account	199,597,736	561,580,435	661,989,109	720,515,174	733,841,192
Cash to Official Public Account for:					
- Appropriations	(261,451,359)	(613,780,160)	(714,845,530)	(757,398,957)	(760,851,634)
- Special accounts	-	-	-	-	-
- CMA transfers	-	(26,071,481)	-	-	(2,350,486)
Total cash to Official Public Account	(261,451,359)	(639,851,641)	(714,845,530)	(757,398,957)	(763,202,120)
Cash at end of reporting period (a)	79,925,973	54,527,281	60,958,247	62,952,497	60,639,408

Prepared on Australian Accounting Standards basis.

(a) Includes balances of special accounts and the cash management account (CMA) held with the RBA. In recent years, liquidity investments have been restricted to term deposits with the RBA. In November 2020 the AOFM established a new investment facility to replace term deposits – a cash management account – to more flexibly and more efficiently manage cash liquidity. The balance of the CMA is reported as 'cash' and not as 'investments'

Australian Prudential Regulation Authority

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Australian Prudential Regulation Authority

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

APRA is the financial sector's prudential supervisor. Its purpose is to ensure Australians' financial interests are protected and the financial system is stable, competitive and efficient.

APRA seeks to achieve this purpose by adopting a supervision-led approach. APRA undertakes prudential supervision with a view to (i) identifying risks and vulnerabilities within the financial system that might jeopardise its purpose, and (ii) acting to ensure those risks and vulnerabilities are mitigated. By employing a supervision-led approach, APRA seeks to be forward-looking, risk-based, and outcomes focused – addressing potential problems before they adversely impact those APRA is tasked to protect. A supervision-led approach also assists in minimising regulatory burden and facilitating competition and innovation.

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

The shape and structure of the Australian financial system is rapidly evolving and risks to APRA, financial institutions, the financial system and the broader Australian community can emerge quickly. Each year, in setting its strategic priorities, APRA takes into consideration changes in its operating environment and the Government's policy priorities to ensure it continues to effectively deliver on its statutory objectives and APRA's Statement of Intent in response to the Australian Government's Statement of Expectations for APRA.

APRA’s strategic priorities are outlined in its rolling four-year Corporate Plan published annually. APRA’s 2021-2025 Corporate Plan is focused on 2 strategic themes: ‘protected today’ and ‘prepared for tomorrow’. These themes are designed to drive organisational focus on delivering APRA’s purpose and key outcomes for the Australian community to ensure resilient and prudently managed financial institutions; promote the stability of the Australian financial system; and contribute to the Australian community’s ability to achieve good financial outcomes.

COVID-19 remains an influence on the economic and financial environment, but it is not the only important influence. As a forward-looking prudential supervisor, APRA updated its Corporate Plan with a wider perspective acknowledging that, while the pandemic is yet to be overcome, there are other important factors influencing the shape and risk profile of the financial system, to which APRA needs to respond.

APRA works closely with other regulatory agencies to achieve its purpose and strategic priorities including those that form part of the Council of Financial Regulators (CFR) which includes the Department of the Treasury (the Treasury), the Reserve Bank of Australia (RBA), and the Australian Securities and Investments Commission (ASIC).

APRA’s strategic priorities will be reviewed as part of settling APRA’s 2022-2026 Corporate Plan.

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, refer to *Budget Paper No. 4 – Agency Resourcing*.

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

Table 1.1: Australian Prudential Regulation Authority resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Departmental appropriation	2,680	3,008
s74 External Revenue (b)	4,226	4,542
Total departmental annual appropriations	6,906	7,550
Special accounts		
Opening balance (c)	64,403	70,318
Appropriation receipts (d)	6,906	7,550
Non-appropriation receipts	223,711	215,908
Total special accounts	295,020	293,776
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	6,906	7,550
Total departmental resourcing	295,020	293,776
Administered		
Special accounts		
Opening balance (c)	785	785
Non-appropriation receipts to Special Accounts (e)	450,000	450,000
Total special account receipts	450,785	450,785
Total administered resourcing	450,785	450,785
Total resourcing for APRA	745,805	744,561
	2021-22	2022-23
Average staffing level (number)	819	831

Table 1.1: Australian Prudential Regulation Authority resource statement – Budget estimates for 2022-23 as at Budget March 2022 (continued)

Third party payments from and on behalf of other entities

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	726	910

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

- (a) Appropriation Bill (No. 1) 2022-23.
- (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, 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.
- (d) Appropriation receipts include receipts from the Department of Foreign Affairs and Trade, the Reserve Bank of Australia, and the Australian Bureau of Statistics.
- (e) Comprises Private Health Insurance risk equalisation receipts which are redistributed to industry.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

<https://www.apra.gov.au/apra-2021-25-corporate-plan>

The most recent annual performance statement can be found at:

<https://www.apra.gov.au/news-and-publications/apra-annual-reports>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Enhanced public confidence in Australia’s financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Prudential Regulation Authority					
Administered expenses					
Special appropriations (a)	450,000	450,000	450,000	450,000	450,000
Expenses not requiring appropriation in the Budget year (b)	55	55	55	55	55
Administered total	450,055	450,055	450,055	450,055	450,055
Departmental expenses					
Special accounts	214,512	220,032	220,258	218,827	223,209
s74 External Revenue (c)	4,169	4,542	4,542	4,542	4,542
Ordinary annual services (Appropriation Bill No. 1)	2,680	3,008	3,405	6,696	4,890
Expenses not requiring appropriation in the Budget year (d)	240	240	240	240	240
Departmental total	221,601	227,822	228,445	230,305	232,881
Total expenses for program 1.1	671,656	677,877	678,500	680,360	682,936
Total expenses for Outcome 1	671,656	677,877	678,500	680,360	682,936

	2021-22	2022-23
Average staffing level (number)	819	831

(a) Private Health Insurance Industry risk equalisation payments.

(b) Expenses not requiring appropriation in the Budget year are made up of Finance costs.

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

(d) 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.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1.

Outcome 1 – Enhanced public confidence in Australia’s financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.		
Program 1.1- Australian Prudential Regulation Authority		
To enhance public confidence in Australia’s financial institutions through establishing and enforcing prudential standards and practice and delivering on APRA’s strategic objectives set out in its Corporate Plan.		
Key Activities (a)	APRA will focus on delivering its strategic objectives including its core role of preserving the financial and operational resilience of Australia’s banks, insurers and superannuation funds, so that Australians’ financial interests are protected today. APRA will also ensure the Australian financial system is prepared for tomorrow by dedicating regulatory attention to the evolving financial landscape in Australia including helping to find solutions to important challenges by working with key stakeholders in Government, other regulatory agencies and industry.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Performing Entity Ratio.	APRA’s seeks to maintain a low incidence of failure of financial institutions while not unnecessarily hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system. APRA aims to identify likely failures early enough so that corrective action can be promptly initiated or orderly exit achieved.
	Money Protection Ratio.	
	Percentage of Financial Claims Scheme (FCS) payments paid to account holders within 7 days of an FCS declaration for Authorised deposit-taking Institutions (ADIs).	100% for ADIs.
	Number of outstanding claims in the event of an FCS declaration for general insurers.	Nil

Year	Performance measures	Planned Performance Results
Budget Year 2022-23	As per 2021-22, plus:	As per 2021-22, plus:
	Capital ratios for Authorised deposit-taking Institutions (ADIs) and Insurers.	Above minimum prudential requirements.
	Reduction in the number of: superannuation members exposed to unsustainable funds; funds with sub-standard practices; MySuper and Choice superannuation members in high fee or poor performing offerings.	Baseline established at beginning of period.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Not applicable.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of APRA's finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The departmental comprehensive income statement (Table 3.1) indicates a decrease in revenue from Government for 2022-23 as a consequence of 2 years of a previous budget being collected in 2021-22, partially offset by new measures being appropriated in 2022-23 combined with a small return to industry of an over-collection of industry levies in 2021-22.

Employee benefits of \$157.9 million support an average staffing level (ASL) of 831 in 2022-23. The estimated staffing will enable APRA to supervise regulated institutions, evolve APRA's prudential and supervisory frameworks and practices to respond to key risks, continue to deliver on its longer-term strategic objectives and to serve the interests of the Australian community.

Supplier costs in 2022-23 of \$46.4 million reflect office leasing costs, IT support and maintenance, travel, training and other non-people related expenditures.

Depreciation and Amortisation of \$23.0 million reflects the amortisation of APRA's fixed assets over their useful life.

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

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

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

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

superannuation benefits on compassionate grounds; the Gateway Network Governance Body Ltd (GNGB) for governing and maintaining the superannuation transactions network; the Australian Securities and Investments Commission (ASIC) to manage superannuation complaints and the Australian Competition and Consumer Commission (ACCC) to enhance competition in the financial system.

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

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

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

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	158,701	157,914	163,219	171,045	174,709
Suppliers	40,653	46,365	42,702	36,662	35,342
Depreciation and amortisation (a)	21,500	23,000	22,143	22,340	22,740
Finance costs	747	543	381	258	90
Total expenses	221,601	227,822	228,445	230,305	232,881
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,223	3,312	3,312	3,312	3,312
Other	1,186	1,470	1,470	1,470	1,470
Total own-source revenue	4,409	4,782	4,782	4,782	4,782
Total own-source income	4,409	4,782	4,782	4,782	4,782
Net (cost of)/contribution by services	(217,192)	(223,040)	(223,663)	(225,523)	(228,099)
Revenue from Government	226,391	218,916	221,308	223,447	226,216
Surplus/(deficit) attributable to the Australian Government	9,199	(4,124)	(2,355)	(2,076)	(1,883)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	9,199	(4,124)	(2,355)	(2,076)	(1,883)
Total comprehensive income/(loss) attributable to the Australian Government	9,199	(4,124)	(2,355)	(2,076)	(1,883)

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	9,199	(4,124)	(2,355)	(2,076)	(1,883)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	13,021	14,613	13,756	13,715	14,115
plus: depreciation/amortisation expenses for ROU assets (a)	8,479	8,387	8,387	8,625	8,625
less: lease principal repayments (a)	7,637	8,321	8,839	9,200	9,672
Net Cash Operating Surplus/ (Deficit)	23,062	10,555	10,949	11,064	11,185

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	70,318	67,774	75,823	85,487	95,272
Trade and other receivables	3,100	3,100	3,100	3,100	3,100
Total financial assets	73,418	70,874	78,923	88,587	98,372
Non-financial assets					
Land and buildings	33,547	25,160	23,923	61,298	52,673
Property, plant and equipment	20,769	18,981	20,288	18,569	16,969
Intangibles	45,945	42,520	36,857	33,261	29,146
Other non-financial assets	4,887	4,887	4,887	4,887	4,887
Total non-financial assets	105,148	91,548	85,955	118,015	103,675
Assets held for sale					
Total assets	178,566	162,422	164,878	206,602	202,047
LIABILITIES					
Payables					
Suppliers	6,288	6,288	6,288	6,288	6,288
Other payables	4,050	4,551	4,551	5,050	5,550
Total payables	10,338	10,839	10,839	11,338	11,838
Interest bearing liabilities					
Leases	36,821	28,500	26,811	63,611	53,939
Total interest-bearing liabilities	36,821	28,500	26,811	63,611	53,939
Provisions					
Employee provisions	64,095	59,895	66,395	72,896	79,396
Other provisions	3,867	3,867	3,867	3,867	3,867
Total provisions	67,962	63,762	70,262	76,763	83,263
Total liabilities	115,121	103,101	107,912	151,712	149,040
Net assets	63,445	59,321	56,966	54,890	53,007
EQUITY*					
Parent entity interest					
Contributed equity	16,657	16,657	16,657	16,657	16,657
Reserves	9,018	10,018	11,018	12,018	13,018
Retained surplus (accumulated deficit)	37,770	32,646	29,291	26,215	23,332
Total parent entity interest	63,445	59,321	56,966	54,890	53,007
Total equity	63,445	59,321	56,966	54,890	53,007

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022-23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	37,770	254	8,764	16,657	63,445
Adjusted opening balance	37,770	254	8,764	16,657	63,445
Comprehensive income					
Surplus/(deficit) for the period	(4,124)	-	-	-	(4,124)
Total comprehensive income	(4,124)	-	-	-	(4,124)
Transfers between equity components	(1,000)	-	1,000	-	-
Estimated closing balance as at 30 June 2023	32,646	254	9,764	16,657	59,321
Closing balance attributable to the Australian Government	32,646	254	9,764	16,657	59,321

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	226,392	218,916	221,308	223,447	226,216
Sale of goods and rendering of services	4,169	4,542	4,542	4,542	4,542
Net GST received	3,940	4,465	4,132	3,583	3,463
Other	240	240	240	240	240
Total cash received	234,742	228,163	230,222	231,812	234,461
Cash used					
Employees	146,669	161,614	156,719	164,045	167,707
Suppliers	46,038	50,580	46,583	39,996	38,556
Net GST paid	250	250	250	250	250
Interest payments on lease liability	747	542	382	258	90
s74 External Revenue transferred to the OPA	-	-	-	-	-
Other	7,236	-	-	-	-
Total cash used	200,940	212,986	203,934	204,549	206,603
Net cash from/(used by) operating activities	33,802	15,177	26,288	27,263	27,858
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	20,250	9,400	9,400	8,400	8,400
Total cash used	20,250	9,400	9,400	8,400	8,400
Net cash from/(used by) investing activities	(20,250)	(9,400)	(9,400)	(8,400)	(8,400)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	7,637	8,321	8,839	9,200	9,672
Total cash used	7,637	8,321	8,839	9,200	9,672
Net cash from/(used by) financing activities	(7,637)	(8,321)	(8,839)	(9,200)	(9,672)
Net increase/(decrease) in cash held	5,915	(2,544)	8,049	9,663	9,786
Cash and cash equivalents at the beginning of the reporting period	64,403	70,318	67,774	75,823	85,487
Cash and cash equivalents at the end of the reporting period	70,318	67,774	75,823	85,487	95,272

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	20,400	9,400	16,550*	54,400*	8,400
TOTAL	20,400	9,400	16,550	54,400	8,400
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	20,400	9,400	16,550*	54,400*	8,400
Total cash used to acquire assets	20,400	9,400	16,550	54,400	8,400

Prepared on Australian Accounting Standards basis.

* Largely due to accounting entries required for right of use assets under AASB16.

Table 3.6: Statement of asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	-	31,318	112,930	144,248
Gross book value – ROU assets	59,666	-	-	59,666
Accumulated depreciation/amortisation and impairment	-	(10,549)	(66,985)	(77,534)
Accumulated depreciation/amortisation and impairment – ROU assets	(26,119)	-	-	(26,119)
Opening net book balance	33,547	20,769	45,945	100,261
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – other	-	1,254	8,146	9,400
Total additions	-	1,254	8,146	9,400
Other movements				
Depreciation/amortisation expense	-	(3,042)	(11,571)	(14,613)
Depreciation/amortisation on ROU assets	(8,387)	-	-	(8,387)
Total other movements	(8,387)	(3,042)	(11,571)	(23,000)
As at 30 June 2023				
Gross book value	-	32,572	121,076	153,648
Gross book value – ROU assets	59,666	-	-	59,666
Accumulated depreciation/amortisation and impairment	-	(13,591)	(78,556)	(92,147)
Accumulated depreciation/amortisation and impairment – ROU assets	(34,506)	-	-	(34,506)
Closing net book balance	25,160	18,981	42,520	86,661

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Finance costs	55	55	55	55	55
Risk equalisation distributions	450,000	450,000	450,000	450,000	450,000
Total expenses administered on behalf of Government	450,055	450,055	450,055	450,055	450,055
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Financial Institutions Supervisory Levies Collection Act 1998	264,834	263,722	260,804	260,026	264,839
Interest	55	55	55	55	55
Risk equalisation receipts	450,000	450,000	450,000	450,000	450,000
Total non-taxation revenue	714,889	713,777	710,859	710,081	714,894
Total own-source revenue administered on behalf of Government	714,889	713,777	710,859	710,081	714,894
Net (cost of)/contribution by services	264,834	263,722	260,804	260,026	264,839
Total comprehensive income/(loss)	264,834	263,722	260,804	260,026	264,839

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	785	785	785	785	785
Receivables	2,198	2,198	2,198	2,198	2,198
Total financial assets	2,983	2,983	2,983	2,983	2,983
Total assets administered on behalf of Government	2,983	2,983	2,983	2,983	2,983
LIABILITIES					
Payables					
Lloyds Security Trust Deposit	2,000	2,000	2,000	2,000	2,000
Total payables	2,000	2,000	2,000	2,000	2,000
Total liabilities administered on behalf of Government	2,000	2,000	2,000	2,000	2,000
Net assets/(liabilities)	983	983	983	983	983

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Financial Institutions Supervisory Levies	264,834	263,722	260,804	260,026	264,839
Interest	55	55	55	55	55
Risk equalisation levy collections	450,000	450,000	450,000	450,000	450,000
Total cash received	714,889	713,777	710,859	710,081	714,894
Cash used					
Borrowing costs	55	55	55	55	55
Risk equalisation levy payments	450,000	450,000	450,000	450,000	450,000
Total cash used	450,055	450,055	450,055	450,055	450,055
Net cash from/(used by) operating activities	264,834	263,722	260,804	260,026	264,839
Net increase/(decrease) in cash held					
	264,834	263,722	260,804	260,026	264,839
Cash and cash equivalents at beginning of reporting period	785	785	785	785	785
Cash from Official Public Account for:					
- Risk equalisation collections	450,000	450,000	450,000	450,000	450,000
Total cash from Official Public Account	450,000	450,000	450,000	450,000	450,000
Cash to Official Public Account for:					
- Financial Institutions Supervisory Levies	(264,834)	(263,722)	(260,804)	(260,026)	(264,839)
- Risk equalisation payments	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Total cash to Official Public Account	(714,834)	(713,722)	(710,804)	(710,026)	(714,839)
Cash and cash equivalents at end of reporting period	785	785	785	785	785

Prepared on Australian Accounting Standards basis.

Australian Securities and Investments Commission

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Australian Securities and Investments Commission

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

ASIC'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 is Australia's integrated corporate, markets, financial services and consumer credit regulator.

ASIC also monitors and promotes market integrity and consumer protection in relation to the Australian financial system and payments system.

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

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

As the corporate regulator, ASIC ensures that companies, schemes and related entities meet their conduct and fundraising disclosure obligations under the Corporations Act 2001 (Corporations Act). ASIC ensures that company officers comply with their responsibilities. It also takes disciplinary action against company auditors and liquidators. ASIC monitors public companies’ financial reporting and disclosure and fundraising activities.

ASIC helps Australians to be in control of their financial lives. Our work aims to support people to make informed financial decisions, manage their money day-to-day, and plan for the future.

In August 2021, ASIC released its Corporate Plan for 2021-2025 (ASIC Corporate Plan 2021–25: Focus 2021-22) and its Statement of Expectations and Intent (Statement of Expectations: Australian Securities and Investments Commission – August 2021) outlining how we will achieve our objectives, carry out our functions and exercise our powers in discharging our responsibilities. This Statement responds to the Government’s Statement of Expectations for ASIC, and should be read alongside that document, as well as the laws that apply to us and those which we administer.

1.2 Entity resource statement

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

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

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

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

Table 1.1: Australian Securities and Investments Commission resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	105,195	107,206
Departmental appropriation (b) (c) (i)	418,365	413,920
s74 External Revenue (d)	39,921	8,668
Departmental capital budget (e) (i)	20,875	21,058
Annual appropriations - other services - non-operating (f)		
Equity injection (i)	1,752	2,519
Total departmental annual appropriations	<u>586,108</u>	<u>553,371</u>
Special accounts (g)		
Appropriation receipts (h)	64,811	60,246
Non-appropriation receipts	7,799	-
Total special accounts	<u>72,610</u>	<u>60,246</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>64,811</u>	<u>60,246</u>
Total departmental resourcing	<u>593,907</u>	<u>553,371</u>

Table 1.1: Australian Securities and Investments Commission resource statement – Budget estimates for 2022-23 as at Budget March 2022 (continued)

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Administered		
Annual appropriations – ordinary annual services (a)		
Outcome 1	9,952	7,546
Total administered annual appropriations	9,952	7,546
Total administered special appropriations	159,594	136,859
Total administered resourcing	169,546	144,405
Total resourcing for ASIC	763,453	697,776
	2021-22	2022-23
Average staffing level (number)	1,972	1,849

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	38,818	3,273

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) 2022-23.
- (b) Excludes \$4.669 million subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2022-23.
- (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, for example, annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account from entity ASIC's annual appropriations.
- (i) \$8.305 million will be received through the *2021-22 Annual Appropriation Bill No. 3* and \$1.778 million will be received through *2021-22 Annual Appropriation Bill No. 4*. The annual appropriations received from these Bills will be recognised only after they have received Royal Assent.

1.3 Budget measures

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

Table 1.2: Australian Securities and Investments Commission – 2022-23 Budget measures
Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Receipt measures					
Commonwealth's Deregulation Agenda (a)	1.1				
Administered receipts	-	-	17,411	23,447	24,024
Total	-	-	17,411	23,447	24,024
Total receipt measures					
Administered	-	-	17,411	23,447	24,024
Departmental	-	-	-	-	-
Total	-	-	17,411	23,447	24,024
Payment measures					
Insolvency Reform - continuation (b) (c)	1.1				
Administered payments	-	-	10,000	10,058	-
Departmental payments	-	1,821	749	2,081	-
Total payment measures					
Administered	-	-	10,000	10,058	-
Departmental	-	1,821	749	2,081	-
Total	-	1,821	10,749	12,139	-

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

(a) The Department of Prime Minister and Cabinet is the lead entity for measure titled 'Commonwealth's Deregulation Agenda'. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

(b) This measure includes capital funding for ASIC of \$1.317 million in 2022-23 and \$0.817 million in 2024-25.

(c) The financial implications for this measure include amounts previously provisioned in the Contingency Reserve in the 2021-22 MYEFO or earlier Budget updates.

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 measure 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 ASIC can be found at: <https://asic.gov.au/about-asic/what-we-do/our-role/asics-corporate-plan/>

The most recent annual performance statement can be found in the Annual Reports at: <http://asic.gov.au/about-asic/corporate-publications/asic-annual-reports/>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Improved confidence in Australia’s financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.

Linked programs

Australian Taxation Office
<ul style="list-style-type: none"> • Program 1.1 Australian Taxation Office • Program 1.3 Australian Business Register
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Australian Taxation Office (ATO) exchanges information with ASIC in relation to self-managed superannuation funds auditor registrations, and financial crime intelligence. ATO contributes funding for the latter as well as for the Modernising Business Registers program.</p>

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,691	5,248	15,279	15,377	5,355
Expenses not requiring appropriation in the Budget year (a)	63,051	67,186	66,859	65,548	66,202
Administered total	70,742	72,434	82,138	80,925	71,557
Departmental expenses					
Departmental appropriation	349,039	391,917	386,702	387,665	391,559
s74 External Revenue (b)	52,366	9,022	5,749	5,749	5,749
Expenses not requiring appropriation in the Budget year (c)	66,580	61,183	55,871	56,521	55,611
Departmental total	467,985	462,122	448,322	449,935	452,919
Total expenses for program 1.1	538,727	534,556	530,460	530,860	524,476
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,128	2,298	2,538	2,766	3,034
Special appropriations					
<i>Banking Act 1959 - Banking Unclaimed Moneys</i>	84,697	85,165	85,446	85,691	85,894
<i>Life Insurance Act 1995 - Life Unclaimed Moneys</i>	9,138	1,261	4,442	5,063	5,358
Companies unclaimed monies - s77 of the PGPA ACT	64,786	54,822	40,051	40,287	40,460
Administered total	160,749	143,546	132,477	133,807	134,746
Total expenses for program 1.2	160,749	143,546	132,477	133,807	134,746

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	9,819	7,546	17,817	18,143	8,389
Special appropriations	93,835	86,426	89,888	90,754	91,252
Companies unclaimed monies - s77 of the PGPA ACT	64,786	54,822	40,051	40,287	40,460
Expenses not requiring appropriation in the Budget year (a)	63,051	67,186	66,859	65,548	66,202
Administered total	231,491	215,980	214,615	214,732	206,303
Departmental expenses					
Departmental appropriation	349,039	391,917	386,702	387,665	391,559
s74 External Revenue (b)	52,366	9,022	5,749	5,749	5,749
Expenses not requiring appropriation in the Budget year (c)	66,580	61,183	55,871	56,521	55,611
Departmental total	467,985	462,122	448,322	449,935	452,919
Total expenses for Outcome 1	699,476	678,102	662,937	664,667	659,222
	2021-22	2022-23			
Average staffing level (number)	1,972	1,849			

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

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

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

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 measures for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Improved confidence in Australia’s financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.		
Program 1.1 – Australian Securities and Investments Commission Program 1.1 contributes to Outcome 1 by strategically identifying and responding to conduct which presents the greatest risk of harm.		
Key activities	<ul style="list-style-type: none"> • detecting misconduct through risk-based surveillance, breach reports, reports from the whistleblowers and the public, monitoring trends and emerging risks, data gathering and analysis; • understanding and analysing the intelligence we receive to assess harms early and respond quickly; and • responding to misconduct or the risk of misconduct through education, disrupting harmful behaviour, enforcement, engaging with industry and stakeholders, and providing guidance and policy advice. <p>This program also seeks to improve ASIC’s registry services and reduce costs for businesses, consumers and the public.</p>	
Year	Performance measures	Expected performance results
Current year 2021-22	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services act professionally and treat their clients fairly • Entities improve their business practices in response to identified areas of improvement • Entities have fair and efficient dispute resolution processes in place • Financial markets are fair, strong and efficient • Through the use of our regulatory tools (for example. licensing, supervision and surveillance, enforcement, engagement and guidance) we communicate, maintain and enforce standards and expectations to protect consumers and promote fair and efficient markets 	<p>On track to meet the performance criteria for 2021-22</p> <p>Evidenced by qualitative and quantitative measures, including:</p> <p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Operational data (for example. number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published) • Stakeholder feedback, measured through external committees and panels such as the ASIC Consultative Panel and Consumer Advisory Panel • Case studies of key matters where entities have improved their business practices • Detailed, tailored measures of the impact of ASIC’s major projects on reducing harms for consumers and investors.

