Australian Prudential Regulation Authority

Entity resources and planned performance

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 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.

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 the financial system, its participants 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 2022–23 Corporate Plan is focused on 2 strategic themes: ‘protecting the Australian community today’ and working to ensure that the Australian financial system is ‘prepared for tomorrow’. These themes are designed to drive organisational focus on delivering APRA’s purpose and key outcomes for the Australian community so as 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.

APRA’s 2022–2023 Corporate Plan involves building on much of its work over the past year by focusing its efforts on delivering existing strategic priorities whilst keeping a watchful eye on changes in its operating environment and responding as needed.

### 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 the *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 2023–24 as at Budget May 2023

|  |  |  |
| --- | --- | --- |
|  | *2022‑23 Estimated actual $’000* | 2023‑24 Estimate  $’000 |
| **Departmental** |  |  |
| Annual appropriations – ordinary annual services (a) |  |  |
| Departmental appropriation | *2,973* | 9,364 |
| s74 External Revenue (b) | *5,293* | 5,242 |
| Total departmental annual appropriations | *8,266* | 14,606 |
| Special accounts |  |  |
| Opening balance (c) | *75,700* | 63,307 |
| Appropriation receipts | *2,973* | 9,364 |
| Non‑appropriation receipts (d) | *5,293* | 5,242 |
| Adjustments | *210,608* | 223,152 |
| Total special accounts | *294,574* | 301,065 |
| *less departmental appropriations drawn from annual/special  appropriations and credited to special accounts* | *8,266* | 14,606 |
| ***Total departmental resourcing*** | ***294,574*** | **301,065** |
| **Administered** |  |  |
| Special accounts |  |  |
| Opening balance (c) | *970* | 970 |
| Non‑appropriation receipts to Special Accounts (e) | *400,000* | 400,000 |
| Total special account receipts | *400,970* | 400,970 |
| **Total administered resourcing** | ***400,970*** | **400,970** |
| **Total resourcing for APRA** | ***695,544*** | **702,035** |
|  |  |  |
|  | *2022‑23* | 2023‑24 |
| **Average staffing level (number)** | *853* | 855 |

Third party payments from and on behalf of other entities

|  |  |  |
| --- | --- | --- |
|  | *2022‑23 Estimated actual $’000* | 2023‑24 Estimate  $’000 |
| Receipts received from other entities for the provision of services   (disclosed above in s74 External Revenue section above) | *660* | 910 |

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

1. Appropriation Bill (No. 1) 2023–24.
2. Estimated Retained Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
3. 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, e.g. annual appropriations, special appropriations and special accounts.
4. Appropriation receipts include receipts from the Department of Foreign Affairs and Trade, the Reserve Bank of Australia, and the Australian Bureau of Statistics.
5. Comprises Private Health Insurance risk equalisation receipts which are redistributed to industry.

### 1.3 Budget measures

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

Table 1.2: Australian Prudential Regulation Authority 2023–24 Budget measures

Measures announced since the 2022–23 October Budget

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2022-23 $'000 | 2023-24 $'000 | 2024-25 $'000 | 2025-26 $'000 | 2026-27 $'000 |
| **Receipt measures** |  |  |  |  |  |  |
| Treasury Portfolio – additional   resourcing (a) | 1.1 |  |  |  |  |  |
| Administered receipt |  | - | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total** |  | **-** | **1,000** | **1,000** | **1,000** | **1,000** |
| **Total receipt measures** |  |  |  |  |  |  |
| Administered |  | - | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total** |  | **-** | **1,000** | **1,000** | **1,000** | **1,000** |

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.

1. The lead entity for measure Treasury Portfolio – additional resourcing is the Department of the Treasury. The full measure description and package details appear in *Budget Paper No. 2 – Budget Measures 2023–24* under the Treasury portfolio.

## Section 2: Outcomes and planned performance

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

APRA’s outcome is described below together with its related programs. 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 APRA can be found at: ([https://www.apra.gov.au/sites/default/files/2022‑08/APRA%20Corporate%20Plan%202022‑23.pdf](https://www.apra.gov.au/sites/default/files/2022-08/APRA%20Corporate%20Plan%202022-23.pdf)).  The most recent annual performance statement can be found at: ([https://www.apra.gov.au/sites/default/files/2022‑10/APRA%202021‑22%20Annual%20Report\_2.pdf](https://www.apra.gov.au/sites/default/files/2022-10/APRA%202021-22%20Annual%20Report_2.pdf)). |

