



Budget

2020-21

Portfolio Budget Statements 2020-21 **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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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 2020-21 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nfp	not for publication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

Should you have any enquiries regarding this publication please contact Mr Robert Twomey, Chief Financial Officer, Department of the Treasury on 02 6263 2111.

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 *2020-21 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) 2020-21 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2020-21 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 enhanced 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 (October) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



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

Portfolio overview	1
Entity resources and planned performance	9
Department of the Treasury.....	11
Australian Bureau of Statistics.....	55
Australian Competition and Consumer Commission.....	73
Australian Office of Financial Management.....	99
Australian Prudential Regulation Authority.....	125
Australian Securities and Investments Commission.....	149
Australian Taxation Office.....	179
Commonwealth Grants Commission.....	235
Infrastructure and Project Financing Agency.....	251
Inspector-General of Taxation.....	267
National Competition Council.....	283
Office of the Auditing and Assurance Standards Board.....	299
Office of the Australian Accounting Standards Board.....	317
Productivity Commission.....	337
Royal Australian Mint.....	355
Glossary.....	375

PORTFOLIO OVERVIEW

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 17 entities in the general government sector.

The **Department of the Treasury** is the Australian Government's pre-eminent economic adviser. Treasury provides advice, analysis and legislation to Government to deliver economic policies and programs, supporting the effective management of the Australian economy.

The **Australian Bureau of Statistics** is Australia's official statistical entity. It provides statistics on a wide range of economic, environmental, population and social matters, covering government, business and the community in general.

The **Australian Competition and Consumer Commission** is an independent statutory authority which administers the *Competition and Consumer Act 2010* and performs functions under other Commonwealth legislation and State and Territory Competition Policy Reform Acts.

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 and provides efficient registration services.

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.

Portfolio Overview

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

The **Infrastructure and Project Financing Agency** provides independent commercial and financial advice to support the delivery of Australian Government infrastructure projects and programs.

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.

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.

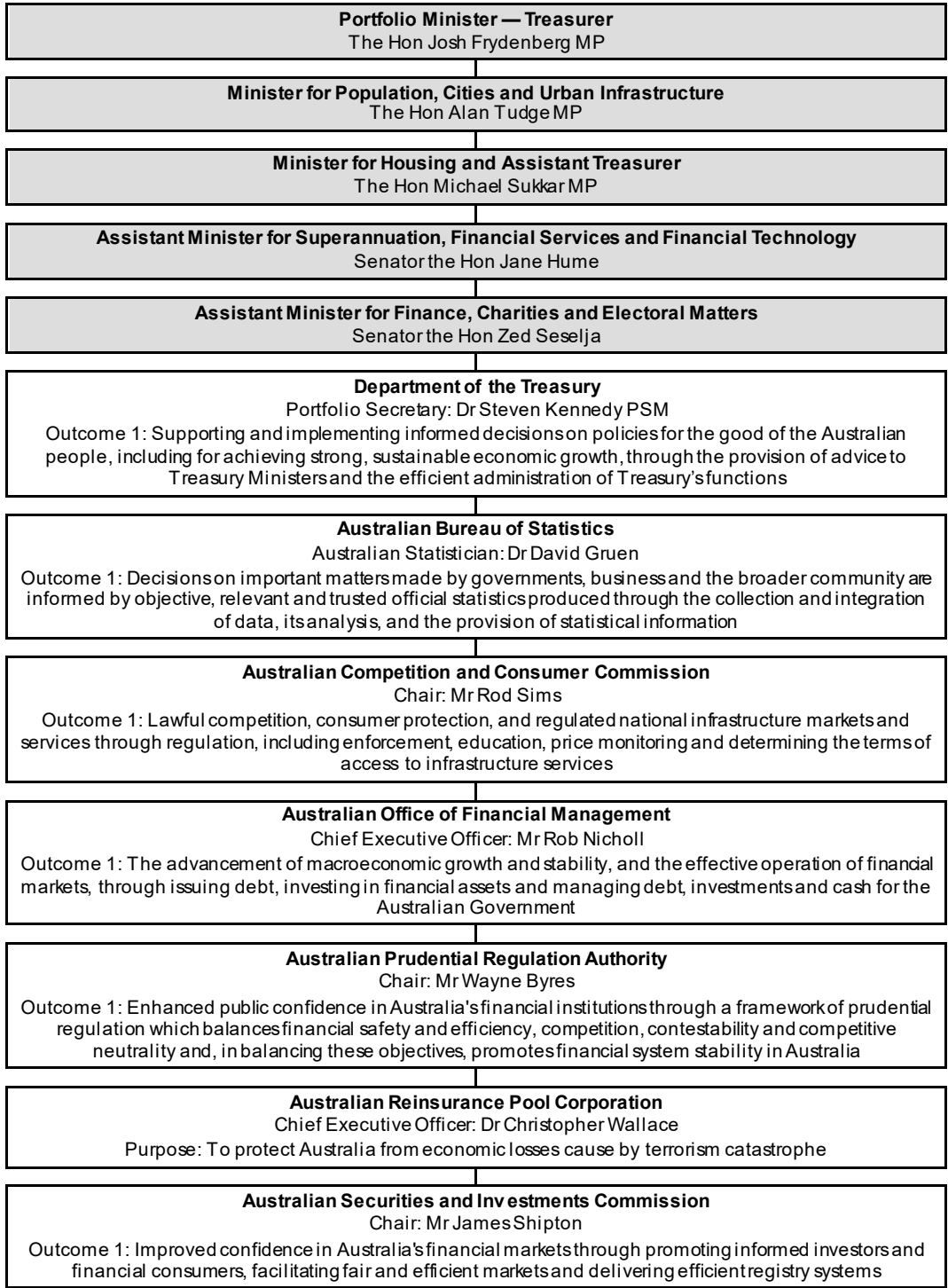
The **Royal Australian Mint** manufactures and sells circulating coins to meet the coinage needs of the Australian economy, and collector coins and other minted products for Australia and foreign countries.

The **Financial Advisers Standards and Ethics Authority Ltd** and 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.

Portfolio Overview

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

Figure 1: Treasury portfolio structure and outcomes



<p>Australian Taxation Office Commissioner: Mr Chris Jordan AO Outcome 1: Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law</p>
<p>Commonwealth Grants Commission Secretary: Mr Michael Willcock 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>Financial Adviser Standards and Ethics Authority Limited Chief Executive Officer: Mr Stephen Glenfield Outcome 1: Strengthen the professional and ethical standards of financial advisers through enhancing educational and training requirements and ethical standards to improve consumer outcomes</p>
<p>Infrastructure and Project Financing Agency Chief Executive Officer: Ms Leilani Frew Outcome 1: To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth's investment by assisting the government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector</p>
<p>Inspector-General of Taxation Inspector-General of Taxation: Ms Karen Payne Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities</p>
<p>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</p>
<p>National Housing Finance and Investment Corporation Chair: Mr Brendan Crotty 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>Office of the Auditing and Assurance Standards Board Chair: Prof. Roger Simnett AO 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>Office of the Australian Accounting Standards Board Chair: Dr Keith Kendall 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>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</p>

Portfolio Overview

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 Ross MacDiarmid

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

SECTION 1: ENTITY OVERVIEW AND RESOURCES	13
1.1 Strategic direction statement	13
1.2 Entity resource statement	14
1.3 Budget measures.....	16
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	19
2.1 Budgeted expenses and performance for Outcome 1.....	20
SECTION 3: BUDGETED FINANCIAL STATEMENTS.....	41
3.1 Budgeted financial statements.....	41
3.2. Budgeted financial statements tables.....	42

DEPARTMENT OF THE TREASURY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Treasury is the pre-eminent economic adviser to the Government.

The Treasury's purpose is to support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.

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 and administrative payments which support the effective management of the Australian economy.

In 2020-21, The Treasury will continue to support the Government's COVID-19 economic response and recovery plan, including delivery of economic updates, response programs, economic updates, and payments to the states and territories.

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 2020-21 as at Budget October 2020

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	52,496	72,957
Departmental appropriation (c)	210,135	246,499
s74 External Revenue (d)	15,766	15,156
Departmental capital budget (e)	10,160	10,573
Annual appropriations - other services - non-operating (f)		
Equity injection	1,456	-
Total departmental annual appropriations	290,013	345,185
Total departmental resourcing	290,013	345,185
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	122,550	130,986
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	165,000	165,000
Total administered annual appropriations	287,550	295,986
Special appropriations		
Asian Development Bank (Additional Subscription) Act 2009	25,467	-
Asian Infrastructure Investment Bank Act 2015	215,376	-
Federal Financial Relations Act 2009	93,086,036	82,697,582
International Monetary Arrangements Act 2015	368,204	1,546,410
Public Governance, Performance and Accountability Act 2013	1,000	1,000
Australian Business Growth Fund	-	10,930
Total administered special appropriations	93,696,083	84,255,922

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2020-21 as at Budget October 2020 (continued)

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Special accounts (g)		
Appropriation receipts	47,648,721	58,096,811
Non-appropriation receipts	1,592,278	2,426,070
Total special account receipts	49,240,999	60,522,881
Total administered resourcing	143,224,632	145,074,789
Total resourcing for Department of the Treasury	143,514,645	145,419,974
	<i>2019-20</i>	2020-21
Average staffing level (number)	926	1,092

Third party payments from and on behalf of other entities

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Payments made on behalf of another entity (h)		
<i>Department of Finance</i>	1,550,529	2,338,147
<i>Attorney-General's Department</i>	-	12,306
<i>Department of Social Services</i>	41,749	45,617
<i>Department of Agriculture, Water and Environment</i>	-	30,000
Payments made to corporate entities within the Portfolio (i)		
NHFIC (Annual appropriation)	61,762	59,031

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) Appropriation Bill (No. 1) 2020-21.
- (b) Adjusted appropriation carried forward from previous year.
- (c) Excludes departmental capital budget (DCB). 2019-20 includes supplementation of \$3.837 million for revenue recognised in 2018-19 but not appropriated in that year.
- (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) 2020-21.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) These payments relate to National Partnership payments to the states and territories.
- (i) Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

1.3 BUDGET MEASURES

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

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

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Expense measures					
Additional funding to address serious and organised crime in the tax and superannuation system					
Administered payment	1.4	-	600	1,700	1,500
COVID-19 Response Package — Relief and Recovery Fund — additional projects (a)					
Administered payment	1.9	32,737	-	-	-
COVID-19 Response Package — supporting our hospitals — continuation					
Administered payment	1.9	1,103,101	-	-	-
Disaster Relief — Northern Territory and South Australia					
Administered payment	1.9	19,906	-	-	-
Drought Response, Resilience and Preparedness Plan — extended support					
Administered payment	1.9	50,000	-	-	-
Funding for Remote Indigenous Housing In Queensland					
Administered payment	1.9	-	-	-	-
Humanitarian Program 2020-21					
Administered payment	1.4	(1,000)	(3,000)	(7,000)	(11,000)
Implementation of the 2019 Monsoon Trough: A Strategy for Long-Term Recovery					
Administered payment	1.9	-	-	-	-
JobMaker Plan — deregulation package					
Departmental payment	1.1	1,223	-	-	-
JobMaker Plan — Digital Business Plan					
Departmental payment	1.1	2,375	-	-	-

(a) Figures will not align with Budget Paper No. 2 due to offsetting savings from the Contingency Reserve.

**Table 1.2: Treasury 2020-21 Budget Measures
Measures announced after the Economic and Fiscal Update July 2020 (continued)**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
JobMaker Plan — driving jobs through housing					
Departmental payment	1.1	501	-	-	-
Administered payment	1.1	-	-	-	59
JobMaker Plan — improving energy affordability and reliability					
Administered payment	1.9	15,000	-	-	-
JobMaker Plan — infrastructure investment — Australian Capital Territory					
Administered payment	1.9	2,500	12,000	25,000	35,000
JobMaker Plan — infrastructure investment — New South Wales (a)					
Administered payment	1.9	479,222	561,644	640,353	554,706
JobMaker Plan — infrastructure investment — Northern Territory					
Administered payment	1.9	15,800	35,800	48,800	47,101
JobMaker Plan — infrastructure investment — Queensland					
Administered payment	1.9	125,870	293,274	317,198	312,912
JobMaker Plan — infrastructure investment — road safety and upgrades					
Administered payment	1.9	1,000,000	1,000,000	-	-
JobMaker Plan — infrastructure investment — South Australia					
Administered payment	1.9	101,066	154,737	138,100	118,600
JobMaker Plan — infrastructure investment — Tasmania					
Administered payment	1.9	12,248	31,894	66,500	124,000
JobMaker Plan — infrastructure investment — Victoria					
Administered payment	1.9	80,000	429,950	691,950	491,550
JobMaker Plan — infrastructure investment — Western Australia					
Administered payment	1.9	94,800	314,350	421,250	223,700
JobMaker Plan — investment in new energy technologies					
Administered payment	1.9	13,500	-	-	-
JobMaker Plan — National Water Grid — investing in a long-term approach to water infrastructure					
Administered payment	1.9	18,000	199,000	325,000	480,000

(a) Figures will not align with Budget Paper No. 2 due to offsetting savings from the Contingency Reserve.

Table 1.2: Treasury 2020-21 Budget Measures
Measures announced after the Economic and Fiscal Update July 2020 (continued)

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Migration Program — 2020-21 planning levels					
Administered payment	1.4	-	(10,000)	(20,000)	(25,000)
Murray-Darling Communities Investment Package					
Administered payment	1.9	(43,600)	30,700	29,700	23,600
Perth City Deal					
Administered payment	1.9	38,125	89,625	74,625	67,125
Public Safety Mobile Broadband					
Administered payment	1.9	8,030	-	-	-
Refocusing Australia's Approach to Financial Capability					
Departmental payment	1.1	1,822	1,759	1,761	1,767
Rum Jungle Rehabilitation Project — additional funding					
Administered payment	1.9	1,251	2,251	-	-
Schools Pathways Program					
Administered payment	1.9	1,200	1,200	-	-
Strengthening Australia's Foreign Investment Framework					
Departmental payment	1.1	6,663	28,271	22,614	4,034
Superannuation Reform					
Departmental payment	1.1	1,922	269	100	101
Administered payment	1.1	15,000	-	-	-
Treasury Portfolio — additional funding					
Departmental payment	1.1	14,865	31,859	23,938	20,740
Administered payment	1.1	15,000	-	-	-
Total		3,327,127	3,206,183	2,801,589	2,470,495
Total expense measures					
Administered		3,197,756	3,144,025	2,753,176	2,443,853
Departmental		29,371	62,158	48,413	26,642
Total		3,227,127	3,206,183	2,801,589	2,470,495

Prepared on a Government Finance Statistics (fiscal) basis.

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

Section 2: Outcomes and planned performance

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

The Treasury'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 Treasury can be found at: <https://corporate-plan.treasury.gov.au/>

The most recent annual performance statement can be found at:
<http://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

Contribution made by Outcome 1

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. Details of the individual National Partnership agreements within Program 1.9 are set out in Table 2.2 for each Portfolio.

Attorney-General’s Department

Programs

- Program 1.4 – Justice Services
- Program 1.6 – Indigenous Legal and Native Title Assistance
- Program 2.3 – Social and Community Service

Department of Agriculture, Water and the Environment

Programs

- 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 Resources
- Program 3.11 – Drought Programs
- 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
Programs
<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 Foreign Affairs and Trade
Programs
<ul style="list-style-type: none"> • Program 1.2 – Programs to promote Australia’s export and other international economic interests
Department of Health
Programs
<ul style="list-style-type: none"> • Program 1.1 – Health Policy, Research and Analysis • Program 1.3 – Health Infrastructure • Program 2.1 – Mental Health • Program 2.2 – Aboriginal and Torres Strait Islander Health • Program 2.4 – Preventative Health and Chronic Disease • Program 2.7 – Hospital Services • Program 4.6 – Dental Services • Program 5.2 – Health Protection and Emergency Response • Program 5.3 – Immunisation • Program 6.2 – Aged Care Services
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
Program <ul style="list-style-type: none">• Program 1.3 – Supporting a strong resources sector• Program 2.1 – Reducing Australia’s greenhouse gas emissions
Department of Infrastructure, Regional Development and Cities
Programs <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
Programs <ul style="list-style-type: none">• Program 1.2 – Children and Schooling• Program 1.3 – Safety and Wellbeing• Program 1.4 – Culture and Capability• Program 1.5 – Remote Australia Strategies• Program 1.6 – Evaluation and Research
Department of Social Services
Programs <ul style="list-style-type: none">• Program 1.10 – Working Age Payments• 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
Program <ul style="list-style-type: none">• Program 2.2 – Veterans’ Hospital Services

Budgeted expenses for Outcome 1

This table shows how much the Treasury 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Departmental expenses					
Departmental appropriation	206,298	246,499	243,004	221,997	201,531
s74 External Revenue (a)	15,766	15,156	15,156	15,156	15,251
Expenses not requiring appropriation in the Budget year (b)	23,767	17,827	18,203	17,609	17,609
Departmental total	245,831	279,482	276,363	254,762	234,391
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
National Housing Finance and Investment Corporation	61,762	59,031	41,169	43,466	5,487
Other	60,006	68,829	897	-	-
Special appropriations					
<i>Special appropriation -PGPA Act 2013 - s77 repayments</i>	-	1,000	1,000	-	-
Special accounts					
Special account - Medicare Guarantee Fund	37,961,055	41,024,052	41,221,416	42,865,270	44,709,410
Payments to corporate entities					
Expenses not requiring appropriation in the Budget year (c)	6,735	20,888	5,082	2,983	(2)
Administered total	38,089,558	41,173,800	41,269,564	42,911,719	44,714,895
Total expenses for program 1.1	38,335,389	41,453,282	41,545,927	43,166,481	44,949,286

(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 and audit fees.

(c) Expenses not requiring appropriation in Budget year relate to revaluation of grants provision and loan amounts.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.2: Payments to International Financial Institutions					
Administered expenses					
Special appropriations					
<i>Special appropriation - International Monetary Agreements Act 1947</i>	37,577	43,406	44,501	50,985	57,397
Expenses not requiring appropriation in the Budget year (d)	736,021	133,825	-	43,032	16,597
Administered total	773,598	177,231	44,501	94,017	73,994
Total expenses for program 1.2	773,598	177,231	44,501	94,017	73,994
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Payment to IFRS	-	2,000	1,000	1,000	1,000
Other	63	7,759	7,509	2,500	-
Expenses not requiring appropriation in the Budget year	93,385	-	-	-	-
Administered total	93,448	9,759	8,509	3,500	1,000
Total expenses for program 1.3	93,448	9,759	8,509	3,500	1,000
Program 1.4: General Revenue Assistance					
Special appropriations					
GST Revenue Entitlements - <i>Federal Financial Relations Act 2009</i>	60,235,053	59,920,000	66,140,000	70,751,837	74,586,625
Special accounts	-	-	-	-	-
COAG Reform Fund	-	-	-	-	-
ACT municipal services	40,677	41,247	41,865	42,535	43,216
Compensation for reduced royalties	19,223	14,918	9,398	2,683	1,611
Royalties	666,220	403,460	323,204	215,075	169,535
GST Transitional assistance	1,066,299	1,546,593	1,520,020	1,794,698	1,920,087
Administered total	62,027,472	61,926,218	68,034,487	72,806,828	76,721,074
Total expenses for program 1.4	62,027,472	61,926,218	68,034,487	72,806,828	76,721,074

(d) Expenses not requiring appropriation in Budget year relate to foreign exchange losses.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.5: Assistance to the States for Healthcare Services					
Special appropriations					
National Health Reform funding - <i>Federal Financial Relations Act 2009</i>	22,560,368	23,606,916	25,191,526	26,651,476	28,241,159
Administered total	22,560,368	23,606,916	25,191,526	26,651,476	28,241,159
Total expenses for program 1.5	22,560,368	23,606,916	25,191,526	26,651,476	28,241,159
Program 1.6: Assistance to the States for Skills and Workforce Development					
Special appropriations					
National Skills and Workforce Development SPP - <i>Federal Financial Relations Act 2009</i>	1,538,566	1,560,568	1,575,003	1,593,194	1,615,260
Administered total	1,538,566	1,560,568	1,575,003	1,593,194	1,615,260
Total expenses for program 1.6	1,538,566	1,560,568	1,575,003	1,593,194	1,615,260
Program 1.7: Assistance to the States for Disability Services					
Special appropriations					
National Disability Services SPP (e) - <i>Federal Financial Relations Act 2009</i>	174,405	-	-	-	-
Administered total	174,405	-	-	-	-
Total expenses for program 1.7	174,405	-	-	-	-
Program 1.8: Assistance to the States for Affordable Housing					
Special appropriations					
National Affordable Housing SPP - National Housing and Homelessness	1,564,907	1,594,523	1,553,244	1,571,884	1,593,888
Administered total	1,564,907	1,594,523	1,553,244	1,571,884	1,593,888
Total expenses for program 1.8	1,564,907	1,594,523	1,553,244	1,571,884	1,593,888

(e) A zero entitlement to National Disability SPP funding indicates that the National Disability Insurance Scheme (NDIS) has been fully rolled out.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.9: National Partnership Payments to the States					
Special appropriations					
National General Health Services SPP - <i>Federal Financial Relations Act 2009</i>	2,955,207	1,811,392	-	-	-
Special accounts					
COAG Reform Fund	9,393,988	16,049,352	16,108,648	15,387,951	15,359,568
Expenses not requiring appropriation (f)	241,674	-	-	-	-
Administered total	12,590,869	17,860,744	16,108,648	15,387,951	15,359,568
Total expenses for program 1.9	12,590,869	17,860,744	16,108,648	15,387,951	15,359,568
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	206,298	246,499	243,004	221,997	201,531
s74 External Revenue (a)	15,766	15,156	15,156	15,156	15,251
Expenses not requiring appropriation in the Budget year (b)	23,767	17,827	18,203	17,609	17,609
Departmental total	245,831	279,482	276,363	254,762	234,391
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	121,831	137,619	50,575	46,966	6,487
Special appropriations	89,066,083	88,537,805	94,505,274	100,619,376	106,094,329
Special accounts	49,147,462	59,079,622	59,224,551	60,308,212	62,203,427
Expenses not requiring appropriation in the Budget year	1,077,815	154,713	5,082	46,015	16,595
Administered total	139,413,191	147,909,759	153,785,482	161,020,569	168,320,838
Total expenses for Outcome 1	139,659,022	148,189,241	154,061,845	161,275,331	168,555,229

(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 and audit fees

(f) Table 2.2 provides details of specific payments linked to programs administered by other portfolios.