Year	Performance measures	Expected performance results
<p>Current year 2021-22 (continued)</p>	<ul style="list-style-type: none"> • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. • Where we exercise our product intervention power, we see a reduction in consumer detriment as a result 	<ul style="list-style-type: none"> • External data (for example, reports and data published by AFCA) • Measures of the cleanliness of the Australian listed equity market • Case studies and other measures of key matters where we have used our regulatory tools to change behaviour in the financial system • Where we exercise our product intervention power, we will evaluate the resulting outcome after 18 months • Project-specific outcomes resulting from the outputs of our regulatory actions • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channel
	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <p>Financial firms and individuals providing financial services meet their obligations</p> <ul style="list-style-type: none"> • Misconduct is deterred and community expectations that wrongdoing is punished and consumer harm addressed are met • Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately • We take successful enforcement or other regulatory action in response to identified misconduct • We appropriately sanction individuals who commit misconduct including, when warranted, banning them from providing financial services or taking civil or criminal action against them • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Operational data (for example, number of surveillance and enforcement actions undertaken and results achieved) • Public outcomes (for example, civil, criminal and administrative actions taken, including bannings) • Levels of misconduct can be measured through, for example, reports of misconduct made to ASIC • Remediation can be measured through, for example, the amount of compensation provided to investors and consumers
	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • The regulatory system supports the work of innovative start-ups and the market testing of novel products and services while minimising the risk of harm to consumers • We promote reduced compliance costs and improved efficiency among our regulated population 	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Operational data, including relief applications assessed and legislative instruments made • Stakeholder feedback measured through external committees and panels such as the ASIC Consultative Panel and the Digital Finance Advisory Panel

Year	Performance measures	Expected performance results
<p>Current year 2021-22 (continued)</p>	<ul style="list-style-type: none"> • We exercise our discretionary powers to grant relief appropriately • We advise the Government on policy issues and law reform options in line with expected community standards • We propose and support international policy initiatives that improve regulatory outcomes for Australia and support cross-border activity • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	<ul style="list-style-type: none"> • Case studies of deregulatory initiatives that promote economic recovery, reduce compliance costs and improve efficiency • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox • Ongoing compliance with licensing and registration obligations measured through, for example, case studies and operational data on ASIC's decisions to grant, vary or cancel AFS and credit licences and other professional registrations • Publication of consultation papers by ASIC and submissions made by ASIC to government policy consultation processes • Publication of reports by international regulatory bodies to which ASIC has contributed • Case studies and other measures of instances where we have used our regulatory tools to promote the strong and innovative development of the financial system • Project-specific measures resulting from the outputs of our regulatory actions
	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • People can take action based on ASIC's educational materials • We support better financial education across Australia's education system • We provide a range of tools and resources to help people understand money and how to manage it <p>Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets</p>	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • Operational data, including ASIC Moneysmart accessibility and usage • Increased evidence on how consumers and investors make financial decisions • Feedback through the stakeholder network • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources • Personal financial education and decision-making tools and resources produced • Case studies and other measures of instances where we have helped Australians to be in control of their financial lives <p>Project-specific measures resulting from the outputs of our regulatory actions</p>

Year	Performance measures	Expected performance results
Budget year 2022-23	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services act professionally and treat their clients fairly • Entities improve their business practices in response to identified areas of improvement • Entities have fair and efficient dispute resolution processes in place • Financial markets are fair, strong and efficient • Through the use of our regulatory tools (for example. licensing, supervision and surveillance, enforcement, engagement and guidance) we communicate, maintain and enforce standards and expectations to protect consumers and promote fair and efficient markets • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets • Where we exercise our product intervention power, there is a reduction in consumer detriment as a result 	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Operational data (for example. number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published) • Stakeholder feedback, measured through external committees and panels such as the ASIC Consultative Panel, Consumer Advisory Panel and other external panels • Case studies of key matters where entities have improved their business practices • Detailed, tailored measures of the impact of ASIC’s major projects on reducing harms for consumers and investors • External data (for example. reports and data published by the Australian Financial Complaints Authority) • Measures of the cleanliness of the Australian listed equity market • Where we exercise our product intervention power, we will evaluate the resulting outcome after 18 months • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channels
	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services meet their obligations • Misconduct is deterred and community expectations that wrongdoing is punished and consumer harm will be addressed are met • Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately • We take successful enforcement or other regulatory action in response to identified misconduct 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Operational data (for example. number of surveillance and enforcement actions undertaken and results achieved) • Public outcomes (for example. civil, criminal and administrative actions taken, including bannings • Levels of misconduct can be measured through, for example, reports of misconduct made to ASIC • Remediation can be measured through, for example, the amount of compensation provided to investors and consumers

Year	Performance measures	Expected performance results
Budget year 2022-23 (continued)	<ul style="list-style-type: none"> • We appropriately sanction individuals who commit misconduct including, when warranted, banning them from providing financial services or taking civil or criminal action against them • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets 	
	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • The regulatory system supports the work of innovative start-ups and the market testing of novel products and services while minimising the risk of harm to consumers • We promote reduced compliance costs and improved efficiency among our regulated population • We exercise our discretionary powers to grant relief or make a legislative instrument appropriately • We propose and support international policy initiatives that improve regulatory outcomes for Australia and support cross-border activity • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets <p>Businesses comply with their ongoing licensing and registration obligations</p>	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Operational data, including relief applications assessed and legislative instruments made. This includes • performance against the ASIC service charter targets • Stakeholder feedback, measured through external committees and panels such as the ASIC Consultative Panel and the Digital Finance Advisory Panel • Case studies of deregulatory initiatives that promote economic recovery, reduce compliance costs and improve efficiency • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox • Ongoing compliance with licensing and registration obligations measured through, for example, case studies and operational data on ASIC’s decisions to grant, vary or cancel AFS and credit licences and other professional registration • Publication of consultation papers by ASIC and submissions made by ASIC to government policy consultation processes • Publication of reports by international regulatory bodies to which ASIC has contributed • Case studies and other measures of instances where we have used our regulatory tools to promote the strong and innovative development of the financial system <p>Project-specific measures resulting from the outputs of our regulatory actions</p>

Year	Performance measures	Expected performance results
Budget year 2022-23 (continued)	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • People can take action based on ASIC’s educational materials • We support better financial education across Australia’s education system • We provide a range of tools and resources to help people understand money and how to manage it <p>Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets</p>	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • Operational data, including ASIC Moneysmart accessibility and usage • Increased evidence on how consumers and investors make financial decisions • Feedback through stakeholder network • Collaboration with the formal education sector to support better financial literacy education, as measured by engagement by users • Personal financial education and decision-making tools and resources produced • Case studies and other measures of instances where we have helped Australians to be in control of their financial lives <p>Project-specific measures resulting from the outputs of our regulatory actions</p>
Forward estimates 2023-26	As per 2022-23	As per 2022-23

Table 2.2: Performance measures for Outcome 1 (continued)

Program 1.2 – Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts.		
ASIC is responsible for the administration of unclaimed money from banking and deposit taking institutions and life insurance institutions		
Key activities	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance measures	Expected performance results
2021-22	<ul style="list-style-type: none"> • ensure that refunds of unclaimed monies are paid to successful claimants promptly; and • ensure that payments of money from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation. 	Process claims within 28 days of receiving all necessary claim documentation.
2022-23	As per 2021-22	As per 2021-22
2023-24 and beyond	As per 2021-22	As per 2021-22

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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, Budgeted financial statements is prepared on an accrual basis and includes funding to be received through *2021-22 Annual Appropriation Bill No. 3 & No. 4*. The ASIC resource statement (Table 1.1) does not include \$8.305m of funding to be received through the *2021-22 Annual Appropriation Bill No. 3* or \$1.778 million to be received through *2021-22 Annual Appropriation Bill No. 4* due to the timing of the 2022-23 Budget.

The annual appropriations received from these Bills will be recognised only after they have received Royal Assent.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

ASIC is budgeting for a \$0.86 million operating loss for 2022-23 after adding back non-appropriated depreciation and amortisation expenses, depreciation of right of use assets and principal repayments of lease liabilities. The operating loss is due to the timing of expenditure related to the *Financial Accountability Regime Bill 2021*.

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 2022-23 is \$183.97 million. The 2022-23 equity position reflects the cumulative effect of capital injections of \$1.32 million received during 2022-23.

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 s77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In addition, ASIC collects taxation and non-taxation revenue under the *ASIC Supervisory Cost Recovery Levy Act 2017* and the *ASIC Supervisory Cost Recovery Levy Regulations 2017*.

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

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

Schedule of budgeted assets and liabilities administered on behalf of government

The amount shown for receivables in 2022-23 and in the forward estimates is the estimated amount of taxation revenue fees and charges remaining unpaid at 30 June.

The amounts shown in other payables for 2022-23 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 s77 of the PGPA Act.

Schedule of budgeted administered cash flows

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

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	278,200	268,150	271,960	276,848	280,970
Suppliers	121,319	131,105	119,019	115,309	115,253
Depreciation and amortisation (a)	66,580	61,183	55,871	56,521	55,611
Finance costs	1,886	1,684	1,472	1,257	1,085
Total expenses	467,985	462,122	448,322	449,935	452,919
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,000	2,000	2,000	2,000	2,000
Royalties	165	165	165	165	165
Other	50,201	6,857	3,584	3,584	3,584
Total own-source revenue	52,366	9,022	5,749	5,749	5,749
Total own-source income	52,366	9,022	5,749	5,749	5,749
Net (cost of)/contribution by services	(415,619)	(453,100)	(442,573)	(444,186)	(447,170)
Revenue from Government	422,001	413,920	414,599	416,785	418,356
Surplus/(deficit) attributable to the Australian Government	6,382	(39,180)	(27,974)	(27,401)	(28,814)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	6,382	(39,180)	(27,974)	(27,401)	(28,814)
Total comprehensive income/(loss) attributable to the Australian Government	6,382	(39,180)	(27,974)	(27,401)	(28,814)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	6,382	(39,180)	(27,974)	(27,401)	(28,814)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	45,172	39,775	34,463	35,113	34,203
plus: depreciation/amortisation expenses for ROU assets (b)	21,408	21,408	21,408	21,408	21,408
less: lease principal repayments (b)	22,776	22,863	27,897	29,120	26,797
Net Cash Operating Surplus/ (Deficit)	50,186	(860)	-	-	-

Prepared on Australian Accounting Standards basis.

- (a) 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 to leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	66,423	66,423	66,423	66,423	66,423
Trade and other receivables	149,706	142,899	142,592	142,592	142,612
Total financial assets	216,129	209,322	209,015	209,015	209,035
Non-financial assets					
Land and buildings	190,110	166,079	141,251	117,400	92,472
Property, plant and equipment	18,199	13,164	10,882	9,568	7,948
Intangibles	105,980	103,080	96,575	88,463	81,979
Other non-financial assets	13,533	13,533	13,533	13,533	13,533
Total non-financial assets	327,822	295,856	262,241	228,964	195,932
Assets held for sale					
Total assets	543,951	505,178	471,256	437,979	404,967
LIABILITIES					
Payables					
Suppliers	29,418	29,086	28,759	28,739	28,739
Other payables	34,209	34,209	34,209	34,209	34,209
Total payables	63,627	63,295	62,968	62,948	62,948
Interest bearing liabilities					
Leases	185,382	162,519	134,622	105,502	78,705
Total interest bearing liabilities	185,382	162,519	134,622	105,502	78,705
Provisions					
Employee provisions	81,387	81,387	81,387	81,387	81,387
Other provisions	13,986	14,011	14,031	14,051	14,071
Total provisions	95,373	95,398	95,418	95,438	95,458
Total liabilities	344,382	321,212	293,008	263,888	237,111
Net assets	199,569	183,966	178,248	174,091	167,856
EQUITY*					
Parent entity interest					
Contributed equity	529,777	553,354	575,610	598,854	621,433
Reserves	22,500	22,500	22,500	22,500	22,500
Retained surplus (accumulated deficit)	(352,708)	(391,888)	(419,862)	(447,263)	(476,077)
Total parent entity interest	199,569	183,966	178,248	174,091	167,856
Total equity	199,569	183,966	178,248	174,091	167,856

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(352,708)	22,500	529,777	199,569
Adjusted opening balance	(352,708)	22,500	529,777	199,569
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(39,180)	-	-	(39,180)
Total comprehensive income	(39,180)	-	-	(39,180)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	2,519	2,519
Departmental Capital Budget (DCB)	-	-	21,058	21,058
Sub-total transactions with owners	-	-	23,577	23,577
Estimated closing balance as at 30 June 2023	(391,888)	22,500	553,354	183,966
Closing balance attributable to the Australian Government	(391,888)	22,500	553,354	183,966

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations					
Receipts from Government	419,990	420,727	414,906	417,921	418,356
Sale of goods and rendering of services	2,000	2,000	2,000	864	1,980
Net GST received	15,853	15,323	14,743	14,928	12,972
Other	50,012	6,668	3,395	3,395	3,395
Total cash received	487,855	444,718	435,044	437,108	436,703
Cash used					
Employees	278,200	268,150	271,960	276,848	280,970
Suppliers	137,150	146,406	133,735	129,903	127,871
Interest payments on lease liability	1,861	1,659	1,452	1,237	1,065
Total cash used	417,211	416,215	407,147	407,988	409,906
Net cash from/(used by) operating activities	70,644	28,503	27,897	29,120	26,797
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	56,823	29,217	22,256	23,244	22,579
Total cash used	56,823	29,217	22,256	23,244	22,579
Net cash from/(used by) investing activities	(56,823)	(29,217)	(22,256)	(23,244)	(22,579)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	29,074	23,577	22,256	23,244	22,579
Total cash received	29,074	23,577	22,256	23,244	22,579
Cash used					
Principal payments on lease liability	22,776	22,863	27,897	29,120	26,797
Total cash used	22,776	22,863	27,897	29,120	26,797
Net cash from/(used by) financing activities	6,298	714	(5,641)	(5,876)	(4,218)
Net increase/(decrease) in cash held	20,119	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	46,304	66,423	66,423	66,423	66,423
Cash and cash equivalents at the end of the reporting period	66,423	66,423	66,423	66,423	66,423

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	25,544	21,058	22,256	22,427	22,579
Equity injections – Bill 2	3,530	2,519	-	817	-
Total new capital appropriations	29,074	23,577	22,256	23,244	22,579
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	29,049	23,552	22,236	23,224	22,559
<i>Other items</i>	25	25	20	20	20
Total items	29,074	23,577	22,256	23,244	22,579
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	7,224	2,519	-	817	-
Funded by capital appropriation – DCB (b)	21,032	26,058	22,256	22,427	22,579
Funded internally from departmental resources (c)	28,567	640	-	-	-
TOTAL	56,823	29,217	22,256	23,244	22,579
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	56,823	29,217	22,256	23,244	22,579
Total cash used to acquire assets	56,823	29,217	22,256	23,244	22,579

Prepared on Australian Accounting Standards basis.

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

(b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(c) Includes the following s74 external receipts:

- internally developed assets; and
- lease incentives.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	65,223	76,432	493,165	634,820
Gross book value – ROU assets	204,454	-	-	204,454
Accumulated depreciation/ amortisation and impairment	(28,321)	(58,233)	(387,185)	(473,739)
Accumulated depreciation/amortisation and impairment – ROU assets	(51,246)	-	-	(51,246)
Opening net book balance	190,110	18,199	105,980	314,289
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	2,519	2,519
By purchase – appropriation ordinary annual services (b)	-	550	24,823	25,373
By purchase – other	1,325	-	-	1,325
Total additions	1,325	550	27,342	29,217
Other movements				
Depreciation/amortisation expense	(3,948)	(5,585)	(30,242)	(39,775)
Depreciation/amortisation on ROU assets	(21,408)	-	-	(21,408)
Total other movements	(25,356)	(5,585)	(30,242)	(61,183)
As at 30 June 2023				
Gross book value	66,548	76,982	520,507	664,037
Gross book value – ROU assets	204,454	-	-	204,454
Accumulated depreciation/ amortisation and impairment	(32,269)	(63,818)	(417,427)	(513,514)
Accumulated depreciation/amortisation and impairment – ROU assets	(72,654)	-	-	(72,654)
Closing net book balance	166,079	13,164	103,080	282,323

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-3 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	575	580	583	587	591
Grants	7,116	4,668	14,696	14,790	4,764
Write-down and impairment of assets	63,051	67,186	66,859	65,548	66,202
Interest expense	5,261	5,225	5,888	6,444	7,082
Other expenses	155,488	138,321	126,589	127,363	127,664
Total expenses administered on behalf of Government	231,491	215,980	214,615	214,732	206,303
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other levies	66,463	94,717	88,138	87,913	87,976
Other taxes	934,925	957,393	979,173	1,003,539	1,029,293
Total taxation revenue	1,001,388	1,052,110	1,067,311	1,091,452	1,117,269
Non-taxation revenue					
Fees and fines	283,531	217,257	214,974	216,931	220,923
Other fees from regulatory services	236,866	232,626	202,002	199,013	198,897
Other revenue	269,603	266,064	289,647	294,713	296,467
Total non-taxation revenue	790,000	715,947	706,623	710,657	716,287
Total own-source revenue administered on behalf of Government	1,791,388	1,768,057	1,773,934	1,802,109	1,833,556
Net (cost of)/contribution by services	1,559,897	1,552,077	1,559,319	1,587,377	1,627,253
Total comprehensive income/(loss)	1,559,897	1,552,077	1,559,319	1,587,377	1,627,253

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,771	1,771	1,771	1,771	1,771
Taxation receivables	213,119	245,169	242,149	243,768	237,793
Trade and other receivables	288,475	280,510	302,012	307,027	308,637
Total financial assets	503,365	527,450	545,932	552,566	548,201
Total assets administered on behalf of Government	503,365	527,450	545,932	552,566	548,201
LIABILITIES					
Payables					
Suppliers	35,282	36,589	37,946	39,354	40,815
Grants	4,222	4,222	4,222	4,222	4,222
Other payables	7,858	7,933	7,933	7,933	7,933
Total payables	47,362	48,744	50,101	51,509	52,970
Provisions					
Other provisions	500,284	514,673	519,347	527,132	536,148
Total provisions	500,284	514,673	519,347	527,132	536,148
Total liabilities administered on behalf of Government	547,646	563,417	569,448	578,641	589,118
Net assets/(liabilities)	(44,281)	(35,967)	(23,516)	(26,075)	(40,917)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	302,830	299,846	270,607	269,033	270,362
Taxes	933,174	955,886	1,006,489	1,027,315	1,060,042
Other	456,729	421,054	411,497	433,579	441,315
Total cash received	1,692,733	1,676,786	1,688,593	1,729,927	1,771,719
Cash used					
Grant	7,116	4,668	14,696	14,790	4,764
Suppliers	(3,131)	(727)	(774)	(821)	(870)
Borrowing costs	5,261	5,225	5,888	6,444	7,082
Other	147,257	123,857	121,915	119,578	118,648
Total cash used	156,503	133,023	141,725	139,991	129,624
Net cash from/(used by) operating activities	1,536,230	1,543,763	1,546,868	1,589,936	1,642,095
Net increase/(decrease) in cash held	1,536,230	1,543,763	1,546,868	1,589,936	1,642,095
Cash and cash equivalents at beginning of reporting period	1,524	1,771	1,771	1,771	1,771
Cash from Official Public Account					
– Appropriations	169,413	144,405	153,082	151,399	141,085
Total cash from Official Public Account	169,413	144,405	153,082	151,399	141,085
Cash to Official Public Account for:					
– Appropriations	(1,705,396)	(1,688,168)	(1,699,950)	(1,741,335)	(1,783,180)
Total cash to Official Public Account	(1,705,396)	(1,688,168)	(1,699,950)	(1,741,335)	(1,783,180)
Cash and cash equivalents at end of reporting period	1,771	1,771	1,771	1,771	1,771

Prepared on Australian Accounting Standards basis.

Australian Taxation Office

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Australian Taxation Office

Section 1: Entity overview and resources

1.1 Strategic direction statement

The role of the Australian Taxation Office (ATO) is to effectively manage and shape the tax and superannuation systems that support and fund services for Australians. Our vision is to be a leading tax and superannuation administration, known for our contemporary service, expertise and integrity.

Our strategic direction centres on fostering community participation in the tax and superannuation systems. We do this by ensuring integrity, building confidence in the administration of these systems, and by being streamlined, integrated and data driven.

We will continue to work with the community and other government agencies to support our country's economic wellbeing by delivering government measures, improving tax performance and harnessing data and technology to make interactions with the ATO and government more seamless. We will maintain a focus on cyber security and strive to become a more purposeful organisation to maximise value for the ATO and the community.

Our progress is monitored through the perspectives of our strategic objectives, focusing on client experience and participation in the tax and superannuation systems as our ultimate measures of success.

1.2 Entity resource statement

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

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

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

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

Table 1.1: Australian Taxation Office resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	438,625	387,989
Departmental appropriation (c)	3,678,041	3,744,364
s74 External Revenue (d)	119,910	131,418
Departmental capital budget (e)	102,239	111,465
Annual appropriations – other services – non-operating (f)		
Prior year appropriations available (b)	54,750	168,233
Equity injection	70,351	30,697
Total departmental annual appropriations	<u>4,463,916</u>	<u>4,574,166</u>
Special accounts (g)		
Opening balance	10,913	10,972
Appropriation receipts (h)	18,676	18,608
Total special accounts	<u>29,589</u>	<u>29,580</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>18,676</u>	<u>18,608</u>
Total departmental resourcing	<u>4,474,829</u>	<u>4,585,138</u>
Administered		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available		
Outcome 1	8,577	8,137
Total administered annual appropriations	<u>8,577</u>	<u>8,137</u>
Special appropriations		
<i>Public Governance, Performance and Accountability Act 2013 – s77</i>	120,000	120,000
<i>Product Grants and Benefits Administration Act 2000 – Product stewardship for oil</i>	83,901	92,394
<i>Superannuation Guarantee (Administration) Act 1992</i>	612,000	593,000
<i>Taxation Administration Act 1953 – section 16 (Non-refund items) (i)</i>	11,481,343	12,283,646
Total administered special appropriations	<u>12,297,244</u>	<u>13,089,040</u>

Table 1.1: Australian Taxation Office resource statement – Budget estimates for 2022-23 as at Budget March 2022 (continued)

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Administered		
Special accounts (g)		
Opening balance	75,907	76,007
Appropriation receipts (h)	20,000	20,800
Total special account receipts	95,907	96,807
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	20,000	20,800
Total administered resourcing	12,381,728	13,173,184
Total resourcing for Australian Taxation Office	16,856,557	17,758,322
	2021-22	2022-23
Average staffing level (number)	18,349	18,369

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	229,895	223,517
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	106,469	114,785
Payments made to corporate entities within the Portfolio Reserve Bank of Australia	91,473	105,103

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) 2022-23.