### 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 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 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022‑23 Estimated actual $’000 | 2023‑24 Budget  $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 | 2026‑27 Forward estimate $’000 |
| **Program 1.1: Australian Prudential Regulation Authority** | | | | | |
| Administered expenses |  |  |  |  |  |
| Special appropriations (a) | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Expenses not requiring  appropriation in the Budget (b)  year | 55 | 55 | 55 | 55 | 55 |
| **Administered total** | 400,055 | 400,055 | 400,055 | 400,055 | 400,055 |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 220,581 | 224,207 | 218,348 | 222,442 | 229,154 |
| s74 External Revenue (c) | 5,293 | 5,242 | 4,542 | 4,542 | 4,542 |
| Ordinary annual services  (Appropriation Bill No.1) | 2,973 | 9,364 | 16,377 | 16,048 | 9,445 |
| Expenses not requiring  appropriation in the Budget  year (d) | 240 | 240 | 240 | 240 | 240 |
| **Departmental total** | 229,087 | 239,053 | 239,507 | 243,272 | 243,381 |
| **Total expenses for program 1.1** | **629,142** | **639,108** | **639,562** | **643,327** | **643,436** |
| **Total expenses for Outcome 1** | **629,142** | **639,108** | **639,562** | **643,327** | **643,436** |
|  |  |  |  |  |  |
|  | 2022‑23 | 2023‑24 |  |  |  |
| **Average staffing level (number)** | 853 | 855 |  |  |  |

1. Private Health Insurance Industry risk equalisation payments.
2. Expenses not requiring appropriation in the Budget year are made up of Finance costs.
3. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
4. Expenses not requiring appropriation in the Budget year are made up of ANAO audit services that are received free of charge; however, the expense is recognised along with an equal and offsetting income stream.

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

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 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 the 2023–24 Budget measures that have created new programs or materially changed existing programs are provided.

| **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. | | |
| --- | --- | --- |
| 1. Program 1.1 Australian Prudential Regulation Authority   To enhance public confidence in Australia’s financial institutions through establishing and enforcing prudential standards and practices and delivering on APRA’s purpose and strategic objectives as set out in its Corporate Plan. | | |
| Key Activities | 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 understanding and responding to the impact of new financial activities and participants and 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  2022–23 | Performing Entity Ratio. | APRA 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 an orderly exit achieved. |
| Money Protection Ratio. |
| 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. | Reduction during the reporting period. |
| Actual versus budget for the reporting period. | Within budget. |

Table 2.1.2: Performance measure for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
| Year | Performance measures | Planned performance results |
| Budget Year  2023–24 | Performing Entity Ratio. | APRA 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 an orderly exit achieved. |
| Money Protection Ratio. |
| 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. | Reduction during the reporting period. |
| Actual versus budget for the reporting period. | Within budget. |
| Forward Estimates  2024–27 | As per 2023–24 | As per 2023–24 |
| Material changes to Program 1.1 resulting from 2023–24 Budget Measures: Not applicable. | | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 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

1. The departmental comprehensive income statement (Table 3.1) indicates an increase in revenue from Government for 2023–24.
2. Employee benefits of $171.4 million support an average staffing level (ASL) of 855 in  
   2023 –24. 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.
3. Supplier costs of $45.1 million in 2023–24 reflect office leasing costs, IT support and maintenance, travel, training and other non‑people related expenditures.
4. Depreciation and Amortisation of $22.1 million reflects the amortisation of APRA’s fixed assets over their useful life.
5. 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.
6. 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.
7. 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*.
8. 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 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.
9. 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.
10. 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  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, Gateway Network Governance Body Ltd, 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 159,214 | 171,441 | 183,314 | 188,637 | 188,739 |
| Suppliers | 46,330 | 45,088 | 33,595 | 31,805 | 31,812 |
| Depreciation and amortisation | 23,000 | 22,143 | 22,340 | 22,740 | 22,740 |
| Finance costs | 543 | 381 | 258 | 90 | 90 |
| **Total expenses** | **229,087** | **239,053** | **239,507** | **243,272** | **243,381** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 4,501 | 4,012 | 3,312 | 3,312 | 3,312 |
| Other | 1,032 | 1,470 | 1,470 | 1,470 | 1,470 |
| **Total own-source revenue** | **5,533** | **5,482** | **4,782** | **4,782** | **4,782** |
| **Total own-source income** | **5,533** | **5,482** | **4,782** | **4,782** | **4,782** |
| **Net (cost of)/contribution by  services** | **(223,554)** | **(233,571)** | **(234,725)** | **(238,490)** | **(238,599)** |
| Revenue from Government | 213,581 | 232,516 | 232,649 | 236,607 | 238,889 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(9,973)** | **(1,055)** | **(2,076)** | **(1,883)** | **290** |
| **Total comprehensive income/(loss)** | **(9,973)** | **(1,055)** | **(2,076)** | **(1,883)** | **290** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(9,973)** | **(1,055)** | **(2,076)** | **(1,883)** | **290** |