Table 2.1: Budgeted expenses for Outcome 1 (continued)

Movement of administered funds between years (g)	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Outcome 1:					
Program 1.1 - Department of Treasury	-	353	-	-	-
Program 1.9 - National Partnership Payments to the States	-	(884,945)	(925,914)	260,115	462,084
Total movement of administered funds	-	(884,592)	(925,914)	260,115	462,084

Average staffing level (number)	2019-20	2020-21
	926	1,092

(g) 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 2.2: Program 1.9: expenses

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Special accounts						
COAG Reform Fund						
Agriculture, Water and the Environment portfolio						
COVID-19 World and National Heritage	1.4	-	32,737	-	-	-
Bushfire Wildlife and Habitat Recovery	1.1	13,000	-	-	-	-
Environmental assessment systems upgrade	1.5	-	3,630	7,470	-	-
Environment Restoration Fund	1.1	-	4,250	2,180	1,197	-
Fishing and Camping Facilities Program	3.4	-	10,000	5,000	5,000	-
Forestry Industries Bushfire Salvage						
Transport Assistance	3.3	-	15,000	-	-	-
Future Drought Fund						
Farm Business Resilience	3.11	-	20,000	-	-	-
Regional Drought Resilience Planning	3.11	-	10,000	-	-	-
Great Artesian Basin Sustainability Initiative	5.1	2,689	7,252	7,500	8,000	4,000
Horticulture Netting Trial Scheme	3.10	-	23,600	-	-	-
Implementing water reform in the						
Murray-Darling Basin	5.1	20,000	5,000	20,000	20,000	20,000
Management of established pest and weeds	3.2	4,000	4,600	4,500	2,900	-
National forestry industry plan	3.3	-	1,750	1,750	-	-
On-farm Emergency Water Infrastructure Rebate	5.1	30,706	61,905	-	-	-
Pest and disease preparedness and response programs	4.2	29,069	61,869	26,430	26,572	36,805
Recycling Infrastructure	1.6	-	59,743	59,743	49,743	19,635
Securing Forestry Resources for Economic Security	3.3	-	10,000	-	-	-
Sustainable rural water use and infrastructure program	5.1	46,180	144,000	205,200	184,850	154,627
Water Efficiency Program	5.1	344	1,955	-	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Water for Fodder program	5.1	28,000	5,000	-	-	-
World Heritage Sites	1.4	12,582	9,482	9,482	9,482	-
Yellow crazy ant control	1.1	3,000	3,000	3,000	-	-
Total		189,570	494,773	352,255	307,744	235,067
Attorney-General's portfolio						
Bushfire Response Package	1.4	2,915	5,830	-	-	-
COVID-19 Legal Assistance Funding	1.4	27,893	31,073	-	-	-
Family advocacy and support services	1.5	9,742	9,893	10,044	-	-
Family law information sharing	1.5	2,749	2,793	2,835	-	-
Legal assistance services	1.4	264,186	-	-	-	-
National Legal Assistance Partnership						
Aboriginal and Torres Strait Islander Legal Services	1.6	-	79,479	86,683	88,202	89,612
Community legal centres	1.4	-	48,472	55,884	56,725	57,633
Domestic Violence Units and Health Justice Partnerships	1.4	-	9,922	10,081	10,222	10,386
Legal aid commissions	1.4	-	234,320	237,843	241,418	245,281
State and territory legal assistance administration	1.4	-	3,937	3,996	4,057	4,120
		307,485	425,719	407,366	400,624	407,032
Defence portfolio						
School pathways program	2.1	1,200	1,200	1,200	-	-
Total		1,200	1,200	1,200	-	-

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Education, Skills and Employment portfolio					
National school chaplaincy program	1.5	63,152	61,435	61,435	61,435
Universal access to early childhood education	1.5	433,186	450,605	317,221	-
Energising Tasmania	3.1	2,251	4,565	4,629	4,698
JobTrainer Fund	3.1	-	500,000	-	-
National Infection Control Training Fund	3.1	8,400	31,593	-	-
Revitalising TAFE campuses across Australia	3.1	-	25,000	25,000	-
Skilling Australians Fund	3.1	172,263	138,829	135,758	-
Total		679,252	1,212,027	544,043	66,133
Finance portfolio					
Provision of fire services	2.4	22,559	23,348	24,167	-
Total		22,559	23,348	24,167	-
Foreign Affairs and Trade portfolio					
National Tourism Icons Package	1.1	5,170	17,500	9,730	-
Total		5,170	17,500	9,730	-
Health portfolio					
Hepatitis C settlement fund	1.1	-	87	89	92
Achieving better health outcomes	1.3	250	1,900	500	500
Additional assistance for public hospitals	2.7	4,057	2,427	-	-
Adult mental health centres	2.1	2,000	-	4,000	4,000
Comprehensive palliative care across the life course	2.4	3,930	15,045	9,439	9,813
Expansion of the BreastScreen Australia program	2.4	15,152	15,364	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Hummingbird House	2.4	800	800	800	800	-
Management of Torres Strait / Papua New Guinea cross-border health issues	5.2	4,854	5,142	5,224	5,307	5,391
Mosquito control and cross border liaison in the Torres Strait	5.2	1,032	844	858	872	886
National Bowel Cancer Screening Program – participant follow-up function	2.4	8,911	9,121	9,048	-	-
Mums, Dads and bubs check	2.1	-	6,000	7,000	7,000	-
OzFoodNet	5.2	1,824	1,856	1,886	1,916	1,947
Royal Darwin Hospital – equipped, prepared and ready	5.2	16,507	16,771	17,024	17,313	-
Specialist dementia care	6.2	1,535	3,905	3,964	9,388	9,529
Vaccine-preventable diseases surveillance	5.2	876	1,016	1,032	1,048	1,065
Victorian Cytology Service	2.4	10,464	10,611	-	-	-
Grace's Place	2.1	4,100	2,000	-	-	-
Hospital infrastructure projects	1.3	17,109	-	-	-	-
Proton beam therapy facility	1.3	-	40,720	-	27,280	-
Redevelopment of Strathalbyn residential aged care facility	6.2	700	700	-	-	-
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	5.2	1,120	1,120	1,120	1,120	1,120
Improving trachoma control services for Indigenous Australians	2.2	5,184	5,307	-	-	-
Northern Territory Remote Aboriginal investment - health component	2.2	6,739	7,042	7,359	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Rheumatic fever strategy	2.2	3,224	3,272	-	-	-
CCTV trial in aged care facilities	6.3	500	-	-	-	-
Community Health, Hospitals and Infrastructure projects	1.3	34,605	148,063	165,615	212,808	190,458
Encouraging more clinical trials in Australia	1.1	1,800	1,500	-	-	-
Essential vaccines	5.3	13,987	17,889	19,639	19,893	19,837
Health Innovation Fund	2.7	-	115,200	16,700	1,700	1,700
Lymphoedema garments and allied therapy	2.4	2,001	2,000	2,000	2,000	2,000
National Coronial Information System	2.4	400	406	412	419	425
Public dental services for adults	4.6	107,749	107,772	-	-	-
Suicide prevention	2.1	620	3,000	-	-	-
Tasmania Health Package	1.3	-	4,000	4,000	-	-
Additional health services in North-western Tasmania	1.3	-	1,500	4,000	10,000	10,000
Total		272,030	552,380	281,709	333,269	258,686
Home Affairs portfolio						
Disaster Recovery Funding Arrangements	1.7	1,621,237	482,449	831,790	155,242	-
Disaster risk reduction	1.7	20,880	20,880	20,880	20,880	20,880
Household resilience program	1.7	10,000	-	-	-	-
Preparing Australia package	1.7	408	-	-	-	-
Public Safety Mobile Broadband	1.7	-	8,030	-	-	-
Total		1,652,525	511,359	852,670	176,122	20,880

Table 2.2: Program 1.9: expenses (continued)

Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	
Infrastructure, Regional Development and Cities portfolio						
Infrastructure Growth Package						
New investments	1.1	46,473	7,499	4,930	-	24
Western Sydney Infrastructure Plan	1.1	529,539	541,728	173,318	314,793	253,000
Infrastructure Investment Programme						
Black Spot Projects	1.1	81,568	137,048	137,048	117,832	110,000
Bridges Renewal Program	1.1	90,115	89,740	108,500	91,127	91,127
Developing Northern Australia						
Improving Cattle Supply Chains	1.1	46,103	9,070	140	3,490	-
Northern Australia Roads	1.1	186,504	90,944	70,180	5,000	5,600
Heavy Vehicle Safety and Productivity Program						
Program	1.1	51,640	77,423	87,160	69,336	69,336
Major Projects Business Case Fund						
National Rail Program	1.1	13,500	70,470	76,310	51,800	25,830
Rail investment component	1.1	40,592	854,220	1,349,857	1,807,257	1,632,827
Road investment component	1.1	342,683	696,472	1,031,037	1,054,372	1,401,000
Roads of Strategic Importance	1.1	2,578,090	4,784,117	6,010,743	6,454,092	7,469,744
Urban Congestion Fund	1.1	128,375	489,624	950,678	887,760	737,498
Urban Congestion Fund	1.1	148,065	483,251	1,234,830	1,237,110	580,098
City and Regional Deals						
Adelaide City Deal	3.3	3,200	10,800	27,000	23,000	90,000
Albury Wodonga Regional Deal	3.1	-	3,200	-	-	-
Barkly Regional Deal	3.1	1,265	8,400	6,835	4,500	-
Darwin City Deal	3.3	25,000	45,000	27,300	-	-
Geelong City Deal	3.3	1,450	81,800	56,600	32,650	4,500
Hinkler Regional Deal	3.1	-	10,750	-	-	-
Launceston City Deal	3.3	2,500	8,800	12,350	16,300	7,550

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Perth City Deal	3.3	-	36,793	77,786	63,671	59,000
Townsville City Deal	3.3	-	175,000	75,000	20,000	-
Western Sydney City Deal	3.3	6,304	42,802	18,144	-	-
Other National Partnership Payments						
Townsville Stadium	3.3	35,000	5,000	-	-	-
National Water Infrastructure Development Fund						
Capital	3.3	34,017	178,853	452,264	635,350	686,400
Feasibility studies	3.3	17,400	58,389	37,000	12,000	4,000
Lindenow Valley Water Security Fund	3.3	1,000	9,000	-	-	-
WiFi and Mobile Coverage on Trains	5.1	-	10,000	-	-	-
Total		4,410,383	9,016,193	12,025,010	12,901,440	13,227,534
Industry, Science, Energy and Resources portfolio						
Environmental management of the former Rum Jungle site	1.3	5,332	1,251	2,251	-	-
Hydrogen energy supply chain pilot project	1.3	17,500	12,500	-	-	-
Western Australia Energy and Emissions Reduction Deal	2.1	-	28,500	-	-	-
Total		22,832	42,251	2,251	-	-
Prime Minister and Cabinet portfolio						
COVID-19 Self-isolation for Remote Communities	1.6	-	3,649	-	-	-
Northern Territory remote Aboriginal investment Children and schooling	1.2	29,947	26,622	25,641	-	-

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Community safety	1.3	44,355	34,629	35,710	-	-
Remote Australia strategies component	1.4	3,536	3,651	3,694	-	-
Remote Housing	1.5	82,785	237,216	185,000	110,000	-
Total		160,623	302,118	250,045	110,000	-
Social Services portfolio						
National Legal Assistance Partnership						
Social and Community Services Sector						
supplementation	2.3	5,826	12,306	-	-	-
Social Impact Investments						
Vulnerable priority groups	1.10	-	531	1,062	531	531
Youth at risk of homelessness	4.1	-	531	1,062	531	531
Specialist disability services	3.2	28,216	-	-	-	-
COVID-19 Domestic Violence Support	2.1	32,500	97,500	-	-	-
National Regulatory System for Community Housing	4.1	150	-	-	-	-
NDIS Strategic Investment in QLD	3.2	3,500	8,875	7,625	-	-
Pay equity for the social and community services sector	2.3	35,923	33,311	-	-	-
Payments from the DisabilityCare Australia Fund	3.2	1,550,528	2,338,147	1,341,952	1,086,742	1,143,377
Women's Safety Package-Technology Trials	2.1	770	-	-	-	-
Total		1,657,413	2,491,201	1,351,701	1,087,804	1,144,439

Table 2.2: Program 1.9: expenses (continued)

	Agency PBS Program	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Treasury portfolio						
Financial assistance for police officers	1.9	199	5,080	2,150	390	-
Homebuilder		-	680,000	-	-	-
MoneySmart teaching	1.1	140	1,310	-	-	-
North Queensland strata title inspection scheme	1.9	5,300	2,900	-	-	-
Small business regulatory reform	1.9	-	261,000	-	-	-
Total		5,639	950,290	2,150	390	-
Veterans' Affairs						
Veteran Wellbeing Centre Program	2.4	4,950	5,050	-	-	-
Total		4,950	5,050	-	-	-
Total Program expenses		9,393,988	16,049,352	16,108,648	15,387,951	15,359,568

Total figures include other items not for publication due to ongoing negotiations with states.

Table 2.3: Performance criteria for Outcome 1

Table 2.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered.

<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: providing analysis to promote a sound macroeconomic environment;</p> <ul style="list-style-type: none"> • 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>Delivery</p>	<p>The Treasury provides economic forecasts, analysis and authoritative advice to Ministers relating to the economy, budget and fiscal strategy, financial system, markets and productivity, foreign investment, structural reform, taxation, superannuation and retirement income, social, consumer and international economic policy.</p> <p>The Treasury also works with State and Territory Governments on key policy areas.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria (a)</p>	<p>2019-20 Actual Achievement/2020-21 Targets</p>
<p>2019-20</p>	<p>Feedback from the Treasury portfolio ministers and assistant ministers shows satisfaction with the overall quality of advice received.</p>	<p>Criteria met</p>
	<p>Management, development and delivery of the legislative program in accordance with the relevant legislative requirements and guidance, including timeframes.</p>	<p>Criteria met</p>
	<p>All Budget documentation required by the Charter is delivered.</p>	<p>Criteria met</p>
<p>2020-21</p>	<p>Treasury provides informed and impactful advice to Treasury Ministers, underpinned by modelling, forecasting and engagement with stakeholders.</p>	<ul style="list-style-type: none"> • Ministers and relevant stakeholders indicate a constructive and positive contribution to economic policy outcomes, in line with government priorities. • Policy advice considers the views of relevant stakeholders; including other Australian Government entities, state and territory Government entities, industry and regulators, as required. • Models and forecasting activities are based on best-practice and deliver outcomes that inform our economic policy advice.

Department of the Treasury Budget Statements

2021-22 and beyond	As per 2020-21	As per 2020-21
2020-21	Delivery of the Government's economic agenda, through efficient, effective and timely administration of Treasury's functions including legislation and administration of payments.	<ul style="list-style-type: none"> • Our delivery of the Government's economic agenda is timely, in line with the priorities of the Government, and realises the intended benefits and objectives. • Our foreign investment regulatory performance meets whole-of-Government standards. • The legislative program is delivered within the required timeframe and the quality of legislation implemented meets a satisfactory standard, in line with Government priorities. • Delivery of the Budget, in line with the <i>Charter of Budget Honesty Act 1998</i> (the Charter).
2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings.	
<p>Program 1.2 – Payments to International Financial Institutions</p> <p>The objective of this program is to make payments to international financial institutions on behalf of Government to:</p> <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 		
Delivery	The Treasury makes payments to the International Monetary Fund (IMF), under the <i>International Monetary Agreements Act 1947</i> . Payments are also made to multilateral development banks to which Australia is a member, specifically the World Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the Asian Infrastructure Investment Bank.	
Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement/2020-21 Targets
2019-20	Payment to international financial institutions.	Criteria met
2020-21	Payment to international financial institutions.	Payments to international financial institutions are facilitated in accordance with relevant legislation and agreements.

Department of the Treasury Budget Statements

2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings	
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		
Delivery	The Treasury makes payments to support the operation of the Global Infrastructure Hub (the Hub), in accordance with relevant agreements	
Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement/2020-21 Targets
2019-20	Payments to the Hub.	Criteria met
2020-21	Payments to the Hub.	Payments to the Hub are made in accordance with the Commonwealth Grant Agreement
2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings	

Program 1.4 to 1.9 – Financial Support to States and Territories

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.

Program 1.4 — General Revenue Assistance. The Treasury, on behalf of the Government, will make general revenue assistance payments to the States and Territories.

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.

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.

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.

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.

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, as noted in Table 2.2, which provides further details of specific payments. This contributes to the linked programs by making payment on behalf of the following:

Department of the Treasury Budget Statements

<ul style="list-style-type: none"> • 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, Cities and Regional Development • Department of the Prime Minister and Cabinet • Department of Social Services, and • Department of Veterans' Affairs. 		
Delivery	The Treasury delivers payments to the States and Territories.	
Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement/2020-21 Targets
2019-20	Payments to state and territory Governments are timely, and meet the requirements of the IGAFRR.	Criteria met
2020-21	Payments to States and Territories	Payments to the states and territories are made in accordance with the Intergovernmental Agreement on Federal Financial Relations
2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	To support and implement informed decisions on policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal settings	

(a) The Treasury's performance criteria will be set out in full in the Treasury 2020-21 Corporate Plan and reported in the 2020-21 Annual Performance Statements.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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.

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 2020-21 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	152,138	174,638	167,719	159,912	152,449
Suppliers	57,631	78,993	82,562	69,479	56,476
Grants	609	958	958	958	958
Depreciation and amortisation (a)	17,188	13,694	14,070	13,476	13,476
Finance costs	1,664	1,949	1,838	1,723	1,723
Losses from asset sales	740	-	-	-	-
Other expenses	8	-	-	-	-
Total expenses	229,978	270,232	267,147	245,548	225,082
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9,750	10,251	10,251	10,251	10,251
Other	6,016	4,905	4,905	4,905	5,000
Total own-source revenue	15,766	15,156	15,156	15,156	15,251
Gains					
Other	96	-	-	-	-
Total gains	96	-	-	-	-
Total own-source income	15,862	15,156	15,156	15,156	15,251
Net (cost of)/contribution by services	(214,116)	(255,076)	(251,991)	(230,392)	(209,831)
Revenue from Government	206,298	246,499	243,004	221,997	201,531
Surplus/(deficit) attributable to the Australian Government	(7,818)	(8,577)	(8,987)	(8,395)	(8,300)
Total comprehensive income/(loss) attributable to the Australian Government	(7,818)	(8,577)	(8,987)	(8,395)	(8,300)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	7,054	-	-	-	95
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	8,741	6,948	7,523	7,181	7,181
less: depreciation/amortisation expenses for ROU assets (b)	8,447	6,746	6,547	6,295	6,295
add: Principal repayments on leased assets (b)	2,316	5,117	5,083	5,081	5,081
Total comprehensive income/(loss) - as per the statement of comprehensive income	(7,818)	(8,577)	(8,987)	(8,395)	(8,300)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	651	651	651	651	651
Trade and other receivables	80,052	80,322	75,784	76,521	76,521
Total financial assets	80,703	80,973	76,435	77,172	77,172
Non-financial assets					
Land and buildings	137,650	132,439	123,893	115,779	107,691
Property, plant and equipment	11,447	11,234	13,707	16,269	18,835
Intangibles	13,163	15,466	16,409	17,372	17,371
Other non-financial assets	5,264	5,264	5,264	5,264	5,264
Total non-financial assets	167,524	164,403	159,273	154,684	149,161
Assets held for sale					
Total assets	248,227	245,376	235,708	231,856	226,333
LIABILITIES					
Payables					
Suppliers	10,775	10,775	10,775	10,775	10,775
Other payables	2,920	2,929	2,760	2,790	2,790
Total payables	13,695	13,704	13,535	13,565	13,565
Interest bearing liabilities					
Leases	122,800	117,683	112,600	107,519	102,438
Total interest bearing liabilities	122,800	117,683	112,600	107,519	102,438
Provisions					
Employee provisions	63,174	63,435	59,066	59,773	59,773
Other provisions	4,229	4,229	4,229	4,229	4,229
Total provisions	67,403	67,664	63,295	64,002	64,002
Total liabilities	203,898	199,051	189,430	185,086	180,005
Net assets	44,329	46,325	46,278	46,770	46,328
EQUITY*					
Parent entity interest					
Contributed equity	97,890	108,463	117,403	126,290	134,243
Reserves	12,676	12,676	12,676	12,676	12,676
Retained surplus (accumulated deficit)	(66,237)	(74,814)	(83,801)	(92,196)	(100,591)
Total equity	44,329	46,325	46,278	46,770	46,328

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	(66,237)	12,676	97,890	44,329
Adjusted opening balance	(66,237)	12,676	97,890	44,329
Comprehensive income				
Surplus/(deficit) for the period	(8,577)	-	-	(8,577)
Total comprehensive income	(8,577)	-	-	(8,577)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	10,573	10,573
Sub-total transactions with owners	-	-	10,573	10,573
Estimated closing balance as at 30 June 2021	(74,814)	12,676	108,463	46,325
Closing balance attributable to the Australian Government	(74,814)	12,676	108,463	46,325

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	156,733	246,229	247,542	221,260	201,531
Sale of goods and rendering of services	4,070	10,251	10,251	10,251	10,251
Net GST received	4,537	-	-	-	-
Other	3,809	772	772	772	772
Total cash received	169,149	257,252	258,565	232,283	212,554
Cash used					
Employees	87,139	174,368	172,257	159,175	152,449
Suppliers	43,324	74,860	78,429	65,346	52,343
Net GST paid	5,659	-	-	-	-
Interest payments on lease liability	1,579	1,949	1,838	1,723	1,723
s74 External Revenue transferred to the OPA	23,877	-	-	-	-
Other	224	958	958	958	958
Total cash used	161,802	252,135	253,482	227,202	207,473
Net cash from/(used by) operating activities	7,347	5,117	5,083	5,081	5,081
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	11,528	10,573	8,940	8,887	7,953
Total cash used	11,528	10,573	8,940	8,887	7,953
Net cash from/(used by) investing activities	(11,528)	(10,573)	(8,940)	(8,887)	(7,953)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	12,102	10,573	8,940	8,887	7,953
Other	(2,772)	-	-	-	-
Total cash received	9,330	10,573	8,940	8,887	7,953
Cash used					
Principal payments on lease liability	7,270	5,117	5,083	5,081	5,081
Total cash used	7,270	5,117	5,083	5,081	5,081
Net cash from/(used by) financing activities	2,060	5,456	3,857	3,806	2,872
Net increase/(decrease) in cash held	(2,121)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,772	651	651	651	651
Cash and cash equivalents at the end of the reporting period	651	651	651	651	651

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	10,160	10,573	8,940	8,887	7,953
Equity injections - Bill 2	1,456	-	-	-	-
Total new capital appropriations	11,616	10,573	8,940	8,887	7,953
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	11,616	10,573	8,940	8,887	7,953
Total items	11,616	10,573	8,940	8,887	7,953
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,456	-	-	-	-
Funded by capital appropriation - DCB (b)	10,160	10,573	8,940	8,887	7,953
TOTAL	11,616	10,573	8,940	8,887	7,953
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,528	10,573	8,940	8,887	7,953
Total cash used to acquire assets	11,528	10,573	8,940	8,887	7,953

Prepared on Australian Accounting Standards basis.