(b) Excludes \$84.6 million subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

(c) Excludes departmental capital budget (DCB).

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

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

(f) Appropriation Bill (No. 2) 2022-23.

(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, for example annual appropriations, special appropriations and special accounts.

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

(i) These figures relate to administered expenses such as the fuel tax credit, the refundable research and development tax incentive, and the Australian screen and digital game production incentive. Estimated tax refunds for 2021-22 are \$104 billion including \$50 million made on behalf of the ATO by the Department of Home Affairs. Estimated tax refunds for 2022-23 are \$112 billion including \$140 million made on behalf of the ATO by the Department of Home Affairs.

1.3 Budget measures

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

Table 1.2: Australian Taxation Office 2022-23 Budget measures
Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
Addressing Cost of Living Pressures – Temporary Reduction in Fuel Excise	1.7				
Administered payments	(835,000)	(1,620,000)	–	–	–
Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries	1.5				
Administered payments	–	–	500	600	600
Changes To Visa Rules – supplementing Australia’s workforce during the recovery (a)	1.1				
Departmental payments	–	5,248	621	623	246
Commonwealth’s Deregulation Agenda (b)	1.1, 1.7				
Administered payments	–	–	(241,000)	(269,000)	(276,000)
Departmental payments	–	5,492	163	164	165
Digital Economy Strategy	1.1				
Departmental payments	–	7,599	–	–	–
Insolvency Reform – continuation (c)	1.1				
Departmental payments	–	–	573	3,285	422
Media Sector Reforms	1.5				
Administered payments	–	–	–	–	–
Patent Box – Expanding the patent box tax concession to Agricultural Sector innovations (d)	1.1				
Departmental payments	–	3,093	4,383	3,172	2,669
Patent Box – Expanding the patent box tax concession to Low Emissions Technology innovations (e)	1.1				
Departmental payments	–	847	4,314	3,834	3,473

Table 1.2: Australian Taxation Office 2022-23 Budget measures**Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) (continue)**

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
Reducing compliance costs for business through enhanced sharing of single touch payroll data (f)(g)	1.1				
Departmental payments	–	2,334	2,795	873	488
Small Business – Skills and Training Boost	1.1				
Departmental payments	–	2,461	1,906	1,534	1,098
Small Business – Technology Investment Boost	1.1				
Departmental payments	–	2,461	3,553	1,090	–
Tax Integrity – Extension of the Australian Taxation Office (ATO) Tax Avoidance Taskforce on Multinationals, Large Corporates and High Wealth Individuals	1.1				
Departmental payments	–	–	325,009	327,550	–
Total	(835,000)	(1,590,465)	102,817	73,725	(266,839)
Total Payment measures					
Administered	(835,000)	(1,620,000)	(240,500)	(268,400)	(275,400)
Departmental	–	29,535	343,317	342,125	8,561
Total	(835,000)	(1,590,465)	102,817	73,725	(266,839)

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

- (a) This measure includes capital funding for the ATO of \$3.4 million in 2022-23, \$0.2 million in 2023-24, \$0.2 million in 2024-25 and \$0.2 million in 2025-26.
(b) This measure includes capital funding for the ATO of \$0.6 million in 2022-23.
(c) This measure includes capital funding for the ATO of \$1.6 million in 2024-25.
(d) This measure includes capital funding for the ATO of \$1.6 million in 2022-23 and \$1.3 million in 2023-24.
(e) This measure includes capital funding for the ATO of \$1.1 million for 2023-24.
(f) This measure includes capital funding for the ATO of \$1.7 million for 2022-23 and \$1.7 million in 2023-24.
(g) The financial implications for this measure include amounts previously provisioned in the Contingency Reserve in the 2021-22 MYEFO or earlier Budget updates.

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 measure 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 Australian Taxation Office can be found at: (<https://www.ato.gov.au/About-ATO/About/corporate-plan/>)

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

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Confidence in the administration of aspects of Australia’s taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services.

Linked programs

Australian Criminal Intelligence Commission
<p>Program 1.1 – Australian Criminal Intelligence Commission</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Australian Criminal Intelligence Commission (ACIC) works collaboratively with the ATO to protect the financial system from criminal abuse, including through joint operations and task forces and the sharing of data and intelligence. The ACIC’s special operations and investigations focus on the highest risk TSOC activities impacting Australia, including money laundering and serious financial crime.</p>
Australian Federal Police
<p>Program 1.1 – Federal Policing – Investigations</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Australian Federal Police (AFP) relies on ATO intelligence and expertise for investigations, policy and taskforces combating serious financial crimes and its harm.</p>
Australian Financial Security Authority
<p>Program 1.1 – Personal Insolvency and Trustee Services</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Financial Security Authority exchanges information with the ATO and administers the bankruptcy notices and payment arrangements to support this service.</p>

Australian Securities and Investments Commission
Program 1.1— Australian Securities and Investment Commission Contribution to Outcome 1 made by linked programs <p>Australian Securities and Investments Commission (ASIC) exchanges information with the ATO in relation to self-managed superannuation fund auditor registration, and financial crime intelligence. ASIC contributes to the management and governance of the Standard Business Reporting program.</p>
Australian Transaction Reports and Analysis Centre
Program 1.1— AUSTRAC Contribution to Outcome 1 made by linked programs <p>Australian Transaction Reports and Analysis Centre (AUSTRAC) exchanges information with the ATO and delivers financial crime intelligence that assist key stakeholder agencies to make operational and intelligence decisions.</p>
Department of Agriculture, Water and the Environment
Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants Contribution to Outcome 1 made by linked programs <p>The Department of Agriculture, Water and the Environment (DAWE) works with the Australian Taxation Office to administer financial aspects of the Product Stewardship for Oil program, pays the benefits on recycled motor oil and collects the levy on new oil entering the market from domestic sources.</p>
Department of Education, Skills and Employment
Program 2.4 – Higher Education Loan Program Program 3.1 – Building Skills and Capability Program 3.2 – VET Student Loans Contribution to Outcome 1 made by linked programs <p>The Department of Education, Skills and Employment exchanges information with the ATO in relation to the Higher Education Loans Program, VET Student Loans and Trade Support Loans.</p>

<p>Department of Health</p> <p>Program 2.1 – Medical Benefits</p> <p>Program 2.3 – Pharmaceutical Benefits</p> <p>Program 2.4 – Private Health Insurance</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Health (DoH) contributes to the administrative arrangements for the Government's Private Health Insurance Rebate. DoH also works with the ATO to deliver the Multi-agency Data Integration Project.</p>
<p>Department of Home Affairs</p> <p>Program 3.3— Border-Revenue Collection</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Home Affairs exchanges information with the ATO, administers the Tourist Refund Scheme and collects border revenue for: Excise Equivalent Goods, Goods and Services Tax, Luxury Car Tax and Wine Equalisation Tax on behalf of the ATO.</p>
<p>Department of Industry, Science, Energy and Resources</p> <p>Program 1.1 – Investing in science, technology and commercialisation</p> <p>Program 1.2 – Growing innovative and competitive businesses, industries and regions</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Industry, Science, Energy and Resources work together with the ATO to enable the growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.</p>
<p>Department of the Treasury</p> <p>Program 1.1 – Department of the Treasury</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Treasury (Treasury) contributes to the administration of the National Tax Equivalent Regime. Treasury co-regulates the <i>Foreign Acquisitions and Takeovers Act 1975</i> with the ATO, which also maintains current registers of foreign ownership.</p>
<p>Services Australia</p> <p>Program 1.2 – Customer Service Delivery</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Services Australia supports individuals, families and communities to achieve greater self-sufficiency by providing administration and payments services on behalf of the ATO.</p>

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	8,577	8,137	3,036	-	-
Administered total	8,577	8,137	3,036	-	-
Departmental expenses					
Departmental appropriation	3,575,052	3,547,341	3,173,354	3,152,397	2,866,027
s74 External Revenue (a)	120,305	131,831	131,747	133,245	135,607
Expenses not requiring appropriation in the Budget year (b)	172,151	192,903	176,632	166,618	162,421
Departmental total	3,867,508	3,872,075	3,481,733	3,452,260	3,164,055
Total expenses for program 1.1	3,876,085	3,880,212	3,484,769	3,452,260	3,164,055
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	20,841	20,853	19,664	19,777	19,880
Departmental total	20,841	20,853	19,664	19,777	19,880
Total expenses for program 1.2	20,841	20,853	19,664	19,777	19,880

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.3: Australian Business Register					
Departmental expenses					
Departmental appropriation	156,082	157,562	158,452	159,617	160,707
Departmental total	156,082	157,562	158,452	159,617	160,707
Total expenses for program 1.3	156,082	157,562	158,452	159,617	160,707
Program 1.4: Australian Charities and Not-for-profits Commission					
Departmental expenses					
Special accounts					
Australian Charities and Not-for-profits Commission Special Accounts	18,676	18,608	17,482	17,593	17,693
Departmental total	18,676	18,608	17,482	17,593	17,693
Total expenses for program 1.4	18,676	18,608	17,482	17,593	17,693
Program 1.5: Australian Screen and Digital Game Production Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>	450,000	506,600	526,600	499,600	514,600
Administered total	450,000	506,600	526,600	499,600	514,600
Total expenses for program 1.5	450,000	506,600	526,600	499,600	514,600

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.6: Junior Minerals Exploration Incentive					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953 – section 16</i> <i>(Non-refund items)</i>	(14,918)	19,645	19,645	19,645	-
Administered total	(14,918)	19,645	19,645	19,645	-
Total expenses for program 1.6	(14,918)	19,645	19,645	19,645	-
Program 1.7: Fuel Tax Credit Scheme					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953 – section 16</i> <i>(Non-refund items)</i>	6,893,969	7,720,982	9,262,113	9,951,931	10,698,844
Administered total	6,893,969	7,720,982	9,262,113	9,951,931	10,698,844
Total expenses for program 1.7	6,893,969	7,720,982	9,262,113	9,951,931	10,698,844
Program 1.8: National Rental Affordability Scheme					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953 – section 16</i> <i>(Non-refund items)</i>	144,846	129,021	95,239	49,817	24,721
Administered total	144,846	129,021	95,239	49,817	24,721
Total expenses for program 1.8	144,846	129,021	95,239	49,817	24,721

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special Appropriations					
<i>Product Grants and Benefits Administration Act 2000</i>					
– <i>product stewardship (oil) benefits</i>	83,901	92,394	92,509	92,935	93,200
Administered total	83,901	92,394	92,509	92,935	93,200
Total expenses for program 1.9	83,901	92,394	92,509	92,935	93,200
Program 1.10: Research & Development Tax Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16</i>					
(<i>Non-refund items</i>)	2,728,645	2,758,778	2,891,360	3,030,241	3,175,793
Administered total	2,728,645	2,758,778	2,891,360	3,030,241	3,175,793
Total expenses for program 1.10	2,728,645	2,758,778	2,891,360	3,030,241	3,175,793
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16</i>					
(<i>Non-refund items</i>)	498,272	620,236	617,136	606,887	593,040
Administered total	498,272	620,236	617,136	606,887	593,040
Total expenses for program 1.11	498,272	620,236	617,136	606,887	593,040

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>					
	226,325	239,171	244,720	250,899	257,039
Administered total	226,325	239,171	244,720	250,899	257,039
Total expenses for program 1.12	226,325	239,171	244,720	250,899	257,039
Program 1.13: Superannuation Co-contribution Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16 (Non-refund items)</i>					
	124,000	124,000	117,000	114,000	109,000
Administered total	124,000	124,000	117,000	114,000	109,000
Total expenses for program 1.13	124,000	124,000	117,000	114,000	109,000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special Appropriations					
<i>Superannuation Guarantee (Administration) Act 1992</i>					
	612,000	593,000	641,000	693,000	747,000
Administered total	612,000	593,000	641,000	693,000	747,000
Total expenses for program 1.14	612,000	593,000	641,000	693,000	747,000

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.15: Targeted assistance through the taxation system					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16</i> <i>(Non-refund items)</i>	22,808	6,000	5,000	6,000	6,000
Administered total	22,808	6,000	5,000	6,000	6,000
Total expenses for program 1.15	22,808	6,000	5,000	6,000	6,000
Program 1.16: Interest on Overpayment and Early Payments					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 – section 16</i> <i>(Non-refund items)</i>	70,000	75,000	75,000	75,000	75,000
Administered total	70,000	75,000	75,000	75,000	75,000
Total expenses for program 1.16	70,000	75,000	75,000	75,000	75,000
Program 1.17: Bad & Doubtful Debts & Remissions					
Administered expenses					
Expenses not requiring appropriation in the budget year (b)	7,429,000	7,804,000	7,917,000	8,325,000	8,714,000
Administered total	7,429,000	7,804,000	7,917,000	8,325,000	8,714,000
Total expenses for program 1.17	7,429,000	7,804,000	7,917,000	8,325,000	8,714,000

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.18: Seafarer Tax Offset					
Administered expenses					
<i>Taxation Administration Act 1953 – section 16 (Non refund items)</i>	9,000	9,000	9,000	9,000	9,000
Administered total	9,000	9,000	9,000	9,000	9,000
Total expenses for program 1.18	9,000	9,000	9,000	9,000	9,000
Program 1.19: Economic Response to the Coronavirus					
Administered expenses					
Economic Response to the Coronavirus					
<i>Special Appropriation – Taxation Administration Act 1953 – s16</i>	12,666	-	-	-	-
<i>Special Appropriation – Taxation Administration Act 1953 – s16 – JobKeeper Payment</i>	(14,656)	-	-	-	-
<i>Special Appropriation – s16 – JobMaker Hiring Credit – Taxation Administration Act 1953</i>	20,815	5,481	-	-	-
Administered total	18,825	5,481	-	-	-
Total expenses for program 1.19	18,825	5,481	-	-	-
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	8,577	8,137	3,036	-	-
Special appropriations	11,867,673	12,899,308	14,596,322	15,398,955	16,303,237
Expenses not requiring appropriation in the Budget year (b)	7,429,000	7,804,000	7,917,000	8,325,000	8,714,000
Administered total	19,305,250	20,711,445	22,516,358	23,723,955	25,017,237

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	3,751,975	3,725,756	3,351,470	3,331,791	3,046,614
s74 External Revenue (a)	120,305	131,831	131,747	133,245	135,607
Special accounts	18,676	18,608	17,482	17,593	17,693
Expenses not requiring appropriation in the Budget year (b)	172,151	192,903	176,632	166,618	162,421
Departmental total	4,063,107	4,069,098	3,677,331	3,649,247	3,362,335
Total expenses for Outcome 1	23,368,357	24,780,543	26,193,689	27,373,202	28,379,572
	2021-22	2022-23			
Average staffing level (number)	18,349	18,369			

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

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

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

Note: Departmental appropriation splits and totals are indicative estimates and may change during 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 2022-23 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Confidence in the administration of aspects of Australia’s taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services.</p>		
<p>Program 1.1 – Australian Taxation Office The objective of the ATO is to administer aspects of Australia’s tax and superannuation systems providing confidence that the right amount of payments are being made and collected.</p>		
<p>Key activities</p>	<p>The ATO’s strategic objectives are the areas of focus to achieve its purpose, these include core business, government commitments and transformation. The key activities (strategic initiatives) are the activities that will allow the ATO to transform and deliver on its objectives.</p> <p>The ATO will undertake the following core activities to achieve its program objective:</p> <ul style="list-style-type: none"> • collecting revenue • administering the goods and services tax on behalf of the Australian States and Territories; and • administering major aspects of Australia’s superannuation system. <p>Additionally, the ATO will undertake the following key activities to achieve its program objective:</p> <ul style="list-style-type: none"> • making it easy for the community to understand and comply with obligations, including by optimising interactions through our self-service channels and focusing on improving small business tax performance • building a dynamic and flexible workforce by embedding new ways of working; and • unlocking our data potential by improving the way we collect, manage, share, and use data. 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected/planned performance results</p>
<p>Current year 2021-22</p>	<p>Confidence – Community Confidence in the ATO</p>	<p>Target: 65/100 Forecast: On track</p>
<p>Budget Year 2022-23</p>		<p>Target 2022-23: N/A – measure ceases in 2021-22</p>
<p>Forward estimates 2023-24 and beyond</p>		<p>Target 2023-24 and beyond: N/A – measure ceases in 2021-22</p>

Year	Performance measures	Expected/planned performance results
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p><u>Trust – Community trust in the ATO and the system</u></p>	<p>Target: N/A – new measure in 2022-23 Forecast: N/A – new measure</p> <p>Target 2022-23: Under development</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Registration – proportion of companies and individuals registered in the system</p>	<p>Target: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease) Forecast: On track</p> <p>Target 2022-23: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

Year	Performance measures	Expected/planned performance results
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Lodgment – proportion of activity statements and income tax returns lodged on time</p>	<p>Target: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%</p> <p>Forecast: Activity statements: Not on track Income tax returns: On track</p> <p>Target 2022-23: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Payment – proportion of liabilities paid on time by value</p>	<p>Target: 88% Forecast: On track</p> <p>Target 2022-23: 88%</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Correct Reporting – Tax gap as a proportion of revenue</p> <p>Tax gap – as a proportion of revenue</p> <p>Note: Change to measure name for 2022-23</p>	<p>Target: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available. Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

Year	Performance measures	Expected/planned performance results
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Debt – ratio of collectable debt to net tax collections (a)	Target: Below 8.0% Forecast: Not on track Target 2022-23: Between 8.0% and 8.5% Target 2023-24: Between 7.5% and 8.0% Target 2024-25: Between 6.5% and 7.0% Target 2025-26: Below 6.0%
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Total revenue effects – tax revenue from all compliance activities Total revenue effects – revenue from all compliance activities Note: Change to measure name for 2022-23	Target: \$15 billion Forecast: At risk Target 2022-23: \$15 billion Target 2023-24 and beyond: As per 2022-23
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Tax assured – proportion of the tax base where the ATO has justified trust that tax paid is correct based on the proportion of income, deductions and tax offsets assured	Target: Increase the proportion of the tax base where the ATO has justified trust to a level as high as practicable given the nature and complexity of the law and resources available Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report. Target 2022-23: N/A – measure ceases in 2021-22 Target 2023-24 and beyond: N/A – measure ceases in 2021-22

(a) Debt target has been increased due to the broader economic environment, which has been impacted by factors including the COVID-19 pandemic.

Year	Performance measures	Expected/planned performance results
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Influence – Government and Treasury perceptions of the ATO and the quality of our advice</p> <p>Influence tax and super system design through a mutually positive relationship with Treasury and the provision of quality advice</p> <p>Note: Change to measure name for 2022-23</p>	<p>Target: Good</p> <p>Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report.</p> <p>Target 2022-23: Demonstrated effort in supporting the Treasury Department to design and deliver effective tax and super policy.</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Compliance cost – adjusted median cost to individual taxpayers of managing their tax affairs</p>	<p>Target: Remain steady</p> <p>Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report.</p> <p>Target 2022-23: Remain steady</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Digital – proportion of inbound transactions received digitally for key services</p>	<p>Target: 92%</p> <p>Forecast: On track</p> <p>Target 2022-23: 95%</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p><u>Digital – proportion of outbound interactions issued digitally for key services</u></p>	<p>Target: N/A – new measure in 2022-23</p> <p>Forecast: N/A – new measure</p> <p>Target 2022-23: Under development</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

Year	Performance measures	Expected/planned performance results
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	<u>Service satisfaction – client satisfaction with their recent interaction with the ATO</u>	Target: N/A – new measure in 2022-23 Forecast: N/A – new measure Target 2022-23: 80% Target 2023-24 and beyond: As per 2022-23
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Working together – partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems	Target: Equal to or better than the 2018–19 result (64/100) Forecast: On track Target 2022-23: Equal to or better than the 2018–19 result (64/100) Target 2023-24 and beyond: As per 2022-23
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Culture – level of employee engagement	Target: Equal to or better than the average result for large agencies Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report Target 2022-23: Equal to or better than the average result for large agencies Target 2023-24 and beyond: As per 2022-23
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Gender equality – female representation in the senior executive service (SES) and executive level (EL) classifications	Target: Approx. 50% of SES and approx. 50% of EL staff Forecast: On track Target 2022-23: N/A – measure ceases in 2021-22 Target 2023-24 and beyond: N/A – measure ceases in 2021-22
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Indigenous representation – proportion of ATO staff who identify as Indigenous	Target: 3.0% Forecast: On track Target 2022-23: N/A – measure ceases in 2021-22 Target 2023-24 and beyond: N/A – measure ceases in 2021-22

Year	Performance measures	Expected/planned performance results
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Disability representation – proportion of ATO staff who identify with disability</p>	<p>Target: 4.0% Forecast: On track</p> <p>Target 2022-23: N/A – measure ceases in 2021-22</p> <p>Target 2023-24 and beyond: N/A – measure ceases in 2021-22</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Staff experience – employee perceptions around whether they have access to the tools and resources needed to perform well</p>	<p>Target: Equal to or better than the average result for large agencies Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: Equal to or better than the average result for large agencies</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Tax returns – proportion of pre-filled items accepted without change</p>	<p>Target: 90% Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: 90%</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Availability – key digital systems availability</p>	<p>Target: 99.5% (excluding planned outages) Forecast: On track</p> <p>Target 2022-23: 99.5% (excluding planned outages)</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

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Year	Performance measures	Expected/planned performance results
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Budget – ATO manages its operating budget to balance	Target: +/- 1.0% of budget allocation Forecast: On track to partially meet target Target 2022-23: N/A – measure ceases in 2021-22 Target 2023-24 and beyond: N/A – measure ceases in 2021-22
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Cost of collection – cost to collect \$100	Target: Consistent with trend Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report Target 2022-23: Consistent with pre-pandemic trend Target 2023-24: Consistent with pre-pandemic trend Target 2024-25: Consistent with trend Target 2025-26: Consistent with trend

Program 1.2 – Tax Practitioners Board (TPB)		
<p>The TPB has the general administration of the <i>Tax Agent Services Act 2009</i> (TASA) and is responsible for the registration and regulation of tax practitioners. These include tax agents and business activity statement (BAS) agents. The TPB also has the responsibility to monitor and take action against unregistered preparers (a).</p> <p>The TPB's establishment, functions and powers are defined in the TASA. The TPB's role is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.</p>		
Key activities	<p>Key activities reported in the current corporate plan that relate to this program.</p> <p>The TPB has a number of key activities to deliver its objective, which includes:</p> <ul style="list-style-type: none"> • Support the Government's areas of focus and reform • Administer a system of registration • Investigate applications for registration and address conduct that may breach the TASA • Impose sanctions for breaches of the TASA • Issue guidance to support tax practitioners • Build organisational capability and culture. 	
Year	Performance measures	Expected/planned performance results
Current year 2021-22	1.1 Improve the registration experience for tax practitioners	<p>Improve the experience by streamlining processes and increasing automation.</p> <p>Expected results: The majority of tax practitioners regularly surveyed are reporting an improved experience in relation to the online registrations process.</p>
	1.2 Efficiently process tax practitioner applications and enquiries	<p>The majority of applications are processed within service standards. Response to enquiries are appropriate and timely.</p> <p>Expected results: We continue to exceed our registrations service standards as well as providing timely responses to enquiries.</p>

Year	Performance measures	Expected/planned performance results
Current year 2021-22	2.1 Provide guidance and advice to tax practitioners on their eligibility requirements and obligations under the <i>Tax Agent Services Act 2009</i>	Provide useful advice and guidance of key relevant topics. Expected results: Survey results consistently positive regarding the usefulness of guidance material.
	2.2 Provide support through targeted communications that educate tax practitioners	Effective communication is used to assist consumer protection and educate the profession. Expected results: Quarterly trends in our communications activities continue to increase and reach a wider potential audience.
	2.3 Impede misconduct by tax practitioners and unregistered preparers through our compliance programs	Data and intelligence are used to deliver an effective compliance program. Expected results: Effective collaboration with co-regulators and the use of data analytics continues to identify high risk practitioners and support prioritising cases for compliance action.
	2.4 Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct	Litigation cases that clarify the law and support the TPB's purpose. Expected results: The TPB continues to deter misconduct through favourable litigation outcomes.

Year	Performance measures	Expected/planned performance results
Current year 2021-22	3.1 Work with Treasury and Government to design and implement reforms to the TASA and the TPB	Treasury considers submissions from the TPB and works collaboratively with the TPB on law and policy reform. Expected results: The TPB's active engagement with Treasury has supported and influenced law and policy reform.
	3.2 Deliver an ongoing technology program to support enhanced services and drive operational efficiency	System upgrades are contemporary and engaging. Expected results: Significant milestone accomplished relating to the upgrade of our customer relationship management tool and supporting the achievement of high-quality operational outcomes.
	3.3 Support our people by delivering a comprehensive People Program	Implementation of a reward and recognition program. Expected results: The TPB has launched and actively manages staff reward programs, recognising staff achievements and reinforcing our consistently high levels of staff engagement.