Note: Impact of net cash appropriation arrangements

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **Total comprehensive income/(loss)  - as per statement of  Comprehensive Income** | **(9,973)** | **(1,055)** | **(2,076)** | **(1,883)** | **290** |
| plus: depreciation/amortisation of assets  funded through appropriations  (departmental capital budget funding  and/or equity injections) | 14,613 | 13,756 | 13,715 | 14,115 | 14,115 |
| plus: depreciation/amortisation  expenses for ROU assets (a) | 8,387 | 8,387 | 8,625 | 8,625 | 8,625 |
| less: lease principal repayments (a) | 8,321 | 8,839 | 9,200 | 9,672 | 9,856 |
| **Net Cash Operating Surplus/ (Deficit)** | **4,706** | **12,249** | **11,064** | **11,185** | **13,174** |

Prepared on Australian Accounting Standards basis.

1. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022‑23 Estimated actual $’000 | 2023‑24 Budget  $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 | 2026‑27 Forward estimate $’000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 63,307 | 72,678 | 82,547 | 92,661 | 97,777 |
| Trade and other receivables | 3,871 | 3,871 | 3,871 | 3,871 | 3,871 |
| ***Total financial assets*** | ***67,178*** | ***76,549*** | ***86,418*** | ***96,532*** | ***101,648*** |
| **Non‑financial assets** |  |  |  |  |  |
| Land and buildings | 25,158 | 23,921 | 61,296 | 52,671 | 44,046 |
| Property, plant and equipment | 13,730 | 15,037 | 13,318 | 11,718 | 10,118 |
| Intangibles | 48,598 | 42,913 | 39,112 | 34,668 | 30,211 |
| Other non‑financial assets | 4,632 | 4,632 | 4,632 | 4,632 | 4,632 |
| ***Total non‑financial assets*** | ***92,118*** | ***86,503*** | ***118,358*** | ***103,689*** | ***89,007*** |
| **Total assets** | **159,296** | **163,052** | **204,776** | **200,221** | **190,655** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 5,786 | 5,786 | 5,786 | 5,786 | 5,786 |
| Other payables | 4,736 | 4,736 | 5,235 | 5,735 | 5,735 |
| ***Total payables*** | ***10,522*** | ***10,522*** | ***11,021*** | ***11,521*** | ***11,521*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 27,533 | 25,844 | 62,644 | 52,972 | 43,116 |
| ***Total interest bearing liabilities*** | ***27,533*** | ***25,844*** | ***62,644*** | ***52,972*** | ***43,116*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 51,614 | 58,114 | 64,615 | 71,115 | 71,115 |
| Other provisions | 8,172 | 8,172 | 8,172 | 8,172 | 8,172 |
| ***Total provisions*** | ***59,786*** | ***66,286*** | ***72,787*** | ***79,287*** | ***79,287*** |
| **Total liabilities** | **97,841** | **102,652** | **146,452** | **143,780** | **133,924** |
| **Net assets** | **61,455** | **60,400** | **58,324** | **56,441** | **56,731** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 16,657 | 16,657 | 16,657 | 16,657 | 16,657 |
| Reserves | 9,764 | 10,764 | 11,764 | 12,764 | 13,764 |
| Retained surplus (accumulated  deficit) | 35,034 | 32,979 | 29,903 | 27,020 | 26,310 |
| ***Total parent entity interest*** | ***61,455*** | ***60,400*** | ***58,324*** | ***56,441*** | ***56,731*** |
| **Total equity** | **61,455** | **60,400** | **58,324** | **56,441** | **56,731** |