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

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

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	25,145	18,943	35,490	79,578
Gross book value - ROU assets	126,876	34	-	126,910
Accumulated depreciation/ amortisation and impairment	(5,935)	(7,523)	(22,327)	(35,785)
Accumulated depreciation/amortisation and impairment - ROU assets	(8,436)	(7)	-	(8,443)
Opening net book balance	137,650	11,447	13,163	162,260
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	3,614	2,316	4,643	10,573
Total additions	3,614	2,316	4,643	10,573
Other movements				
Depreciation/amortisation expense	(2,376)	(2,232)	(2,340)	(6,948)
Depreciation/amortisation on ROU assets	(6,449)	(297)	-	(6,746)
Total other movements	(8,825)	(2,529)	(2,340)	(13,694)
As at 30 June 2021				
Gross book value	28,759	21,259	40,133	90,151
Gross book value - ROU assets	126,876	34	-	126,910
Accumulated depreciation/ amortisation and impairment	(8,311)	(9,755)	(24,667)	(42,733)
Accumulated depreciation/amortisation and impairment - ROU assets	(14,885)	(304)	-	(15,189)
Closing net book balance	132,439	11,234	15,466	159,139

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21, including CDABs.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Grants	100,520,174	106,619,834	112,511,650	118,055,276	123,537,377
Payments to the Medicare Guarantee Fund	37,961,055	41,024,052	41,221,416	42,865,270	44,709,410
Interest	37,577	108,943	44,501	50,985	57,397
Suppliers	58,244	67,727	1,906	-	-
Foreign exchange	736,021	68,288	-	43,033	16,597
Other expenses	100,120	20,915	6,009	6,005	57
Total expenses administered on behalf of Government	139,413,191	147,909,759	153,785,482	161,020,569	168,320,838
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	649,062	623,850	676,573	672,428	487,400
Fees and fines	-	475	949	949	1,018
Interest	15,597	26,949	33,701	36,300	38,294
Dividends	3,071,501	2,184,000	2,926,000	-	1,167,000
COAG revenue from government entities	1,592,278	2,426,070	1,341,952	1,086,742	1,143,377
Other revenue	112,511	94,477	94,000	93,401	93,435
Total non-taxation revenue	5,440,949	5,355,821	5,073,175	1,889,820	2,930,524
Total own-source revenue administered on behalf of Government	5,440,949	5,355,821	5,073,175	1,889,820	2,930,524
Gains					
Foreign exchange	187,533	9,518	-	112,613	43,771
Total gains administered on behalf of Government	187,533	9,518	-	112,613	43,771
Total own-sourced income administered on behalf of Government	5,628,482	5,365,339	5,073,175	2,002,433	2,974,295
Net (cost of)/contribution by services	133,784,709	142,544,420	148,712,307	159,018,136	165,346,543
Total comprehensive income/(loss)	133,784,709	142,544,420	148,712,307	159,018,136	165,346,543

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	449,817	684,935	905,639	919,639	919,639
Advances and loans	376,098	1,372,741	1,259,035	1,177,547	1,131,545
Receivables	7,743,565	2,181,950	2,933,521	7,221	1,174,727
Investments	46,312,170	46,547,292	46,773,850	47,112,424	47,217,778
Total financial assets	54,881,650	50,786,918	51,872,045	49,216,831	50,443,689
Total assets administered on behalf of Government	54,881,650	50,786,918	51,872,045	49,216,831	50,443,689
LIABILITIES					
Payables					
Suppliers	7,992	-	-	-	-
Grants	126,752	34,676	20,188	15,799	12,563
Other payables	649,480	16,281	22,353	26,304	27,380
Unearned income	3,658	1,566	708	-	-
Total payables	787,882	52,523	43,249	42,103	39,943
Interest bearing liabilities					
Loans	10,057,690	10,264,016	10,264,016	10,264,467	10,264,467
Other	6,198,575	6,189,057	6,189,057	6,232,090	6,248,687
Total interest bearing liabilities	16,256,265	16,453,073	16,453,073	16,496,557	16,513,154
Provisions					
Provision for grants	1,880,653	992,284	989,122	989,122	989,122
Other provisions	100,120	115,267	115,323	115,379	115,377
Total provisions	1,980,773	1,107,551	1,104,445	1,104,501	1,104,499
Liabilities included in disposal groups held for sale					
Total liabilities administered on behalf of Government	19,024,920	17,613,147	17,600,767	17,643,161	17,657,596
Net assets/(liabilities)	35,856,730	33,173,771	34,271,278	31,573,670	32,786,093

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	2,572	2,402	937	801	-
Interest	17,709	19,301	24,692	27,223	29,112
Dividends	1,694,718	2,573,000	2,174,000	2,926,000	-
COAG receipts from government entities	23,903,259	24,339,861	25,748,615	26,985,569	28,303,557
Net GST received	1,390,649	1,284,435	1,465,678	1,545,009	1,613,167
Other	112,509	94,952	94,949	94,350	94,453
Total cash received	27,121,416	28,313,951	29,508,871	31,578,952	30,040,289
Cash used					
Grant payments	126,430,340	123,717,621	136,260,263	143,286,792	150,213,393
Suppliers	50,200	75,719	1,906	-	-
GST on grants	1,392,051	1,284,435	1,465,678	1,545,009	1,613,167
Payments to the Medicare Guarantee Fund	37,961,055	41,024,052	41,221,416	42,865,270	44,709,410
Interest paid	48,178	33,559	43,455	49,961	56,321
Other	-	27	927	3,022	59
Total cash used	165,881,824	166,135,413	178,993,645	187,750,054	196,592,350
Net cash from/(used by) operating activities	(138,760,408)	(137,821,462)	(149,484,774)	(156,171,102)	(166,552,061)
INVESTING ACTIVITIES					
Cash received					
IMF maintenance of value	-	-	-	-	-
Repayments of advances and loans	318,790	473,051	122,223	91,563	55,248
Other	-	-	-	-	-
Total cash received	318,790	473,051	122,223	91,563	55,248

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Cash used					
Purchase of investments	560,869	575,689	61,559	61,989	62,153
Advances and loans	311,860	1,536,143	-	-	-
Other Investments	165,000	165,000	165,000	165,000	-
Total cash used	1,037,729	2,276,832	226,559	226,989	62,153
Net cash from/(used by) investing activities	(718,939)	(1,803,781)	(104,336)	(135,426)	(6,905)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	375,140	573,237	497,263	290,989	112,153
Other	-	-	-	-	-
Total cash received	375,140	573,237	497,263	290,989	112,153
Net cash from/(used by) financing activities	375,140	573,237	497,263	290,989	112,153
Net increase/(decrease) in cash held	(139,104,207)	(139,052,006)	(149,091,847)	(156,015,539)	(166,446,813)
Cash and cash equivalents at beginning of reporting period	239,677	449,817	718,935	976,031	1,045,051
Cash from Official Public Account for:					
- Appropriations	93,601,835	84,175,709	93,679,398	99,921,618	105,542,340
- Special accounts	49,453,000	60,792,887	59,499,300	60,381,620	62,035,814
Total cash from Official Public Account	143,054,835	144,968,596	153,178,698	160,303,238	167,578,154
Cash to Official Public Account for:					
- Appropriations	(1,936,210)	(2,791,952)	(2,432,099)	(3,117,937)	(158,813)
- Special accounts	(1,804,278)	(2,855,520)	(1,397,656)	(1,100,742)	(1,143,377)
Total cash to Official Public Account	(3,740,488)	(5,647,472)	(3,829,755)	(4,218,679)	(1,302,190)
Cash and cash equivalents at end of reporting period	449,817	718,935	976,031	1,045,051	874,202

Prepared on Australian Accounting Standards basis.

Note: A new Special Account has been established for the Treasury. This Special Account provides the line of credit funding for the National Housing Finance and Investment Corporation's Affordable Housing Bond Aggregator.

Department of the Treasury Budget Statements

Table 3.10: Administered capital budget statement (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)					
Administered Assets and Liabilities - Bill 2	165,000	165,000	165,000	-	-
Special Appropriation	560,843	1,512,811	-	-	-
Total new capital appropriations	725,843	1,677,811	165,000	-	-
Provided for:					
<i>Funding for National Housing Finance and Investment Corporation</i>	<i>165,000</i>	<i>165,000</i>	<i>165,000</i>	<i>-</i>	<i>-</i>
<i>International Financial Institutions</i>	<i>560,843</i>	<i>1,512,811</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total items	725,843	1,677,811	165,000	-	-

Prepared on Australian Accounting Standards basis.

AUSTRALIAN BUREAU OF STATISTICS

SECTION 1: ENTITY OVERVIEW AND RESOURCES	57
1.1 Strategic direction statement.....	57
1.2 Entity resource statement.....	58
1.3 Budget measures.....	59
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	60
2.1 Budgeted expenses and performance for Outcome 1.....	61
SECTION 3: BUDGETED FINANCIAL STATEMENTS	65
3.1 Budgeted financial statements.....	65
3.2 Budgeted financial statements tables	66

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 information insights from effective and safe use of available data. In 2020-21, the ABS will continue to deliver additional vital statistical information to help government, business, and the community understand the impact of the COVID-19 pandemic.

The ABS works within a complex and dynamic environment. Within this environment, the ABS is responding to an increasing demand for quality data, emergent alternate sources of data, opportunities for innovation through new technologies, growing competition for analytical capability, and increased 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	62,974	74,562
Departmental appropriation (b)	378,506	413,370
s74 External Revenue (c)	32,832	58,424
Departmental capital budget (d)	14,494	12,741
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	2,930	-
Equity injection (f)	6,218	27,645
Total departmental annual appropriations	497,954	586,742
Total departmental resourcing	497,954	586,742
Total resourcing for Australian Bureau of Statistics	497,954	586,742
	2019-20	2020-21
Average staffing level (number)	2,619	2,835

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

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

(a) Appropriation Bill (No. 1) 2020-21.

(b) Excludes departmental capital budget (DCB).

(c) Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

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

(e) Appropriation Bill (No. 2) 2020-21.

(f) The 2020-21 figures include a movement of \$12.4 million from 2022-23 to 2020-21 and \$2.4 million recognised as Equity injection in 2019-20 but appropriated in 2020-21.

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 2020-21 Budget measures
Measures announced after the Economic and Fiscal Update July 2020**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Payment measures					
JobMaker Plan — deregulation package	1.1				
Departmental payment		1,572	220	-	-
Treasury Portfolio — additional funding	1.1				
Departmental payment		-	82,975	81,855	76,391
Total payment measures		1,572	83,195	81,855	76,391

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 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/publications>

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 <ul style="list-style-type: none">• Program 1.3 – Australian Business Register
Contribution to Outcome 1 made by linked programs <p>Program 1.3 – Australian Business Register provides essential infrastructure to the operation of ABS business surveys.</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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Australian Bureau of Statistics					
Departmental expenses					
Departmental appropriation	402,623	417,729	572,477	336,834	333,305
s74 External Revenue (a)	36,698	52,355	72,782	75,613	41,046
Expenses not requiring appropriation in the Budget year (b)	29,490	33,408	30,016	29,571	27,637
Departmental total	468,811	503,492	675,275	442,018	401,988
Total expenses for program 1.1	468,811	503,492	675,275	442,018	401,988
Total expenses for Outcome 1	468,811	503,492	675,275	442,018	401,988

	2019-20	2020-21
Average staffing level (number)	2,619	2,835

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<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 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>Delivery</p>	<p>In 2020-21 and onwards, the ABS will:</p> <ol style="list-style-type: none"> 1. Provide high quality statistics, across key economic, population, social and environment subject matter areas that meet the needs of key users in government, business and the community. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria (a)</p>	<p>2019-20 Actual Achievement</p>
<p>2019-20</p>	<p>Decision making by governments, business and the community is informed by high quality statistics.</p>	<p>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 (b); except where the ABS has made an explicit decision not to do so, following consultation with stakeholders, based on Australian needs and circumstances. Status: Achieved</p>

Australian Bureau of Statistics Budget Statements

Performance information (continued)		
Year	Performance criteria (a)	Targets
2020-21	Decision making by governments, business and the community is informed by high quality statistics.	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 (b); except where the ABS has made an explicit decision not to do so, following consultation with stakeholders, based on Australian needs and circumstances.
2021-22 and beyond	As per 2020-21	As per 2020-21
Purpose	The purpose that contributes to Program 1.1 – ABS is: to inform Australia's important decisions by delivering relevant, trusted, objective data, statistics and insights.	
Material changes to Program 1.1 resulting from the following measures:		
There are no budget measures that materially impact on Program 1.1 – Australian Bureau of Statistics.		

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

(b) 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 and the coverage, frequency, and timeliness of the statistics that are produced. The statistics required by the SDDS include national accounts, labour force, unemployment, consumer prices 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>.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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 2020-21 after adjusting for non-appropriated expenses of depreciation and amortisation, and omitting the impact of AASB 16 Leases.

Total appropriation revenue in 2020-21 is estimated to be \$413.4 million. This has increased from \$345.7 million as reported in the *2019-20 Portfolio Budget Statements*. The increase is largely associated with additional funding received to support the ABS to continue producing key statistical products and new measures as outlined in Table 1.2.

Total operating expenses in 2020-21 are estimated to be \$503.5 million. This has increased from \$416.0 million as reported in the *2019-20 Portfolio Budget Statements*. The increase reflects activities relating to the 2021 Census, and expenditure from the new measures as summarised in Table 1.2.

The total capital budget in 2020-21 is estimated to be \$40.4 million. This has increased from \$25.8 million as reported in the *2019-20 Portfolio Budget Statements*. The increase is due to the movement of \$12.4 million capital injection from 2022-23 to 2020-21 and the \$2.4 million of capital injection recognised in 2019-20 but appropriated in 2020-21.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	308,585	342,039	491,193	290,420	276,868
Suppliers	87,885	106,588	131,394	102,166	77,763
Depreciation and amortisation (a)	47,055	53,066	51,036	47,913	46,005
Finance costs	1,952	1,799	1,652	1,519	1,352
Write-down and impairment of assets	23,334	-	-	-	-
Total expenses	468,811	503,492	675,275	442,018	401,988
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	33,282	51,400	71,800	74,600	40,000
Sublease income	173	735	762	793	826
Other revenue	205	-	-	-	-
Total own-source revenue	33,660	52,135	72,562	75,393	40,826
Gains					
Sale of assets	81	100	100	100	100
Other	2,957	120	120	120	120
Total gains	3,038	220	220	220	220
Total own-source income	36,698	52,355	72,782	75,613	41,046
Net (cost of)/contribution by services	(432,113)	(451,137)	(602,493)	(366,405)	(360,942)
Revenue from Government	378,506	413,370	567,827	335,664	333,000
Surplus/(deficit) attributable to the Australian Government	(53,607)	(37,767)	(34,666)	(30,741)	(27,942)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	807	-	-	-	-
Total other comprehensive income	807	-	-	-	-
Total comprehensive income/(loss)	(52,800)	(37,767)	(34,666)	(30,741)	(27,942)
Total comprehensive income/(loss) attributable to the Australian Government	(52,800)	(37,767)	(34,666)	(30,741)	(27,942)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(18,428)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	29,490	33,408	30,016	29,571	27,637
less: depreciation/amortisation expenses for ROU assets (b)	17,565	19,658	21,020	18,342	18,368
add: Principal repayments on leased assets (b)	12,683	15,299	16,370	17,172	18,063
Total comprehensive income/(loss) - as per the statement of comprehensive income	(52,800)	(37,767)	(34,666)	(30,741)	(27,942)

Prepared on Australian Accounting Standards basis

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

(b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,087	3,500	3,500	3,500	3,500
Trade and other receivables	82,711	82,427	87,545	88,403	90,642
Total financial assets	88,798	85,927	91,045	91,903	94,142
Non-financial assets					
Land and buildings	148,340	133,059	121,981	111,106	92,738
Property, plant and equipment	48,054	47,931	50,638	49,353	44,618
Intangibles	95,656	105,374	97,515	86,119	78,021
Other non-financial assets	12,941	12,959	14,820	11,740	11,740
Total non-financial assets	304,991	299,323	284,954	258,318	227,117
Total assets	393,789	385,250	375,999	350,221	321,259
LIABILITIES					
Payables					
Suppliers	23,121	24,020	26,102	25,611	25,596
Other payables	41,472	43,137	48,824	48,703	49,866
Total payables	64,593	67,157	74,926	74,314	75,462
Interest bearing liabilities					
Leases	151,936	139,876	132,367	121,623	103,560
Total interest bearing liabilities	151,936	139,876	132,367	121,623	103,560
Provisions					
Employee provisions	109,477	110,808	112,544	113,090	114,166
Other provisions	1,417	1,853	1,453	1,468	1,483
Total provisions	110,894	112,661	113,997	114,558	115,649
Total liabilities	327,423	319,694	321,290	310,495	294,671
Net assets	66,366	65,556	54,709	39,726	26,588
EQUITY*					
Parent entity interest					
Contributed equity	372,481	410,490	435,386	452,302	467,106
Reserves	30,338	30,338	30,338	30,338	30,338
Retained surplus (accumulated deficit)	(336,453)	(375,272)	(411,015)	(442,914)	(470,856)
Total parent entity interest	66,366	65,556	54,709	39,726	26,588
Total equity	66,366	65,556	54,709	39,726	26,588

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	(336,453)	30,338	372,481	66,366
Adjustment for changes in accounting policies	(1,052)	-	-	(1,052)
Adjusted opening balance	(337,505)	30,338	372,481	65,314
Comprehensive income				
Surplus/(deficit) for the period	(37,767)	-	-	(37,767)
Total comprehensive income	(37,767)	-	-	(37,767)
Contributions by owners				
Equity injection - Appropriation	-	-	25,268	25,268
Departmental Capital Budget (DCB)			12,741	12,741
Sub-total transactions with owners	-	-	38,009	38,009
Estimated closing balance as at 30 June 2021	(375,272)	30,338	410,490	65,556
Closing balance attributable to the Australian Government	(375,272)	30,338	410,490	65,556

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	380,581	406,861	564,508	331,871	330,514
Sale of goods and rendering of services	35,304	55,565	72,584	79,854	42,190
Net GST received	10,575	11,451	8,466	7,962	7,739
Other	378	2,440	361	-	-
Total cash received	426,838	476,317	645,919	419,687	380,443
Cash used					
Employees	296,472	340,897	486,359	292,685	276,071
Suppliers	84,386	107,307	133,579	101,613	77,643
Net GST paid	11,346	11,132	7,981	7,453	7,376
Interest payments on lease liability	1,950	1,799	1,652	1,519	1,352
s74 External Revenue transferred to the OPA	13,400	-	-	-	-
Total cash used	407,554	461,135	629,571	403,270	362,442
Net cash from/(used by) operating activities	19,284	15,182	16,348	16,417	18,001
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	85	100	100	100	100
Total cash received	85	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	29,177	43,037	24,896	16,916	14,804
Total cash used	29,177	43,037	24,896	16,916	14,804
Net cash from/(used by) investing activities	(29,092)	(42,937)	(24,796)	(16,816)	(14,704)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	23,378	40,467	24,818	17,571	14,766
Total cash received	23,378	40,467	24,818	17,571	14,766
Cash used					
Principal payments on lease liability	12,683	15,299	16,370	17,172	18,063
Total cash used	12,683	15,299	16,370	17,172	18,063
Net cash from/(used by) financing activities	10,695	25,168	8,448	399	(3,297)
Net increase/(decrease) in cash held	887	(2,587)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,200	6,087	3,500	3,500	3,500
Cash and cash equivalents at the end of the reporting period	6,087	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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget-Bill 1 (DCB)	14,494	12,741	15,760	14,382	14,438
Equity injections-Bill 2	6,218	27,645	9,136	2,534	366
Total new capital appropriations	20,712	40,386	24,896	16,916	14,804
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>20,712</i>	<i>40,386</i>	<i>24,896</i>	<i>16,916</i>	<i>14,804</i>
Total items	20,712	40,386	24,896	16,916	14,804
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	18,185	15,392	15,760	14,382	14,438
Funded by capital appropriations (b)	8,128	27,645	9,136	2,534	366
TOTAL	26,313	43,037	24,896	16,916	14,804

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) 2020-21 includes a movement of \$12.4 million from 2022-23 to 2020-21 and \$2.4 million recognised in 2019-20 but appropriated in 2020-21. Includes both current Bill 2 and prior year Act 2/4/6 appropriations.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	-	68,036	277,250	345,286
Gross book value - ROU assets	165,890	107	-	165,997
Accumulated depreciation/ amortisation and impairment	-	(20,074)	(181,594)	(201,668)
Accumulated depreciation/amortisation and impairment - ROU assets	(17,550)	(15)	-	(17,565)
Opening net book balance	148,340	48,054	95,656	292,050
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	6,542	21,103	27,645
By purchase - appropriation ordinary annual services (b)	-	5,966	9,426	15,392
By purchase - appropriation ordinary annual services - ROU assets	4,343	-	-	4,343
Total additions	4,343	12,508	30,529	47,380
Other movements				
Depreciation/amortisation expense	-	(12,597)	(20,811)	(33,408)
Depreciation/amortisation on ROU assets	(19,624)	(34)	-	(19,658)
Total other movements	(19,624)	(12,631)	(20,811)	(53,066)
As at 30 June 2021				
Gross book value	-	80,544	307,779	388,323
Gross book value - ROU assets	170,233	107	-	170,340
Accumulated depreciation/ amortisation and impairment	-	(32,671)	(202,405)	(235,076)
Accumulated depreciation/amortisation and impairment - ROU assets	(37,174)	(49)	-	(37,223)
Closing net book balance	133,059	47,931	105,374	286,364

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to Equity injection appropriations provided through Appropriation Bill (No. 2) 2020-21.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020-21 for Departmental Capital Budgets (DCBs).