Year	Performance measures	Expected/planned performance results
1. Support the Government's areas of focus and reform		
Budget year 2022-23	1.1 We contribute to government reform	Target: >95% of TPB submissions are relevant to the TPBs regulatory role.
2. Administer a system of registration		
Budget year 2022-23	2.1 Our internal service standards results	Target: 80% new and renewal within 30 days, 95% new and renewal within 60 days.
	2.2 Our Quality Assurance results	Target: The TPB aims to conduct quality assurance checks quarterly.
	2.3 Tax Practitioner satisfaction with engagement with TPB/registration and renewal process	Target: 65% new and 74% renewal biannual survey results.
	2.4 Tax practitioner satisfaction with reduction in red tape	Target: Under development.
	2.5 The TPB register is available and updated daily	Target: 99%.
3. Investigate applications for registration and address conduct that may breach the TASA		
Budget year 2022-23	3.1 Tax Practitioner satisfaction with TPB compliance effectiveness	Target: 65% biannual survey results.
	3.2 The number of completed compliance investigations	Target: >2000 investigations completed.
	3.3 The number of self-generated cases	Target: >350 cases.
	3.4 Unregistered Preparers are identified and addressed	Target: >62 identified and >15 investigated.
4. Impose sanctions for breaches of the TASA		
Budget year 2022-23	4.1 The number of sanctions imposed	Target: Under development.
	4.2 Sanctions are appropriate	Target: Under development.
5. Issue guidance to support tax practitioners		
Budget year 2022-23	5.1 The number of guidance products/instruments published	Target: the TPB aims to support the tax profession by publishing regular guidance material.
	5.2 Satisfaction from tax practitioners	Target: 79% biannual survey results.

Year	Performance measures	Expected/planned performance results
6. Build organisational capability and culture		
Budget Year 2022-23	6.1 Our System availability	Target: 95% system availability Target: Staff survey under development Target: Incident reduction under development.
	6.2 Our staff wellbeing and engagement scores	Target: APS Census results are >68% for wellbeing and >73% for engagement.
	6.3 Staff satisfaction with workplace culture	Target: Under development.
	6.4 Staff satisfaction with skills development	Target: Under development.
	6.5 Staff satisfaction with TPB leadership	Target: Under development.
	6.6 Board satisfaction with TPB governance	Target: The TPB ARC expresses satisfaction with governance activities.
Year	Performance measures	Expected/planned performance results
Forward estimates 2023-24 and beyond	As per 2022-23	As per 2022-23

(a) Program description has been slightly modified to remove the 'Tax Financial Advisers' as they are no longer regulated by the TPB. Instead, 'unregistered preparers' has been included, which is a high-risk segment the TPB is actively monitoring.

Program 1.3 – Australian Business Registry Services

The ABRS has been established to assist the Registrar to carry out their functions. The Registrar has separate and distinct responsibilities from the Commissioner of Taxation, including administering director identification numbers and assisting the Australian Securities and Investments Commission (ASIC) to manage its registry functions. The Commissioner of Taxation remains Registrar of the Australian Business Register (ABR) under the *A New Tax System (Australian Business Number) Act 1999*.

The Registrar of ABRS is now responsible for assisting ASIC to perform its registry functions (under a delegation from ASIC). As ASIC registers are migrated to the new registry system, the Registrar will assume primary responsibility for registry functions and associated reporting.

The ABRS is a custodian of trusted business information and world-class provider of associated services used by businesses, governments and communities to unlock economic and social value for Australia.

Key activities	<p>The ABRS is a new service that will be progressively established as the MBR program is implemented over the coming years. ABRS will provide:</p> <ul style="list-style-type: none"> • effective, efficient and accessible business registry services that reduce the regulatory burden for business • a unified, accessible and trusted source of business data that supports the activities of businesses, governments and the community • robust identity verification and relationship traceability for directors, through Director ID, which will foster trust and confidence by creating a fairer business environment. 	
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Increased use of the ABR as the national business dataset	Target: ABR Explorer – 420 ABR Connect – 18 ABN Lookup – 1.8 billion Forecast: On track
Budget year 2022-23		Target 2022-23: ABR Explorer – 500 ABR Connect – 20 ABN Lookup – 2.0 billion
Forward estimates 2023-24 and beyond		Target 2023-24: ABR Explorer – 525 ABR Connect – 22 ABN Lookup – 2.3 billion Target 2024-25: ABR Explorer – 550 ABR Connect – 24 ABN Lookup – 2.5 billion Target 2025-26: As per 2024-25
Current year 2021-22	Reduction in the administrative cost to businesses and government in dealing with each other	Target: Total – \$2 billion Forecast: On track
Budget year 2022-23		Target 2022-23: Total – \$2.25 billion
Forward estimates 2023-24 and beyond		Target 2023-24: Total – \$2.34 billion Target 2024-25: Total – \$2.45 billion Target 2025-26: As per 2024-25

Program 1.4 – Australian Charities and Not-for-profits Commission		
<p>The Australian Charities and Not-for-profits Commission (ACNC) is the independent national regulator of charities. The ACNC Commissioner (the Commissioner) has a number of statutory functions and regulatory powers set out in the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (ACNC Act), the Charities Act 2013 (Cth) (the Charities Act) and accompanying regulations.</p>		
Key activities	<ul style="list-style-type: none"> • maintaining a public register of Australian charities • registering new charities • revoking the registration of charities that are no longer entitled to registration • collecting information about charities annually • providing advice and guidance to charities and the public • disseminating resources for better governance practices • enhancing transparency and good governance in the sector • monitoring charities for compliance with legal requirements, and acting on identified concerns • working across governments to reduce unnecessary regulation. 	
Year	Performance measures	Expected/planned performance outcomes
<p>Key for results</p> <p>Met: Target met or exceeded, or the work has commenced and is on track to be met by 30 June 2022</p> <p>Partially met: Some elements of the target were met and issues were managed, the work has commenced and is on track to be met or partially met by 30 June 2022. Partially met is 80% or more of the target achieved</p> <p>Not met: Target not met, or not on track to be met by 30 June 2022.</p>		
Current year 2021-22	<p>90% of new charity registrations completed within agreed timeframe</p> <p>75% of charities complying with timeliness of Annual Information Statement submission requirements</p> <p>75% of investigations finalised within 12 months</p> <p>Launch of the enhanced Charity Register with searchable program data available</p> <p>80% of phone calls answered within 4 minutes</p>	<p>On track to be met or partially met by 30 June 2022</p> <p>On track to be met or partially met by 30 June 2022</p> <p>On track to be met or partially met by 30 June 2022</p> <p>On track to be met or partially met by 30 June 2022</p> <p>On track to be partially met or not met by 30 June 2022</p>
	<p>Information and guidance materials are reviewed and updated or published for the first time on the ACNC website to assist charities in understanding their obligations</p> <p>The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities</p>	<p>On track to be met or partially met by 30 June 2022</p> <p>On track to be met or partially met by 30 June 2022</p>

Year	Performance measures	Expected/planned performance outcomes
Budget year 2022-23	90% of new charity registrations completed within agreed timeframe	Meet by 30 June 2023
	75% of charities complying with timeliness of Annual Information Statement submission requirements	Meet by 30 June 2023
	75% of investigations finalised within 12 months	Meet by 30 June 2023
	Complete 75 investigations	Meet by 30 June 2023
	2% of Charities Register with DGR endorsement reviewed	Meet by 30 June 2023
	Increased usage of the enhanced Charity Register with searchable program data available	Meet by 30 June 2023
	80% of phone calls answered within 4 minutes	Meet by 30 June 2023
	Information and guidance materials are reviewed and updated or published for the first time on the ACNC website to assist charities in understanding their obligations	Meet by 30 June 2023
	Demonstrated reduction in unnecessary regulation for charities	Meet by 30 June 2023
Forward estimates 2023-24 and beyond	As per 2022-23	Meet by 30 June of the relevant year

Program 1.5 – 1.19 Administered programs		
The ATO administers a range of payments and transfers on behalf of the Australian Government, including incentives and rebates delivered through the taxation and superannuation systems.		
Key activities	Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the tax and superannuation systems.	
Program 1.5 – Australian Screen and Digital Game Production Incentive		
The Australian Screen Production Incentive comprises three refundable film tax offsets: the Producer Offset, the Location Offset, and the Post, Digital and Visual Effects (PDV) Offset. These offsets are designed to ensure Australia remains competitive in attracting high budget film and television productions and are aimed at providing increased opportunities for Australian casts, crew, post-production companies and other services to participate in these productions.		
The Digital Games Tax Offset is a new tax incentive, commencing from 1 July 2022 that would provide a refundable tax offset for qualifying Australian expenditure to eligible businesses.		
The Office for the Arts, along with Screen Australia and the ATO, have co-administration responsibilities for the program. Screen Australia has responsibility for the Producer Offset while the Office for the Arts has responsibility for the Location, PDV and Digital Games Tax Offset. The ATO conducts verification and reconciliation with the certificates issued by the Arts Minister before the offset is paid to the taxpayer.		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of tax offsets processed	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report.
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.6 – Junior Minerals Exploration Incentive		
<p>The Junior Minerals Exploration Incentive provides a tax incentive to invest in small minerals exploration companies undertaking greenfields minerals exploration in Australia. Eligible Australian resident investors of these companies receive a tax incentive where the companies choose to give up a portion of their tax losses relating to their exploration expenditure in an income year.</p>		
Year	Performance measures	Expected/planned performance outcomes
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing</p>	<p>Target 2021-22: 100% notifications issued within 28 calendar days of the application period closing Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: 100% notifications issued within 28 calendar days of the application period closing</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued</p>	<p>Target 2021-22: Published within 56 calendar days of the application period closing Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: Published within 56 calendar days of the application period closing</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

Program 1.7 – Fuel Tax Credits Scheme		
<p>The objective of the Fuel Tax Credits Scheme is to remove or reduce the incidence of fuel tax levied on taxable fuels by providing a credit for fuel used for:</p> <ul style="list-style-type: none"> • business activities in machinery, plant and equipment and vehicles; • the domestic generation of electricity by taxpayers not in business. 		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of claims	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: N/A – measure ceases in 2021-22
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: N/A – measure ceases in 2021-22
Current year 2021-22	<u>Fuel Tax Credits Scheme gap</u>	Target 2021-22: N/A – new measure in 2022-23 Forecast: N/A – new measure
Budget year 2022-23		Target 2022-23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.8 – National Rental Affordability Scheme		
<p>The Department of Social Services has policy responsibility for the National Rental Affordability Scheme. The objectives are to:</p> <ul style="list-style-type: none"> • increase the supply of new affordable rental housing; • reduce rental costs for low- and moderate-income households – National Rental Affordability Scheme homes rented to eligible tenants at a rate that is at least 20 per cent below the market value rent; and • encourage large-scale investment and innovative delivery of affordable housing through the provision of the following incentives: <ul style="list-style-type: none"> – an Australian Government incentive per dwelling per year as a tax offset or direct payment; and – a State or Territory Government incentive as a direct payment per dwelling per year or in-kind financial support. 		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of tax offsets processed	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.9 – Product Stewardship for Oil		
<p>The objective of the Product Stewardship for Oil Program is to:</p> <ul style="list-style-type: none"> • provide incentives to increase used oil recycling; and • encourage the environmentally sustainable management and re-refining of used oil and its re-use. <p>These objectives are met through the payment of a levy by producers and importers of petroleum-based oils and their synthetic equivalents. Benefits are paid to oil recyclers as an incentive to undertake increased recycling of used oil. The Department of the Environment and Energy has policy responsibility for the program, with the ATO administering the program on its behalf.</p>		
Year	Performance measures	Expected/planned performance outcomes
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Value of revenue collected</p>	<p>Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: N/A – measure ceases in 2021-22</p> <p>Target 2023-24 and beyond: N/A – measure ceases in 2021-22</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Value of payments processed</p>	<p>Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: N/A – measure ceases in 2021-22</p> <p>Target 2023-24 and beyond: N/A – measure ceases in 2021-22</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p><u>Product Stewardship for Oil gap</u></p>	<p>Target 2021-22: N/A – new measure in 2022-23 Forecast: N/A – new measure</p> <p>Target 2022-23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

Program 1.10 – Research and Development Tax Incentive The Research and Development (R&D) Tax Incentive is an ongoing scheme designed to increase the level of research and development being conducted by Australian companies. The Department of Industry, Innovation and Science has the primary policy responsibility for the program with the aim of increasing both the number of companies investing in innovation and the value of innovation investment over time. The ATO has an important supporting role in processing claims through the tax system for the R&D offset.		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Value of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report Target 2022-23: The ATO aims to administer the program in accordance with the law Target 2023-24 and beyond: As per 2022-23
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Value of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report Target 2022-23: The ATO aims to administer the program in accordance with the law Target 2023-24 and beyond: As per 2022-23
Current year 2021-22 Budget year 2022-23 Forward estimates 2023-24 and beyond	Number of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report Target 2022-23: The ATO aims to administer the program in accordance with the law Target 2023-24 and beyond: As per 2022-23

Year	Performance measures	Expected/planned performance outcomes
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Number of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)</p>	<p>Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: The ATO aims to administer the program in accordance with the law</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Proportion of offsets processed within service standard timeframes</p>	<p>Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: The ATO aims to administer the program in accordance with the law</p> <p>Target 2023-24 and beyond: As per 2022-23</p>

Program 1.11 – Low Income Superannuation Tax Offset		
<p>The Low Income Superannuation Tax Offset (LISTO) is aimed to address some of the inequity in the superannuation system, where low-income earners with a marginal rate of tax less than 15 per cent, pay a higher rate of tax on superannuation contributions than if they had received the money as salary and wages.</p> <p>The LISTO replaces the low income superannuation contribution (LISC) policy from 1 July 2017. LISC will continue to be payable for concessional contributions made up to and including the 2016-17 year, however, determinations will cease at 1 July 2019.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program and provides information and support to individuals and superannuation funds through advice and education services.</p>		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of entitlements paid	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23
Program 1.12 – Private Health Insurance Rebate		
<p>The objective of the Private Health Insurance Rebate is to provide access to a benefit to eligible individuals with private health insurance and to act as an incentive to take up private health insurance.</p> <p>The Department of Health has policy responsibility for the program, and the administration of the program is split between the ATO and registered health insurers, depending on the claim method.</p>		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of rebates processed	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.13 – Superannuation Co-contribution Scheme

The Superannuation Co-contribution Scheme is to help low-and-middle income earners save for their retirement. Eligible individuals who make personal superannuation contributions to a complying superannuation fund or retirement savings account receive a co-contribution from the Government up to certain limits.

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

Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of entitlements paid	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.14 – Superannuation Guarantee Scheme		
<p>Under the <i>Superannuation Guarantee (Administration) Act 1992</i> (SGAA), most employers must pay superannuation contributions into a complying superannuation fund or retirement savings account.</p> <p>Non-compliance with the SGAA by employers means that eligible employees will not receive their entitlements to, and benefits of, superannuation in their retirement.</p>		
Year	Performance measures	Expected/planned performance outcomes
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Superannuation guarantee gap as a proportion of superannuation guarantee contributions</p>	<p>Target 2021-22: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available. Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available</p> <p>Target 2023-24 and beyond: As per 2022-23</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Value of superannuation guarantee charge:</p> <ul style="list-style-type: none"> • raised (including penalties and interest) • collected 	<p>Target 2021-22: Raised: \$812 million Collected: \$462 million Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: Raised: \$946 million Collected: \$550 million</p> <p>Target 2023-24: Raised: \$1,017 million Collected: \$594 million</p> <p>Target 2024-25: Raised: \$1,099 million Collected: \$642 million</p> <p>Target 2025-26: Raised: \$1,184 million Collected: \$692 million</p>
<p>Current year 2021-22</p> <p>Budget year 2022-23</p> <p>Forward estimates 2023-24 and beyond</p>	<p>Value of superannuation guarantee entitlements distributed to individuals or superannuation funds</p>	<p>Target 2021-22: \$421 million Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report</p> <p>Target 2022-23: \$497 million</p> <p>Target 2023-24: \$536 million Target 2024-25: \$578 million Target 2025-26: \$622 million</p>

Program 1.15 – Targeted Assistance Through the Taxation System Under the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i> , superannuation funds must identify certain types of lost and former temporary resident accounts as unclaimed superannuation money and transfer amounts to the ATO every six months. Since 1 July 2013, any unclaimed superannuation money payments from the ATO to individuals includes interest, at a rate equivalent to the consumer price index, to preserve the value of these accounts. While the Treasury has policy responsibility, the ATO administers the program.		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of interest payments processed	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23
Program 1.16 – Interest on Overpayment and Early Payments of Tax The objective of the program is to apply credit interest to taxpayers' accounts where they are entitled under the law. The application of credit interest is non-discretionary where an entitlement exists under the <i>Taxation (Interest on Overpayments and Early Payments) Act 1983</i> . Administered interest regimes include: <ul style="list-style-type: none"> • interest on overpayments of tax; • delayed refund interest; and • interest on early payments of tax. 		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of credit interest applied to client accounts	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget Year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward Estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.17 – Bad and Doubtful Debts and Remissions		
<p>The primary objective of the program is to help ensure that the value of tax receivables reported is a true and fair estimate of what can be collected on behalf of the Australian Government.</p> <p>The ATO may not be able to collect all tax liabilities due. The ATO estimates the amount it does not expect to recover and, in accordance with Australian Accounting Standards, creates an impairment allowance provision for this amount. This provision is one of the amounts offset against the gross total taxation receivables to determine the net total taxation receivables, which is a true and fair estimate of what can be collected on behalf of the Australian Government.</p>		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Ratio of debt uneconomical to pursue to ATO net tax collections	Target 2021-22: Below 1% Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: Below 1%
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23
Program 1.18 – Seafarer Tax Offset		
<p>The Seafarer Tax Offset commenced from 1 July 2012 and is designed to encourage the development of sustainable employment and skills opportunities for Australian seafarers. A Bill to abolish the Seafarer Tax Offset was tabled in Parliament but has now lapsed. There has been no Government announcement on the future of the Seafarer Tax Offset since the lapsing of the Bill.</p>		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Eligible taxpayers are aware of how to claim the offset	Target 2021-22: 100% Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: 100%
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Program 1.19 – Economic Response to the Coronavirus		
<p>The objective of the program is to support taxpayers and businesses through the coronavirus (COVID-19) pandemic. JobMaker Hiring Credit is a broad scheme to encourage job creation by employers in the COVID-19 recovery. JobMaker Hiring Credit is aimed at supporting young people (aged 16 to 35 years) into employment. This program also covered the JobKeeper Payment scheme and Boosting cash flow for employers, both of which ceased in the 2020-21 year.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program.</p>		
Year	Performance measures	Expected/planned performance outcomes
Current year 2021-22	Value of Hiring credit paid	Target 2021-22: The ATO aims to administer the program in accordance with the law Forecast: Information not yet available. Actual performance will be reported in the ATO Annual Report
Budget year 2022-23		Target 2022-23: The ATO aims to administer the program in accordance with the law
Forward estimates 2023-24 and beyond		Target 2023-24 and beyond: As per 2022-23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ATO's total operating revenue for 2022-23 is estimated at \$3.9 billion while expenditure is estimated to be \$4.1 billion, inclusive of unfunded depreciation. These budgeted amounts have increased since the 2021-22 Budget mainly due to new budget measure funding to support Government initiatives.

Departmental balance sheet (Table 3.2)

ATO's net assets as of 30 June 2023 is expected to be \$250 million. Net assets have increased by \$79.1 million since 2021-22 Budget mainly due to decreases in lease liabilities.

Departmental capital budget statement (Table 3.5)

Total capital appropriations in 2022-23 have increased by \$2.1 million since the 2021-22 Budget, as a result of new capital measures.

Total purchase of non-financial assets in 2022-23 have increased by \$57.4 million since the 2021-22 Budget, primarily due to new capital measures.

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	2,179,015	2,228,935	1,998,158	1,996,063	2,003,826
Suppliers	1,470,230	1,409,591	1,258,950	1,250,964	968,897
Depreciation and amortisation (a)	403,440	416,709	403,520	388,075	378,031
Finance costs	10,422	13,863	16,703	14,145	11,581
Total expenses	4,063,107	4,069,098	3,677,331	3,649,247	3,362,335
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	92,935	104,432	109,380	114,432	117,985
Sublease income	14,931	12,230	10,407	10,787	9,620
Sublease interest income	250	175	96	26	2
Other	12,189	14,994	11,864	8,000	8,000
Total own-source revenue	120,305	131,831	131,747	133,245	135,607
Gains					
Other	3,000	3,000	3,000	3,000	3,000
Total gains	3,000	3,000	3,000	3,000	3,000
Total own-source income	123,305	134,831	134,747	136,245	138,607
Net (cost of)/contribution by services	(3,939,802)	(3,934,267)	(3,542,584)	(3,513,002)	(3,223,728)
Revenue from Government	3,770,651	3,744,364	3,368,952	3,349,384	3,064,307
Surplus/(deficit) attributable to the Australian Government	(169,151)	(189,903)	(173,632)	(163,618)	(159,421)
Total comprehensive income/(loss)	(169,151)	(189,903)	(173,632)	(163,618)	(159,421)
Total comprehensive income/(loss) attributable to the Australian Government	(169,151)	(189,903)	(173,632)	(163,618)	(159,421)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(169,151)	(189,903)	(173,632)	(163,618)	(159,421)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	180,168	184,746	172,123	162,830	162,830
plus: depreciation/amortisation expenses for ROU assets (b)	223,272	231,963	231,397	225,245	215,201
less: lease principal repayments (b)	234,289	226,806	229,888	224,457	218,610
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	49,054	49,054	49,054	49,054	49,054
Trade and other receivables	598,808	554,829	558,168	557,737	566,463
Total financial assets	647,862	603,883	607,222	606,791	615,517
Non-financial assets					
Land and buildings	932,494	1,311,838	1,271,660	1,044,357	839,806
Property, plant and equipment	101,440	95,754	86,753	81,935	69,318
Intangibles	531,973	514,525	456,653	424,374	387,313
Other non-financial assets	74,588	75,092	75,092	75,092	75,092
Total non-financial assets	1,640,495	1,997,209	1,890,158	1,625,758	1,371,529
Assets held for sale					
Total assets	2,288,357	2,601,092	2,497,380	2,232,549	1,987,046
LIABILITIES					
Payables					
Suppliers	257,056	259,160	259,160	259,160	259,160
Subsidies	51,016	61,072	64,771	64,698	73,787
Other payables	4,986	4,986	4,986	4,986	4,986
Total payables	313,058	325,218	328,917	328,844	337,933
Interest bearing liabilities					
Leases	881,013	1,229,329	1,164,260	939,803	721,193
Total interest-bearing liabilities	881,013	1,229,329	1,164,260	939,803	721,193
Provisions					
Employee provisions	780,677	780,677	780,677	780,677	780,677
Other provisions	15,877	15,877	15,877	15,877	15,877
Total provisions	796,554	796,554	796,554	796,554	796,554
Total liabilities	1,990,625	2,351,101	2,289,731	2,065,201	1,855,680
Net assets	297,732	249,991	207,649	167,348	131,366

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	2,269,161	2,411,323	2,542,613	2,665,930	2,789,369
Reserves	123,154	123,154	123,154	123,154	123,154
Retained surplus (accumulated deficit)	(2,094,583)	(2,284,486)	(2,458,118)	(2,621,736)	(2,781,157)
Total equity	297,732	249,991	207,649	167,348	131,366

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 2022-23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as of 1 July 2022				
Balance carried forward from previous period	(2,094,583)	123,154	2,269,161	297,732
Adjusted opening balance	(2,094,583)	123,154	2,269,161	297,732
Comprehensive income				
Surplus/(deficit) for the period	(189,903)	-	-	(189,903)
Total comprehensive income	(189,903)	-	-	(189,903)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	30,697	30,697
Departmental Capital Budget (DCB)	-	-	111,465	111,465
Total transactions with owners	-	-	142,162	142,162
Estimated closing balance as at 30 June 2023	(2,284,486)	123,154	2,411,323	249,991
Closing balance attributable to the Australian Government	(2,284,486)	123,154	2,411,323	249,991

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,841,518	3,787,324	3,365,613	3,349,815	3,055,581
Sale of goods and rendering of services	119,910	131,418	131,747	133,245	135,607
Net GST received	131,034	130,218	128,786	128,786	128,786
Total cash received	4,092,462	4,048,960	3,626,146	3,611,846	3,319,974
Cash used					
Employees	2,181,958	2,227,694	1,994,459	1,996,136	1,994,737
Suppliers	1,455,692	1,396,176	1,255,950	1,247,964	965,897
Borrowing costs	10,422	13,863	16,703	14,145	11,581
Net GST paid	131,450	128,786	128,786	128,786	128,786
Total cash used	3,779,522	3,766,519	3,395,898	3,387,031	3,101,001
Net cash from/(used by) operating activities	312,940	282,441	230,248	224,815	218,973
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	235,639	197,797	131,650	123,675	123,802
Total cash used	235,639	197,797	131,650	123,675	123,802
Net cash from/(used by) investing activities	(235,639)	(197,797)	(131,650)	(123,675)	(123,802)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	157,047	142,162	131,290	123,317	123,439
Total cash received	157,047	142,162	131,290	123,317	123,439
Cash used					
Principal payments on lease liability	234,289	226,806	229,888	224,457	218,610
Total cash used	234,289	226,806	229,888	224,457	218,610
Net cash from/(used by) financing activities	(77,242)	(84,644)	(98,598)	(101,140)	(95,171)
Net increase/(decrease) in cash held	59	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	48,995	49,054	49,054	49,054	49,054
Cash and cash equivalents at the end of the reporting period	49,054	49,054	49,054	49,054	49,054

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	102,239	111,465	122,455	121,761	123,439
Equity injections – Bill 2 (a)	54,808	30,697	8,835	1,556	-
Total new capital appropriations	157,047	142,162	131,290	123,317	123,439
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>157,047</i>	<i>142,162</i>	<i>131,290</i>	<i>123,317</i>	<i>123,439</i>
Total items	157,047	142,162	131,290	123,317	123,439
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (b)	108,400	48,647	8,835	1,556	-
Funded by capital appropriation - DCB (c)	127,239	148,764	122,455	121,761	123,439
TOTAL	235,639	197,411	131,290	123,317	123,439
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	235,639	197,411	131,290	123,317	123,439
Total cash used to acquire assets	235,639	197,411	131,290	123,317	123,439

Prepared on Australian Accounting Standards basis.