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 2023–24)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $’000 | Other reserves  $’000 | Contributed equity/ capital $’000 | Total equity   $’000 |
| **Opening balance as at 1 July 2023** |  |  |  |  |
| Balance carried forward from  previous period | 35,034 | 9,764 | 16,657 | 61,455 |
| ***Adjusted opening balance*** | ***35,034*** | ***9,764*** | ***16,657*** | ***61,455*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (1,055) | ‑ | ‑ | (1,055) |
| ***Total comprehensive income*** | ***(1,055)*** | ***‑*** | ***‑*** | ***(1,055)*** |
| Transfers between equity |  |  |  |  |
| Transfers between equity  components | (1,000) | 1,000 | ‑ | ‑ |
| **Estimated closing balance as at  30 June 2024** | **32,979** | **10,764** | **16,657** | **60,400** |
| **Closing balance attributable to  the Australian Government** | **32,979** | **10,764** | **16,657** | **60,400** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022‑23 Estimated actual $’000 | 2023‑24 Budget  $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 | 2026‑27 Forward estimate $’000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 213,581 | 232,516 | 232,649 | 236,607 | 238,889 |
| Sale of goods and rendering of  services | 4,501 | 4,012 | 3,312 | 3,312 | 3,312 |
| Other | 792 | 1,230 | 1,230 | 1,230 | 1,230 |
| ***Total cash received*** | ***218,874*** | ***237,758*** | ***237,191*** | ***241,149*** | ***243,431*** |
| **Cash used** |  |  |  |  |  |
| Employees | 162,914 | 164,941 | 176,313 | 181,637 | 188,739 |
| Suppliers | 46,090 | 44,848 | 33,355 | 31,565 | 31,572 |
| s74 External Revenue  transferred to the OPA | 543 | 381 | 258 | 90 | 90 |
| Other | (1) | ‑ | 1 | ‑ | ‑ |
| ***Total cash used*** | ***209,546*** | ***210,170*** | ***209,927*** | ***213,292*** | ***220,401*** |
| **Net cash from/(used by)  operating activities** | **9,328** | **27,588** | **27,264** | **27,857** | **23,030** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 13,400 | 9,378 | 8,195 | 8,071 | 8,058 |
| ***Total cash used*** | ***13,400*** | ***9,378*** | ***8,195*** | ***8,071*** | ***8,058*** |
| **Net cash from/(used by)  investing activities** | **(13,400)** | **(9,378)** | **(8,195)** | **(8,071)** | **(8,058)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 8,321 | 8,839 | 9,200 | 9,672 | 9,856 |
| ***Total cash used*** | ***8,321*** | ***8,839*** | ***9,200*** | ***9,672*** | ***9,856*** |
| **Net cash from/(used by)  financing activities** | **(8,321)** | **(8,839)** | **(9,200)** | **(9,672)** | **(9,856)** |
| **Net increase/(decrease) in cash  held** | **(12,393)** | **9,371** | **9,869** | **10,114** | **5,116** |
| Cash and cash equivalents at the  beginning of the reporting period | 75,700 | 63,307 | 72,678 | 82,547 | 92,661 |
| **Cash and cash equivalents at  the end of the reporting period** | **63,307** | **72,678** | **82,547** | **92,661** | **97,777** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources | 13,400 | 16,528\* | 54,195\* | 8,071 | 8,058 |
| **TOTAL** | **13,400** | **16,528** | **54,195** | **8,071** | **8,058** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 13,400 | 16,528\* | 54,195\* | 8,071 | 8,058 |
| **Total cash used to acquire assets** | **13,400** | **16,528** | **54,195** | **8,071** | **8,058** |

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget year 2023–24)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $’000 | Other property, plant and equipment $’000 | Computer software  and intangibles $’000 | Total    $’000 |
| **As at 1 July 2023** |  |  |  |  |
| Gross book value | ‑ | 32,702 | 119,646 | 152,348 |
| Gross book value – ROU assets | 58,452 | ‑ | ‑ | 58,452 |
| Accumulated depreciation/ amortisation and impairment | ‑ | (18,972) | (71,048) | (90,020) |
| Accumulated depreciation/amortisation and impairment – ROU assets | (33,294) | ‑ | ‑ | (33,294) |
| **Opening net book balance** | **25,158** | **13,730** | **48,598** | **87,486** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase – other | ‑ | 4,349 | 5,029 | 9,378 |
| By purchase – ROU assets | 7,150 | ‑ | ‑ | 7,150 |
| **Total additions** | **7,150** | **4,349** | **5,029** | **16,528** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | ‑ | (3,042) | (10,714) | (13,756) |
| Depreciation/amortisation on   ROU assets | (8,387) | ‑ | ‑ | (8,387) |
| **Total other movements** | **(8,387)** | **(3,042)** | **(10,714)** | **(22,143)** |
| **As at 30 June 2024** |  |  |  |  |
| Gross book value | ‑ | 37,051 | 124,675 | 161,726 |
| Gross book value – ROU assets | 65,602 | ‑ | ‑ | 65,602 |
| Accumulated depreciation/  amortisation and impairment | ‑ | (22,014) | (81,762) | (103,776) |
| Accumulated depreciation/amortisation and impairment – ROU assets | (41,681) | ‑ | ‑ | (41,681) |
| **Closing net book balance** | **23,921** | **15,037** | **42,913** | **81,871** |