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Competition and Consumer Commission (ACCC) is an independent Commonwealth statutory authority whose role is to enforce the *Competition and Consumer Act 2010* (CCA) and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.

The Australian Energy Regulator (AER) regulates energy markets and networks under national legislation and rules. The AER has an independent Board.

The ACCC and AER share staff, resources and facilities.

The roles of the ACCC and AER should be seen in the context of the thinking that underpins National Competition Policy – that competition provides the best incentive for businesses to become more efficient, innovative and flexible and to operate in the long-term interests of consumers. Together the ACCC and AER champion strong, efficient and effective markets.

The ACCC is selective in the matters it investigates and the sectors that it engages with for education and market analysis. The ACCC's role is to focus on those circumstances that will, or have the potential to harm the competitive process or result in widespread consumer detriment. The ACCC therefore exercises discretion to direct resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its compliance and enforcement priorities, as set out in the ACCC Compliance and Enforcement Policy.

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

The ACCC will continue to assess and review mergers via the informal clearance process to prevent structural changes that substantially lessen competition, and will continue to assess and make decisions about applications for authorisation and notification of certain anti-competitive conduct.

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

markets, such as retail electricity. Fostering efficient infrastructure provision through industry-specific regulation and access conditions – under the umbrella of the long term interest of consumers – is the major focus of the economic regulatory role.

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

In 2020-21 the ACCC will continue to focus on markets where additional measures and analysis are required to deliver efficient and competitive outcomes. This includes undertaking a number of inquiries, industry analysis and reporting activities covering a broad range of sectors, including gas and electricity, digital platforms, domestic aviation, agriculture, financial services, private health insurance and residential insurance in Northern Australia.

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

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

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

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

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

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

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2020-21 as at Budget October 2020

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

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

Third party payments from and on behalf of other entities

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

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

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

- (a) Appropriation Bill (No. 1) 2020-21.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2020-21.
- (f) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts

1.3 BUDGET MEASURES

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

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

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

Prepared on a Government Finance Statistics (fiscal) basis.

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

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the ACCC can be found at:
<http://www.accc.gov.au/publications/corporate-plan-priorities>

The most recent annual performance statement can be found at:
<http://www.accc.gov.au/annualreports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriations	259,215	270,156	250,734	238,385	237,614
Section 74 External Revenue (a)	4,932	1,599	1,335	575	1,372
Expenses not requiring appropriation in the Budget year (b)	41,511	11,305	10,039	9,816	9,242
Departmental total	305,658	283,060	262,108	248,776	248,228
Total expenses for Outcome 1	305,658	283,060	262,108	248,776	248,228

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

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

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

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1 – Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services.</p>	
<p>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.</p>	
<p>Delivery</p>	<p>The ACCC achieves Outcome 1 by:</p> <ol style="list-style-type: none"> 1. Maintaining and promoting competition through: <ul style="list-style-type: none"> • delivering outcomes to address harm to consumers and businesses resulting from anti-competitive conduct focusing in particular on the ACCC's identified priorities • assessing mergers to prevent structural changes that substantially lessen competition • making decisions on authorisation, notification and certification trademark applications in the public interest, and • reliably supporting the operation of the Consumer Data Right for banking and delivering change program to expand the Consumer Data Right. 2. Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business through: <ul style="list-style-type: none"> • delivering outcomes to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and Industry Codes • enhancing the effectiveness of the ACCC's compliance and enforcement initiatives through partnerships; • identifying and addressing the risk of serious injury and death from safety hazards in consumer products; • supporting a vibrant small business sector; and • empowering consumers by increasing their awareness of their rights under the Australian Consumer Law. 3. Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure through: <ul style="list-style-type: none"> • delivering network regulation that promotes competition in the long-term interests of end-users; • providing industry monitoring reports to Government in relation to highly concentrated, newly deregulated or emerging markets; and • improving the efficient operation of markets by enforcing industry-specific competition and market rules. 4. Undertaking market studies and inquiries to support competition, consumer and regulatory outcomes to: <ul style="list-style-type: none"> • develop a sophisticated understanding of how well competition and markets are working in particular sectors, and • provide advice on a broad range of competition and consumer issues.

Australian Competition and Consumer Commission Budget Statements

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

Australian Competition and Consumer Commission Budget Statements

Performance information		
Year	Performance criteria (a)	2019-20 Actual Achievement / 2020-21 Targets
Purpose	The ACCC enforces the CCA and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians. The ACCC's purpose is to make markets work for consumers, now and in the future.	

The above program is linked to the Department of Health (Program 5.1 – Protect the Health and Safety of the Community through Regulation) and the Department of Industry, Science, Energy and Resources (Program 1.2 – Growing Business Investment and Improving Business Capability and Program 3.1 - Energy).

Table 2.2: Performance criteria for Outcome 1 (continued)

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

Australian Competition and Consumer Commission Budget Statements

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

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

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

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

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

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

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

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

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

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

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

Note: Impact of net cash appropriation arrangements

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

Prepared on Australian Accounting Standards basis.

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

(b) Applies leases under AASB 16 Leases.

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

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

Prepared on Australian Accounting Standards basis.

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

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

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

Prepared on Australian Accounting Standards basis

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 appropriations.

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

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

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

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

SECTION 1: ENTITY OVERVIEW AND RESOURCES	101
1.1 Strategic direction statement.....	101
1.2 Entity resource statement.....	104
1.3 Budget measures.....	105
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	106
2.1 Budgeted expenses and performance for Outcome 1.....	107
SECTION 3: BUDGETED FINANCIAL STATEMENTS	111
3.1 Budgeted financial statements.....	111
3.2 Budgeted financial statements tables	112

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 the management of Australian Government debt and certain financial assets. It issues Treasury Bonds, Treasury Indexed Bonds and Treasury Notes, manages the government's cash balances and invests in high quality financial assets.

The AOFM aims to meet the government's financing needs in a cost effective manner subject to acceptable risk and to meet the government's policy objectives of maintaining liquid and efficient Treasury Bond and Treasury Bond futures markets. Treasury Bonds are the main issuance instrument used by the AOFM to meet the Australian Government's financing needs and to support bond markets.

The AOFM primarily manages the cost structure of the debt portfolio through the choice of Treasury Bond series when issuing debt. An annual debt issuance strategy is informed by qualitative and quantitative factors to achieve an interest rate profile that appropriately balances cost and cost variability, the refinancing task and the promotion of financial market efficiency. In recent years the AOFM has lengthened the duration of its Treasury Bond portfolio through longer term issuance and by extending the yield curve as a means of reducing risk. Given low yields, the high degree of uncertainty about the extent of the impact of the coronavirus pandemic on the Australian economy, and the government's fiscal position the AOFM will retain (subject to investor demand) a long-dated issuance bias. In July 2020 the AOFM again extended the Treasury Bond yield curve to maintain a 30 year benchmark with the syndicated issuance of a new series - the June 2051 Treasury Bond. Since 2016, as a means of reducing refinancing risk the AOFM conducted regular buy-backs of short dated bonds. This program was suspended in March 2020 and continues to be suspended indefinitely so as not to increase the already elevated current and forecast financing needs.

The use of Treasury Indexed Bonds facilitates diversification of the investor base by tapping into additional sources of investor demand. The development of this market has also, at times, been used to facilitate the development of the Treasury Bond market.

In managing the government's cash balances, the AOFM aims to ensure that the government is able to meet its financial obligations when they fall due, while seeking to minimise the net cost of funding. The use of deposits and issuance of Treasury Notes is used to manage cash flow variability arising from the governments' within year financing task. The heightened liquidity risks due to the level of the financing task, potential further downside risks to the Budget position and the potential for market volatility, means that the AOFM will continue to adopt a conservative approach to liquidity management.

In 2018-19, the Government announced the establishment of the Australian Business Securitisation Fund (ABSF). In 2019-20, the Government announced the establishment of the Structured Finance Support Fund (SFSF). The AOFM is responsible for the administration of these funds.

Australian Business Securitisation Fund

The ABSF is a \$2 billion investment fund established in April 2019 by the *Australian Business Securitisation Fund Act 2019*. The policy aims to enhance access to finance for SMEs through targeted investments in the securitisation market. Investments from the ABSF will allow for smaller lenders to compete more effectively against the major banks, and to fill niche gaps in the lending market that are otherwise underserved in Australia.

The securitisation market for residential mortgages in Australia is considered to be well developed. However, at present, the Australian SME securitisation market is constrained by a lack of scale, while low issuance creates a situation whereby potential investors are unwilling to conduct the due diligence needed to enter the market. The AOFM is aiming for the ABSF to invest in SME loan securitisations that will help to establish a track record in lending against the type of collateral new to the securitisation market, and where the ability to obtain credit ratings and attract broad investor interest is severely limited.

Structured Finance Support Fund

Through the Structured Finance Support (Coronavirus Economic Response Package) Bill 2020 the Government established the Structured Finance Support Fund (SFSF). It provides for up to \$15 billion to ensure continued access to funding markets by SME lenders impacted by the economic effects of the COVID-19 pandemic. In particular, the policy aim is to compensate for where smaller lenders lose access to funding from markets during the period of pandemic disruption. This is 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 eligible small lenders against capitalised interest on loans that are in COVID-19 related hardship, via their existing warehouse and public securitisation vehicles.

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 for Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Office of Financial Management resource statement — Budget estimates for 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	25,003	27,465
Departmental appropriation (b)	13,808	16,499
s74 External Revenue (c)	384	394
Departmental capital budget (d)	359	366
Total departmental annual appropriations	<u>39,554</u>	<u>44,724</u>
Total departmental resourcing	39,554	44,724
Administered		
Total administered special appropriations (e)	<u>1,913,352,633</u>	<u>1,573,814,413</u>
Special accounts (f)		
Opening balance	42	13,551,374
Appropriation receipts (g)	15,250,000	250,000
Non-appropriation receipts	28,159	656,928
Adjustments	-	-
Total special account receipts	<u>15,278,201</u>	<u>14,458,302</u>
Total administered resourcing	1,928,630,834	1,588,272,715
Total resourcing for AOFM	1,928,670,388	1,588,317,439
	<u>2019-20</u>	<u>2020-21</u>
Average staffing level (number)	40	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) 2020-21.

(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'.

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

(f) The AOFM administers three special accounts - the Debt Retirement Reserve Trust Account (DRRTA), the Australian Business Securitisation Fund Special Account and the Structured Finance Support Fund Special Account. Figures include all 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.

(g) Includes amounts credited to the Australian Business Securitisation Fund Special Account under section 14 of the *Australian Business Securitisation Fund Act 2019* and the Structured Finance Support Fund Special Account under section 13 of the *Structured Finance Support (Coronavirus Economic Response Package) Act 2020*.

1.3 BUDGET MEASURES

The AOFM 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 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-2020-2021>

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, investing in financial assets and managing debt, investments and cash for the Australian Government.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: 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>	16,773,371	16,803,656	17,365,016	17,774,435	17,812,026
<i>Financial Agreement Act 1994</i>	8	8	8	8	8
Special accounts					
Special account - ABSF	-	-	-	-	-
Special account - SF5F	-	-	-	-	-
Special account - DRRTA	-	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)					
	543,062	51,915	55,653	66,764	40,199
Administered total	17,316,441	16,855,579	17,420,677	17,841,207	17,852,233
Total expenses for program 1.1	17,316,441	16,855,579	17,420,677	17,841,207	17,852,233

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.2: AOFM - Departmental - Outcome 1					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	9,993	16,274	16,150	16,169	16,220
s74 External Revenue (a)	350	394	406	418	418
Expenses not requiring appropriation in the Budget year (b)	986	1,162	1,112	1,112	1,112
Departmental total	11,329	17,830	17,668	17,699	17,750
Total expenses for program 1.2	11,329	17,830	17,668	17,699	17,750
Total expenses for Outcome 1	17,327,770	16,873,409	17,438,345	17,858,906	17,869,983

(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 include depreciation expenses, amortisation expenses, make good expenses, audit fees, net losses on asset revaluations, provisions for credit losses and accounting losses on repurchases of debt prior to maturity.

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 criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – 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		
Delivery	The AOFM issues AGS debt and makes investments and manages the debt and investments in accordance with policy objectives.	
Performance information		
Performance criteria	Targets for 2019-20 and beyond	2019-20 Actual Achievement
Meet the budget financing task in a cost-effective manner subject to acceptable risk		
<u>Term issuance</u> - Shortfall in volume (\$) between actual Treasury Bond issuance and planned issuance announced at the Budget and subsequent releases.	Zero	Met
<u>Financing cost (portfolio)</u> - The cost of the long-term debt portfolio compared to the 10-year average of the 10-year bond rate.	Lower	Met
<u>Financing cost (issuance)</u> - The cost of Treasury Bond issuance over the past 12 months compared to the average 10-year bond rate over the same period.	Lower	Met
<u>Tender issuance yields</u> - Weighted average issue yield at Treasury Bond and Treasury Indexed Bond tenders compared to prevailing mid-market secondary yields.	Issuance yields at or below the market rate	Met
Facilitate the government's cash outlay requirements as and when they fall due		
<u>Use of the overdraft facility</u> - Number of instances the RBA overdraft facility was utilised to the extent that it required Ministerial approval during the assessment period.	Zero	Met
A credible custodian of the Australian Government Securities market and other portfolio responsibilities		
<u>A liquid and efficient secondary market</u> - Annual turnover in the secondary market for Treasury Bonds and Treasury Indexed Bonds.	Greater than previous year	Met for Treasury Bonds but not for Treasury Indexed Bonds
<u>Market commitments</u> - Number of times the AOFM failed to take actions consistent with public announcements.	Zero	Met

Australian Office of Financial Management Budget Statements

Performance criteria (continued)	Targets for 2019-20 and beyond	2019-20 Actual Achievement
Efficiently and effectively implement the ABSF and the SFSF programs (a)		
<u>ABSF rate of return</u> – Accrual earnings (net of losses) divided by average drawn (invested) amount.	Greater than or equal to the investment mandate benchmark (Bloomberg AusBond Treasury 0-1 year index)	Not applicable for 2019-20
<u>SME loan level data template in use for securitisation sector investment analysis</u> – SME loan level data template: (i) was agreed to by the industry body; and (ii) populated by sponsor of ABSF investment.	(i) Agreement by 31 March 2021; (ii) data collection commenced by 30 June 2021	Not applicable for 2019-20
<u>SFSF warehouse proposals processed</u> – Number of warehouse proposals executed/declined from small lenders.	Up to 20 per quarter while there are, at any time, outstanding proposals with AOFM for consideration	Not applicable for 2019-20
<u>SFSF leverage ratio</u> – Private sector investment in primary transactions of small lenders, in which AOFM was engaged, divided by SFSF monies applied to public (primary plus secondary) investments.	> 4 for the year overall	Not applicable for 2019-20
Purposes	The AOFM's purpose is articulated through its objectives, which are to: <ul style="list-style-type: none"> • meet the Budget financing task while managing the trade-offs between cost and risks for the cash and debt portfolios over the medium-long term; • facilitate government cash outlay requirements as and when they fall due; and • be a credible custodian of the Australian Government Securities (AGS) market and other portfolio responsibilities, including the Australian Business Securitisation Fund (ABSF) and the Structured Finance Support Fund (SFSF). (b) 	

(a) New performance criteria added for the first time.

(b) Updated purposes that are reflected in the 2020-21 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year and three forward years, 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 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 a portfolio of debt and assets. This is 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) debt and certain financial assets. The projections of AGS debt are a consequence of the expenditure, investment and revenue decisions and assumptions made by the government in producing its estimates. Annual debt servicing costs on AGS debt are largely determined after taking into account changes in the volume of AGS debt over the projection period, yields on existing debt and assumptions about yields on new debt issuance over the projection period.

The 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	7,026	8,419	8,643	8,875	9,044
Suppliers	3,554	8,505	8,172	7,975	7,860
Depreciation and amortisation (a)	671	842	792	792	792
Finance costs	61	64	61	57	54
Write-down and impairment of assets	17	-	-	-	-
Total expenses	11,329	17,830	17,668	17,699	17,750
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	350	394	406	418	418
Other	298	320	320	320	320
Total own-source revenue	648	714	726	738	738
Gains					
Other	10	-	-	-	-
Total gains	10	-	-	-	-
Total own-source income	658	714	726	738	738
Net (cost of)/contribution by services	(10,671)	(17,116)	(16,942)	(16,961)	(17,012)
Revenue from Government	13,808	16,499	16,382	16,410	16,473
Surplus/(deficit) attributable to the Australian Government	3,137	(617)	(560)	(551)	(539)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	338	-	-	-	-
Total other comprehensive income	338	-	-	-	-
Total comprehensive income/(loss)	3,475	(617)	(560)	(551)	(539)
Total comprehensive income/(loss) attributable to the Australian Government	3,475	(617)	(560)	(551)	(539)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	3,926	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	378	550	500	500	500
less: depreciation/amortisation expenses for ROU assets (b)	293	292	292	292	292
add: Principal repayments on leased assets (b)	220	225	232	241	253
Total comprehensive income/(loss) - as per the statement of comprehensive income	3,475	(617)	(560)	(551)	(539)

Prepared on Australian Accounting Standards basis.

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

(b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	27,448	27,494	27,542	27,593	27,593
Total financial assets	27,548	27,594	27,642	27,693	27,693
Non-financial assets					
Property, plant and equipment	6,478	6,152	5,833	5,521	5,029
Intangibles	619	469	362	252	324
Other non-financial assets	152	152	152	152	152
Total non-financial assets	7,249	6,773	6,347	5,925	5,505
Total assets	34,797	34,367	33,989	33,618	33,198
LIABILITIES					
Payables					
Suppliers	177	177	177	177	177
Personal benefits	117	118	118	118	118
Total payables	294	295	295	295	295
Interest bearing liabilities					
Leases	4,600	4,375	4,143	3,902	3,649
Total interest bearing liabilities	4,600	4,375	4,143	3,902	3,649
Provisions					
Employee provisions	2,556	2,601	2,650	2,701	2,701
Other provisions	460	460	460	460	460
Total provisions	3,016	3,061	3,110	3,161	3,161
Total liabilities	7,910	7,731	7,548	7,358	7,105
Net assets	26,887	26,636	26,441	26,260	26,093
EQUITY*					
Parent entity interest					
Contributed equity	(8,556)	(8,190)	(7,825)	(7,455)	(7,083)
Reserves	338	338	338	338	338
Retained surplus (accumulated deficit)	35,105	34,488	33,928	33,377	32,838
Total parent entity interest	26,887	26,636	26,441	26,260	26,093
Total equity	26,887	26,636	26,441	26,260	26,093

Prepared on Australian Accounting Standards basis

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

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

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	35,105	338	-	(8,556)	26,887
Adjusted opening balance	35,105	338	-	(8,556)	26,887
Comprehensive income					
Surplus/(deficit) for the period	(617)				(617)
Total comprehensive income	(617)	-	-	-	(617)
of which:					
Attributable to the Australian Government	(617)	-	-	-	(617)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	366	366
Sub-total transactions with owners	-	-	-	366	366
Estimated closing balance as at 30 June 2021	34,488	338	-	(8,190)	26,636
Closing balance attributable to the Australian Government	34,488	338	-	(8,190)	26,636

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,070	16,848	16,739	16,777	16,891
Sale of goods and rendering of services	382	394	406	418	418
Net GST received	5	-	-	-	-
Total cash received	11,457	17,242	17,145	17,195	17,309
Cash used					
Employees	7,378	8,374	8,594	8,824	9,044
Suppliers	3,384	8,185	7,852	7,655	7,540
Net GST paid	3	-	-	-	-
Interest payments on lease liability	61	64	61	57	54
s74 External Revenue transferred to the OPA	384	394	406	418	418
Total cash used	11,210	17,017	16,913	16,954	17,056
Net cash from/(used by) operating activities	247	225	232	241	253
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	10	366	365	370	372
Total cash used	10	366	365	370	372
Net cash from/(used by) investing activities	(10)	(366)	(365)	(370)	(372)

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	10	366	365	370	372
Total cash received	10	366	365	370	372
Cash used					
Principal payments on lease liability	220	225	232	241	253
Total cash used	220	225	232	241	253
Net cash from/(used by) financing activities	(210)	141	133	129	119
Net increase/(decrease) in cash held	27	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	73	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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget-Bill 1 (DCB)	359	366	365	370	372
Total new capital appropriations	359	366	365	370	372
Provided for:					
Purchase of non-financial assets	10	366	365	370	372
Total items	10	366	365	370	372
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	10	366	365	370	372
TOTAL	10	366	365	370	372
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10	366	365	370	372
Total cash used to acquire assets	10	366	365	370	372

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 asset movements (Budget year 2020-21)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020			
Gross book value	2,279	1,520	3,799
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(328)	(901)	(1,229)
Accumulated depreciation/amortisation and impairment - ROU assets	(293)	-	(293)
Opening net book balance	6,478	619	7,097
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services(a)	166	200	366
Total additions	166	200	366
Other movements			
Depreciation/amortisation expense	(200)	(350)	(550)
Depreciation/amortisation on ROU assets	(292)	-	(292)
Total other movements	(492)	(350)	(842)
As at 30 June 2021			
Gross book value	2,445	1,720	4,165
Gross book value - ROU assets	4,820	-	4,820
Accumulated depreciation/ amortisation and impairment	(528)	(1,251)	(1,779)
Accumulated depreciation/amortisation and impairment - ROU assets	(585)	-	(585)
Closing net book balance	6,152	469	6,621

