PORTFOLIO BUDGET STATEMENTS 2023–24 BUDGET RELATED PAPER NO. 1.15

TREASURY PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF APPROPRIATIONS SPECIFIED BY OUTCOMES AND PROGRAMS BY ENTITY

#### © Commonwealth of Australia 2023

ISSN 0728 7194 (print); 13264133 (online)

This publication is available for your use under a <u>Creative Commons BY Attribution 3.0</u> <u>Australia</u> licence, with the exception of the Commonwealth Coat of Arms, the Treasury logo, photographs, images, signatures and where otherwise stated. The full licence terms are available from <a href="http://creativecommons.org/licenses/by/3.0/au/legalcode">http://creativecommons.org/licenses/by/3.0/au/legalcode</a>.



Use of Treasury material under a <u>Creative Commons BY Attribution 3.0 Australia</u> licence requires you to attribute the work (but not in any way that suggests that the Treasury endorses you or your use of the work).

#### Treasury material used 'as supplied'

Provided you have not modified or transformed Treasury material in any way including, for example, by changing the Treasury text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Treasury statistics – then Treasury prefers the following attribution:

Source: The Australian Government Department of the Treasury

#### Derivative material

If you have modified or transformed Treasury material, or derived new material from those of the Treasury in any way, then Treasury prefers the following attribution:

Based on The Australian Government Department of the Treasury data

#### Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see <a href="https://www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms">www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms</a>).

#### Other uses

Enquiries regarding this licence and any other use of this document are welcome at:

Media The Treasury Langton Crescent Parks ACT 2600 Email: media@treasury.gov.au



President of the Senate Australian Senate Parliament House CANBERRA ACT 2600

Speaker House of Representatives Parliament House CANBERRA ACT 2600

Dear President

Dear Mr Speaker

I hereby submit the Portfolio Budget Statements in support of the 2023–24 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

The Hon Jim Chalmers MP

al

#### **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

\$ 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**

\$b

Should you have any enquiries regarding this publication please contact Ms Tarnya Gersbach, Chief Finance Officer, Department of the Treasury on (02) 6263 3807.

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: <a href="www.budget.gov.au">www.budget.gov.au</a>.

# User Guide To The Portfolio Budget Statements

## **User guide**

The purpose of the 2023–24 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) 2023–24 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2023–24 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 the 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.

#### **Commonwealth Performance Framework** Key components of relevant publications Portfolio Budget Statements Corporate Plan (August) (May) Portfolio based Entity based Supports Annual Appropriations. Primary planning document of a Informs Senators and Members of Commonwealth entity. Parliament of the proposed allocation of other resources to government Sets out the purposes of the entity, the outcomes and programs. key activities it will undertake to achieve its purposes and the **results** it Provides links to relevant programs expects to achieve over a minimum undertaken by other Commonwealth 4-year period. entities. Describes the **environment** in which the Provides high level performance entity operates, the capability it requires to undertake its activities, its information for current, ongoing programs, particularly a forecast of risk oversight and management performance for the current year. systems including key risks, and how it will cooperate with others, including any subsidiaries, to achieve its purposes. Provides detailed prospective performance information for proposed new budget measures that require a Explains how the entity's performance new program or significantly change will be measured and assessed. an existing program. Annual Performance Statement (October following year) Entity based Included in the Commonwealth entity's Annual Report. Focuses on recent performance. Reports on the actual performance results for the year against the forecasts made in the Corporate Plan and Portfolio Budget Statements, and provides other performance information relevant to the entity. Provides an analysis of the factors that contributed to the entity's performance results.

# **Contents**

User guide	V
Treasury Portfolio overview	3
Entity resources and planned performance	9
Department of the Treasury	11
Australian Bureau of Statistics	61
Australian Competition and Consumer Commission	81
Australian Office of Financial Management	111
Australian Prudential Regulation Authority	137
Australian Securities and Investments Commission	161
Australian Taxation Office	191
Commonwealth Grants Commission	253
Inspector-General of Taxation	273
National Housing Finance and Investment Corporation	291
National Competition Council	309
Office of the Auditing and Assurance Standards Board	325
Office of the Australian Accounting Standards Board	347
Productivity Commission	369
Royal Australian Mint	389
Portfolio glossary	409



### **Treasury Portfolio overview**

#### Ministers and portfolio responsibilities

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

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

The **Department of the Treasury** is the Australian Government's 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 independent advice to the Australian Government on the distribution of GST revenue to State and Territory governments.