- (a) New capital Equity Injections for 2021-22 reflect a reduction of \$24.1 million related to prior year equity that has been subsequently reclassified
- (b) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
- (c) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	256,687	108,147	2,120,589	2,485,423
Gross book value – ROU assets	1,436,126	65,509	-	1,501,635
Accumulated depreciation/ amortisation and impairment	(102,223)	(57,823)	(1,588,616)	(1,748,662)
Accumulated depreciation/amortisation and impairment – ROU assets	(658,096)	(14,393)	-	(672,489)
Opening net book balance	932,494	101,440	531,973	1,565,907
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	48,647	48,647
By purchase – appropriation ordinary annual services (b)	64,030	19,822	65,298	149,150
By purchase – appropriation ordinary annual services – ROU assets	575,122	-	-	575,122
Total additions	639,152	19,822	113,945	772,919
Other movements				
Depreciation/amortisation expense	(33,807)	(19,546)	(131,393)	(184,746)
Depreciation/amortisation on ROU assets	(226,001)	(5,962)	-	(231,963)
Total other movements	(259,808)	(25,508)	(131,393)	(416,709)

**Table 3.6: Statement of departmental asset movements (Budget year 2022-23)
(continued)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 30 June 2023				
Gross book value	320,717	127,969	2,234,534	2,683,220
Gross book value – ROU assets	2,011,248	65,509	-	2,076,757
Accumulated depreciation/ amortisation and impairment	(136,030)	(77,369)	(1,720,009)	(1,933,408)
Accumulated depreciation/amortisation and impairment – ROU assets	(884,097)	(20,355)	-	(904,452)
Closing net book balance	1,311,838	95,754	514,525	1,922,117

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2022-23 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Subsidies	10,314,268	11,241,901	12,896,466	13,653,169	14,516,158
Personal benefits	848,597	983,407	978,856	971,786	959,079
Penalty and interest charge remission expense	1,435,000	1,425,000	1,465,000	1,575,000	1,655,000
Write-down and impairment of assets	5,994,000	6,379,000	6,452,000	6,750,000	7,059,000
Interest on overpayments	70,000	75,000	75,000	75,000	75,000
Superannuation Guarantee Charge	612,000	593,000	641,000	693,000	747,000
Unclaimed superannuation monies interest	22,808	6,000	5,000	6,000	6,000
Other Expenses	8,577	8,137	3,036	-	-
Total expenses administered on behalf of Government	19,305,250	20,711,445	22,516,358	23,723,955	25,017,237
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	399,733,799	383,577,477	410,399,332	429,222,077	455,441,133
Indirect tax	100,870,000	110,170,100	119,409,900	124,980,000	130,700,000
Other taxes	3,140,208	3,159,766	3,264,271	3,039,778	3,228,187
Total taxation revenue	503,744,007	496,907,343	533,073,503	557,241,855	589,369,320
Non-taxation revenue					
Unclaimed Superannuation Monies	466,575	214,000	190,000	123,000	118,000
Other Revenue	15,226	15,598	18,326	16,492	25,555
Total non-taxation revenue	481,801	229,598	208,326	139,492	143,555
Total own-source revenue administered on behalf of Government	504,225,808	497,136,941	533,281,829	557,381,347	589,512,875
Net (cost of)/contribution by services	484,920,558	476,425,496	510,765,471	533,657,392	564,495,638
Surplus/(deficit) before income tax	484,920,558	476,425,496	510,765,471	533,657,392	564,495,638

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	468,468	468,468	468,468	468,468	468,468
Total financial assets	468,468	468,468	468,468	468,468	468,468
Non-financial assets					
Taxation Receivables	34,148,873	37,140,589	40,306,095	43,627,699	47,115,302
Other Receivables	379,846	379,846	379,846	379,846	379,846
Accrued Revenues	14,336,620	15,216,620	15,956,620	16,196,620	17,076,620
Total non-financial assets	48,865,339	52,737,055	56,642,561	60,204,165	64,571,768
Total assets administered on behalf of Government	49,333,807	53,205,523	57,111,029	60,672,633	65,040,236
LIABILITIES					
Payables					
Subsidies	362,967	362,967	362,967	362,967	362,967
Personal benefits	11,186	11,186	11,186	11,186	11,186
Superannuation guarantee charge	61,857	61,857	61,857	61,857	61,857
Taxation refunds due	1,195,585	1,195,585	1,195,585	1,195,585	1,195,585
Superannuation holding account	76,007	87,407	95,707	105,707	106,107
Other payables	2,736	2,736	2,736	2,736	2,736
Total payables	1,710,337	1,721,737	1,730,037	1,740,037	1,740,437

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Provisions					
Subsidies	3,887,009	4,389,927	4,551,950	4,809,961	5,175,242
Personal Benefits	1,066,513	1,096,968	1,095,955	1,093,643	1,083,547
Income Taxation refunds provided for	1,876,829	1,866,829	1,856,829	1,846,829	1,836,829
Indirect Taxation refunds provided for	215,842	215,842	215,842	215,842	215,842
Superannuation guarantee payments	778,349	874,349	979,349	1,094,349	1,219,349
Unclaimed superannuation payments	577,885	433,885	312,885	274,885	276,885
Targeted Assistance through the Taxation Program	37,070	31,070	23,070	17,070	14,070
Provision for interest on overpayments of taxes	11,335	11,335	11,335	11,335	11,335
Other provisions	15,434	15,434	15,434	15,434	15,434
Total provisions	8,466,266	8,935,639	9,062,649	9,379,348	9,848,533
Total liabilities administered on behalf of Government	10,176,603	10,657,376	10,792,686	11,119,385	11,588,970
Net assets/(liabilities)	39,157,204	42,548,147	46,318,343	49,553,248	53,451,266

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	491,410,796	485,221,627	521,240,997	545,345,251	576,277,717
Other	485,326	96,998	95,626	111,492	145,955
Total cash received	491,896,122	485,318,625	521,336,623	545,456,743	576,423,672
Cash used					
Subsidies paid	10,854,650	10,738,983	12,734,443	13,395,158	14,150,877
Personal benefits	931,183	952,952	979,869	974,098	969,175
Suppliers	8,577	8,137	3,036	-	-
Interest	70,000	75,000	75,000	75,000	75,000
Other	544,000	509,000	549,000	590,000	631,000
Total cash used	12,408,410	12,284,072	14,341,348	15,034,256	15,826,052
Net cash from/(used by) operating activities	479,487,712	473,034,553	506,995,275	530,422,487	560,597,620
Net increase/(decrease) in cash held	479,487,712	473,034,553	506,995,275	530,422,487	560,597,620
Cash and cash equivalents at beginning of reporting period	468,468	468,468	468,468	468,468	468,468
Cash from Official Public Account for:					
- Appropriations	12,528,410	12,404,072	14,461,348	15,154,256	15,946,052
- Special accounts	19,900	9,400	10,500	11,300	12,300
Total cash from Official Public Account	12,548,310	12,413,472	14,471,848	15,165,556	15,958,352
Cash to Official Public Account for:					
- Administered receipts	(492,016,022)	(485,427,225)	(521,448,323)	(545,566,743)	(576,543,272)
- Special accounts	(20,000)	(20,800)	(18,800)	(21,300)	(12,700)
Total cash to Official Public Account	(492,036,022)	(485,448,025)	(521,467,123)	(545,588,043)	(576,555,972)
Cash and cash equivalents at end of reporting period	468,468	468,468	468,468	468,468	468,468

Prepared on Australian Accounting Standards basis.

Commonwealth Grants Commission

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Commonwealth Grants Commission

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Commonwealth Grants Commission (the Commission) is a statutory authority operating under the *Commonwealth Grants Commission Act 1973*.

The Commission's main role is to inquire into and report to the Australian Government on the allocation of goods and services tax (GST) revenue among the states and territories. Terms of reference for these inquiries are determined by the Australian Government in consultation with the states and territories.

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

1.2 Entity resource statement

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

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

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

Table 1.1: Commonwealth Grants Commission resource statement – Budget estimates for 2022-23 as at Budget March 202

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	12,275	12,299
Departmental appropriation (b)	8,216	7,991
Departmental capital budget (c)	1,102	265
Total departmental annual appropriations	<u>21,593</u>	<u>20,555</u>
Total departmental resourcing	21,593	20,555
Total resourcing for the Commonwealth Grants Commission	21,593	20,555
<hr/>		
Average staffing level (number)	<u>34</u>	<u>34</u>

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

(a) Appropriation Bill (No. 1) 2022-23

(b) Excludes departmental capital budget (DCB).

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

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

1.3 Budget measures

The Commonwealth Grants Commission has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the 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 Commonwealth Grants Commission can be found at: (www.cgc.gov.au)

The most recent annual performance statement can be found at: (www.cgc.gov.au)

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Commonwealth Grants Commission					
Departmental expenses					
Departmental appropriation	8,216	7,991	7,880	7,927	7,965
Expenses not requiring appropriation in the Budget year (a)	380	511	525	545	45
Departmental total	8,596	8,502	8,405	8,472	8,010
Total expenses for program 1.1	8,596	8,502	8,405	8,472	8,010
Total expenses for Outcome 1	8,596	8,502	8,405	8,472	8,010

	2021-22	2022-23
Average staffing level (number)	30	34

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

Table 2.2: Performance measures for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Informed Government decisions on the distribution of the GST among the states and territories.		
Program 1.1- The Commission provides independent advice to the Government on the distribution of the GST among the states and territories.		
Key Activities	The Commission will prepare an annual update on the recommended GST sharing relativities. Periodically, the Commission will review the methods it uses to determine the GST sharing relativities.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Excellent research and analysis Stakeholder engagement Responsiveness to government	Achieved
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Responsiveness to government Excellence in research and analysis Effective engagement and consultation with stakeholders	The Commission's advice meets the Government's requirements as specified in the terms of reference provided by the Commonwealth Treasurer The research and analysis underlying the Commission's advice are recognised to be high quality and technically robust. The Commission's advice is informed by the best available information and data and considers the views of relevant stakeholders
Forward Estimates 2023-26	As per 2022-23	As per 2022-23

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	5,417	5,472	5,547	5,642	5,772
Suppliers	2,508	2,360	2,179	2,130	2,038
Depreciation and amortisation (a)	670	658	679	700	-
Finance Costs	1	12	11	8	10
Total expenses	8,596	8,502	8,405	8,472	7,810
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	45	45	45	45	45
Total own-source revenue	45	45	45	45	45
Total own-source income	45	45	45	45	45
Net (cost of)/contribution by services	(8,551)	(8,457)	(8,360)	(8,427)	(7,765)
Revenue from Government	8,216	7,991	7,880	7,927	7,965
Surplus/(deficit) attributable to the Australian Government	(335)	(466)	(480)	(500)	200
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	(200)	-	-	-
Total other comprehensive income	-	(200)	-	-	-
Total comprehensive income/(loss)	(335)	(666)	(480)	(500)	200
Total comprehensive income/(loss) attributable to the Australian Government	(335)	(666)	(480)	(500)	200

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	(200)	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	459	347	368	389	-
plus: depreciation/amortisation expenses for ROU (b)	211	311	311	311	-
less: principal repayments on leased assets (b)	335	192	199	200	200
Total comprehensive income/(loss) - as per the statement of comprehensive income	(335)	(666)	(480)	(500)	200

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	12,352	11,676	11,676	11,676	11,676
Total financial assets	12,452	11,776	11,776	11,776	11,776
Non-financial assets					
Land and buildings	-	1,868	1,557	1,246	1,246
Property, plant and equipment	28	28	28	28	94
Software	1,040	958	857	737	941
Prepayments	23	-	-	-	-
Total non-financial assets	1,091	2,854	2,442	2,011	2,281
Assets held for sale					
Total assets	13,543	14,630	14,218	13,787	14,057
LIABILITIES					
Payables					
Suppliers	109	109	109	109	109
Other payables	206	207	207	207	207
Total payables	315	316	316	316	316
Interest bearing liabilities					
Leases	-	1,287	1,088	888	688
Total interest bearing liabilities	-	1,287	1,088	888	688
Provisions					
Employee provisions	1,630	1,630	1,630	1,630	1,630
Other provisions	109	109	109	109	109
Total provisions	1,739	1,739	1,739	1,739	1,739
Total liabilities	2,054	3,342	3,143	2,943	2,743
Net assets	11,489	11,288	11,075	10,844	11,314
EQUITY*					
Parent entity interest					
Contributed equity	3,090	3,355	3,622	3,891	4,161
Reserves	200	-	-	-	-
Retained surplus (accumulated deficit)	8,199	7,933	7,453	6,953	7,153
Total equity	11,489	11,288	11,075	10,844	11,314

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022-23)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	8,199	200	3,090	11,489
Adjusted opening balance	8,199	200	3,090	11,489
Comprehensive income				
Surplus/(deficit) for the period	(466)	-	-	(466)
Total comprehensive income	(466)	-	-	(466)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	265	265
Sub-total transactions with owners	-	-	265	265
Transfers between equity	200	(200)	-	-
Estimated closing balance as at 30 June 2023	7,933	-	3,355	11,288
Closing balance attributable to the Australian Government	7,933	-	3,355	11,288

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	8,192	8,667	7,880	7,927	7,965
Total cash received	8,192	8,667	7,880	7,927	7,965
Cash used					
Employees	5,417	5,472	5,547	5,642	5,772
Suppliers	2,439	2,291	2,123	2,077	1,983
Interest payments on lease liability	1	12	11	8	10
Total cash used	7,857	7,775	7,681	7,727	7,765
Net cash from/(used by) operating activities	335	892	199	200	200
INVESTING ACTIVITIES					
Cash used					
Purchase of non-financial assets	1,102	965	267	269	270
Total cash used	1,102	965	267	269	270
Net cash from/(used by) investing activities	(1,102)	(965)	(267)	(269)	(270)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,102	265	267	269	270
Total cash received	1,102	265	267	269	270
Cash used					
Principal payments on lease liability	335	192	199	200	200
Total cash used	335	192	199	200	200
Net cash from/(used by) financing activities	767	73	68	69	70
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	100	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,102	265	267	269	270
Total new capital appropriations	1,102	265	267	269	270
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,102	265	267	269	270
Total items	1,102	265	267	269	270
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,102	265	267	269	270
Funded internally from departmental resources (b)	-	700	-	-	-
TOTAL	1,102	965	267	269	270
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,102	965	267	269	270
Total cash used to acquire assets	1,102	965	267	269	270

Prepared on Australian Accounting Standards basis.

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

(b) Includes funding from current and prior year Act 1 appropriations (excluding amounts from the DCB).

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	-	222	1,243	1,465
Gross book value - ROU assets	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	(194)	(203)	(397)
Accumulated depreciation/amortisation and impairment - ROU assets	-	-	-	-
Opening net book balance	-	28	1,040	1,068
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	700	62	203	965
By purchase - appropriation equity - ROU assets	1,479	-	-	1,479
Total additions	2,179	62	203	2,444
Other movements				
Depreciation/amortisation expense	(100)	(62)	(285)	(447)
Depreciation/amortisation on ROU assets	(211)	-	-	(211)
Total other movements	(311)	(62)	(285)	(658)
As at 30 June 2023				
Gross book value	700	284	1,446	2,430
Gross book value - ROU assets	1,479	-	-	1,479
Accumulated depreciation/ amortisation and impairment	(100)	(256)	(488)	(844)
Accumulated depreciation/amortisation and impairment - ROU assets	(211)	-	-	(211)
Closing net book balance	1,868	28	958	2,854

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, DCBs or other operational expenses.

Inspector-General of Taxation

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Inspector-General of Taxation

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

The IGT's strategic direction for 2022-23 is to achieve this by delivering independent advice for improvement through:

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

Our effectiveness in achieving our purpose is dependent on our ability to manage and adapt to the environment in which we operate.

1.2 Entity resource statement

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

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

Table 1.1: Inspector General of Taxation resource statement – Budget estimates for 2022-23 as at Budget March 2022

	<i>2021-22 Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	5,630	4,398
Departmental appropriation (b)	6,502	6,560
Departmental capital budget (c)	32	32
Total departmental annual appropriations	<u>12,164</u>	<u>10,990</u>
Total departmental resourcing	12,164	10,990
Total resourcing for entity Inspector-General of Taxation	12,164	10,990
	<i>2021-22</i>	<i>2022-23</i>
Average staffing level (number)	35	35

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

(a) Appropriation Bill (No. 1) 2022-23.

(b) Excludes departmental capital budget (DCB).

(c) 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'.

1.3 Budget measures

The IGT has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the IGT can be found at: (<https://www.igt.gov.au/corporate-plan-reports/corporate-plan-fy22-fy25/>)

The most recent annual performance statement can be found at: (<https://www.igt.gov.au/annual-reports/annual-report-2019-20/>)

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Inspector-General of Taxation					
Departmental expenses					
Departmental appropriation	6,502	6,560	6,598	6,652	6,698
s74 External Revenue (a)	60	60	60	60	60
Expenses not requiring appropriation in the Budget year (b)	309	240	46	46	46
Departmental total	6,871	6,860	6,704	6,758	6,804
Total expenses for program 1.1	6,871	6,860	6,704	6,758	6,804

	2021-22	2022-23
Average staffing level (number)	35	35

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

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

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 2022-23 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities.		
Program 1.1 – To improve tax administration through investigation of complaints, consulting with stakeholders to prioritise areas of tax administration for review as well as providing independent advice to the Government, the ATO and the TPB.		
Delivery	<ul style="list-style-type: none"> • effective handling of tax administration complaints • identify and prioritise areas of tax administration for improvement • conduct reviews and make independent recommendations for improvement to Government, the ATO and the TPB 	
Performance information		
Year	Performance criteria	Targets
2021-22	<ul style="list-style-type: none"> • effective handling of tax administration complaints • efficient conduct of reviews into tax administration issues • publication of reports on tax administration • independent advice to Government and relevant entities on improvements to tax administration 	<ul style="list-style-type: none"> • tax administration complaint responses • positive feedback on complaints handling and broader reviews from community stakeholders including taxpayers, tax practitioners, other citizens and relevant government entities • areas of tax administration for improvement identified and prioritised through complaints handling and stakeholder consultation • reviews, reports and recommendations on areas of tax administration
2022-23	As per 2021-22	As per 2021-22
2023-24 and beyond	As per 2021-22	As per 2021-22
Purposes	<p>The IGT is an independent statutory agency. Our role is to:</p> <ul style="list-style-type: none"> • improve the administration of taxation laws for the benefit of the community; and • provide independent advice (to the Minister and the Government, the ATO or TPB) and assurance (to individual taxpayers, practitioners, agencies or the community in general) through complaint enquiries and investigation, review investigations and reporting that Australian taxation administration laws are operating consistently, effectively and in accordance with community expectations. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

The IGT is budgeting for a break-even operating result in 2022-23.

3.2. Budgeted financial statements tables**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	4,801	4,798	4,818	4,843	4,802
Suppliers	1,287	1,368	1,423	1,452	1,539
Depreciation and amortisation (a)	775	694	463	463	463
Finance costs	8	-	-	-	-
Total expenses	6,871	6,860	6,704	6,758	6,804
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	60	60	60	60	60
Total own-source revenue	60	60	60	60	60
Net (cost of)/contribution by services	(6,811)	(6,800)	(6,644)	(6,698)	(6,744)
Revenue from Government	6,502	6,560	6,598	6,652	6,698
Surplus/(deficit) attributable to the Australian Government	(309)	(240)	(46)	(46)	(46)
Total comprehensive income/(loss) attributable to the Australian Government	(309)	(240)	(46)	(46)	(46)

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	325	281	46	46	463
plus: depreciation/amortisation expenses for ROU (b)	450	413	417	417	-
less: principal repayments on leased assets (b)	466	454	417	417	417
Total comprehensive income/(loss) – as per the statement of comprehensive income	(309)	(240)	(46)	(46)	(46)

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)

	2021-22 Estimated actual \$'000	202-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	20	20	20	20	20
Trade and other receivables	5,586	4,133	4,000	4,000	4,000
Total financial assets	5,606	4,153	4,020	4,020	4,020
Non-financial assets					
Land and buildings	669	1,463	2,931	2,503	2,075
Property, plant and equipment	213	210	175	140	105
Intangibles	103	103	134	165	197
Other non-financial assets	115	115	115	115	115
Total non-financial assets	1,100	1,891	3,355	2,923	2,492
Assets held for sale					
Total assets	6,706	6,044	7,375	6,943	6,512
LIABILITIES					
Payables					
Suppliers	212	212	212	212	212
Other payables	80	80	80	80	80
Total payables	292	292	292	292	292
Interest bearing liabilities					
Leases	449	(5)	1,341	924	507
Total interest bearing liabilities	449	(5)	1,341	924	507
Provisions					
Employee provisions	1,700	1,700	1,700	1,700	1,700
Other provisions	233	233	233	233	233
Total provisions	1,933	1,933	1,933	1,933	1,933
Total liabilities	2,674	2,220	3,566	3,149	2,732
Net assets	4,032	3,824	3,809	3,794	3,780
EQUITY*					
Parent entity interest					
Contributed equity	1,385	1,417	1,448	1,479	1,511
Reserves	409	409	409	409	409
Retained surplus (accumulated deficit)	2,238	1,998	1,952	1,906	1,860
Total equity	4,032	3,824	3,809	3,794	3,780

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022-23)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	2,238	409	1,385	4,032
Adjusted opening balance	2,238	409	1,385	4,032
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(240)	-	-	(240)
Total comprehensive income	(240)	-	-	(240)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	32	32
Sub-total transactions with owners	-	-	32	32
Closing balance attributable to the Australian Government	1,998	409	1,417	3,824

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,572	8,013	6,731	6,652	6,698
Total cash received	6,572	8,013	6,731	6,652	6,698
Cash used					
Employees	4,801	4,798	4,818	4,843	4,802
Suppliers	1,227	1,308	1,363	1,392	1,479
Interest payments on lease liability	8	-	-	-	-
Total cash used	6,036	6,106	6,181	6,235	6,281
Net cash from/(used by) operating activities	536	1,907	550	417	417
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	102	1,485	164	31	32
Total cash used	102	1,485	164	31	32
Net cash from/(used by) investing activities	(102)	(1,485)	(164)	(31)	(32)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	32	32	31	31	32
Total cash received	32	32	31	31	32
Cash used					
Principal payments on lease liability	466	454	417	417	417
Total cash used	466	454	417	417	417
Net cash from/(used by) financing activities	(434)	(422)	(386)	(386)	(385)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	20	20	20	20	20
Cash and cash equivalents at the end of the reporting period	20	20	20	20	20

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	32	32	31	31	32
Total new capital appropriations	32	32	31	31	32
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	(32)	(32)	(31)	(31)	(32)
Total items	(32)	(32)	(31)	(31)	(32)
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation – DCB	(32)	(32)	(31)	(31)	(32)
Funded internally from departmental resources (a)	(70)	(1,453)	(133)	-	-
	(102)	(1,485)	(164)	(31)	(32)
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	(102)	(1,485)	(164)	(31)	(32)
Total cash used to acquire assets	(102)	(1,485)	(164)	(31)	(32)

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	509	286	581	1,376
Gross book value – ROU assets	1,767	-	-	1,767
Accumulated depreciation/ amortisation and impairment	(253)	(73)	(478)	(804)
Accumulated depreciation/amortisation and impairment – ROU assets	(1,354)	-	-	(1,354)
Opening net book balance	669	213	103	985
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	1,453	32	-	1,485
Total additions	1,453	32	-	1,485
Other movements				
Depreciation/amortisation expense	(246)	(35)	-	(281)
Depreciation/amortisation on ROU assets	(413)	-	-	(413)
Total other movements	(659)	(35)	-	(694)
As at 30 June 2023				
Gross book value	1,962	318	581	2,861
Gross book value – ROU assets	1,767	-	-	1,767
Accumulated depreciation/ amortisation and impairment	(499)	(108)	(478)	(1,085)
Accumulated depreciation/amortisation and impairment – ROU assets	(1,767)	-	-	(1,767)
Closing net book balance	1,463	210	103	1,776

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021-22.