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

	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated actual \$'000	Budget \$'000	Forward estimate \$'000	Forward estimate \$'000	Forward estimate \$'000
EXPENSES					
Grants	1	1	1	1	1
Finance costs	16,742,074	16,723,663	17,334,023	17,743,442	17,781,033
Write-down and impairment of assets	143,741	51,915	55,653	66,764	40,199
Other expenses	31,304	80,000	31,000	31,000	31,000
Total expenses administered on behalf of Government before re-measurement	16,917,120	16,855,579	17,420,677	17,841,207	17,852,233
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	259,065	265,625	335,136	412,921	457,693
Total non-taxation revenue	259,065	265,625	335,136	412,921	457,693
Total own-source revenue administered on behalf of Government before re-measurement	259,065	265,625	335,136	412,921	457,693
Gains/(losses)					
Net losses on debt repurchase	(399,321)	-	-	-	-
Total gains/(losses) administered on behalf of Government before re-measurement	(399,321)	-	-	-	-
Total own-sourced income administered on behalf of Government	(140,256)	265,625	335,136	412,921	457,693
Net (cost of)/contribution by services	(17,057,376)	(16,589,954)	(17,085,541)	(17,428,286)	(17,394,540)
Surplus/(deficit) before income tax	(17,057,376)	(16,589,954)	(17,085,541)	(17,428,286)	(17,394,540)

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OTHER COMPREHENSIVE INCOME					
Re-measurements					
Net market revaluation gains/(losses)	(9,192,805)	5,814,856	6,269,601	4,926,700	4,308,497
Total other comprehensive income	(9,192,805)	5,814,856	6,269,601	4,926,700	4,308,497
Total comprehensive income/(loss)	(26,250,181)	(10,775,098)	(10,815,940)	(12,501,586)	(13,086,043)

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	624	624	624	624	624
Loans to state and territory governments	1,492,504	1,413,975	1,333,794	1,252,024	1,170,243
Term deposits with RBA	69,951,510	35,707,464	65,138,924	35,062,739	35,234,205
Structured finance securities	1,815,491	7,395,695	11,755,341	16,114,615	16,460,006
Total financial assets	73,260,129	44,517,758	78,228,683	52,430,002	52,865,078
Total assets administered on behalf of Government	73,260,129	44,517,758	78,228,683	52,430,002	52,865,078
LIABILITIES					
Payables					
Suppliers	50	50	50	50	50
Other payables	120,701	120,701	120,701	120,701	120,701
Total payables	120,751	120,751	120,751	120,751	120,751
Interest bearing liabilities					
Australian Government Securities (at fair value)					
Treasury Bonds	673,729,443	875,987,421	1,032,639,258	1,104,130,530	1,158,541,508
Treasury Indexed Bonds	52,499,710	52,291,148	46,472,431	50,693,412	54,991,846
Treasury Notes	58,737,747	49,998,671	44,998,804	36,499,138	29,999,203
Other government securities	5,905	5,849	5,849	5,849	5,849
Total interest bearing liabilities	784,972,805	978,283,089	1,124,116,342	1,191,328,929	1,243,538,406
Provisions					
Other provisions	965	965	965	965	965
Total provisions	965	965	965	965	965
Total liabilities administered on behalf of Government	785,094,521	978,404,805	1,124,238,058	1,191,450,645	1,243,660,122
Net assets/(liabilities)	(711,834,392)	(933,887,047)	(1,046,009,375)	(1,139,020,643)	(1,190,795,044)

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	271,070	240,633	314,930	397,692	444,353
Net GST received	2,275	-	-	-	-
Total cash received	273,345	240,633	314,930	397,692	444,353
Cash used					
Grants	1	1	1	1	1
Suppliers	33,557	80,000	31,000	31,000	31,000
Borrowing costs	18,646,791	21,324,206	23,249,172	24,289,249	23,717,625
Total cash used	18,680,349	21,404,207	23,280,173	24,320,250	23,748,626
Net cash from/(used by) operating activities	(18,407,004)	(21,163,574)	(22,965,243)	(23,922,558)	(23,304,273)
INVESTING ACTIVITIES					
Cash received					
Proceeds from investments	1,777,515,550	1,099,039,590	493,377,594	453,854,870	429,867,439
Repayments of advances and loans	91,202	92,462	93,672	94,784	94,284
Structured finance securities	26,246	569,918	1,595,148	2,782,449	3,953,362
Total cash received	1,777,632,998	1,099,701,970	495,066,414	456,732,103	433,915,085
Cash used					
Investment	1,816,365,550	1,064,794,880	522,807,263	423,780,414	430,038,996
Structured finance securities	1,726,297	6,191,642	6,005,524	7,204,543	4,338,024
Total cash used	1,818,091,847	1,070,986,522	528,812,787	430,984,957	434,377,020
Net cash from/(used by) investing activities	(40,458,849)	28,715,448	(33,746,373)	25,747,146	(461,935)

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	228,637,304	690,224,378	753,933,714	659,102,176	501,390,769
Other	53,617	54,000	54,000	54,000	54,000
Total cash received	228,690,921	690,278,378	753,987,714	659,156,176	501,444,769
Cash used					
Net repayments of borrowing	77,731,725	486,498,640	595,915,711	580,417,082	438,936,203
Other	53,617	54,000	54,000	54,000	54,000
Total cash used	77,785,342	486,552,640	595,969,711	580,471,082	438,990,203
Net cash from/(used by) financing activities	150,905,579	203,725,738	158,018,003	78,685,094	62,454,566
Net increase/(decrease) in cash held	92,039,726	211,277,612	101,306,387	80,509,682	38,688,358
Cash at beginning of reporting period	622	13,551,953	8,267,239	4,558,541	928,648
Cash from Official Public Account for:					
- Appropriations	1,928,630,792	1,574,064,413	1,143,441,286	1,029,825,239	893,788,234
Total cash from Official Public Account	1,928,630,792	1,574,064,413	1,143,441,286	1,029,825,239	893,788,234
Cash to Official Public Account for:					
- Receipts	(2,007,119,187)	(1,790,626,739)	(1,248,456,371)	(1,113,964,814)	(932,016,089)
Total cash to Official Public Account	(2,007,119,187)	(1,790,626,739)	(1,248,456,371)	(1,113,964,814)	(932,016,089)
Cash at end of reporting period (a)	13,551,953	8,267,239	4,558,541	928,648	1,389,151

Prepared on Australian Accounting Standards basis.

(a) Includes balances of special accounts.

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

SECTION 1: ENTITY OVERVIEW AND RESOURCES	127
1.1 Strategic direction statement.....	127
1.2 Entity resource statement.....	129
1.3 Budget measures.....	131
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	132
2.1 Budgeted expenses and performance for Outcome 1.....	133
SECTION 3: BUDGETED FINANCIAL STATEMENTS	136
3.1 Budgeted financial statements.....	136
3.2 Budgeted financial statements tables	138

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's mandate is to protect the Australian community by establishing and enforcing prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions APRA supervises are met within a stable, efficient and competitive financial system.

APRA works closely with other regulatory agencies to achieve its mandate 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) in achieving its mandate.

APRA places a strong emphasis on an active program of prudential supervision. APRA's supervisory approach is forward-looking, primarily risk-based, consultative, consistent and in line with international best practice. APRA's approach is based on the fundamental premise that the primary responsibility for financial soundness and prudent risk management within an APRA-regulated institution rests with its board of directors and senior management. APRA's role is to promote prudent behaviour by institutions through a robust prudential framework of legislation, prudential standards and prudential guidance, which aims to ensure that risk-taking is conducted within reasonable bounds and that risks are clearly identified and well-managed.

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 institution early enough so that corrective action can be promptly initiated or an orderly exit achieved.

The structure of the Australian financial system continues to evolve and risks to APRA, the institutions and industries it regulates or financial system stability can emerge quickly. Each year, in setting its strategic priorities and initiatives, APRA takes into consideration its operating environment and the Government's policy priorities to ensure it continues to effectively deliver on its mandate.

In light of the emergence of COVID-19 and subsequent ongoing uncertainty in the external environment, APRA's 2020-2024 Corporate Plan has been formulated so as to maintain a commitment to APRA's longer term strategic objectives to maintain financial system resilience; improve outcomes for superannuation members; transform governance, culture, remuneration and accountability across all regulated institutions; and improve cyber resilience across the financial system; together with uplifting its internal capabilities in key areas, while at the same time maximising the ability of APRA to actively respond to the pandemic and its near-term impacts on the industries and institutions that APRA regulates.

To serve the interests of the Australian community and address the increasing risk of failure of one or more APRA-regulated institutions, APRA's priority over the next 12-18 months is to maintain financial system resilience by: protecting the safety and soundness of APRA-regulated institutions; fostering their operational resilience during a period of significant disruption; and enhancing contingency plans for adverse events.

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 Prudential Regulation Authority resource statement — Budget estimates for 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation	-	3,630
s74 External Revenue (b)	5,439	4,187
Total departmental annual appropriations	5,439	7,817
Special accounts		
Opening balance (c)	71,678	72,828
Appropriation receipts (d)	5,439	7,817
Non-appropriation receipts to Special Accounts	188,087	182,570
Total special accounts	265,204	263,215
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	5,439	7,817
Total departmental resourcing	265,204	263,215
Administered		
Special accounts		
Opening balance (c)	835	835
Non-appropriation receipts to Special Accounts (e)	472,666	450,000
Total special account receipts	473,501	450,835
Total administered resourcing	473,501	450,835
Total resourcing for APRA	738,705	714,050
	2019-20	2020-21
Average staffing level (number)	734	785

Table 1.1: Australian Prudential Regulation Authority resource statement — Budget estimates for 2020-21 as at Budget October 2020 (continued)

Third party payments from and on behalf of other entities

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed in s74 Retained revenue receipts section above)	702	805

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

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

(a) Appropriation Bill (No. 1) 2020-21.

(b) 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, e.g. 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, the Australian Bureau of Statistics, and the Department of Agriculture, Water and the Environment.

(e) Comprises Private Health Insurance risk equalisation receipts which are redistributed to industry.

1.3 BUDGET MEASURES

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

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

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Receipt measures					
Superannuation Reform	1.1				
Administered receipt		-	1,492	652	655
Treasury Portfolio — additional funding	1.1				
Administered receipt		-	28,803	-	-
Total receipt measures		-	30,295	652	655
Payment measures					
Superannuation Reform	1.1				
Departmental payment		710	920	610	610
Treasury Portfolio — additional funding	1.1				
Departmental payment		12,447	16,356	-	-
Total payment measures		13,157	17,276	610	610

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.

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 complete performance story.

The most recent corporate plan for APRA can be found at:
<https://www.apra.gov.au/news-and-publications/apra-2020-2024-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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Australian Prudential Regulation Authority					
Administered expenses					
Special appropriations(a)	472,666	450,000	450,000	450,000	450,000
Expenses not requiring appropriation in the Budget year	55	55	55	55	55
Administered total	472,721	450,055	450,055	450,055	450,055
Departmental expenses					
Special accounts	191,948	197,228	209,417	196,663	197,034
s74 External Revenue (b)	4,041	4,187	4,587	4,542	4,542
Ordinary annual services (Appropriation Bill No. 1)	-	3,630	2,071	988	1,024
Expenses not requiring appropriation in the Budget year (c)	240	390	240	240	240
Departmental total	196,229	205,435	216,315	202,433	202,840
Total expenses for program 1.1	668,950	655,490	666,370	652,488	652,895
Total expenses for Outcome 1	668,950	655,490	666,370	652,488	652,895
	2019-20	2020-21			
Average staffing level (number)	734	785			

(a) Private Health Insurance risk equalisation payments.

(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 ANAO audit services that are received free of charge and for 2020-21 only \$0.150m discount from a supplier, 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 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<p>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.</p>		
<p>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 2020-2024 Corporate Plan.</p>		
<p>Delivery</p>	<p>APRA will focus delivery on its strategic objectives to maintain financial system resilience; improve outcomes for superannuation members; transform governance, culture, remuneration and accountability across all regulated institutions; and improve cyber resilience across the financial system; together with uplifting internal capabilities in key areas. To serve the interests of the Australian community and address the increasing risk of failure of one or more APRA-regulated institutions APRA’s priority over the next 12-18 months is to maintain financial system resilience by: protecting the safety and soundness of APRA-regulated institutions fostering their operational resilience during a period of significant disruption; and enhancing contingency plans for adverse events.</p>	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2019-20</p>	<ul style="list-style-type: none"> Performing Entity Ratio (PER) — the PER is an indicator of the incidence of failure amongst regulated institutions. It is determined as the number of regulated institutions that met their commitments to beneficiaries in a given year divided by the total number of regulated institutions. The higher the percentage, the lower the incidence of failure. Money Protection Ratio (MPR) — the MPR is an indicator of the incidence of loss in the financial sector. It is determined as the dollar value of liabilities to beneficiaries held in Australia in regulated institutions less any prudential losses to beneficiaries in a given year, divided by the total dollar value of liabilities to beneficiaries in Australia in regulated institutions. The higher the percentage, the lower the incidence of loss. 	<p>Consistent with the Government’s expectations, APRA does not pursue a ‘zero failure’ target. Rather, APRA’s objective is to maintain a low incidence of failure of regulated institutions while not unnecessarily hindering efficiency, competition or otherwise impeding the competitive neutrality or contestability of the financial system.</p>

Australian Prudential Regulation Authority Budget Statements

Year	Performance criteria	Targets
2020-21 and beyond	<p>As per 2019-20, plus:</p> <ul style="list-style-type: none"> • Percentage of Financial Claims Scheme (FCS) payments paid to account holders within seven calendar days of an FCS declaration. • Number of outstanding claims in the event of an FCS declaration. 	<p>As per 2019-20, plus:</p> <p>APRA measures the efficiency with which it performs its function in relation to the FCS for banks, building societies and credit unions by measuring the percentage of FCS payments paid to account holders within seven calendar days of an FCS declaration. Although the circumstance of each declaration will vary the timeliness of payment, this measure is consistent with APRA's endeavour to pay most account holders, or enable them to access, their FCS payment within seven days. Given the long tail nature of general insurance claims which do not easily lend themselves to measures of efficiency, APRA reports on the number of outstanding claims in the event of an FCS declaration.</p>
Purposes	<p>The Australian Prudential Regulation Authority (APRA) is an independent statutory authority established for the purpose of prudential supervision of financial institutions and for promoting financial system stability in Australia. In performing this role, APRA is responsible for protecting the interests of depositors, insurance policyholders and superannuation fund members.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of APRA's finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between 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 2020-21 as a consequence of new budget measures being appropriated in 2021-22 (Table 1.2) combined with a small return to industry of an over-collection of industry levies in 2019-20.

Employee benefits of \$145.3 million support an average staffing level (ASL) of 785 in 2020-21. The estimated staffing will enable APRA to supervise regulated institutions, evolve APRA's prudential and supervisory frameworks and practices to respond to emerging risks, continue to deliver on its longer-term strategic objectives and to serve the interests of the Australian community and address the increasing risk of failure of one or more APRA-regulated institutions by protecting the safety and soundness of APRA-regulated institutions; fostering their operational resilience during a period of significant disruption; and enhancing contingency plans for adverse events.

Supplier costs in 2020-21 of \$41.0 million reflect office leasing costs, IT support and maintenance, travel, training and other non-people related expenditures.

Depreciation and Amortisation of \$18.1 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 Lloyds security deposit 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 the APRA 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	132,774	145,314	158,699	148,077	149,577
Suppliers	44,333	41,144	33,022	29,373	28,246
Grants and scholarships	103	-	-	-	-
Depreciation and amortisation	17,961	18,100	23,877	24,435	24,645
Finance costs	1,011	877	717	548	372
Losses from asset sales	47	-	-	-	-
Total expenses	196,229	205,435	216,315	202,433	202,840
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,573	2,957	3,357	3,312	3,312
Other	708	1,620	1,470	1,470	1,470
Total own-source revenue	4,281	4,577	4,827	4,782	4,782
Total own-source income	4,281	4,577	4,827	4,782	4,782
Net (cost of)/contribution by services	(191,948)	(200,858)	(211,488)	(197,651)	(198,058)
Revenue from Government	188,086	186,200	221,598	195,297	195,703
Surplus/(deficit) attributable to the Australian Government	(3,862)	(14,658)	10,110	(2,354)	(2,355)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	42	42	-	-	-
Total other comprehensive income	42	42	-	-	-
Total comprehensive income/(loss)	(3,820)	(14,616)	10,110	(2,354)	(2,355)
Total comprehensive income/(loss) attributable to the Australian Government	(3,820)	(14,616)	10,110	(2,354)	(2,355)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	14,141	3,484	33,987	22,081	22,290
less: Depreciation/amortisation expenses previously funded through revenue appropriations	17,961	18,100	23,877	24,435	24,645
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,820)	(14,616)	10,110	(2,354)	(2,355)

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	72,828	40,501	58,348	67,499	75,584
Trade and other receivables	2,071	2,071	2,071	2,071	2,071
Total financial assets	74,899	42,572	60,419	69,570	77,655
Non-financial assets					
Land and buildings	50,822	41,887	34,634	26,540	18,236
Property, plant and equipment	18,863	15,875	13,351	10,827	10,362
Intangibles	37,604	53,727	52,028	45,611	37,985
Other non-financial assets	3,756	3,756	3,756	3,756	3,756
Total non-financial assets	111,045	115,245	103,769	86,734	70,339
Total assets	185,944	157,817	164,188	156,304	147,994
LIABILITIES					
Payables					
Suppliers	6,555	6,555	6,555	6,555	6,555
Other payables	2,937	3,957	4,956	5,456	6,456
Total payables	9,492	10,512	11,511	12,011	13,011
Interest bearing liabilities					
Leases	52,232	43,327	35,789	27,059	17,404
Total interest bearing liabilities	52,232	43,327	35,789	27,059	17,404
Provisions					
Employee provisions	49,697	53,116	55,916	58,616	61,316
Other provisions	12,752	3,752	3,752	3,752	3,752
Total provisions	62,449	56,868	59,668	62,368	65,068
Total liabilities	124,173	110,707	106,968	101,438	95,483
Net assets	61,771	47,110	57,220	54,866	52,511
EQUITY*					
Parent entity interest					
Contributed equity	16,657	16,657	16,657	16,657	16,657
Reserves	19,591	13,633	14,633	15,633	16,633
Retained surplus (accumulated deficit)	25,523	16,820	25,930	22,576	19,221
Total parent entity interest	61,771	47,110	57,220	54,866	52,511
Total equity	61,771	47,110	57,220	54,866	52,511

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 2020-21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	25,523	7,591	12,000	16,657	61,771
Adjusted opening balance	25,523	7,591	12,000	16,657	61,771
Comprehensive income					
Surplus/(deficit) for the period	(14,658)	-	-	-	(14,658)
Total comprehensive income	(14,658)	-	-	-	(14,658)
Transfers between equity components	5,955	42	(6,000)	-	(3)
Estimated closing balance as at 30 June 2021	16,820	7,633	6,000	16,657	47,110
Closing balance attributable to the Australian Government	16,820	7,633	6,000	16,657	47,110

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	200,767	195,401	229,487	202,776	203,070
Sale of goods and rendering of services	4,380	4,187	4,587	4,542	4,542
Net GST received	6,099	5,314	3,602	3,237	3,125
Other	447	390	240	240	240
Total cash received	211,693	205,293	237,917	210,796	210,976
Cash used					
Employees	126,077	140,877	154,899	144,877	145,877
Suppliers	39,545	55,157	36,327	32,310	31,071
Interest payments on lease liability	981	877	717	548	372
Net GST paid	271	300	300	300	300
s74 External Revenue transferred to the OPA	11,410	9,201	7,889	7,479	7,367
Total cash used	178,284	206,413	200,133	185,515	184,986
Net cash from/(used by) operating activities	33,409	(1,120)	37,784	25,281	25,990
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	25,028	22,300	12,400	7,400	8,250
Total cash used	25,028	22,300	12,400	7,400	8,250
Net cash from/(used by) investing activities	(25,028)	(22,300)	(12,400)	(7,400)	(8,250)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	7,231	8,905	7,538	8,730	9,655
Total cash used	7,231	8,905	7,538	8,730	9,655
Net cash from/(used by) financing activities	(7,231)	(8,905)	(7,538)	(8,730)	(9,655)
Net increase/(decrease) in cash held	1,150	(32,326)	17,846	9,151	8,085
Cash and cash equivalents at the beginning of the reporting period	71,678	72,828	40,502	58,348	67,500
Cash and cash equivalents at the end of the reporting period	72,828	40,502	58,348	67,500	75,584

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	23,301	22,300	12,400	7,400	8,250
TOTAL	23,301	22,300	12,400	7,400	8,250
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	23,301	22,300	12,400	7,400	8,250
Total cash used to acquire assets	23,301	22,300	12,400	7,400	8,250

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	-	31,707	87,127	118,834
Gross book value - ROU assets	59,516	-	-	59,516
Accumulated depreciation/ amortisation and impairment	-	(12,844)	(49,523)	(62,367)
Accumulated depreciation/amortisation and impairment- ROU assets	(8,694)	-	-	(8,694)
Opening net book balance	50,822	18,863	37,604	107,289
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	1,190	21,110	22,300
Total additions	-	1,190	21,110	22,300
Other movements				
Depreciation/amortisation expense	-	(4,178)	(4,987)	(9,165)
Depreciation/amortisation on ROU assets	(8,935)	-	-	(8,935)
Total other movements	(8,935)	(4,178)	(4,987)	(18,100)
As at 30 June 2021				
Gross book value	-	32,897	108,237	141,134
Gross book value - ROU assets	59,516	-	-	59,516
Accumulated depreciation/ amortisation and impairment	-	(17,022)	(54,510)	(71,532)
Accumulated depreciation/amortisation and impairment- ROU assets	(17,629)	-	-	(17,629)
Closing net book balance	41,887	15,875	53,727	111,489

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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Finance costs	55	55	55	55	55
Risk equalisation distributions	472,666	450,000	450,000	450,000	450,000
Total expenses administered on behalf of Government	472,721	450,055	450,055	450,055	450,055
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
<i>Financial Institutions Supervisory Levies Collection Act 1998</i>	237,877	223,408	259,206	231,301	232,534
Interest	55	55	55	55	55
Fines and penalties	1,611	-	-	-	-
Risk equalisation receipts	472,666	450,000	450,000	450,000	450,000
Total non-taxation revenue	712,209	673,463	709,261	681,356	682,589
Total own-source revenue administered on behalf of Government	712,209	673,463	709,261	681,356	682,589
Total own-sourced income administered on behalf of Government	712,209	673,463	709,261	681,356	682,589
Net (cost of)/contribution by services	(239,488)	(223,408)	(259,206)	(231,301)	(232,534)
Surplus/(deficit)	239,488	223,408	259,206	231,301	232,534

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	835	835	835	835	835
Receivables	2,197	2,197	2,197	2,197	2,197
Total financial assets	3,032	3,032	3,032	3,032	3,032
Total assets administered on behalf of Government	3,032	3,032	3,032	3,032	3,032
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)	1,032	1,032	1,032	1,032	1,032

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Financial Institutions Supervisory Levies	237,880	223,408	259,206	231,301	232,534
Interest	-	55	55	55	55
Risk equalisation levy collections	472,666	450,000	450,000	450,000	450,000
Fines	1,611	-	-	-	-
Total cash received	712,157	673,463	709,261	681,356	682,589
Cash used					
Borrowing costs	-	55	55	55	55
Risk equalisation levy payments	472,666	450,000	450,000	450,000	450,000
Total cash used	472,666	450,055	450,055	450,055	450,055
Net cash from/(used by) operating activities	239,491	223,408	259,206	231,301	232,534
Net increase/(decrease) in cash held	239,491	223,408	259,206	231,301	232,534
Cash and cash equivalents at beginning of reporting period	835	835	835	835	835
Cash from Official Public Account for:					
- Risk equalisation collections	472,666	450,000	450,000	450,000	450,000
- Special accounts	-	-	-	-	-
Total cash from Official Public Account	472,666	450,000	450,000	450,000	450,000
Cash to Official Public Account for:					
- Financial Institutions Supervisory Levies	(239,491)	(223,408)	(259,206)	(231,301)	(232,534)
Risk equalisation payments	(472,666)	(450,000)	(450,000)	(450,000)	(450,000)
Total cash to Official Public Account	(712,157)	(673,408)	(709,206)	(681,301)	(682,534)
Cash and cash equivalents at end of reporting period	835	835	835	835	835

Prepared on Australian Accounting Standards basis

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

SECTION 1: ENTITY OVERVIEW AND RESOURCES	151
1.1 Strategic direction statement.....	151
1.2 Entity resource statement.....	153
1.3 Budget measures.....	155
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	156
2.1 Budgeted expenses and performance for Outcome 1.....	157
SECTION 3: BUDGETED FINANCIAL STATEMENTS	165
3.1 Budgeted financial statements.....	165
3.2 Budgeted financial statements tables	168

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 regulates financial markets, Australian companies, disclosure, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit.