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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022‑23 Estimated actual $’000 | 2023‑24 Budget  $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 | 2026‑27 Forward estimate $’000 |
| **EXPENSES** |  |  |  |  |  |
| Finance costs | 55 | 55 | 55 | 55 | 55 |
| Risk equalisation distributions | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| **Total expenses administered on  behalf of Government** | **400,055** | **400,055** | **400,055** | **400,055** | **400,055** |
| **LESS:** |  |  |  |  |  |
| **Own‑source revenue** |  |  |  |  |  |
| **Non‑taxation revenue** |  |  |  |  |  |
| *Financial Institutions Supervisory Levies Collection Act 1998* | 257,422 | 264,767 | 258,664 | 263,945 | 274,801 |
| Interest | 55 | 55 | 55 | 55 | 55 |
| Risk equalisation receipts | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| ***Total non‑taxation revenue*** | ***657,477*** | ***664,822*** | ***658,719*** | ***664,000*** | ***674,856*** |
| **Total own‑source revenue  administered on behalf of  Government** | **657,477** | **664,822** | **658,719** | **664,000** | **674,856** |
| **Total own‑sourced income  administered on behalf of  Government** | **657,477** | **664,822** | **658,719** | **664,000** | **674,856** |
| **Net (cost of)/contribution by  services** | **(257,422)** | **(264,767)** | **(258,664)** | **(263,945)** | **(274,801)** |
| **Total comprehensive income/(loss)** | **257,422** | **264,767** | **258,664** | **263,945** | **274,801** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022‑23 Estimated actual $’000 | 2023‑24 Budget  $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 | 2026‑27 Forward estimate $’000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 970 | 970 | 970 | 970 | 970 |
| Receivables | 2,205 | 2,205 | 2,205 | 2,205 | 2,205 |
| ***Total financial assets*** | ***3,175*** | ***3,175*** | ***3,175*** | ***3,175*** | ***3,175*** |
| **Total assets administered on  behalf of Government** | **3,175** | **3,175** | **3,175** | **3,175** | **3,175** |
| **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)** | **1,175** | ***1,175*** | **1,175** | **1,175** | **1,175** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022‑23 Estimated actual $’000 | 2023‑24 Budget  $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 | 2026‑27 Forward estimate $’000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Financial Institutions Supervisory Levies | 257,422 | 264,767 | 258,664 | 263,945 | 274,801 |
| Interest | 55 | 55 | 55 | 55 | 55 |
| Risk equalisation levy collections | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| ***Total cash received*** | ***657,477*** | ***664,822*** | ***658,719*** | ***664,000*** | ***674,856*** |
| **Cash used** |  |  |  |  |  |
| Borrowing costs | 55 | 55 | 55 | 55 | 55 |
| Risk equalisation levy payments | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| ***Total cash used*** | ***400,055*** | ***400,055*** | ***400,055*** | ***400,055*** | ***400,055*** |
| **Net cash from/(used by)  operating activities** | **257,422** | **264,767** | **258,664** | **263,945** | **274,801** |
| ***Net increase/(decrease) in cash  held*** | ***257,422*** | ***264,767*** | ***258,664*** | ***263,945*** | ***274,801*** |
| Cash and cash equivalents at  beginning of reporting period | 970 | 970 | 970 | 970 | 970 |
| Cash from Official Public Account for: |  |  |  |  |  |
| ‑ Risk equalisation collections | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| *Total cash from Official Public Account* | *400,000* | *400,000* | *400,000* | *400,000* | *400,000* |
| Cash to Official Public Account for: |  |  |  |  |  |
| ‑ Financial Institutions Supervisory Levies | (257,422) | (264,767) | (258,664) | (263,945) | (274,801) |
| ‑ Risk equalisation payments | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| *Total cash to Official Public Account* | *(657,422)* | *(664,767)* | *(658,664)* | *(663,945)* | *(674,801)* |
| **Cash and cash equivalents at  end of reporting period** | **970** | **970** | **970** | **970** | **970** |

Prepared on Australian Accounting Standards basis.