National Competition Council

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National Competition Council

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

The National Access Regime promotes competition, efficiency and productivity in markets that depend on the use of services provided by monopoly infrastructure facilities. Within this regime the NCC may recommend the declaration of a service provided by a monopoly facility but only if all of the 'declaration criteria' specified in the CCA are met. Where a service is declared, the Australian Competition and Consumer Commission (ACCC) is empowered to arbitrate access disputes if the parties seeking access and the facility owner are unable to agree on access arrangements including prices.

As an alternative to the National Access Regime, state and territory governments may implement access regimes specific to their circumstances or implement (cooperatively) parallel regulation in each jurisdiction (as has occurred for the gas and electricity industries). The NCC is responsible for recommending whether a state or territory access regime should be certified as effective, with the result that services covered by that access regime are exempt from declaration under the CCA.

Under the NGL, the NCC recommends on whether particular natural gas pipeline systems should be subject to access regulation (coverage determination under the NGL). The NCC also recommends in relation to the price regulation and greenfields pipeline exemptions available under the NGL. As well as these recommendatory roles, the NCC is responsible for determining whether covered pipelines should be subject to full regulation or light regulation and for classifying pipelines as transmission or distribution pipelines.

On 1 July 2014, the NCC entered into a Memorandum of Understanding with the ACCC under which staff and other support for the NCC's operations are provided by the ACCC. The NCC remains an independent entity, however, under this arrangement, it does not employ staff directly. The NCC maintains responsibility for its recommendations, decisions and other functions under the CCA and NGL, and ensures that its websites, guidelines and other information resources remain relevant and available to all stakeholders.

1.2 Entity resource statement

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

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

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

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

Table 1.1: National Competition Council resource statement – Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	3,348	3,402
Departmental appropriation (c)	1,731	1,762
Total departmental resourcing	5,079	5,164
Total resourcing for National Competition Council	5,079	5,164
	2021-22	2022-23
Average staffing level (number)	1	1

Third party payments from and on behalf of other entities

Payments made by the ACCC on behalf of the NCC	1,731	1,762
Payments made to the ACCC for the provision of corporate and professional services	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) 2022-23.

(b) Excludes \$0.876m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(c) Excludes departmental capital budget (DCB).

1.3 Budget measures

The NCC has no new budget measures.

Section 2: Outcomes and planned performance

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

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 measure 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 National Competition Council can be found at: http://ncc.gov.au/about/strategic_plan

The most recent annual performance statement can be found at <http://ncc.gov.au/publications/C41>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.

Budgeted expenses for Outcome 1

This table shows how much the 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: National Competition Council					
Departmental expenses					
Departmental appropriation	1,731	1,762	1,773	1,786	1,798
Expenses not requiring appropriation in the Budget year (a)	34	34	34	34	34
Departmental total	1,765	1,796	1,807	1,820	1,832
Total expenses for program 1.1	1,765	1,796	1,807	1,820	1,832
Total expenses for Outcome 1	1,765	1,796	1,807	1,820	1,832

	2021-22	2022-23
Average staffing level (number)	1	1

(a) Expenses not requiring appropriation in the Budget year represent audit services received free of charge from the Australian National Audit Office (ANAO).

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure.</p>	
<p>Program 1.1- National Competition Council</p> <p>The NCC’s objective is to provide advice to Governments and make decisions on infrastructure access issues that accord with statutory requirements (including time limits) and good regulatory practice and ensuring that advice meets requirements of decision-making ministers, such that Australia achieves a consistent approach to access regulation that promotes the efficient operation of, use of and investment in infrastructure thereby promoting effective competition.</p>	
<p>Key Activities</p>	<p>The NCC makes recommendations under the National Access Regime in Part IIIA of the CCA and recommendations and decisions under the NGL.</p> <p>The National Access Regime provides for access to the services of monopoly infrastructure facilities on appropriate terms, through the declaration of services. The NCC’s role is to make recommendations to relevant ministers in relation to applications for declaration of services and also the certification of state or territory access regimes.</p> <p>The NCC has a similar role under the NGL, contained in the Schedule to the National Gas (South Australia) Act 2008, where it makes recommendations on the coverage of natural gas pipeline systems. Under the NGL, the NCC also has responsibility for deciding the form of regulation applying to natural gas pipeline systems (light or full regulation), classifying pipeline (as transmission or distribution) and making recommendations in relation to various exemptions for greenfields gas pipelines.</p> <p>Both the National Access Regime and the NGL seek to promote the efficient operation of, use of, and investment in significant bottleneck infrastructure, and to promote competition, efficiency and productivity in markets that depend on the use of services provided by significant bottleneck infrastructure facilities.</p>

Year	Performance measures	Expected Performance Results
Current year 2021-22	<p>Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.</p> <p>Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.</p> <p>Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.</p> <p>Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.</p> <p>Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.</p> <p>Case law developments, legislative amendments and developments in the NCC's processes or policies are reflected in the NCC's information resources within 30 days.</p> <p>The NCC's annual report to the Parliament includes a comprehensive report that meets the requirements of s29O of the CCA and is provided within the timeframe required by the PGPA Act (i.e. by the 15th day of the fourth month after the end of the reporting period).</p>	<p>All recommendations are forecast to be made within the statutory time limits.</p> <p>All recommendations are forecast to be made within the statutory time limits.</p> <p>All recommendations and decisions are forecast to be made within the statutory time limits.</p> <p>The Council website is forecast to hold all documents relevant to the Council's functions.</p> <p>Guidelines are forecast to be updated within 30 days of relevant decisions or developments in case law.</p> <p>Case law developments, legislative amendments and developments in Council processes or policies are forecast to be reflected in Council information resources within 30 days.</p> <p>The Council's annual report provides comprehensive information on the National Access Regime and NGL, addresses all matters required under section 29O of the CCA and is forecast to be provided within the required timeframe.</p>

Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<p>Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.</p> <p>Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to 'clock stopping' provisions) and meet advice requirements of Ministers.</p> <p>Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.</p>	All recommendations and decisions are forecast to be made within the statutory time limits.
Forward Estimates 2023-26	As per 2022-23.	All recommendations and decisions are forecast to be made within the statutory time limits.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The NCC is budgeting for a break-even operating result for 2022-23 and the forward years. The financial statements have been prepared on an Australian Accounting Standards basis.

The NCC is estimated to receive own source income of \$8,000 in 2022-23 being fees for applications made to it under the NGL.

The NCC's assets are mainly financial assets consisting of appropriation receivables and cash.

Councillor members do not receive leave entitlements. Councillor remuneration is established through *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2021 Compilation No.4*, which is set by the Remuneration Tribunal, an independent statutory authority established under the *Remuneration Tribunal Act 1973*.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	102	104	106	108	130
Suppliers	1,663	1,692	1,701	1,712	1,702
Total expenses	1,765	1,796	1,807	1,820	1,832
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	34	34	34	34	34
Total gains	34	34	34	34	34
Total own-source income	34	34	34	34	34
Net (cost of)/contribution by services	(1,731)	(1,762)	(1,773)	(1,786)	(1,798)
Revenue from Government	1,731	1,762	1,773	1,786	1,798
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	41	41	41	41	41
Trade and other receivables	3,361	3,361	3,361	3,361	3,361
Total financial assets	3,402	3,402	3,402	3,402	3,402
Non-financial assets					
Other non-financial assets	212	212	212	212	212
Total non-financial assets	212	212	212	212	212
Total assets	3,614	3,614	3,614	3,614	3,614
LIABILITIES					
Payables					
Suppliers	128	128	128	128	128
Other payables	2	2	2	2	2
Total payables	130	130	130	130	130
Total liabilities	130	130	130	130	130
Net assets	3,484	3,484	3,484	3,484	3,484
EQUITY*					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,403	3,403	3,403	3,403	3,403
Total equity	3,484	3,484	3,484	3,484	3,484

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 2022-23)

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022			
Balance carried forward from previous period	3,403	81	3,484
Adjusted opening balance	3,403	81	3,484
Comprehensive income			
Surplus/(deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2023	3,403	81	3,484
Closing balance attributable to the Australian Government	3,403	81	3,484

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,731	1,762	1,773	1,786	1,798
Net GST received	162	165	167	168	167
Total cash received	1,893	1,927	1,940	1,954	1,965
Cash used					
Employees	102	104	106	108	130
Suppliers	1,629	1,658	1,667	1,678	1,668
Net GST paid	162	165	167	168	167
Total cash used	1,893	1,927	1,940	1,954	1,965
Net cash from/(used by) operating activities	-	-	-	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	41	41	41	41	41
Cash and cash equivalents at the end of the reporting period	41	41	41	41	41

Prepared on Australian Accounting Standards basis.

Table 3.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	-	8	8	8	8
Total non-taxation revenue	-	8	8	8	8
Total own-source revenue administered on behalf of Government	-	8	8	8	8
Net (cost of)/contribution by services	-	8	8	8	8
Surplus/(deficit)	-	8	8	8	8

Prepared on Australian Accounting Standards basis.

Table 3.6: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	-	8	8	8	8
Total cash received	-	8	8	8	8
Net cash from/(used by) operating activities	-	8	8	8	8
Net increase/(decrease) in cash held	-	8	8	8	8
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Transfers to other entities (Finance – Whole of Government)	-	(8)	(8)	(8)	(8)
Total cash to Official Public Account	-	(8)	(8)	(8)	(8)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Office of the Auditing and Assurance Standards Board

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Office of the Auditing and Assurance Standards Board

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Office of the Auditing and Assurance Standards Board (AUASB) is an Australian Government entity under the *Australian Securities and Investments Commission Act 2001*.

The strategic directions of the AUASB are:

- Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC).
- Develop and maintain Australian specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.
- Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards
- In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia.
- Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.
- Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.
- Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

The vision and mission of the AUASB is to contribute to stakeholder confidence and enhance the credibility of external reporting in the Australian economy and capital markets by:

- Developing, issuing and maintaining in the public interest, Australian auditing and assurance standards and guidance that aid in reducing the cost of capital and enable Australian entities to compete effectively domestically and internationally through enhancing audit and assurance consistency and quality; and
- Contributing to the development of a single set of auditing and assurance standards and guidance for worldwide use.

1.2 Entity resource statement

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

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

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

Table 1.1: Office of the Auditing and Assurance Standards Board (AUASB) resource statement – Budget estimates for 2022-23 as at Budget March 2022

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Estimate \$'000</i>
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	1,092	1,092
Departmental appropriation (b)	2,388	2,612
Departmental capital budget (c)	24	24
Total departmental annual appropriations	<u>3,504</u>	<u>3,728</u>
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	8	8

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) 2022-23.

(b) Excludes departmental capital budget (DCB).

(c) 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'

1.3 Budget measures

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

Table 1.2: Entity 2022-23 Budget measures
Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Expense Measures						
Treasury Portfolio – resourcing for Government priorities						
	Departmental payment	1.1	–	488	285	285
			–	488	285	285
	Total		–	488	285	285

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

Section 2: Outcomes and planned performance

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

The AUASB's outcome is described below together with its related 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 measure 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 AASB can be found at: https://www.transparency.gov.au/sites/default/files/reports/2021-22_corporate_plan_office_of_the_auditing_and_assurance_standards_board_ausb.pdf

The most recent annual performance statement can be found at: <https://www.transparency.gov.au/annual-reports/office-auditing-and-assurance-standards-board/reporting-year/2020-21>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Office of the Auditing and Assurance Standards Board					
Departmental expenses					
Departmental appropriation	2,388	2,612	2,421	2,439	2,168
Expenses not requiring appropriation in the Budget year (a)	129	134	139	144	137
Departmental total	2,517	2,746	2,560	2,583	2,305
Total expenses for program 1.1	2,517	2,746	2,560	2,583	2,305

	2021-22	2022-23
Average staffing level (number)	8	8

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

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements .</p>	
<p>Program 1.1- Office of the Auditing and Assurance Standards Board</p> <p>The key strategies to achieve Outcome 1 are:</p> <ul style="list-style-type: none"> • Developing, issuing and maintaining in the public interest, Australian auditing and assurance standards and guidance that aid in reducing the cost of capital and enable Australian entities to compete effectively domestically and internationally through enhancing audit and assurance consistency and quality. • Contributing to the development of a single set of auditing and assurance standards and guidance for world-wide use 	
<p>Key Activities</p>	<ul style="list-style-type: none"> • Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC). • Develop and maintain Australian specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required. • Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards • In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia. • Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance. • Partner with the AASB and others to reform the Australian external reporting and assurance frameworks. • Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB’s Standards.

Year	Performance measures	Expected Performance Results
<p>Current year 2021-22</p>	<ul style="list-style-type: none"> • Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC). • Develop and maintain Australian specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required. • Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards. • In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia. 	<ul style="list-style-type: none"> • Issue all IAASB based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders. • Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews. • Issue Australian specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders. • Seek feedback on relevance, effectiveness and public interest of Australian specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews. • Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these. • Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters, particularly New Zealand and Canada. • Demonstrate the AUASB's influence on major international auditing and assurance developments by implementing the AUASB's International Strategy. • Provide input to the international standard setting process through responding to international pronouncements using input from Australian stakeholders. • Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols. • With the FRC, devise and complete activities to implement the FRC's Audit Quality Action Plan and contribute to improved audit quality outcomes in the Australian auditing environment

Year	Performance measures	Expected Performance Results
Current year 2021-22 (continued)	<ul style="list-style-type: none"> • Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance. • Partner with the AASB and others to reform the Australian external reporting and assurance frameworks. • Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards. 	<ul style="list-style-type: none"> • Work with ASIC, the AASB, practitioners and other stakeholders to identify and address significant inspection findings associated with accounting and auditing standards. • Develop thought leadership and implement strategic projects to improve auditing and assurance practice in priority areas such as Extended External Reporting (EER), Audits of Less Complex Entities (LCEs) and the use of Technology in the Audit. • Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting (EISS) Strategy. • Seek feedback on proposed changes to assurance requirements to ensure they are fit for the intended purpose and support changes to the external reporting framework. • Support initiatives that promote consistency and understanding of the nature and extent of assurance required for external reporting requirements in Australia. • Increase engagement with stakeholders through new and existing AUASB communications activities and events
Year	Performance measures	Expected Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> • Issue all IAASB based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders. • Seek feedback on relevance, effectiveness and public interest of international standards through stakeholder feedback, outreach programs and post-implementation reviews. 	<ul style="list-style-type: none"> • Issue all Australian IAASB equivalent Standards and Exposure Drafts within 3 months of PIOB clearance or 1 month of AUASB approval, as appropriate • Release Exposure Drafts/Discussion Papers via the AUASB Website within two weeks of approval by AUASB • AUASB implementation support materials and activities for all new IAASB/AUASB standards in place before effective date

Year	Performance measures	Expected Performance Results
Budget Year 2022-23 (continued)	<ul style="list-style-type: none"> • Issue Australian specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders. • Seek feedback on relevance, effectiveness and public interest of Australian specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews. • Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these. • Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters, particularly New Zealand and Canada. • Demonstrate the AUASB's influence on major international auditing and assurance developments by implementing the AUASB's International Strategy. 	<ul style="list-style-type: none"> • Stakeholder engagement and Communications plan developed and implemented for each IAASB pronouncement • Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date • Obtain evidence appropriately evaluating implementation of IAASB equivalent issued AUASB Standards in Australia • Issue all Australian-specific AUASB Standards and Exposure Drafts within one month of AUASB approval • Develop and implement Project Plans for the update or removal of all AUASB Guidance Statements (GS) identified as out of date • Release updated GS within 2 weeks of approval by AUASB • Finalise conforming amendments and compilation standards as a result of changes to AUASB standards within one month of the AUASB standard being issued • Stakeholder engagement and Communications plan developed and implemented for each AUASB pronouncement • Conduct post-implementation reviews of Australian specific AUASB Standards, within 2 years of their operative date. • Review and update other AUASB Framework Pronouncements, as required. • Increased dialogue with and recognition from IAASB for NSS initiatives • Increased interaction and collaboration with likeminded National Auditing Standards Setters, particularly New Zealand and Canada, on Identified Projects on each Standard-Setters' Work Agenda. • Increased influence of NSS on IAASB Agenda and Outcomes

Year	Performance measures	Expected Performance Results
<p>Budget Year 2022-23 (continued)</p>	<ul style="list-style-type: none"> • Provide input to the international standard setting process through responding to international pronouncements using input from Australian stakeholders • Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols • With the FRC, devise and complete activities to implement the FRC's Audit Quality Action Plan and contribute to improved audit quality outcomes in the Australian auditing environment. • Work with ASIC, the AASB, practitioners and other stakeholders to identify and address significant inspection findings associated with accounting and auditing standards. 	<ul style="list-style-type: none"> • Identify and implement initiatives to collaborate on key international auditing and assurance focus areas with other key national standard-setters • AUASB Chair and Technical Team member to attend all IAASB meetings and participate in various IAASB Task Forces/Working Groups • IAASB papers reviewed and papers prepared by AUASB staff for each AUASB meeting • Feedback on AUASB key issues prepared and sent to Australasian IAASB members and relevant Task Forces prior to each IAASB meeting • Summary of outcomes of each IAASB meeting prepared and presented to the AUASB at next AUASB meeting. • Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date • Engagement with Australian Stakeholders on all IAASB Projects • Attend and contribute to NZAuASB meetings as required • Identification and prioritisation of joint AUASB/NZAuASB projects, with AUASB and NZAuASB staff to ensure appropriate levels of collaboration • AUASB/NZAuASB joint activities incorporated into each board's respective technical work programs • AUASB contribute to the development of the FRC Audit Quality Plan • All AUASB Audit Quality activities delivered as required by the FRC Audit Quality Plan • AUASB staff to develop auditing and assurance related papers for FRC meetings • Collaborate with FRC and other relevant stakeholders on responses to the Parliamentary Joint Committee Inquiry on the regulation of Auditing • Undertake consultation with ASIC and practitioners to identify areas which identify improvements needed to auditing standards

Year	Performance measures	Expected Performance Results
Budget Year 2022-23 (continued)	<ul style="list-style-type: none"> • Develop thought leadership and implement strategic projects to improve auditing and assurance practice in priority areas such as Extended External Reporting (EER), Audits of Less Complex Entities (LCEs) and the use of Technology in the Audit. • Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting (EISS) Strategy. • Seek feedback on proposed changes to assurance requirements to ensure they are fit for the intended purpose and support changes to the external reporting framework. 	<ul style="list-style-type: none"> • Develop relevant guidance materials addressing common inspection findings in key audit areas • Work with AASB to address accounting issues impacting audit quality • Monitor and respond to any recommendations from the Joint Parliamentary Inquiry on the regulation of Auditing relevant to the AUASB • Project plans developed and 2021-22 outputs identified for each strategic priority area • Develop and implement outreach and engagement plans with subject matter experts and key stakeholders for each strategic thought leadership project area • Regular updates provided to AUASB members at AUASB meetings • AUASB board members or staff to publish articles or publications on selected strategic thought leadership project areas • Promote research opportunities in strategic thought leadership projects through academic networks and conferences in accordance with the EISS strategy • Work with AUASB Academic Scholars and other researchers to develop relevant and timely research reports on AUASB strategic thought leadership priority areas • Communicate benefits of EISS Strategy to, and encourage broader participation from, academic community at conferences and technical forums • Publish and address findings from AUASB Consultation Paper on the Audits of Less Complex Entities (LCEs), including feedback to IAASB on proposed LCE standard • Engage with AASB and relevant stakeholders to determine assurance issues related to changes to the external reporting framework and support AASB project to define appropriate reporting frameworks across different sectors

Year	Performance measures	Expected Performance Results
Budget Year 2022-23 (continued)	<ul style="list-style-type: none"> • Support initiatives that promote consistency and understanding of the nature and extent of assurance required for external reporting requirements in Australia. • Increase engagement with stakeholders through new and existing AUASB communications activities and events. 	<ul style="list-style-type: none"> • Work with the AASB to conduct outreach and develop appropriate guidance materials on any changes to assurance requirements relating to changes to the external reporting framework • Share and Collaborate with the AASB on common areas of focus for Reporting and Assurance Frameworks, including relevant research reports and discussion papers • Issue AUASB publications and guidance that support and promote consistency and understanding of the AUASB’s Assurance Framework • Maintain and update as required the AUASB Digital Standards Portal • Develop various AUASB publications and guidance for stakeholders based on evidence and existing AUASB requirements, incl. quarterly AUASB Update Newsletters • Promote availability of AUASB guidance through various communication channels, including greater use of online tools to communicate AUASB projects, for example Webinars) • Finalise and implement combined AASB-AUASB Communications Strategy • Enhance the design and functionality of the AUASB Website • For all AUASB Meetings ensure board papers are available on the AUASB website a week in advance, Highlights are available within two working days after each AUASB meeting, and draft Board Minutes are sent to AUASB members within two weeks of each AUASB meeting.
Forward Estimates 2023-26	<i>As per 2022-23</i>	<i>As per 2022-23</i>
<p>Material changes to Program 1 resulting from 2022-23 Budget Measures: The AUASB measures will contribute to the achievement of the planned performance.</p>		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The AUASB and the Office of the Australian Accounting Standards Board (AASB) have an arrangement where the AASB provides corporate services for both entities. Under the arrangement, AASB charges AUASB a management fee for providing corporate support.

The comprehensive income statement is comprised mainly of employee expenses relating to technical staff and supplier expenses relating to AASB management fee.

These items are projected to be steady over the budget and forwarded years.

The balance sheet is predominantly comprised of receivables and provisions relating to the accounting of unspent appropriation and employees.