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.

Australian Securities and Investments Commission Budget Statements

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 disclosure obligations under the *Corporations Act 2001* (Corporations Act). ASIC registers and regulates companies at every point from their incorporation through to their winding up, and ensures that company officers comply with their responsibilities. It also registers and, where necessary, takes disciplinary action against company auditors and liquidators. ASIC monitors public companies' financial reporting and disclosure and fundraising activities.

ASIC also operates a public register that provides information about Australia's companies, business names, financial services licensees and other professionals registered with ASIC.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Information in this table is presented on a resourcing (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: ASIC resource statement — Budget estimates for 2020-21 as at Budget October 2020

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	126,040	126,031
Departmental appropriation (b)	403,261	440,709
s74 External Revenue (c)	15,524	51,094
Departmental capital budget (d)	25,149	20,856
Annual appropriations - other services - non-operating (e)		
Equity injection	13,426	6,904
Total departmental annual appropriations	583,400	645,594
Total departmental special appropriations (f)		
Special accounts (f)		
Appropriation receipts (g)	41,195	59,221
Non-appropriation receipts	7,549	-
<i>Total special accounts</i>	48,744	59,221
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	41,195	59,221
Total departmental resourcing	590,949	645,594

Table 1.1: ASIC resource statement — Budget estimates for 2020-21 as at Budget October 2020 (continued)

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	10,261	9,708
Total administered annual appropriations	10,261	9,708
Total administered special appropriations	61,059	117,784
Total administered resourcing	71,320	127,492
Total resourcing for ASIC	662,269	773,086
<hr/>		
	2019-20	2020-21
Average staffing level (number)	1,982	2,084

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

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

- (a) Appropriation Bill (No. 1) 2020-21.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2020-21.
- (f) 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.
- (g) Amounts credited to the special account(s) from ASIC's annual and special appropriations.

1.3 BUDGET MEASURES

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

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

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Receipt measures					
JobMaker Plan - supporting small business and responsible lending Administered receipt	1.1	298	175	175	175
Refocusing Australia's Approach to Financial Capability Administered receipt	1.1	-	(482)	(1,066)	(1,067)
Total receipt measures		298	(307)	(891)	(892)
Payment measures					
JobMaker - Digital Business Plan Departmental payment	1.1	4,006	601	605	508
JobMaker Plan - supporting small business and responsible lending Departmental payment	1.1	298	175	-	-
Refocusing Australia's Approach to Financial Capability Departmental payment	1.1	(508)	(1,122)	(1,123)	(1,128)
Total payment measures		3,796	(346)	(518)	(620)

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.

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 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 ASIC can be found at: <https://asic.gov.au/about-asic/what-we-do/our-role/asics-corporate-plan-2018-22/>

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.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,820	7,692	7,668	5,192	5,210
Expenses not requiring appropriation in the Budget year (a)	69,110	76,049	80,007	81,217	81,488
Administered total	75,930	83,741	87,675	86,409	86,698
Departmental expenses					
Departmental appropriation s74 Retained revenue receipts (b)	408,023 18,060	417,313 13,270	410,349 6,374	394,342 6,354	390,428 6,354
Expenses not requiring appropriation in the Budget year (c)	63,481	69,673	66,958	58,798	57,210
Departmental total	489,564	500,256	483,681	459,494	453,992
Total expenses for program 1.1	565,494	583,997	571,356	545,903	540,690
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts					
Administered expenses					
Companies unclaimed monies - s77 of the PGPA ACT	32,186	35,792	35,711	35,719	35,682
Ordinary annual services (Appropriation Bill No. 1)	1,132	2,016	2,227	2,416	2,644
Special appropriations					
<i>Banking Act 1959 - Banking Unclaimed Monies</i>	82,849	59,431	59,448	59,711	59,788
<i>Life Insurance Act 1995 - Life Unclaimed Monies</i>	10,997	4,613	4,597	4,598	4,600
Administered total	127,164	101,852	101,983	102,444	102,714
Total expenses for program 1.2	127,164	101,852	101,983	102,444	102,714

Australian Securities and Investments Commission Budget Statements

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,952	9,708	9,895	7,608	7,854
Special appropriations	93,846	64,044	64,045	64,309	64,388
Companies unclaimed monies - s77 of the PGPA ACT	32,186	35,792	35,711	35,719	35,682
Expenses not requiring appropriation in the Budget year (a)	69,110	76,049	80,007	81,217	81,488
Administered total	203,094	185,593	189,658	188,853	189,412
Departmental expenses					
Departmental appropriation	408,023	417,313	410,349	394,342	390,428
s74 Retained revenue receipts (b)	18,060	13,270	6,374	6,354	6,354
Expenses not requiring appropriation in the Budget year (c)	63,481	69,673	66,958	58,798	57,210
Departmental total	489,564	500,256	483,681	459,494	453,992
Total expenses for Outcome 1	692,658	685,849	673,339	648,347	643,404

	2019-20	2020-21
Average staffing level (number)	1,982	2,084

(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 expenses and amortisation expenses.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 - 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. This includes: <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. This program also seeks to improve ASIC's registry services and reduce costs for businesses, consumers and the public.		
Delivery	ASIC will deliver this program through strategic use of a range of regulatory tools most appropriate to disrupt harm and poor behaviour in the financial system.	
Performance information		
Year	Performance criteria	Targets
2019-20	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • investors and consumers have trust and confidence in the financial system • fair and efficient processes are in place for the resolution of disputes • financial markets are fair, orderly and transparent <p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • identify, address and deter misconduct in the financial system • take successful enforcement or other regulatory action – including court enforceable undertakings and infringement notices – in response to identified misconduct • appropriately sanction individuals who commit misconduct including, where warranted, banning them from providing financial services or taking civil or criminal action against them • our published reports on surveillance and enforcement outcomes and industry messages that are delivered to stakeholders articulate our standards and expectations 	<ul style="list-style-type: none"> • Performance criteria met for 2019-20. Please refer to ASIC's 2019-20 Annual Report for full details.

Australian Securities and Investments Commission Budget Statements

Performance information		
Year	Performance criteria	Targets
2019-20	<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 • promote improved efficiency and reduced compliance costs among our regulated population • exercise our discretionary powers to grant relief or make legislative instruments appropriately, where there is a net regulatory benefit • advise the Government on policy issues and law reform options and support the Government's financial services reform agenda • propose and support international policy initiatives that improve regulatory outcomes for Australia and support cross-border activity <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 • support better financial education across Australia's education system • provide a range of tools and resources to help people understand money and how to manage it • coordinate with stakeholders to support the National Financial Capability Strategy <p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • registration is cost-effective and easy for businesses to manage • businesses comply with their ongoing registration obligations • the public has easy access to information in ASIC registers • information in our registers is accurate and up-to-date 	

Australian Securities and Investments Commission Budget Statements

Performance information		
Year	Performance criteria	Targets
2020-21	<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 • Fair and efficient processes are in place for the resolution of disputes • Financial markets are fair, strong and efficient • Our published reports and industry messages on surveillance and enforcement outcomes provide transparency to stakeholders about good and poor practices and articulate our standards and expectations, including naming entities where appropriate 	<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"> • 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 • External data (e.g. reports and data published by AFCA) • Measures of the cleanliness of the Australian listed equity market • Operational data (e.g. number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published) • 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 measures resulting from the outputs of our regulatory actions will include published reports

Australian Securities and Investments Commission Budget Statements

Performance information		
Year	Performance criteria	Targets
2020-21	<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 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 (e.g. court enforceable undertakings, infringement notices, cancellation or suspension of licences) 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 <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 We promote improved efficiency and reduced compliance costs among our regulated population We exercise our discretionary powers to grant relief or make a legislative instrument 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 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> 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 for wrongdoing provided to investors and consumers Operational data (e.g. number of surveillance and enforcement actions undertaken and results achieved) Public outcomes (e.g. civil, criminal and administrative action taken, including banning) Published ASIC reports, including the enforcement report and market integrity report We publish reports and other outputs we plan to deliver Number and nature of misconduct-related complaints, including through internal and external dispute resolution channels <p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> Stakeholder feedback through the Digital Finance Advisory Panel Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox Operational data, including relief applications assessed and legislative instruments made 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 We publish reports and other outputs we plan to deliver

Australian Securities and Investments Commission Budget Statements

Performance information		
Year	Performance criteria	Targets
2020-21	<p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • Registration is cost-effective and easy for businesses to manage • Businesses comply with their ongoing registration obligations • The public has easy access to information in ASIC registers • Information in our registers is accurate and up to date 	<p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Business Advisory Panel • Performance against the ASIC service charter targets • Progress in migrating registry services online • Operational data (e.g. volume and efficiency of registry activity)
2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Table 2.2: Performance criteria 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		
Delivery	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance criteria	Targets
2019-20	<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.
2020-21	As per 2019-20	As per 2019-20
2021-22 and beyond	As per 2019-20	As per 2019-20
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

ASIC is budgeting for a \$8.6 million operating loss for 2020-21, 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 mainly due to increased spending in enforcement activities funded from unspent prior year's Enforcement Special Account (ESA) appropriation. Spending from available prior year's ESA funding has created a technical operating loss. ASIC is budgeting for a break-even operating result for the remainder of the forward estimates, after adding back non-appropriated depreciation and amortisation expenses, depreciation of right of use assets and principal repayments of lease liabilities.

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 2020-21 is \$134.2 million.

The 2020-21 equity position reflects the cumulative effect of capital injections of \$2.9 million received during 2020-21.

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 2020-21 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 2020-21 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	275,614	279,639	265,151	249,702	248,985
Suppliers	149,030	148,724	147,947	147,450	144,339
Depreciation and amortisation (a)	63,481	69,673	66,958	58,798	57,210
Finance costs	1,397	2,220	3,625	3,544	3,458
Write-down and impairment of assets	40	-	-	-	-
Losses from asset sales	2	-	-	-	-
Total expenses	489,564	500,256	483,681	459,494	453,992
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,703	2,000	2,000	2,000	2,000
Rental income	1,454	625	625	605	605
Royalties	232	165	165	165	165
Other revenue	14,671	10,480	3,584	3,584	3,584
Total own-source revenue	18,060	13,270	6,374	6,354	6,354
Gains					
Other gains	57	-	-	-	-
Total gains	57	-	-	-	-
Total own-source income	18,117	13,270	6,374	6,354	6,354
Net (cost of)/contribution by services	(471,447)	(486,986)	(477,307)	(453,140)	(447,638)
Revenue from Government	403,261	441,007	443,809	428,063	429,374
Surplus/(deficit) attributable to the Australian Government	(68,186)	(45,979)	(33,498)	(25,077)	(18,264)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(68,186)	(45,979)	(33,498)	(25,077)	(18,264)
Total comprehensive income/(loss) attributable to the Australian Government	(68,186)	(45,979)	(33,498)	(25,077)	(18,264)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(19,167)	(8,597)	307	307	307
less: depreciation/amortisation expenses previously funded through revenue appropriations (a)	47,431	36,057	32,602	23,673	21,287
less: depreciation/amortisation expenses for ROU assets (b)	16,050	33,616	34,356	35,125	35,923
plus: Principal repayments on leased assets (b)	(14,462)	(32,291)	(33,153)	(33,414)	(38,639)
Total comprehensive income/(loss) - as per the statement of comprehensive income	(68,186)	(45,979)	(33,498)	(25,077)	(18,264)

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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	41,151	30,307	30,307	30,307	30,307
Trade and other receivables	170,493	132,315	132,315	132,315	132,315
Total financial assets	211,644	162,622	162,622	162,622	162,622
Non-financial assets					
Land and buildings	236,404	255,688	243,126	229,111	217,657
Property, plant and equipment	19,511	14,881	10,963	8,966	8,848
Intangibles	74,007	76,364	69,418	69,225	68,768
Other non-financial assets	17,706	17,706	17,706	17,706	17,706
Total non-financial assets	347,628	364,639	341,213	325,008	312,979
Total assets	559,272	527,261	503,835	487,630	475,601
LIABILITIES					
Payables					
Suppliers	31,011	28,754	27,618	26,482	25,346
Other payables	37,997	37,997	37,997	37,997	37,997
Total payables	69,008	66,751	65,615	64,479	63,343
Interest bearing liabilities					
Leases	242,810	231,265	219,079	206,225	191,855
Total interest bearing liabilities	242,810	231,265	219,079	206,225	191,855
Provisions					
Employee provisions	82,255	82,255	82,255	82,255	82,255
Other provisions	12,739	12,749	13,578	14,407	15,236
Total provisions	94,994	95,004	95,833	96,662	97,491
Total liabilities	406,812	393,020	380,527	367,366	352,689
Net assets	152,460	134,241	123,308	120,264	122,912
EQUITY*					
Parent entity interest					
Contributed equity	474,633	502,393	524,958	546,991	567,903
Reserves	22,500	22,500	22,500	22,500	22,500
Retained surplus (accumulated deficit)	(344,673)	(390,652)	(424,150)	(449,227)	(467,491)
Total parent entity interest	152,460	134,241	123,308	120,264	122,912
Total equity	152,460	134,241	123,308	120,264	122,912

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 2020-21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	(344,673)	22,500	474,633	152,460
Adjusted opening balance	(344,673)	22,500	474,633	152,460
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(45,979)	-	-	(45,979)
Total comprehensive income	(45,979)	-	-	(45,979)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	6,904	6,904
Departmental Capital Budget (DCB)	-	-	20,856	20,856
Sub-total transactions with owners	-	-	27,760	27,760
Estimated closing balance as at 30 June 2021	(390,652)	22,500	502,393	134,241
Closing balance attributable to the Australian Government	(390,652)	22,500	502,393	134,241

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	426,545	441,007	443,809	428,063	429,374
Sale of goods and rendering of services	1,703	40,803	2,625	2,605	2,605
Net GST received	20,922	-	-	-	-
Other	18,944	10,291	3,395	3,395	3,395
Total cash received	468,114	492,101	449,829	434,063	435,374
Cash used					
Employees	262,990	279,639	265,151	249,702	248,985
Suppliers	194,067	150,627	148,729	148,232	145,121
Interest payments on lease liability	1,209	2,210	2,796	2,715	2,629
s74 External Revenue transferred to the OPA	20,667	-	-	-	-
Total cash used	478,933	432,476	416,676	400,649	396,735
Net cash from/(used by) operating activities	(10,819)	59,625	33,153	33,414	38,639
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	34,756	65,938	22,565	22,033	20,912
Total cash used	34,756	65,938	22,565	22,033	20,912
Net cash from/(used by) investing activities	(34,756)	(65,938)	(22,565)	(22,033)	(20,912)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	35,967	27,760	22,565	22,033	20,912
Total cash received	35,967	27,760	22,565	22,033	20,912
Cash used					
Principal payments on lease liability	14,462	32,291	33,153	33,414	38,639
Total cash used	14,462	32,291	33,153	33,414	38,639
Net cash from/(used by) financing activities	21,505	(4,531)	(10,588)	(11,381)	(17,727)
Net increase/(decrease) in cash held	(24,070)	(10,844)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	65,221	41,151	30,307	30,307	30,307
Cash and cash equivalents at the end of the reporting period	41,151	30,307	30,307	30,307	30,307

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	25,149	20,856	20,813	20,831	20,912
Equity injections - Bill 2	13,426	6,904	1,752	1,202	-
Total new capital appropriations	38,575	27,760	22,565	22,033	20,912
Provided for:					
Purchase of non-financial assets	36,976	27,750	21,736	21,204	20,083
Other items	1,599	10	829	829	829
Total items	38,575	27,760	22,565	22,033	20,912
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	7,088	13,242	1,752	1,202	-
Funded by capital appropriation - DCB (b)	25,149	20,856	20,813	20,831	20,912
Funded internally from departmental resources (c)	2,700	38,178	-	-	-
TOTAL	34,937	72,276	22,565	22,033	20,912
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	34,937	72,276	22,565	22,033	20,912
Total cash used to acquire assets	34,937	72,276	22,565	22,033	20,912

Prepared on Australian Accounting Standards basis.

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

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

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets; and
- s74 External Revenue.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	101,592	70,148	395,241	566,981
Gross book value - ROU assets	222,668	-	-	222,668
Accumulated depreciation/ amortisation and impairment	(71,806)	(50,637)	(321,234)	(443,677)
Accumulated depreciation/amortisation and impairment - ROU assets	(16,050)	-	-	(16,050)
Opening net book balance	236,404	19,511	74,007	329,922
Capital asset additions or replacement assets				
By purchase - appropriation equity (a)	-	-	13,242	13,242
By purchase - appropriation ordinary annual services (b)	-	1,150	16,262	17,412
By purchase - other - ROU assets	20,746	-	-	20,746
By purchase - other	35,284	-	-	35,284
Total additions	56,030	1,150	29,504	86,684
Other movements				
Depreciation/amortisation expense	(3,130)	(5,780)	(27,147)	(36,057)
Depreciation/amortisation on ROU assets	(33,616)	-	-	(33,616)
Total other movements	(36,746)	(5,780)	(27,147)	(69,673)
As at 30 June 2021				
Gross book value	136,876	71,298	424,745	632,919
Gross book value - ROU assets	243,414	-	-	243,414
Accumulated depreciation/ amortisation and impairment	(74,936)	(56,417)	(348,381)	(479,734)
Accumulated depreciation/amortisation and impairment - ROU assets	(49,666)	-	-	(49,666)
Closing net book balance	255,688	14,881	76,364	346,933

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020-21 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits					
Suppliers	565	574	573	574	575
Grants	6,255	7,118	7,095	4,618	4,635
Write-down and impairment of assets	69,110	76,049	80,007	81,217	81,488
Interest expense	2,793	4,707	4,884	5,159	5,674
Other expenses	124,371	97,145	97,099	97,285	97,040
Total expenses administered on behalf of Government	203,094	185,593	189,658	188,853	189,412
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other levies	59,602	61,853	76,709	81,788	76,505
Other taxes	814,537	855,473	883,980	906,694	930,053
Total taxation revenue	874,139	917,326	960,689	988,482	1,006,558
Non-taxation revenue					
Fines and penalties	208,991	206,899	207,859	208,838	209,838
Other fees from regulatory services	213,941	153,541	153,327	153,327	153,327
Other revenue	263,288	271,791	301,247	300,223	286,224
Total non-taxation revenue	686,220	632,231	662,433	662,388	649,389
Total own-source revenue administered on behalf of Government	1,560,359	1,549,557	1,623,122	1,650,870	1,655,947
Total own-sourced income administered on behalf of Government	1,560,359	1,549,557	1,623,122	1,650,870	1,655,947
Net (cost of)/contribution by services	1,357,265	1,363,964	1,433,464	1,462,017	1,466,535
Surplus/(deficit)	1,357,265	1,363,964	1,433,464	1,462,017	1,466,535
Total comprehensive income/(loss)	1,357,265	1,363,964	1,433,464	1,462,017	1,466,535

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,435	1,419	1,419	1,419	1,419
Taxation receivables	198,438	215,104	237,967	231,757	241,428
Trade and other receivables	278,842	285,681	316,568	317,350	290,975
Total financial assets	478,715	502,204	555,954	550,526	533,822
Total assets administered on behalf of Government	478,715	502,204	555,954	550,526	533,822
LIABILITIES					
Payables					
Suppliers	28,829	30,729	32,273	32,870	32,975
Grants	3,992	3,992	3,992	3,992	3,992
Other payables	7,512	7,521	7,914	8,066	8,093
Total payables	40,333	42,242	44,179	44,928	45,060
Provisions					
Other provisions	417,284	409,336	414,000	419,526	424,195
Total provisions	417,284	409,336	414,000	419,526	424,195
Total liabilities administered on behalf of Government	457,617	451,578	458,179	464,454	469,255
Net assets/(liabilities)	21,098	50,626	97,775	86,072	64,567

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	274,680	211,777	213,049	212,677	212,311
Taxes	804,113	829,216	862,624	918,356	920,294
Net GST received	(315)	-	-	-	-
Other	369,679	409,510	413,692	444,048	458,558
Total cash received	1,448,157	1,450,503	1,489,365	1,575,081	1,591,163
Cash used					
Grant	2,263	7,118	7,095	4,618	4,635
Suppliers	(4,477)	(826)	(971)	(23)	470
Borrowing costs	2,793	4,707	4,884	5,159	5,674
Other	55,287	105,084	92,042	91,607	92,344
Total cash used	55,866	116,083	103,050	101,361	103,123
Net cash from/(used by) operating activities	1,392,291	1,334,420	1,386,315	1,473,720	1,488,040
Net increase/(decrease) in cash held	1,392,291	1,334,420	1,386,315	1,473,720	1,488,040
Cash and cash equivalents at beginning of reporting period	1,860	1,435	1,419	1,419	1,419
Cash from Official Public Account for:					
- Appropriations	66,118	127,492	114,987	112,110	113,255
Total cash from Official Public Account	66,118	127,492	114,987	112,110	113,255
Cash to Official Public Account for:					
- Appropriations	(1,458,834)	(1,461,928)	(1,501,302)	(1,585,830)	(1,601,295)
Total cash to Official Public Account	(1,458,834)	(1,461,928)	(1,501,302)	(1,585,830)	(1,601,295)
Cash and cash equivalents at end of reporting period	1,435	1,419	1,419	1,419	1,419

Prepared on Australian Accounting Standards basis.