The **Inspector-General of Taxation** and Taxation Ombudsman independently investigates taxation actions, decisions, systems and laws to recommend improvements to the administration of 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 (NHFIC) administers the Affordable Housing Bond Aggregator, the National Housing Infrastructure Facility, the Home Guarantee Scheme, including the Government's Regional First Home Buyer Guarantee (which commenced on 1 October 2022); and undertakes housing data research, insights and analysis. NHFIC will be renamed Housing Australia and will also take on primary responsibility for delivering on the Government's commitment to support 40,000 new social and affordable dwellings using returns generated by the Housing Australia Future Fund and through the National Housing Accord.

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 and develop sustainability reporting standards, for all sectors of the Australian economy that meet user needs, contribute to the development of international accounting and sustainability 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 **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 the Budget Paper No. 4: *Agency Resourcing*.

#### Figure 1: Treasury portfolio structure and outcomes

#### Portfolio Minister - Treasurer

The Hon Dr Jim Chalmers MP

# Minister for Housing, Minister for Homelessness, Minister for Small Business

The Hon Julie Collins MP

#### **Assistant Treasurer and Minister for Financial Services**

The Hon Stephen Jones MP

#### **Assistant Minister for Competition, Charities and Treasury**

The Hon Dr Andrew Leigh MP

#### **Department of the Treasury**

Portfolio Secretary: Dr Steven Kennedy PSM

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

#### **Australian Bureau of Statistics**

Australian Statistician: Dr David Gruen AO

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

#### **Australian Competition and Consumer Commission**

Chair: Ms Gina Cass-Gottlieb

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

#### **Australian Office of Financial Management**

Chief Executive Officer: Ms Anna Hughes

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

#### **Australian Prudential Regulation Authority**

Chair: Mr John Lonsdale

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

#### Figure 1: Treasury portfolio structure and outcomes (continued)

#### **Australian Reinsurance Pool Corporation**

Chief Executive Officer: Dr Christopher Wallace

Purpose: To protect Australia from economic losses cause by terrorism catastrophe

#### **Australian Securities and Investments Commission**

Chair: Mr Joseph Longo

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

#### **Australian Taxation Office**

Commissioner: Mr Chris Jordan AO

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

#### **Commonwealth Grants Commission**

Secretary: Mr Jonathan Rollings

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

#### **Inspector-General of Taxation**

Inspector-General of Taxation: Ms Karen Payne

Outcome 1: Fair, accountable and improved administration and integrity of the taxation and superannuation systems for the benefit of the Australian community, through independent investigation and reporting

#### **National Competition Council**

President: Ms Julie-Anne Schafer

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

#### **National Housing Finance and Investment Corporation**

Acting Chair: Ms Teresa Dyson

Outcome 1: Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector and increase the supply of social and affordable housing, as well as support for eligible home buyers to access the housing market sooner

#### Office of the Auditing and Assurance Standards Board

Chair: Mr William Edge

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

#### Figure 1: Treasury portfolio structure and outcomes (continued)

#### Office of the Australian Accounting Standards Board

Chair: Dr Keith Kendall

Outcome 1: Developing, issuing and maintaining accounting standards, and developing sustainability standards, and related reporting requirements that apply to Australian entities subject to a statutory or other obligation to prepare financial reports and other external reports that are integral to understanding the entities' financial and sustainability-related information

#### **Productivity Commission**

Chair: Mr Michael Brennan

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

#### Reserve Bank of Australia

Governor: Mr Philip Lowe

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

#### **Royal Australian Mint**

Chief Executive Officer: Mr Leigh Gordon AO CSM

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

# **Entity resources and planned performance**

Department of the Treasury	11
Australian Bureau of Statistics	61
Australian Competition and Consumer Commission	81
Australian Office of Financial Management	111
Australian Prudential Regulation Authority	137
Australian Securities and Investments Commission	161
Australian Taxation Office	191
Commonwealth Grants Commission	253
Inspector-General of Taxation	273
National Housing Finance and Investment Corporation	291
National Competition Council	309
Office of the Auditing and Assurance Standards Board	325
Office of the Australian Accounting Standards Board	347
Productivity Commission	369
Royal Australian Mint	389