Other financial items are immaterial in movements.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	1,381	1,781	1,621	1,650	1,495
Suppliers	1,112	941	915	909	786
Depreciation and amortisation (a)	24	24	24	24	24
Total expenses	2,517	2,746	2,560	2,583	2,305
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	105	110	115	120	113
Total gains	105	110	115	120	113
Total own-source income	105	110	115	120	113
Net (cost of)/contribution by services	(2,412)	(2,636)	(2,445)	(2,463)	(2,192)
Revenue from Government	2,388	2,612	2,421	2,439	2,168
Surplus/(deficit) attributable to the Australian Government	(24)	(24)	(24)	(24)	(24)

Note: Impact of net cash appropriation arrangements

Total comprehensive income/(loss) – as per statement of Comprehensive Income	(24)	(24)	(24)	(24)	(24)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	24	24	24	24	24
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

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.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	41	41	41	41	41
Trade and other receivables	1,092	1,092	1,092	1,092	1,092
Total financial assets	1,133	1,133	1,133	1,133	1,133
Non-financial assets					
Property, plant and equipment	-	-	-	24	24
Intangibles	141	141	141	117	117
Other non-financial assets	60	60	60	60	60
Total non-financial assets	201	201	201	201	201
Assets held for sale					
Total assets	1,334	1,334	1,334	1,334	1,334
LIABILITIES					
Payables					
Suppliers	329	329	329	329	329
Total payables	329	329	329	329	329
Provisions					
Employee provisions	271	271	271	271	271
Total provisions	271	271	271	271	271
Total liabilities	600	600	600	600	600
Net assets	734	734	734	734	734
EQUITY*					
Parent entity interest					
Contributed equity	326	350	374	398	422
Retained surplus (accumulated deficit)	408	384	360	336	312
Total equity	734	734	734	734	734

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 2022-23)

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022			
Balance carried forward from previous period	408	326	734
Adjusted opening balance	408	326	734
Comprehensive income			
Surplus/(deficit) for the period	(24)	-	(24)
Total comprehensive income	(24)	-	(24)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	24	24
Sub-total transactions with owners	-	24	24
Estimated closing balance as at 30 June 2023	384	350	734
Closing balance attributable to the Australian Government	384	350	734

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,388	2,612	2,421	2,439	2,168
Total cash received	2,388	2,612	2,421	2,439	2,168
Cash used					
Employees	1,381	1,781	1,621	1,650	1,495
Suppliers	1,007	831	800	789	673
Total cash used	2,388	2,612	2,421	2,439	2,168
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	24	24	24	24	24
Total cash used	24	24	24	24	24
Net cash from/(used by) investing activities	(24)	(24)	(24)	(24)	(24)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	24	24	24	24	24
Total cash received	24	24	24	24	24
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	24	24	24	24	24
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	41	41	41	41	41
Cash and cash equivalents at the end of the reporting period	41	41	41	41	41

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	24	24	24	24	24
Total new capital appropriations	24	24	24	24	24
<i>Provided for:</i>					
Purchase of non-financial assets	24	24	24	24	24
Total items	24	24	24	24	24
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	24	24	24	24	24
TOTAL	24	24	24	24	24
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	24	24	24	24	24
Total cash used to acquire assets	24	24	24	24	24

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Computer software and intangibles	Total
	\$'000	\$'000
As at 1 July 2022		
Gross book value	172	172
Accumulated depreciation/ amortisation and impairment	(31)	(31)
Opening net book balance	141	141
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase – appropriation equity (a)	24	24
Total additions	24	24
Other movements		
Depreciation/amortisation expense	(24)	(24)
Total other movements	(24)	(24)
As at 30 June 2023		
Gross book value	196	196
Accumulated depreciation/ amortisation and impairment	(55)	(55)
Closing net book balance	141	141

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23, including CDABs

Office of the Australian Accounting Standards Board

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Office of the Australian Accounting Standards Board

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Office of the Australian Accounting Standards Board (AASB) is an Australian Government entity under the *Australian Securities and Investments Commission Act 2001*.

The strategic directions of the AASB are:

- Develop, issue and maintain principle based accounting standards and reporting guidelines that meet the needs of external report users;
- In partnership with the Auditing and Assurance Standards Board (AUASB) play a lead role in reshaping the Australian external reporting framework;
- Actively influence international accounting standards and reporting guidance;
- Attain significant key stakeholder engagement;
- Influence initiatives to develop standards and guidance that meet the user's needs for external reporting beyond financial reporting;
- Monitor and respond to emerging issues impacting the development of external reporting standards and guidance; and
- Develop guidance and education initiatives to enhance the consistent application of external reporting and accounting standards guidance.
- Build a high performing team that operates efficiently, effectively in the delivery of organisation goals and objectives.
- The vision of the AASB is to contribute to stakeholder confidence in the Australian economy, including Australian capital markets and in external reporting.

This is achieved by developing, issuing and maintaining principle-based Australian accounting and external reporting standards, together with guidance that meets the needs of external users and enhances the consistency and quality of external reporting.

We use our expertise and influence to contribute to the development of a single set of accounting and external reporting standards for world-wide use.

1.2 Entity resource statement

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

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

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

Table 1.1: Office of the Australian Accounting Standards Board (AASB) resource statement —Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	2,405	2,405
Departmental appropriation (b)	3,568	3,598
s74 External Revenue (c)	1,136	1,153
Departmental capital budget (d)	51	51
Total departmental annual appropriations	<u>7,160</u>	<u>7,207</u>
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	<u>22</u>	<u>22</u>

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) 2022-23.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the *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’

1.3 Budget measures

The AASB does not have any budget measures.

Section 2: Outcomes and planned performance

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

The AASB's outcome is described below together with its related 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 measure 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 AASB can be found at: https://www.transparency.gov.au/sites/default/files/reports/2021-22_corporate_plan_office_of_the_australian_accounting_standards_board_aasb.pdf

The most recent annual performance statement can be found at: <https://www.transparency.gov.au/annual-reports/office-australian-accounting-standards-board/reporting-year/2020-21>

2.1 Budgeted expenses and performance for Outcome 1

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.

Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Office of the Australian Accounting Standards Board					
Administered expenses					
Departmental expenses					
Departmental appropriation	3,481	3,437	3,460	3,487	3,511
s74 External Revenue (a)	1,136	1,153	1,050	1,050	1,050
Expenses not requiring appropriation in the Budget year (b)	259	335	336	338	327
Departmental total	4,876	4,925	4,846	4,875	4,888
Total expenses for program 1.1	4,876	4,925	4,846	4,875	4,888

	2021-22	2022-23
Average staffing level (number)	22	22

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

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

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.</p>	
<p>Program 1.1- Office of the Australian Accounting Standards Board</p> <ul style="list-style-type: none"> Develop, issue and maintain principles-based Australian accounting and external reporting standards and guidance that meet user needs and enhance external reporting consistency and quality. <p>Contribute to the development of a single set of accounting and external reporting standards for world-wide use.</p>	
<p>Key Activities</p>	<p>Key activities reported in the current corporate plan that relates to the program.</p> <ul style="list-style-type: none"> Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For 'publicly accountable' entities maintain International Financial Reporting Standards (IFRS) compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance. With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with the regulators to develop objective criteria on: <ul style="list-style-type: none"> who prepares external reports (including financial reports) the nature and extent of ass Actively influence International Accounting Standards Board (IASB) International Public Sector Accounting Standards Board (IPSASB) standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships. Attain significant levels of key stakeholder engagement, through collaboration, partnerships and outreach. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting. Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies. Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.

Year	Performance measures	Expected Performance Results
Current year 2021-22	<ul style="list-style-type: none"> • IASB equivalent Standards issued in the same timeframe of the release of the IFRS and in accordance with legislative drafting and registration requirements. • Develop Australian specific Standards and/or guidance for topics not specifically addressed by IFRS Standards within timelines in project plans agreed with the Board. • Develop consultative documents in relation to the Australian Financial Reporting Framework, to develop objective criteria for which entities in the for-profit sector and the not-for-profit sector prepare external reports including financial reports and the type of assurance needed for these reports. Includes working with policy makers in the for-profit and not-for-profit sectors (including public sector policy makers). • Maintain Australia/New Zealand convergence in accordance with Trans-Tasman requirements for for-profit entities by harmonising, wherever possible given the different regulatory environments, Australian and New Zealand Accounting Standards through working actively with the New Zealand Accounting Standards Board (NZASB). • Maintain and enhance key international relationships (IASB, IPSASB and Asian-Oceanian Standard-Setters Group (AOSSG)). • Complete projects for external reporting beyond financial reporting as per timelines in project plans agreed with the Board. • Consider emerging issues and impact of changing technologies in all AASB submissions and each major AASB project. • Education initiatives, such as webinars and presentations for new major Standards issued considered effective by stakeholders. • Promote the development of education initiatives by others (for example Accounting Charities and Not-for-profits Commission (ACNC)) by providing, technical input to their initiatives and co-presenting at their education sessions. 	<ul style="list-style-type: none"> • Timely release of relevant standards and guidance. • The identification and development of Australian specific standards and Guidance to meet the needs of external reporting users. • An increase in engagement of Australian constituents in the standard setting process, • Development and implementation of an annual performance and service benchmark to measure improvements. • Build data analytics that indicate the use and impact of external reporting on the confidence levels of the economy and capital markets. • Enhanced research program to inform, educate and influence domestic and international standard setting. • As per 2020-21 • IASB equivalent Standards issued within two months of the release of the IFRS. • Australian specific Standards for the projects outlined below: • insurance in the Not-for-Profit (NFP_ public sector. • implement the IASB Revised Conceptual Framework in Australia for other entities. • other topics coming out of agenda consultation process. • Consultative Documents outlined below: • NFP private sector development of tiering proposal in conjunction with ACNC and state and territory regulators. • NFP public sector consultation on AASB Discussion Paper • Improving Financial Reporting for Australian Public Sector, including discussion with parliamentary accounts committees. • Present at least two papers to Accounting Standards Advisory Forum (ASAF), International Forum of Accounting Standard Setters (IFASS) and/or • AOSSG and receive positive feedback on the paper.

Year	Performance measures	Expected Performance Results
Current year 2021-22	<ul style="list-style-type: none"> • Develop staff publications, and frequently asked questions (FAQs) to help with consistent application of accounting and external reporting standards as agreed with the Board. • Conduct agenda consultation, usually in connection with IASB agenda consultation, to seek formal input on AASB’s work program. • The AASB has a thorough awareness of ideas and concerns of Australian Stakeholders through effective engagement. Stakeholder satisfaction survey net promoter score used to obtain initial year results to benchmark for performance improvement including of Board and staff. • Improved levels of stakeholder engagement. • Monitor through press coverage, Minister, Financial Reporting Council (FRC) and other stakeholder feedback, Australian Securities and Investments Commission (ASIC), Australian Prudential Regulation Authority (APRA) and other regulator surveillance program results that there is no evidence that confidence in the Australian economy, including its capital market has been lost due to accounting standard issues. 	<ul style="list-style-type: none"> • Commence the following projects for external reporting: <ul style="list-style-type: none"> - reporting service performance information. - remuneration reporting. - management commentary. • Conduct formal agenda consultation. <p>The AASB expects to meet all its targets and expectations implied by performance criteria in 2020-21</p>
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> • Define appropriate reporting frameworks for each of the three sectors – for-profit (e.g., listed and large proprietary companies), not-for-profit (e.g. charities) and public sector • Agree on 3-year program of work and deliver <ul style="list-style-type: none"> • Maintain IFRS and New Zealand compliance for for-profit Private sector “publicly accountable” entities • Tailor IFRS appropriately for other sectors, including developing Australian specific guidance • Develop guidance on external reporting integral to financial reporting • Develop guidance on emerging issues related to financial reporting 	<ul style="list-style-type: none"> • Appropriate framework for not-for-profit private and public sector defined and other regulator. • Annual program of standards issued, delivered to plan agreed with the Board • IASB equivalent Standards issued within two months of the release of the IFRS for for-profit entities • IFRS and NZ compliance maintained for the for-profit private sector “publicly accountable” entities • Feedback from NFP sector positive regarding the appropriateness of the IFRS tailoring

Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> • Enhance profile domestically and internationally • Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, International Financial Reporting for NPOs • Due process followed to ensure the quality of standard-setting: • Evidence-informed approach to standard setting activities supports need for regulation and proposed solution • appropriate consultation in accordance with the due process framework • preparation of regulatory impact statement assessing costs and benefits • Post-implementation reviews conducted (PIR) for all significant projects to assess quality of standard-setting • Improve consistency of implementation: • Educate stakeholders on the AASB standards, support materials available, including why standards introduced • Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institutions • Enhance stakeholder engagement 	<ul style="list-style-type: none"> • Be viewed as experts as measured by stakeholder, IASB and IPSASB feedback • Two thought leadership pieces completed per annum and presented internationally • Due process followed for all significant projects • Positive feedback from the FRC and the stakeholders • No significant changes needed • PIR feedback is acted upon • No evidence not contributing to the confidence in the economy. • Feedback from ASIC, APRA, ACNC surveillance reviews does not indicate loss of confidence due to accounting standard issues • No significant decline in relevance of financial statements in the capital market • Education initiatives, such as webinars, providing appropriate educational materials to key stakeholders for all significant projects • FAQs, illustrative examples, staff publications developed on significant interpretive issues • Feedback from ASIC, APRA, ACNC surveillance reviews indicates no significant interpretive issues impacting the consistency of implementation • Positive stakeholder feedback on education initiatives • Key stakeholders identified by 30 June 2020 and planned program of engagement executed as planned • Positive stakeholder feedback on the consultation process • Increase in engagement results (newsletter, website, LinkedIn, Twitter, webinar & outreach numbers)

Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> • Conduct Agenda consultations to determine projects and priorities • Develop and implement People and Culture strategy • New starter processes improved to support flexible subject matter expert involvement • Understand current capability (talent mapping) • Resource planning to develop skills and allocate them appropriately • Develop and implement an IT strategy that enables flexible, seamless working via cloud 	<ul style="list-style-type: none"> • Agenda consultation conducted every 3-5 years • Employee survey, employee engagement • Building towards high-performance team as measured by Board and stakeholder feedback on delivery of program and all other measures of success • New team members embedded successfully within six months of starting as measured by internal and external stakeholder' feedback (as appropriate) • Continuous review of external talent pool to timely identify when/where to buy borrow capability • KPIs for all employees • Leveraging diversity of skills and people as measured by employee and Board feedback and delivering an agree program of work • Retain core group of technical experts and leaders • Fair allocation of workload measured by employee and Board feedback • Independent on Premises hardware by 30 June 2023 • IT supports flexible work including remote locations
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> • Continuous digital communications improvements to enhance stakeholder experience and engagement' • Refresh strategy supporting operational excellence and regulatory compliance • Knowledge and information sharing support flexible subject matter expert involvement 	<ul style="list-style-type: none"> • Corporate Communications plan to be implemented during current financial year. Plan to be monitored for additional improvement over coming financial years • Regularly revisit current strategy to determine impact of implementation • Comply with regulatory obligations • Key knowledge imparted across teams within six months of joining

Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> • Continuous improvement of operation processes to achieve planned outcomes • Develop a strategy to improve program and project management • Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities • Allocate resources efficiently and effectively 	<ul style="list-style-type: none"> • Review of operational processes on an ongoing basis • Continuous review and improvement of program and project management approach • Communicated processes and frameworks so team members are clear and deliver on expectations • Further enhancements implemented based on regular program and project management meetings • Deliver agree program of work as planned
Forward Estimates 2023-26	<i>As per 2022-23</i>	<i>As per 2022-23</i>
<p>Material changes to Program 1 resulting from 2022-23 Budget Measures: AASB does not have any measures.</p>		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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 AASB and the Office of the Auditing and Assurance Standards Board (AUASB) have an arrangement where the AASB provides corporate services for both entities. Under the arrangement, AASB charges AUASB a management fee for providing corporate support.

The comprehensive income statement is comprised mainly of employee expenses relating to technical staff and supplier expenses relating to AASB management fee. These items are projected to be steady over the budget and forwarded years.

The balance sheet is predominantly comprised of receivables and provisions relating to the accounting of unspent appropriation and employees.

Other financial items are immaterial in movements.

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	3,320	3,386	3,455	3,524	3,540
Suppliers	1,402	1,309	1,164	1,129	1,129
Depreciation and amortisation (a)	138	212	213	213	214
Finance costs	14	18	14	9	5
Losses from asset sales	2	-	-	-	-
Total expenses	4,876	4,925	4,846	4,875	4,888
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	636	653	550	550	550
Other	500	500	500	500	500
Total own-source revenue	1,136	1,153	1,050	1,050	1,050
Gains					
Other	121	123	123	125	113
Total gains	121	123	123	125	113
Total own-source income	1,257	1,276	1,173	1,175	1,163
Net (cost of)/contribution by services	(3,619)	(3,649)	(3,673)	(3,700)	(3,725)
Revenue from Government	3,568	3,598	3,621	3,648	3,672
Surplus/(deficit) attributable to the Australian Government	(51)	(51)	(52)	(52)	(53)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(51)	(51)	(52)	(52)	(53)
Total comprehensive income/(loss) attributable to the Australian Government	(51)	(51)	(52)	(52)	(53)

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	(51)	(51)	(52)	(52)	(53)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	51	51	52	52	53
plus: depreciation/amortisation expenses for ROU assets (b)	87	161	161	161	161
less: lease principal repayments (b)	129	253	266	281	296
Net Cash Operating Surplus/ (Deficit)	(42)	(92)	(105)	(120)	(135)

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	57	57	57	57	57
Trade and other receivables	2,810	2,810	2,810	2,810	2,810
Total financial assets	2,867	2,867	2,867	2,867	2,867
Non-financial assets					
Buildings ROU	1,283	1,122	961	800	639
Property, plant and equipment	45	14	30	50	70
Intangibles	37	68	52	32	12
Other non-financial assets	116	24	24	34	34
Total non-financial assets	1,481	1,228	1,067	916	755
Assets held for sale					
Total assets	4,348	4,095	3,934	3,783	3,622
LIABILITIES					
Payables					
Suppliers	168	168	168	168	168
Other payables	98	98	203	333	468
Total payables	266	266	371	501	636
Interest bearing liabilities					
Leases	1,248	995	729	448	152
Total interest bearing liabilities	1,248	995	729	448	152
Provisions					
Employee provisions	375	375	375	375	375
Total provisions	375	375	375	375	375
Total liabilities	1,889	1,636	1,475	1,324	1,163
Net assets	2,459	2,459	2,459	2,459	2,459
EQUITY*					
Parent entity interest					
Contributed equity	753	804	856	908	961
Retained surplus (accumulated deficit)	1,706	1,655	1,603	1,551	1,498
Total equity	2,459	2,459	2,459	2,459	2,459

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 2022-23)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022			
Balance carried forward from previous period	1,706	753	2,459
Adjustment for changes in accounting policies	-	-	-
Adjusted opening balance	1,706	753	2,459
Comprehensive income			
Surplus/(deficit) for the period	(51)	-	(51)
Total comprehensive income	(51)	-	(51)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	51	51
Sub-total transactions with owners	-	51	51
Estimated closing balance as at 30 June 2023	1,655	804	2,459
Closing balance attributable to the Australian Government	1,655	804	2,459

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,568	3,598	3,621	3,648	3,672
Sale of goods and rendering of services	636	653	550	550	550
Other	500	500	500	500	500
Total cash received	4,704	4,751	4,671	4,698	4,722
Cash used					
Employees	3,320	3,386	3,350	3,394	3,405
Suppliers	1,239	1,094	1,041	1,014	1,016
Interest payments on lease liability	14	18	14	9	5
Total cash used	4,573	4,498	4,405	4,417	4,426
Net cash from/(used by) operating activities	131	253	266	281	296
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	(2)	-	-	-	-
Total cash received	(2)	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	51	51	52	52	53
Total cash used	51	51	52	52	53
Net cash from/(used by) investing activities	(53)	(51)	(52)	(52)	(53)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	51	51	52	52	53
Total cash received	51	51	52	52	53
Cash used					
Principal payments on lease liability	129	253	266	281	296
Total cash used	129	253	266	281	296
Net cash from/(used by) financing activities	(78)	(202)	(214)	(229)	(243)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	57	57	57	57	57
Cash and cash equivalents at the end of the reporting period	57	57	57	57	57

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	51	51	52	52	53
Total new capital appropriations	51	51	52	52	53
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	51	51	52	52	53
Total items	51	51	52	52	53
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	51	51	52	52	53
TOTAL	51	51	52	52	53
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	51	51	52	52	53
Total cash used to acquire assets	51	51	52	52	53

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	560	210	41	811
Gross book value – ROU assets	1,230	-	-	1,230
Accumulated depreciation/ amortisation and impairment	-	(165)	(4)	(169)
Accumulated depreciation/amortisation and impairment – ROU assets	(507)	-	-	(507)
Opening net book balance	1,283	45	37	1,365
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	51	51
Total additions	-	-	51	51
Other movements				
Depreciation/amortisation expense	-	(31)	(20)	(51)
Depreciation/amortisation on ROU assets	(161)	-	-	(161)
Total other movements	(161)	(31)	(20)	(212)
As at 30 June 2023				
Gross book value	560	210	92	862
Gross book value – ROU assets	1,230	-	-	1,230
Accumulated depreciation/ amortisation and impairment	-	(196)	(24)	(220)
Accumulated depreciation/amortisation and impairment – ROU assets	(668)	-	-	(668)
Closing net book balance	1,122	14	68	1,204

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23, including CDABs.

Productivity Commission

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Productivity Commission

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Productivity Commission (the Commission) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. The Commission's work encompasses all sectors of the economy as well as social and environmental issues. Its activities cover all levels of government responsibility – Federal, State and Territory and Local.

As a review and advisory body, the Commission does not have responsibility for implementing government programs. It carries out inquiry, research, advising and incidental functions prescribed under the *Productivity Commission Act 1998*.

The Commission contributes to well-informed policy decision-making and public understanding on matters relating to Australia's economic performance and community wellbeing, based on independent and transparent analysis that takes a broad view encompassing the interests of the community as a whole, rather than just particular industries or groups. The Commission has four broad components of work:

- government commissioned projects;
- performance reporting and other services to government bodies;
- competitive neutrality complaints activities; and
- self-initiated research and statutory annual reporting.

In 2022-23 and the forward years, the Commission will continue to examine a variety of economic, social and environmental issues through its public inquiry and commissioned research. Commissioned projects underway include: an inquiry into *Australia's productivity performance (The Productivity Review)*, an inquiry into *Australia's Maritime Logistics System*, and an inquiry into *Carer's Leave*. The Commission also has studies underway into *Aboriginal and Torres Strait Islander Visual Arts and Crafts*, *Aged Care Employment*, and a *Review of the Housing and Homelessness Agreement*. In addition, the Commission is undertaking a self-initiated research project on the topic of *Compliance Costs of 'Nuisance' Tariffs*.

The Commission will also operate the Performance Reporting Dashboard and undertake further reviews of nationally significant sector-wide Commonwealth-State agreements.

The Commission will continue to provide cross-jurisdictional reporting on the performance of government services; indicators of disadvantage experienced by Aboriginal and Torres Strait Islander people; and expenditure on services to Aboriginal and Torres Strait Islander people.

As part of its functions under the *National Agreement on Closing the Gap*, the Commission has developed and maintains a publicly accessible dashboard and annual data compilation report, underpinned by an information repository to inform reporting on progress on Closing the Gap. In 2022-23, it is anticipated that the Commission will also commence the first independent review of progress, which will be complementary to an Aboriginal and Torres Strait Islander-led review. Both reviews happen every 3 years.

The Australian Government Competitive Neutrality Complaints Office (AGCNCO) is an autonomous office located within the Commission. It receives and investigates complaints and advises the Treasurer on the application of competitive neutrality arrangements. AGCNCO also provides informal advice on, and assists agencies in, implementing competitive neutrality requirements.

The Commission has a mandate to undertake research to complement its other activities. A full list of the Commission's research reports and supporting research is provided on the Commission's website.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the Commission.

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

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

Table 1.1: Productivity Commission resource statement – Budget estimates for 2022-23 as at Budget March 2022

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	34,189	34,951
Departmental appropriation (c)	36,616	37,418
s74 Retained revenue receipts (d)	10	10
Departmental capital budget (e)	829	834
Total departmental annual appropriations	71,644	73,213
Total departmental resourcing	71,644	73,213
Total resourcing for the Productivity Commission	71,644	73,213
	<i>2021-22</i>	<i>2022-23</i>
Average staffing level (number)	167	192

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) 2022-23.

(b) Estimated adjusted balance carried forward from previous year.

(c) Excludes departmental capital budget (DCB).

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

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

1.3 Budget measures

The Commission has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the Commission can be found at: <http://www.pc.gov.au/about/governance/corporate-plan>.

The most recent annual performance statement can be found at: <https://www.pc.gov.au/about/governance/annual-reports/2020-21>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

Budgeted expenses for Outcome 1

This table shows how much the Commission intends to spend (on an accrual basis) on achieving the outcome.

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Productivity Commission					
Departmental expenses					
Departmental appropriation	36,982	37,658	36,827	36,889	37,075
s74 Retained revenue receipts (a)	10	10	10	10	10
Expenses not requiring appropriation in the Budget year (b)	1,100	1,100	1,100	1,100	1,100
Departmental total	38,092	38,768	37,937	37,999	38,185
Total expenses for program 1.1	38,092	38,768	37,937	37,999	38,185
Total expenses for Outcome 1	38,092	38,768	37,937	37,999	38,185

	2020-21	2021-22
Average staffing level (number)	167	190

(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, audit fees and other resources received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for the program associated with Outcome 1, and summarises how that program is delivered.