AUSTRALIAN TAXATION OFFICE

SECTION 1: ENTITY OVERVIEW AND RESOURCES	181
1.1 Strategic direction statement.....	181
1.2 Entity resource statement.....	182
1.3 Budget measures.....	185
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	187
2.1 Budgeted expenses and performance for Outcome 1.....	188
SECTION 3: BUDGETED FINANCIAL STATEMENTS	223
3.1 Budgeted financial statements.....	223
3.2. Budgeted financial statements tables	224

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 recovery by delivering government stimulus measures, improving small business 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	286,437	373,081
Departmental appropriation (c)	3,461,261	3,885,177
s74 External Revenue (d)	119,233	134,697
Departmental capital budget (e)	117,737	118,644
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	5,242	41,456
Equity injection	74,618	126,249
Total departmental annual appropriations	4,064,528	4,679,304
Special accounts (g)		
Opening balance	4,246	5,441
Appropriation receipts (h)	16,338	19,766
Total special accounts	20,584	25,207
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(20,584)</i>	<i>(25,207)</i>
Total departmental resourcing	4,064,528	4,679,304
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	2,595	7,915
Total administered annual appropriations	2,595	7,915
Special appropriations		
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>	100,355	120,000
<i>Product Grants and Benefits Administration Act 2000 - Product stewardship for oil</i>	90,832	84,800
<i>Superannuation Guarantee (Administration) Act 1992</i>	633,759	428,000
<i>Small Superannuation Accounts Act 1995</i>	176	200
<i>Taxation Administration Act 1953 - section 16 (i)</i>	160,515,053	234,445,856
Total administered special appropriations	161,340,175	235,078,856
Special accounts (g)		
Opening balance	84,430	75,657
Appropriation receipts (h)	17,410	28,600
Total special account receipts	101,840	104,257
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(17,410)</i>	<i>(28,600)</i>
Total administered resourcing	161,427,200	235,162,428
Total resourcing for Australian Taxation Office	166,491,728	239,841,732
	2019-20	2020-21
Average staffing level (number)	16,873	18,368

Table 1.1: Australian Taxation Office resource statement — Budget estimates for 2020-21 as at Budget October 2020 (continued)

Third Party Payment from and on behalf of other entities

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	239,963	253,722
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	110,057	122,606
Payments made to corporate entities within the Portfolio Reserve Bank of Australia	99,977	111,371

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

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

(a) Appropriation Bill (No. 1) 2020-21.

(b) Excludes \$15.7 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) 2020-21.

(g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(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 Economic response to the coronavirus payments, fuel tax credit, research and development tax incentives, and Australian Screen Production Incentive. Estimated tax refunds for 2019-20 are \$114.0 billion including \$197.6 million made on behalf of the ATO by the Department of Home Affairs. Estimated tax refund items for 2020-21 are \$120.4 billion including \$15.0 million made on behalf of the ATO by the Department of Home Affairs.

1.3 BUDGET MEASURES

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

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

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	
Payment measures					
Additional funding to address serious and organised crime in the tax and superannuation system					
Departmental payment	1.1	-	7,533	7,547	-
Australian Charities and Not-for-profits Commission Review Program					
Departmental payment	1.4	474	1,187	1,189	-
COVID-19 Response Package — JobKeeper Payment extension					
Administered payment	1.19	15,600,000	-	-	-
JobMaker Plan — Digital Business Plan					
Administered payment	1.1	4,976	4,682	2,741	295
Departmental payment	1.1	181,725	180,570	86,848	40,818
Departmental payment	1.4	1,484	215	20	-
JobMaker Plan — JobMaker Hiring Credit					
Administered payment	1.19	850,000	2,900,000	250,000	-
JobMaker Plan — Research and Development Tax Incentive — supporting Australia's economic recovery					
Administered payment	1.10	150,000	240,000	310,000	320,000
JobMaker Plan — Skills Reform Package					
Departmental payment	1.1	1,525	6,098	2,591	1,118
JobMaker Plan — temporary loss carry back to support cash flow (a)					
Departmental payment	1.1	1,868	1,163	954	372
Media Reforms Package — screen sector support					
Administered payment	1.5	-	(700)	(3,700)	(2,100)

**Table 1.2: Entity 2020-21 Budget measures
Measures announced after the Economic and Fiscal Update July 2020 (continued)**

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	
Payment measures					
Strengthening Australia's Foreign Investment Framework (b)					
Departmental payment	1.1	9,052	10,429	2,654	2,155
Superannuation Reform (c)					
Departmental payment	1.1	18,377	21,463	12,297	7,171
Treasury Portfolio — additional funding					
Departmental payment	1.1	256,151	32,933	15,975	823
Total		16,967,294	3,340,583	672,751	364,573
Total payment measures					
Administered		16,604,976	3,143,982	559,041	318,195
Departmental		470,656	261,591	130,075	52,457
Total		16,967,294	3,340,583	672,751	364,573

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 \$1.4 million in 2020-21.

(b) This measure includes capital funding for the ATO of \$12.2 million over the Budget and forward years.

(c) This measure includes capital funding for the ATO of \$21.0 million over the Budget and forward years.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the 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

Changes to program structure

The ATO has one additional administered program, Administered Program 1.19 Economic response to the coronavirus, in its structure for 2019-20 and 2020-21. This incorporates the ATO administered measures designed to support individuals, businesses and other entities during the economic downturn associated with COVID-19.

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

Linked programs

<p>Australian Criminal Intelligence Commission</p> <hr style="border-top: 1px dotted black;"/> <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>
<p>Australian Financial Security Authority</p> <hr style="border-top: 1px dotted black;"/> <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>
<p>Australian Securities and Investments Commission</p> <hr style="border-top: 1px dotted black;"/> <p>Program 1.1 – Australian Securities and Investment Commission</p> <p>Contribution to Outcome 1 made by linked programs</p> <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
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.
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
The Department of Education, Skills and Employment and Training exchanges information with the ATO in relation to the Higher Education Loans Program and Trade Support Loans.
Department of Agriculture, Water and the Environment
Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants
Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions
Contribution to Outcome 1 made by linked programs
The Department of Agriculture, Water and the Environment (DAWE) works with the Australian Taxation Office in the following ways:
<ul style="list-style-type: none">• ATO administers 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.• DAWE shares information with the ATO to confirm trees meet certain conditions when a taxpayer claims a deduction under the Carbon Sink Forest measure.

<p>Services Australia</p> <hr/> <p>Program 1.1 – Services to the Community – Social Security and Welfare Program 1.2 – Services to the Community – Health Program 1.3 – Child Support</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>
<p>Department of Home Affairs</p> <hr/> <p>Program 3.1 – 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> <hr/> <p>Program 1.1 – Investing in science, technology and commercialisation 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, Innovation and Science 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> <hr/> <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 also exchanges information and provides advice to the ATO relating to foreign investment applications (within the constraints of the relevant legislative provisions on protected information).</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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,595	7,915	4,682	2,741	295
Administered total	2,595	7,915	4,682	2,741	295
Departmental expenses					
Departmental appropriation	3,299,093	3,704,605	3,463,641	3,254,132	2,739,901
s74 External Revenue (a)	119,233	133,524	166,013	153,896	156,909
Expenses not requiring appropriation in the Budget year (b)	221,159	209,507	199,258	196,105	183,136
Departmental total	3,639,485	4,047,636	3,828,912	3,604,133	3,079,946
Total expenses for program 1.1	3,642,080	4,055,551	3,833,594	3,606,874	3,080,241
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	20,116	22,954	20,799	19,423	19,479
Departmental total	20,116	22,954	20,799	19,423	19,479
Total expenses for program 1.2	20,116	22,954	20,799	19,423	19,479
Program 1.3: Australian Business Register					
Departmental expenses					
Departmental appropriation	127,438	137,852	137,290	137,413	137,947
Departmental total	127,438	137,852	137,290	137,413	137,947
Total expenses for program 1.3	127,438	137,852	137,290	137,413	137,947
Program 1.4: Australian Charities and Not-for-profit Commission					
Departmental expenses					
Special accounts					
Australian Charities and Not-for-profits Commission Special Accounts	14,615	19,766	18,634	18,454	17,300
Departmental total	14,615	19,766	18,634	18,454	17,300
Total expenses for program 1.4	14,615	19,766	18,634	18,454	17,300

(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 other resources received free of charge.

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: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.5: Australian Screen Production Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>					
	292,804	420,000	467,600	423,300	453,300
Administered total	292,804	420,000	467,600	423,300	453,300
Total expenses for program 1.5	292,804	420,000	467,600	423,300	453,300
Program 1.6: Junior Minerals Exploration Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>					
	26,113	27,200	-	-	-
Administered total	26,113	27,200	-	-	-
Total expenses for program 1.6	26,113	27,200	-	-	-
Program 1.7: Fuel Tax Credit Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>					
	7,343,276	7,838,000	7,925,000	8,380,000	8,947,000
Administered total	7,343,276	7,838,000	7,925,000	8,380,000	8,947,000
Total expenses for program 1.7	7,343,276	7,838,000	7,925,000	8,380,000	8,947,000
Program 1.8: National Rental Affordability Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>					
	138,909	198,203	152,606	124,022	90,518
Administered total	138,909	198,203	152,606	124,022	90,518
Total expenses for program 1.8	138,909	198,203	152,606	124,022	90,518
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special Appropriations					
<i>Product Grants and Benefits Administration Act 2000 - product stewardship (oil) benefits</i>					
	99,464	84,800	77,000	78,000	78,000
Administered total	99,464	84,800	77,000	78,000	78,000
Total expenses for program 1.9	99,464	84,800	77,000	78,000	78,000

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: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.10: Research & Development Tax Incentive					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>	2,232,270	2,463,753	2,456,866	2,585,123	2,854,969
Administered total	2,232,270	2,463,753	2,456,866	2,585,123	2,854,969
Total expenses for program 1.10	2,232,270	2,463,753	2,456,866	2,585,123	2,854,969
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	740,158	728,000	752,000	772,000	786,000
Administered total	740,158	728,000	752,000	772,000	786,000
Total expenses for program 1.11	740,158	728,000	752,000	772,000	786,000
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>	231,533	240,000	251,000	257,000	264,000
Administered total	231,533	240,000	251,000	257,000	264,000
Total expenses for program 1.12	231,533	240,000	251,000	257,000	264,000
Program 1.13: Superannuation Co-contribution Scheme					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>	102,994	127,000	124,000	124,000	117,000
Administered total	102,994	127,000	124,000	124,000	117,000
Total expenses for program 1.13	102,994	127,000	124,000	124,000	117,000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special Appropriations <i>Taxation Administration Act 1953- section 16 (Non-refund items)</i>	746,483	428,000	396,000	426,000	461,000
Administered total	746,483	428,000	396,000	426,000	461,000
Total expenses for program 1.14	746,483	428,000	396,000	426,000	461,000

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: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.15: Targeted assistance through the taxation system					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953</i>					
<i>- section 16 (Non-refund items)</i>					
	(30,549)	24,000	14,000	8,000	7,000
Administered total	(30,549)	24,000	14,000	8,000	7,000
Total expenses for program 1.15	(30,549)	24,000	14,000	8,000	7,000
Program 1.16: Interest on Overpayment and Early Payments					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953-</i>					
<i>section 16 (Non-refund items)</i>					
	119,276	80,000	100,000	100,000	100,000
Administered total	119,276	80,000	100,000	100,000	100,000
Total expenses for program 1.16	119,276	80,000	100,000	100,000	100,000
Program 1.17: Bad & Doubtful Debts & Remissions					
Administered expenses					
Expenses not requiring appropriation in the budget year (b)					
	8,150,123	6,655,000	7,183,000	7,455,000	7,687,000
Administered total	8,150,123	6,655,000	7,183,000	7,455,000	7,687,000
Total expenses for program 1.17	8,150,123	6,655,000	7,183,000	7,455,000	7,687,000
Program 1.18: Seafarer Tax Offset					
Administered expenses					
Seafarer Tax Offset					
	9,204	9,000	9,000	9,000	9,000
Administered total	9,204	9,000	9,000	9,000	9,000
Total expenses for program 1.18	9,204	9,000	9,000	9,000	9,000
Program 1.19: Economic Response to the Coronavirus					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953-</i>					
<i>section 16</i>					
<i>Boosting cash flow for employers</i>					
	23,619,777	11,886,025	-	-	-
<i>JobKeeper Payment</i>					
	31,558,887	69,741,000	-	-	-
<i>Hiring Credit</i>					
	-	850,000	2,900,000	250,000	-
Administered total	55,178,664	82,477,025	2,900,000	250,000	-
Total expenses for program 1.19	55,178,664	82,477,025	2,900,000	250,000	-

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: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,595	7,915	4,682	2,741	295
Special appropriations	67,230,59	95,144,981	15,625,07	13,536,44	14,167,78
Expenses not requiring appropriation in the Budget year (b)	8,150,123	6,655,000	7,183,000	7,455,000	7,687,000
Administered total	75,383,31	101,807,89	22,812,75	20,994,18	21,855,08
Departmental expenses					
Departmental appropriation	3,446,646	3,865,411	3,621,730	3,410,968	2,897,327
s74 External Revenue (a)	119,233	133,524	166,013	153,896	156,909
Special appropriations					
Special accounts	14,615	19,766	18,634	18,454	17,300
Expenses not requiring appropriation in the Budget year (b)	221,159	209,507	199,258	196,105	183,136
Departmental total	3,801,653	4,228,208	4,005,635	3,779,423	3,254,672
Total expenses for Outcome 1	79,184,97	106,036,10	26,818,38	24,773,60	25,109,75
Average staffing level					
	2019-20 16,873	2020-21 18,368			

(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 other resources received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Table 2.2 generally presents the 2019-20 performance results by referring to the Annual Performance Statement contained within the 2019-20 ATO annual report. The annual report will be released in October 2020. Many of the results depend upon 2019-20 financial statement actual outcomes, whereas this document uses estimated actual outcomes.

Outcome 1 - Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.	
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.	
Delivery	The ATO will deliver their objective by: <ul style="list-style-type: none"> • collecting revenue; • making it easy for the community to understand and comply with obligations; • administering the goods and services tax on behalf of the Australian States and Territories; and • administering major aspects of Australia's superannuation system.
Purposes	The ATO contributes to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems. We achieve this by: <ul style="list-style-type: none"> • building trust and confidence • being streamlined, integrated and data driven
Performance information 2019-20 and beyond	
Performance criteria	Targets
Confidence — Community confidence in the ATO	Result (2019-20): see annual performance statement Target 2020-21: 65/100 Target 2021-22 and beyond: As per 2020-21

Australian Taxation Office Budget Statements

Performance information 2019-20 and beyond	
Performance criteria	Targets
Registration — Proportion of companies and individuals registered in the system	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation system are registered on the ATO client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Lodgement — Proportion of activity statements and income tax returns lodged on time	<p>Result (2019-20): see annual performance statement</p> <p>Target: 2020-21: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Payment — Proportion of liabilities paid on time by value	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 88%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Correct reporting – Tax gap as a proportion of revenue	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 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 2021-22 and beyond: As per 2020-21</p>
Debt — Ratio of collectable debt to net tax collections	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Below 5.5%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

Australian Taxation Office Budget Statements

Performance information 2019-20 and beyond	
Performance criteria	Targets
Total revenue effects — Tax revenue from all compliance activities	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: \$15 billion</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
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	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 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.</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Influence — Government and Treasury perceptions of the ATO and the quality of our advice	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Good</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Compliance cost — Adjusted median cost to individual taxpayers of managing their tax affairs	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Remain steady</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Working together — Partner perceptions of how the ATO is working together with them to administer the tax and superannuation system	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Equal to or better than the 2018-19 result</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Digital — Proportion of inbound transactions received digitally for key services	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 90%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

Australian Taxation Office Budget Statements

Performance information 2019-20 and beyond	
Performance criteria	Targets
Availability — Key digital systems availability	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 99.5% (excluding planned outages)</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Culture — Level of employee engagement	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Equal or better than the average result for large agencies</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Gender equality — Female representation in the senior executive service (SES) and executive level (EL) classifications	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Approx. 50% of SES and approx. 50% of EL staff</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Indigenous representation — Proportion of ATO staff who identify as Indigenous	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 2.5%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Staff experience – Employee perceptions around whether they have access to the tools and resources needed to perform well	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Equal or better than the average result for large agencies</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
<p>Tax returns – Proportion of items that are pre-filled</p> <p>Tax returns – Proportion of pre-filled data items unchanged</p> <p>(Note: change to measure name for 2020-21.)</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 85%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

Australian Taxation Office Budget Statements

Performance information 2019-20 and beyond	
Performance criteria	Targets
Budget — ATO manages its operating budget to balance	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: +/-0.6% of budget allocation</p> <p>Target 2021-22 and beyond: As per 2020-21</p>
Cost of collection - Cost to collect \$100	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Consistent with trend</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.2 – Tax Practitioners Board (TPB)</p> <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, business activity statement (BAS) agents and tax (financial) advisers.</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>	
<p>Delivery</p>	<p>The TPB has five overarching strategies to deliver its program:</p> <ul style="list-style-type: none"> • Client Services will provide confidence to consumers of tax practitioner services by ensuring that registered tax practitioners meet and maintain the necessary competence and personal attributes for the tax practitioner profession. • Technology will support business outcomes with digital and IT solutions for clients and staff, including improved data analytics. • Investigations and Enforcement unit will implement data-driven compliance activities that focus on the highest risk and unregistered tax practitioners. • Law and Policy will manage our litigation work program, develop policy and guidance, and work closely with Treasury to develop and implement the legislative changes that are expected to arise from the TASA review. • Corporate Services will implement and provide a complete and uniform governance framework that includes budgeting, people management, planning, risk assessment, communication, change management, and corporate strategy.
<p>Purpose (a)</p>	<p>The TPB seeks to protect consumers of taxation services by regulating tax practitioners in a fair, consistent and practical way, thereby strengthening the integrity of the tax practitioner profession by:</p> <ol style="list-style-type: none"> 1. Protect consumers of tax practitioner services 2. Enhance the integrity of the registered tax practitioner profession 3. Implement the government's reform program

Australian Taxation Office Budget Statements

Performance information 2019-20	
Performance criteria	Targets
Supporting consumers	
<p>Educate consumers of their rights when using registered tax practitioners. (Our consumer awareness messaging*)</p> <p>An effective public register that is readily accessible**</p>	<ul style="list-style-type: none"> • Majority of feedback on usefulness of TPB website content, communications and education initiatives is positive. • Result: The TPB has reached and educated the broader public awareness of its role by using community education activities. • A register that is current and contemporary. • Result: The public register has remained available throughout the 19-20 year and we have made a number of improvements.
Supporting the legal and ethical standards of the professions	
<p>All practitioner applications are processed in a timely manner to reduce delays for tax practitioners. (All practitioner applications are processed in a timely manner*)</p> <p>Guidance and advice to tax practitioners on their rights and obligations**</p>	<ul style="list-style-type: none"> • All new and renewal applications are processed within service standards. • Result: Target not met due to multiple factors impacting on our resources, including natural disasters and COVID-19. • Our influence on reform and the usefulness of our advice and guidance • Result: Survey results indicated that a majority of Tax and BAS agents believe the TPB provides the right type, amount and frequency of information.

Performance information 2019-20	
Performance criteria	Targets
Acting on misconduct	
<p>Build on voluntary compliance as a result of our investigations and enforcement campaigns</p> <p>Our complaints resolution mechanism**</p> <p>Targeting highest risks with investigations and compliance programs**</p> <p>Strategic litigation program to clarify law, support just outcomes and deter poor conduct**</p>	<ul style="list-style-type: none"> • Increase in voluntary practitioner compliance. • Result: The TPB has driven voluntary compliance through its strategy of targeting the highest risk practitioners with investigations programs. • Complaints are handled effectively. • Result: Complaints are risk assessed to determine the most appropriate treatment, with more serious complaints escalated. • Using data and intelligence to target high risk practitioners. • Result: Data and intelligence enabled the TPB to detect the highest risk practitioners and present cases to the Board Conduct Committee. • Litigation cases that clarify the law and support TPB's strategic objectives. • Result: Administrative Appeals Tribunal and Federal Court results highlighted the importance of the Board's objectives and provided law clarification.
Shaping and influencing law and policy	
<p>Work with Government and Treasury on statutory reform. (Work with Government on statutory reform*)</p>	<ul style="list-style-type: none"> • Treasury considers submissions from the TPB and works collaboratively with the TPB on any new law design. • Result: The TPB has worked closely with Treasury in the review of the TPB throughout the year.