Outcome 1 – Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective	
Program 1.1 – The Commission provides governments and the Australian community with information and advice that better informs policy decisions to improve Australians’ wellbeing.	
Delivery	The Commission undertakes inquiries, research, and performance reporting and analysis. It provides robust analysis and advice on a range of economic, social and environmental issues, taking a community-wide perspective. The Commission engages widely, including through hearings, release of draft reports, roundtables, seminars and submissions, to seek informed input to its reports.
Performance information	
Performance criteria	2022-23 and forward years
The Commission aims to be a valuable source of robust evidence-based analysis to inform public policy; to generate effective public debate; and have recognition that our approach to evidence-based policy analysis is worthy of consideration by other governments. In doing so, it seeks to engage effectively with the community, have open and transparent processes, and provide timely reporting.	A range of indicators inform the Commission’s performance assessment, including: the Commission’s work being widely referenced in public policy forums; projects and reports meeting commissioned timelines; and open and transparent processes being followed.
Purposes	The Commission’s purpose, as embodied in the <i>Productivity Commission Act 1998</i> , is to provide governments and the Australian community with information and advice that better inform policy decisions to improve Australians’ wellbeing.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Commission is budgeting for a break-even result in 2022-23 and the forward years.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	29,912	30,358	29,474	29,617	29,472
Suppliers	4,695	4,963	5,056	5,019	5,410
Depreciation and amortisation (a)	3,179	3,179	3,179	3,179	3,244
Finance costs	306	268	228	184	59
Total expenses	38,092	38,768	37,937	37,999	38,185
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10	10	10	10	10
Other	50	50	50	50	50
Total own-source revenue	60	60	60	60	60
Total own-source income	60	60	60	60	60
Net (cost of)/contribution by services	(38,032)	(38,708)	(37,877)	(37,939)	(38,125)
Revenue from Government	36,616	37,418	36,699	36,919	37,105
Surplus/(deficit) attributable to the Australian Government	(1,416)	(1,290)	(1,178)	(1,020)	(1,020)

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(1,416)	(1,290)	(1,178)	(1,020)	(1,020)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	1,050	1,050	1,050	1,050	1,050
plus: depreciation/amortisation expenses for ROU assets (b)	2,129	2,129	2,129	2,129	2,194
less: lease principal repayments (b)	1,763	1,889	2,001	2,159	2,224
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

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 to leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	453	453	453	453	453
Trade and other receivables	33,846	34,608	35,074	35,241	35,406
Total financial assets	34,299	35,061	35,527	35,694	35,859
Non-financial assets					
Land and buildings	18,587	15,808	13,029	10,250	7,406
Property, plant and equipment	967	759	871	1,288	1,713
Intangibles	70	70	50	30	10
Other non-financial assets	467	467	467	467	467
Total non-financial assets	20,091	17,104	14,417	12,035	9,596
Total assets	54,390	52,165	49,944	47,729	45,455
LIABILITIES					
Payables					
Suppliers	328	328	328	328	328
Total payables	328	328	328	328	328
Interest bearing liabilities					
Leases	15,900	14,011	12,010	9,851	7,627
Total interest bearing liabilities	15,900	14,011	12,010	9,851	7,627
Provisions					
Employee provisions	10,900	11,020	11,140	11,260	11,380
Other provisions	-	-	-	-	-
Total provisions	10,900	11,020	11,140	11,260	11,380
Total liabilities	27,128	25,359	23,478	21,439	19,335
Net assets	27,262	26,806	26,466	26,290	26,120
EQUITY*					
Parent entity interest					
Contributed equity	12,140	12,974	13,812	14,656	15,506
Reserves	1,827	1,827	1,827	1,827	1,827
Retained surplus (accumulated deficit)	13,295	12,005	10,827	9,807	8,787
Total equity	27,262	26,806	26,466	26,290	26,120

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 2022-23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	13,295	1,827	12,140	27,262
Adjusted opening balance	13,295	1,827	12,140	27,262
Comprehensive income				
Surplus/(deficit) for the period	(1,290)	-	-	(1,290)
Total comprehensive income	(1,290)	-	-	(1,290)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	834	834
Sub-total transactions with owners	-	-	834	834
Estimated closing balance as at 30 June 2023	12,005	1,827	12,974	26,806
Closing balance attributable to the Australian Government	12,005	1,827	12,974	26,806

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	36,496	37,298	36,579	36,799	36,985
Sale of goods and rendering of services	10	10	10	10	10
Total cash received	36,506	37,308	36,589	36,809	36,995
Cash used					
Employees	29,792	30,238	29,354	29,497	29,352
Suppliers	4,645	4,913	5,006	4,969	5,360
Interest payments on lease liability	306	268	228	184	59
Total cash used	34,743	35,419	34,588	34,650	34,771
Net cash from/(used by) operating activities	1,763	1,889	2,001	2,159	2,224
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	190	192	492	797	805
Total cash used	190	192	492	797	805
Net cash from/(used by) investing activities	(190)	(192)	(492)	(797)	(805)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	190	192	492	797	805
Total cash received	190	192	492	797	805
Cash used					
Principal payments on lease liability	1,763	1,889	2,001	2,159	2,224
Total cash used	1,763	1,889	2,001	2,159	2,224
Net cash from/(used by) financing activities	(1,573)	(1,697)	(1,509)	(1,362)	(1,419)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	453	453	453	453	453
Cash and cash equivalents at the end of the reporting period	453	453	453	453	453

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	829	834	838	844	850
Total new capital appropriations	829	834	838	844	850
<i>Provided for:</i>					
Purchase of non-financial assets	190	192	492	797	805
Other items	639	642	346	47	45
Total items	829	834	838	844	850
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	190	192	492	797	805
TOTAL	190	192	492	797	805
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	190	192	492	797	805
Total cash used to acquire assets	190	192	492	797	805

Prepared on Australian Accounting Standards basis.

(a) Include purchases from current and previous year's Departmental Capital Budget (DCB).

Table 3.6: Statement of asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	4,456	1,347	822	6,625
Gross book value - ROU assets	19,839	-	-	19,839
Accumulated depreciation/ amortisation and impairment	(650)	(380)	(752)	(1,782)
Accumulated depreciation/amortisation and impairment - ROU assets	(5,058)	-	-	(5,058)
Opening net book balance	18,587	967	70	19,624
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	172	20	192
By purchase - other - ROU assets	-	-	-	-
Total additions	-	172	20	192
Other movements				
Depreciation/amortisation expense	(650)	(380)	(20)	(1,050)
Depreciation/amortisation on ROU assets	(2,129)	-	-	(2,129)
Total other movements	(2,779)	(380)	(20)	(3,179)
As at 30 June 2023				
Gross book value	4,456	1,519	842	6,817
Gross book value - ROU assets	19,839	-	-	19,839
Accumulated depreciation/ amortisation and impairment	(1,300)	(760)	(772)	(2,832)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,187)	-	-	(7,187)
Closing net book balance	15,808	759	70	16,637

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, DCBs or other operational expenses.

Royal Australian Mint

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Royal Australian Mint

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Royal Australian Mint (the Mint) is a listed entity operating under the *Public Governance, Performance and Accountability Act 2013*. The Mint's vision is to be an industry leader in delivering sustainable business that represents value to its stakeholders. Its goal is to meet the circulating coin and collector coin needs of Australia and selected international markets. The Mint is also the custodian of Australia's National Coin Collection and through the gallery as a national institution provides educational and Cultural experiences to local and overseas visitors.

2022-23 will incorporate a strategic plan, which acknowledges the long-term decline in the demand for circulating coin, the opportunities for growth in the collectible business, and how the Mint delivers public value as a National Institution. With a foundation based on a commitment to excellence, sustainability, safety and effective resource management, the following key strategies have been identified for inclusion in this plan:

- Optimisation of the return on core business;
- Profitable growth of the collector and investment business;
- Enhancement of the visitor experience as a National Institution; and
- Establishment as a custodian of value in future financial systems

As the sole supplier of Australia's circulating coin requirements, the Mint is responsible for the continuous review of Australian coinage and for providing advice to the Treasury and the Government on coin related issues.

Across the forward estimates, the Mint will be focussed on effectively managing its return to Commonwealth generated through seigniorage returns from circulation coin sales, surpluses from the collectible business and the provision of cultural and education services to the public.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government. The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity’s operations) classification.

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

Table 1.1: Royal Australian Mint resource statement – Budget estimates for 2022-23 as at Budget March 2022

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Estimate \$'000</i>
Departmental		
Special accounts (a)		
Opening balance	115,218	123,025
Non-appropriation receipts	150,821	163,296
<i>Total special accounts</i>	<u>266,039</u>	<u>286,321</u>
Total departmental resourcing	266,039	286,321
Total resourcing for the Royal Australian Mint	266,039	286,321
Average staffing level (number)	<u>239</u>	<u>239</u>

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) Excludes trust money and “other CRF money” held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 – Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 Budget measures

The Mint has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for Royal Australian Mint can be found at: <https://www.ramint.gov.au/corporate-plan>

The most recent annual performance statement can be found inside the latest annual report at: <https://www.ramint.gov.au/annual-reports>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Royal Australian Mint Special Account	34,967	27,553	33,072	33,003	33,003
Administered total	34,967	27,553	33,072	33,003	33,003
Departmental expenses					
Special accounts					
Royal Australian Mint Special Account	127,121	133,541	139,373	145,177	145,177
Departmental total	127,121	133,541	139,373	145,177	145,177
Total expenses for program 1.1	162,088	161,094	172,445	178,180	178,180
Total expenses for Outcome 1	162,088	161,094	172,445	178,180	178,180
	2021-22	2022-23			
Average staffing level (number)	239	239			

Table 2.2: Performance measure 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 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.			
Program 1.1 – Royal Australian Mint:			
To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.			
Delivery	<ul style="list-style-type: none"> • Production, maintenance and sales to meet demand for: <ul style="list-style-type: none"> – Australian circulating coins; – Foreign country circulating coins; – Numismatic products; and – Other custom minted products. • Maintenance of Australia’s National Coin Collection. • Cultural and education services to public and school groups: <ul style="list-style-type: none"> – Maintenance of the Mint’s visitor gallery, including building and surrounds; – Educational programs to school students who visit the Mint; and – Promote public understanding about the cultural and historical significance of coins. 		
Performance information			
Performance criteria	2022-23	2023-24	2024-26 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage: \$13m Volume: 77mpcs	Seigniorage: \$15.6m Volume: 90mpcs	Seigniorage: \$12.4m Volume: 72mpcs
Optimum return on investment	Return on Net Assets: 30%	Return on Net Assets: 30%	Return on Net Assets: 30%
Collectibles orders placed are produced and delivered within agreed delivery time	Delivered on time and in full: 90%	Delivered on time and in full: 90%	Delivered on time and in full: 90%
Visitor satisfaction rating of Mint experience	Survey result: N/A (COVID-19 Impacted)	Survey result: 95%	Survey result: 95%
Visitor numbers	Visitors: 115,000 (COVID-19 Impacted)	Visitors: 164,500 (COVID-19 Impacted)	Visitors: 350,000

Performance information (continued)			
Performance criteria	2022-23	2023-24	2024-26 and the forward estimates
Provide a safe, secure and sustainable operational environment	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil
Build on brand awareness	Net Promoter Score: 70%	Net Promoter Score: 70%	Net Promoter Score: 70%
Have engaged, motivated and committed staff	Staff satisfaction survey: 79%	Staff satisfaction survey: 80%	Staff satisfaction survey: 80%
Purposes	To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Mint has two streams of revenue. One stream comes from production and subsequent sale of circulating coins at face value to commercial banks. The second stream comes from sale of collectible products (numismatic, foreign circulating coins and other minted products).

The Mint's Departmental projected results for the 2022-23 and forward years reflect the Mint's focus on identifying opportunities in its collectible business (refer to table 3.1). The ongoing implementation of 'lean' principles will enable the Mint to manufacture its products in a more efficient manner which is expected to deliver a reduction in cost and improved business effectiveness.

An after-tax surplus is budgeted on the sale of collectible products of \$8 million which will contribute to the total return to Commonwealth.

The Administered surplus from seigniorage is expected to be \$27 million (refer to table 3.7).

3.2. Budgeted financial statements tables

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

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	24,618	25,111	25,611	26,124	26,124
Suppliers	93,026	98,654	103,866	108,987	108,987
Depreciation and amortisation	7,208	7,488	7,588	7,758	7,758
Finance costs	999	999	999	999	999
Other expenses	1,270	1,289	1,309	1,309	1,309
Total expenses	127,121	133,541	139,373	145,177	145,177
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	149,719	162,164	170,828	174,540	174,540
Rental income	552	582	456	475	475
Royalties	100	100	100	100	100
Other	630	630	630	630	630
Total own-source revenue	151,001	163,476	172,014	175,745	175,745
Total own-source income	151,001	163,476	172,014	175,745	175,745
Net (cost of)/contribution by services	23,880	29,935	32,641	30,568	30,568
Notional income tax expense	7,164	8,980	9,792	9,170	9,170
Total comprehensive income/(loss) – as per the statement of comprehensive income	16,716	20,955	22,849	21,398	21,398

Prepared on Australian Accounting Standards basis.

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

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	121,461	137,073	145,948	168,704	168,704
Trade and other receivables	4,835	4,835	4,835	4,835	4,835
Total financial assets	126,296	141,908	150,783	173,539	173,539
Non-financial assets					
Buildings	50,279	48,961	47,663	46,385	46,385
Property, plant and equipment	14,808	13,396	10,907	6,289	6,289
Intangibles	1,871	2,078	2,262	1,592	1,592
Heritage and cultural	22,189	22,189	22,189	22,189	22,189
Inventories	58,290	59,023	65,763	71,648	71,648
Tax assets	1,484	1,484	1,484	1,484	1,484
Other non-financial assets	1,982	1,982	1,982	1,982	1,982
Total non-financial assets	150,903	149,113	152,250	151,569	151,569
Total assets	277,199	291,021	303,033	325,108	325,108
LIABILITIES					
Payables					
Suppliers	6,334	6,334	6,334	6,334	6,334
Tax liabilities	-	-	-	-	-
Other payables	54,350	55,992	54,164	54,958	54,958
Total payables	60,684	62,326	60,498	61,292	61,292
Interest bearing liabilities					
Leases	37,962	37,039	36,019	34,902	34,902
Total interest-bearing liabilities	37,962	37,039	36,019	34,902	34,902
Provisions					
Employee provisions	6,594	6,731	6,731	6,731	6,731
Other provisions	823	834	845	845	845
Total provisions	7,417	7,565	7,576	7,576	7,576
Total liabilities	106,063	106,930	104,093	103,770	103,770
Net assets	171,136	184,091	198,940	221,338	221,338
EQUITY*					
Parent entity interest					
Contributed equity	77,903	77,903	77,903	77,903	77,903
Reserves	40,616	40,616	40,616	40,616	40,616
Retained surplus (accumulated deficit)	52,617	65,572	80,421	102,819	102,819
Total equity	171,136	184,091	198,940	221,338	221,338

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022-23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	52,617	20,616	20,000	77,903	171,136
Opening balance	52,617	20,616	20,000	77,903	171,136
Comprehensive income					
Surplus/(deficit) for the period	20,955	-	-	-	20,955
Total comprehensive income	20,955	-	-	-	20,955
Distributions to owners					
Returns on capital:					
Dividends	(8,000)	-	-	-	(8,000)
Sub-total transactions with owners	(8,000)	-	-	-	(8,000)
Estimated closing balance as at 30 June 2021	65,572	20,616	20,000	77,903	184,091
Closing balance attributable to the Australian Government	65,572	20,616	20,000	77,903	184,091

Prepared on Australian Accounting Standards basis

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

	<i>2021-22 Estimated actual \$'000</i>	<i>2022-23 Budget \$'000</i>	<i>2023-24 Forward estimate \$'000</i>	<i>2024-25 Forward estimate \$'000</i>	<i>2025-26 Forward estimate \$'000</i>
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	179,856	188,246	171,284	175,015	175,015
Net GST received	9,440	9,450	9,450	9,450	9,450
Other	550	550	550	550	550
Total cash received	189,846	198,246	181,284	185,015	185,015
Cash used					
Employees	24,396	24,882	25,611	26,124	26,124
Suppliers	96,977	101,095	110,426	114,692	114,692
Net GST paid	9,440	9,450	9,450	9,450	9,450
Lease liability – Interest payments	988	988	988	988	988
Other	30,746	22,884	4,491	1,309	1,309
Total cash used	162,547	159,299	150,966	152,563	152,563
Net cash from/(used by) operating activities	27,299	38,947	30,318	32,452	32,452
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	7,877	4,200	3,200	398	398
Total cash used	7,877	4,200	3,200	398	398
Net cash from/(used by) investing activities	(7,877)	(4,200)	(3,200)	(398)	(398)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,576	1,688	1,805	1,922	1,922
Payments to Commonwealth – return of capital	11,603	17,447	16,438	7,376	7,376
Total cash used	13,179	19,135	18,243	9,298	9,298
Net cash from/(used by) financing activities	(13,179)	(19,135)	(18,243)	(9,298)	(9,298)
Net increase/(decrease) in cash held	6,243	15,612	8,875	22,756	22,756
Cash and cash equivalents at the beginning of the reporting period	115,218	121,461	137,073	145,948	145,948
Cash and cash equivalents at the end of the reporting period	121,461	137,073	145,948	168,704	168,704

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	7,000	8,500	8,500	7,000	7,000
TOTAL	7,000	8,500	8,500	7,000	7,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,000	8,500	8,500	7,000	7,000
Total cash used to acquire assets	7,000	8,500	8,500	7,000	7,000

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022					
Gross book value – ROU assets	41,716	-	-	-	41,716
Gross book value	18,590	23,405	22,189	9,277	73,461
Accumulated depreciation/amortisation and impairment	(3,778)	(8,597)	-	(7,406)	(19,781)
Accumulated depreciation/amortisation and impairment – ROU assets	(6,249)	-	-	-	(6,249)
Opening net book balance	50,279	14,808	22,189	1,871	89,147
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase – other	-	3,323	-	877	4,200
Total additions	-	3,323	-	877	4,200
Other movements					
Depreciation/amortisation expense – ROU	(2,083)	-	-	-	(2,083)
Depreciation/amortisation expense	-	(4,735)	-	(670)	(5,405)
Other – ROU assets	765	-	-	-	765
Total other movements	(1,318)	(4,735)	-	(670)	(6,723)
As at 30 June 2023					
Gross book value – ROU assets	42,481	-	-	-	42,481
Gross book value	18,590	26,728	22,189	10,154	77,661
Accumulated depreciation/amortisation and impairment – ROU	(8,332)	-	-	-	(8,332)
Accumulated depreciation/amortisation and impairment	(3,778)	(13,332)	-	(8,076)	(25,186)
Closing net book balance	48,961	13,396	22,189	2,078	86,624

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)

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	32,850	25,394	30,870	30,757	30,757
Other expenses	2,117	2,159	2,202	2,246	2,246
Total expenses administered on behalf of Government	34,967	27,553	33,072	33,003	33,003
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	74,184	55,000	63,493	60,341	60,341
Total non-taxation revenue	74,184	55,000	63,493	60,341	60,341
Total own-source revenue administered on behalf of Government	74,184	55,000	63,493	60,341	60,341
Total own-sourced income administered on behalf of Government	74,184	55,000	63,493	60,341	60,341
Net (cost of)/contribution by services	(39,217)	(27,447)	(30,421)	(27,338)	(27,338)
Surplus/(deficit)	39,217	27,447	30,421	27,338	27,338

Prepared on Australian Accounting Standards basis.

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

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	52,755	40,985	38,053	34,970	34,970
Total financial assets	52,755	40,985	38,053	34,970	34,970
Non-financial assets					
Inventories	2,089	2,089	2,089	2,089	2,089
Total non-financial assets	2,089	2,089	2,089	2,089	2,089
Total assets administered on behalf of Government	54,844	43,074	40,142	37,059	37,059
Net assets/(liabilities)	54,844	43,074	40,142	37,059	37,059

Prepared on Australian Accounting Standards basis.

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

	<i>2021-22 Estimated actual \$'000</i>	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	32,079	39,217	33,353	30,421	30,421
Total cash received	32,079	39,217	33,353	30,421	30,421
Net cash from/(used by) operating activities					
	32,079	39,217	33,353	30,421	30,421
Net increase/(decrease) in cash held					
	32,079	39,217	33,353	30,421	30,421
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(32,079)	(39,217)	(33,353)	(30,421)	(30,421)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Portfolio Glossary

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the Consolidated Revenue Fund (CRF) at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.
Appropriation	A law of the Australian Parliament that provides authority for Commonwealth entities to spend money from the CRF for a particular purpose. Entities may not spend money without an appropriation authorising that expenditure and, where necessary, other legislation authorising the specified purpose.
Appropriation Bill (No. 1)	This Bill proposes spending from the CRF for the ordinary annual services of government. Bills proposing appropriations for ordinary annual services cannot be amended by the Senate under Section 53 of the Australian Constitution. Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 1).
Appropriation Bill (No. 2)	This Bill proposes spending from the CRF for purposes other than the ordinary annual services of government. Under existing arrangements between the two Houses of Parliament, this Bill includes appropriation funding of administered expenses for new outcomes, for payments to the states and territories, and for departmental or administered capital. Funding for extensions to existing programs can be included in Appropriation Bill (No. 1). Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 2).

Term	Meaning
Appropriation Bills (Nos. 3 and 4)	If an amount provided in Appropriation Acts (Nos. 1 or 2) is not enough to meet approved expenditure in a financial year, supplementary appropriation may be sought in Appropriation Bills (Nos. 3 or 4). Once these Bills are passed by Parliament and given royal assent, they become the Appropriation Acts (Nos. 3 and 4). They are also commonly referred to as the Additional Estimates Bills.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Average staffing level	The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole-of-government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on federal funding provided to the states and territories.
Budget Paper 4 (BP4)	Entity Resourcing. Details total resourcing available to agencies.
Capital expenditure	Expenditure by an entity on capital projects; for example, purchasing a building.

Term	Meaning
Consolidated Revenue Fund	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Capital Budget (DCB)	Net cash appropriation arrangements involve the cessation of funding for depreciation, amortisation and make good expenses. Funding for these expenses has been replaced with a collection development and acquisition budget (CDAB) for designated collection institutions (DCIs), and departmental capital budgets (DCBs).
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity accountable authorities control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Entity	A department, agency, company or authority under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) or any other Commonwealth statutory authority.
Estimated actual expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.

Term	Meaning
Expenditure	Spending money from the Consolidated Revenue Fund or a notional payment to a PGPA entity.
Expense	Decreases in economic benefits in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed; for example, ANAO audit services. The ANAO does not charge for audit services; however, the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Forward estimates period	The three years following the Budget year. For example if 2020-21 is the Budget year, 2021-22 is forward year 1, 2022-23 is forward year 2 and 2023-24 is forward year 3.
Funds	Money that has been appropriated but not drawn from the Consolidated Revenue Fund.
Income	Total value of resources earned or received to cover the production of goods and services.
Make good	Make good is the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. A common example of make good in the public sector is the restoration of office premises at the end of a lease period.

Term	Meaning
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government’s budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government’s fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
‘Movement of Funds’ between years	A ‘movement of funds’ process is carried out twice each year in relation to un-expensed administered operating appropriations. This involves portfolio ministers submitting requests to the Finance Minister advising of timing changes to funding requirements. If agreed by the Finance Minister, there will be an increase in the amount appropriated in later year(s).
Net cash appropriation arrangements	The net cash framework, implemented from the 2010-11 Budget, replaces funding for depreciation and amortisation expenses with a departmental capital budget (DCB) and the funding of make good expenses will cease to be paid in advance. The net cash framework applies to general government sector entities that receive funding from annual appropriations directly or via a special account, with the exception of the Department of Defence.
Non-operating	Sometimes called ‘capital’ costs.
Official Public Account (OPA)	The OPA is the Australian Government’s central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Operating	Normally related to ongoing, or recurring expenses, such as paying salaries or making program payments.
Operating result	Equals income less expenses.

Term	Meaning
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.
<i>Public Governance, Performance and Accountability Act 2013</i>	The PGPA Act is the principal legislation concerning the governance, performance and accountability of, and the use and management of public resources by the Commonwealth.
Portfolio Budget Statements	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program support	The entity running costs allocated to a program. This is funded as part of the entity's departmental appropriations.
Special account	Balances existing within the CRF that are supported by standing appropriations (PGPA Act s.78, s.79 and s.80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account can only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (s. 78 of the PGPA Act) or through an Act of Parliament (referred to in s. 80 of the PGPA Act).

Term

Special appropriations
(including standing
appropriations)

Meaning

An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from the CRF does not generally cease at the end of the financial year.

Standing appropriations are a subcategory consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.