Australian Taxation Office Budget Statements

Performance information 2019-20	
Performance criteria	Targets
Strengthening capability	
<p>Ensure TPB is appropriately supported by a flexible, agile and capable workforce and information technology systems</p> <p>Our employee engagement census results**</p> <p>Board evaluation and stakeholder feedback**</p>	<p>Internal TPB digital systems and services are available a majority of the time</p> <ul style="list-style-type: none"> • Result: This target has not been reported against as it did not form the final suite of performance measures for 19/20. • Our APS Census results • Result: Our positive results in senior leadership, staff satisfaction and our staff's willingness to 'work beyond what is required to help my agency achieve its objectives' demonstrate the dedication of our staff to make the TPB an efficient and effective regulator. • Feedback received on our governance arrangements and stakeholder commentary. • Result: The TPB is supported and monitored by a number of internal and external stakeholders.
<p>Material changes to 19/20 Performance Measures and its targets:</p> <p>*New titles for previously reported performance measures which have since been modified.</p> <p>**Additional performance measures produced after the 19/20 PBS was originally published. These adjustments are taken from the 19/20 Corporate Plan, which was not available to be provided in the original PBS published in early-mid 2019.</p>	

Australian Taxation Office Budget Statements

Performance information 2020-21 and beyond	
Performance criteria	Targets
Protect consumers of tax practitioner services	
Support consumers through targeted communications that raise awareness of consumer rights and tax professionals' obligations	Effective communication is used to highlight risk, protect consumers and educate the profession.
Deliver a complaints resolution framework that supports consumer protection	Complaints are handled effectively.
Manage an effective public register that is readily accessible	The TPB Register is current and contemporary.
Enhance the integrity of the registered tax practitioner profession	
Provide guidance and advice to tax practitioners on their eligibility and obligations	<ul style="list-style-type: none"> • Useful advice and guidance are provided. • Processing of all tax practitioner applications is timely.
Target the highest risk tax practitioners with investigations and compliance programs	Data and intelligence target the highest risk tax practitioners.
Implement a strategic litigation program to clarify the law, support just outcomes and deter poor conduct	Litigation cases that clarify the law and support TPB's goals.
Implement the government's reform program	
Work with government to design and implement statutory reform	The TPB influences legislative reform.
Ensure the public is confident to use tax practitioner services	The Australian public continue to show high levels of trust and satisfaction with tax practitioners
Be an effective and efficient regulator	The TPB is recognised as an efficient and effective regulator.

<p>Program 1.3 — Australian Business Register</p> <p>The Commissioner of Taxation is also the Registrar of the Australian Business Register (ABR). The Registrar has separate and distinct responsibilities as outlined in section 28 of the <i>A New Tax System (Australian Business Number) Act 1999</i>.</p> <p>The ABR program contributes to micro-economic reform initiatives as the custodian of trusted business information and provider of associated services used by businesses, government and communities to unlock economic and social value for Australia.</p> <p>The ABR program encompasses:</p> <ul style="list-style-type: none"> • the Register, which is a trusted national business dataset and business registry services • Standard Business Reporting, which defines a common language for business information and standards for digital information exchange and sharing with businesses and government 	
Delivery	<p>The ABR program works with Government, Digital Service Providers, the business community and other key stakeholders to support a fairer business environment that fosters greater economic growth and job creation. This will be achieved through increased use of a trusted national business dataset and use of consistent information exchange standards.</p>
Purpose	<p>The ABR program contributes to improving national productivity by:</p> <ul style="list-style-type: none"> • delivering effective and efficient business registry services that provide trusted and accessible national business data • encourage trust and confidence in the broader use of national business data, by the community, businesses and government to promote the development of new and better services for businesses, using the ABN as a key identifier • reducing the administrative cost to businesses in their dealings with other businesses and government.

Australian Taxation Office Budget Statements

Performance information 2019-20 and beyond	
Performance criteria	Targets
Increased use of the ABR as the national business dataset	<p>Result (2019-20): see annual performance statement</p> <p><u>Target 2020-21:</u> ABR Explorer — 400 ABR Connect — 16 ABN Lookup — 1.5 billion</p> <p><u>Target 2021-22:</u> ABR Explorer — 420 ABR Connect — 18 ABN Lookup — 1.8 billion</p> <p><u>Target 2022-23:</u> Asper 2021-22</p> <p><u>Target 2023-24:</u> Asper 2021-22</p>
Reduction in the administrative cost to businesses and government in dealing with each other	<p>Result (2019-20): see annual performance statement</p> <p><u>Target 2020-21:</u> Total — \$1.98 billion</p> <p><u>Target 2021-22:</u> Total — \$2.00 billion</p> <p><u>Target 2022-23:</u> Asper 2021-22</p> <p><u>Target 2023-24:</u> Asper 2021-22</p>

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 <i>Australian Charities and Not-for-profits Commission Act 2012</i> (Cth) (ACNC Act), the <i>Charities Act 2013</i> (Cth) (the Charities Act) and accompanying regulations.</p>		
Performance information		
Year	Performance criteria (a)	Targets
Delivery	<p>The ACNC effectively manage a regulatory system for the Australian charitable sector by:</p> <ul style="list-style-type: none"> • registering eligible not-for-profit entities as charities in accordance with the ACNC Act and the Charities Act. • providing information, guidance and advice about good governance practices and to assist charities to meet their obligations to maintain charity registration. • assess concerns raised about registered charities, investigate where appropriate and initiate compliance action against charities that contravene the ACNC Act, the Charities Act, Governance Standards or External Conduct Standards. • working with other Government agencies (Commonwealth, state and territory) to reduce unnecessary regulation on charities and align regulatory obligations through various mechanisms, including the ACNC's Charity Passport. 	
Purposes (b)	<p>The ACNC has the following objects (included in the ACNC Act) which contribute to a charity sector that inspires confidence and respect. The objects are:</p> <ul style="list-style-type: none"> • to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector; • to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector; • to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector. 	
2019-20	Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector	
	<p>New charities are registered and included on the Charity Register and charities identified as being ineligible to be registered are revoked and removed from the Charity Register</p>	<p>Target:</p> <ul style="list-style-type: none"> • Meet published service standards for processing registration applications and finalising investigations <p>Forecast:</p> <p>The ACNC expects this target will be partially met at 30 June 2020:</p> <ul style="list-style-type: none"> • Target will be met for registration application processing. • Target will be partially met for finalising investigations.
	<p>Registered charities meet their obligations to lodge an Annual Information Statement (AIS) and where applicable, an Annual Financial Report (AFR)</p>	<p>Target:</p> <ol style="list-style-type: none"> 1. 75% of charities lodge their Annual Information Statement on time. 2. 100% of charities with two outstanding Annual Information Statements are removed from the register. <p>Forecast:</p> <ol style="list-style-type: none"> 1. The ACNC expects this target to be met at 30 June 2020. 2. The ACNC expects this target to be met at 30 June 2020.

Australian Taxation Office Budget Statements

Performance information		
Year	Performance criteria (a)	Targets
	ACNC operates in accordance with a clearly articulated risk framework and risk-based approach to charity registration, and compliance activities	<p>Target: Policies and business processes align with the ACNC's Regulatory Risk Framework and risk-based approach.</p> <p>Forecast: The ACNC expect this target to be met at 30 June 2020. Policy documents are regularly reviewed and updated to ensure alignment with the ACNC Regulatory Approach Statement.</p>
	Decisions are evidence based, consistent and transparent	<p>Target: Quality assurance processes demonstrate decisions align with the regulatory approach and are legally sound.</p> <p>Forecast: The ACNC expects this target to be met at 30 June 2020. Decisions are regularly reviewed to ensure they are legally sound and in alignment with the ACNC Regulatory Approach Statement.</p>
	Information provided by charities in the AIS and where applicable, AFR, is examined for accuracy	<p>Target: Develop, publish on the website and implement a data integrity strategy for each AIS detailing the risk-based approach to confirming accuracy of reporting.</p> <p>Forecast: The ACNC expects this target to be met by 30 June 2020. Review of AFRs to assess compliance with the ACNC's reporting requirements are progressing as per the established review schedule.</p>

Australian Taxation Office Budget Statements

Performance information		
Year	Performance criteria (a)	Targets
2019-20	Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
	The ACNC will publish data against the criteria that have been determined to measure the characteristics referred to in Object 2 of the ACNC Act	<p>Target: Publicly available data about these measures is up to date and available on data.gov.au.</p> <p>Forecast: The ACNC expects this measure to be met at 30 June 2020.</p>
	Information, guidance and advice provided to charities to help them understand their obligations and support good governance is timely accurate and accessible	<p>Targets: Enquiries are responded to according to the published service standards and quality assurance reviews of advice provided by staff meet a 75% or higher rating.</p> <p>Forecast: The ACNC expects this target to be partially met at 30 June 2020.</p>
2019-20	Data about charities collected by the ACNC is made available to the public in an accessible format	<p>Targets:</p> <ol style="list-style-type: none"> 1. Publicly available data about registered charities is up to date and available on data.gov.au. 2. The charity register is redesigned to better present data to inform donor decision making. <p>Forecast: The ACNC expects this target to be met at 30 June 2020.</p> <ol style="list-style-type: none"> 1. Publicly available data about registered charities has been made available on data.gov.au. 2. The ACNC is continuing a project to collect new information about the programs charities conduct. Once collected, this information will be accessible to government and the public.
	Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
	Reduce unnecessary regulation for charities by simplifying and streamlining reporting	<p>Target: The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities.</p> <p>Forecast: The ACNC's 2018-19 assessment against the Regulatory Performance Framework (RPF) was rated as 'very good, with minor room for improvement.</p>

Performance information		
Year	Performance criteria (a)	Targets
2020-21	Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector	
	Percentage of new charity registrations completed within agreed timeframes	90%
	Percentage of charities complying with timeliness of Annual Information Statement submission requirements	75%
	Percentage of investigations finalised within 12 months	75%
2020-21	Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
	The ACNC will collect new information, about the programs charities conduct, using a consistent taxonomy classification, where they conduct those programs and who those programs will benefit. Once collected, this information will be accessible to government and the public.	Launch of enhanced charities register.
	Percentage of time phone calls are answered within 4 minutes.	80%
	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	Information and guidance materials reviewed and updated or published for the first time as required
2020-21	Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
	Reduce unnecessary regulation for charities by simplifying and streamlining reporting	The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities
2021-22 and beyond	As per 2020-21	As per 2020-21

Australian Taxation Office Budget Statements

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.	
Delivery	Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the taxation and superannuation systems.
Purpose	The ATO contributes to the economic and social wellbeing of Australians through governing a range of programs that result in transfers and benefits back to the community.

Program 1.5 — Australian Screen Production Incentive	
<p>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.</p> <p>The Ministry 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 Ministry for the Arts has responsibility for the Location and PDV Offset. The ATO conducts verification and reconciliation with the certificates provided by the government agencies before the offset is paid to the taxpayer.</p>	
Performance information 2019-20 and beyond	
Performance criteria	Targets
Value of tax offsets processed	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

Program 1.6 — Junior Minerals Exploration Incentive	
<p>The Junior Minerals Exploration Incentive will allow small mineral exploration companies with no taxable income to provide exploration credits, paid as a refundable tax offset, to their Australian resident shareholders for greenfield mineral exploration.</p>	
Performance information 2019-20 and beyond	
Performance criteria	Targets
<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>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 100% notifications issued within 28 calendar days of the application period closing</p> <p>Target 2021-22: The program ends in 2020-21</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>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Within 56 calendar days of the application period closing</p> <p>Target 2021-22: The program ends in 2020-21</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. 	
Performance information 2019-20 and beyond	
Performance criteria	Targets
<p>Value of claims</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.8 — National Rental Affordability Scheme</p> <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. 	
<p>Performance information 2019-20 and beyond</p>	
Performance criteria	Targets
Value of tax offsets processed	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.9 — Product Stewardship for Oil</p> <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.</p> <p>The Department of the Environment and Energy has policy responsibility for the program, with the ATO administering the program on its behalf.</p>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of revenue collected</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>
<p>Value of payments processed</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>

Australian Taxation Office Budget Statements

Program 1.10 — Research and Development Tax Incentive	
<p>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.</p> <p>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.</p> <p>The ATO has an important supporting role in processing claims through the tax system for the R&D offset.</p>	
Performance information 2019-20 and beyond	
Performance criteria	Targets
Value of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>
Value of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>
Number of claims processed for companies claiming the non-refundable research and development tax offset (38.5% of notional R&D deductions)	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>
Number of claims processed for companies claiming the refundable research and development tax offset (43.5% of notional R&D deductions)	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>
Proportion of offsets processed within service standard timeframes	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>

<p>Program 1.11 — Low Income Superannuation Tax Offset</p> <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>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of entitlements paid</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>

<p>Program 1.12 — Private Health Insurance Rebate</p> <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>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of rebates processed</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>

<p>Program 1.13 — Superannuation Co-contribution Scheme</p> <p>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.</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 marketing and education services.</p>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of entitlements paid</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2021-22 and beyond: as per 2020-21</p>

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>	
Performance information 2019-20 and beyond	
Performance criteria	Targets
Superannuation guarantee gap as a proportion of superannuation guarantee contributions	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>2021-22 and beyond: as per 2020-21</p>
<p>Value of superannuation guarantee charge:</p> <ul style="list-style-type: none"> • raised (including penalties and interest) • collected 	<p>Result (2019-20): see annual performance statement</p> <p><u>Raised</u></p> <p>Target 2020-21: \$1,020 million Target 2021-22: \$851 million Target 2022-23: \$899 million Target 2023-24: \$971 million</p> <p><u>Collected</u></p> <p>Target 2020-21: \$516 million Target 2021-22: \$472 million Target 2022-23: \$494 million Target 2023-24: \$537 million</p>
Value of superannuation guarantee entitlements distributed to individuals or superannuation funds	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: \$485 million Target 2021-22: \$439 million Target 2022-23: \$460 million Target 2023-24: \$499 million</p>
Value of superannuation guarantee debt on hand and the amount of superannuation guarantee debt irrecoverable at law or uneconomical to pursue	<p>Result (2019-20): see annual performance statement</p> <p><u>Debt on hand:</u></p> <p>Target 2020-21: \$2,800 million Target 2021-22: \$2,900 million Target 2022-23: \$3,100 million Target 2023-24: \$3,300 million</p> <p><u>Irrecoverable at law or uneconomical to pursue:</u></p> <p>Target 2020-21: \$203 million Target 2021-22: \$211 million Target 2022-23: \$217 million Target 2023-24: \$224 million</p>

<p>Program 1.15 — Targeted Assistance Through the Taxation System</p> <p>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.</p> <p>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.</p>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of interest payments processed</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.16 — Interest on Overpayment and Early Payments of Tax</p> <p>The objective of the program is to apply credit interest to taxpayers' accounts where they are entitled under the law.</p> <p>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:</p> <ul style="list-style-type: none"> • interest on overpayments of tax; • delayed refund interest; and • interest on early payments of tax. 	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of credit interest applied to client accounts due to processing performance</p> <p>Value of credit interest applied to client accounts (Note: change to measure name for 2020-21.)</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.17 — Bad and Doubtful Debts and Remissions</p> <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>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Proportion of total tax receivables unlikely to be collected (provision)</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: Below 35%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.18 — Seafarer Tax Offset</p> <p>The Seafarer Tax Offset commenced from 1 July 2012 and is designed to stimulate employment opportunities for Australian seafarers to gain maritime skills. The offset will provide a refundable tax offset for qualifying companies employing eligible 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>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Seafarer Tax Offset</p>	
<p>Eligible taxpayers are aware of how to claim the offset</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: 100%</p> <p>Target 2021-22 and beyond: As per 2020-21</p>

<p>Program 1.19 — Economic Response to the Coronavirus</p> <p>The objective of the program is to support taxpayers and businesses through the coronavirus (COVID-19) pandemic. The JobKeeper Payment scheme is a temporary subsidy for businesses significantly affected by coronavirus (COVID-19). Eligible employers, sole traders and other entities can apply to receive up to \$1,500 per eligible employee per fortnight. 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. Boosting cash flow for employers provides temporary cash flow boosts to support small and medium businesses and not-for-profit organizations during the economic downturn associated with COVID-19.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program.</p>	
<p>Performance information 2019-20 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of JobKeeper paid</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: Not applicable (the program ends in 2020-21)</p>
<p>Value of Hiring credit paid</p>	<p>Result (2019-20): not applicable</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: The ATO aims to administer the program in accordance with the law</p>
<p>Value of Cash flow boost paid</p>	<p>Result (2019-20): see annual performance statement</p> <p>Target 2020-21: The ATO aims to administer the program in accordance with the law</p> <p>Target 2021-22 and beyond: Not applicable (the program ends in 2020-21)</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental comprehensive income statement (Table 3.1)

The ATO's total operating revenue for 2020-21 is estimated at \$4.0 billion while expenditure is estimated to be \$4.2 billion, inclusive of unfunded depreciation. These budgeted amounts have increased since the 2019-20 Additional estimates mainly due to new Budget measure funding to support the Government's economic response to the coronavirus.

Departmental balance sheet (Table 3.2)

ATO's net assets as at 30 June 2021 is expected to be \$226.5 million. Net assets have increased by \$199.9 million since 2019-20 Additional Estimates mainly due to increases in expected asset additions and reductions in lease liabilities.

Departmental capital budget statement (Table 3.5)

Total capital appropriations in 2020-21 have increased by \$109.3 million since the 2019-20 Additional Estimates, as a result of new capital measures.

Total purchase of non-financial assets in 2020-21 have increased by \$156.3 million since the 2019-20 Additional Estimates, primarily due to new capital measures and the movement of prior year capital expenditure.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	1,963,803	2,109,573	2,151,521	2,153,899	1,924,496
Suppliers	1,424,259	1,690,090	1,423,271	1,186,339	901,666
Depreciation and amortisation	394,537	415,853	419,213	422,488	409,890
Finance costs	13,688	12,692	11,630	16,697	18,620
Write-down and impairment of assets	4,753	-	-	-	-
Other expenses	613	-	-	-	-
Total expenses	3,801,653	4,228,208	4,005,635	3,779,423	3,254,672
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	89,016	105,819	125,058	131,095	137,581
Sublease income	16,466	17,972	17,820	14,475	11,002
Sublease interest income	393	326	326	326	326
Other	15,210	9,407	22,809	8,000	8,000
Total own-source revenue	121,085	133,524	166,013	153,896	156,909
Gains					
Other	1,869	3,000	3,000	3,000	3,000
Total gains	1,869	3,000	3,000	3,000	3,000
Total own-source income	122,954	136,524	169,013	156,896	159,909
Net (cost of)/contribution by services	(3,678,699)	(4,091,684)	(3,836,622)	(3,622,527)	(3,094,763)
Revenue from Government	3,461,261	3,885,177	3,640,364	3,429,422	2,914,627
Surplus/(deficit) attributable to the Australian Government	(217,438)	(206,507)	(196,258)	(193,105)	(180,136)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(84)	-	-	-	-
Total other comprehensive income	(84)	-	-	-	-
Total comprehensive income/(loss)	(217,522)	(206,507)	(196,258)	(193,105)	(180,136)
Total comprehensive income/(loss) attributable to the Australian Government	(217,522)	(206,507)	(196,258)	(193,105)	(180,136)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(22,761)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	181,243	190,711	189,284	179,085	168,067
less: depreciation/amortisation expenses for ROU assets (b)	218,047	225,142	229,929	243,403	241,823
add: Principal repayments on leased assets (b)	204,529	209,346	222,955	229,383	229,754
Total comprehensive income/(loss) - as per the statement of comprehensive income	(217,522)	(206,507)	(196,258)	(193,105)	(180,136)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	36,126	36,184	36,243	36,243	36,243
Trade and other receivables	543,066	468,490	469,306	479,224	479,224
Total financial assets	579,192	504,674	505,549	515,467	515,467
Non-financial assets					
Land and buildings	1,268,027	1,103,931	1,165,137	1,454,607	1,362,749
Property, plant and equipment	46,644	51,398	53,132	53,630	46,840
Intangibles	501,449	598,121	585,836	558,931	537,478
Other non-financial assets	53,324	4,524	5,024	5,528	5,528
Total non-financial assets	1,869,444	1,757,974	1,809,129	2,072,696	1,952,595
Total assets	2,448,636	2,262,648	2,314,678	2,588,163	2,468,062
LIABILITIES					
Payables					
Suppliers	284,870	241,324	243,414	245,518	245,518
Personal benefits	34,359	39,987	46,412	54,730	54,730
Other payables	3,453	3,454	3,459	3,459	3,459
Total payables	322,682	284,765	293,285	303,707	303,707
Interest bearing liabilities					
Leases	1,172,963	1,014,059	1,059,551	1,377,658	1,313,932
Total interest bearing liabilities	1,172,963	1,014,059	1,059,551	1,377,658	1,313,932
Provisions					
Employee provisions	752,319	727,857	727,916	727,916	727,916
Other provisions	12,505	9,439	6,271	6,271	6,271
Total provisions	764,824	737,296	734,187	734,187	734,187
Total liabilities	2,260,469	2,036,120	2,087,023	2,415,552	2,351,826
Net assets	188,167	226,528	227,655	172,611	116,236
EQUITY*					
Parent entity interest					
Contributed equity	1,897,779	2,142,671	2,340,056	2,478,117	2,601,878
Reserves	123,183	122,807	122,807	122,807	122,807
Retained surplus (accumulated deficit)	(1,832,795)	(2,038,950)	(2,235,208)	(2,428,313)	(2,608,449)
Total equity	188,167	226,528	227,655	172,611	116,236

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 2020-21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(1,832,795)	123,183	-	1,897,779	188,167
Adjusted opening balance	(1,832,795)	123,183	-	1,897,779	188,167
Comprehensive income					
Surplus/(deficit) for the period	(206,507)	-	-	-	(206,507)
Total comprehensive income	(206,507)	-	-	-	(206,507)
of which:					
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	126,249	126,249
Departmental Capital Budget (DCB)	-	-	-	118,644	118,644
Total transactions with owners	-	-	-	244,893	244,893
Estimated closing balance as at 30 June 2021	(2,039,302)	123,183	-	2,142,672	226,553
Closing balance attributable to the Australian Government	(2,039,302)	123,183	-	2,142,672	226,553

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,377,561	3,964,865	3,640,364	3,418,485	2,914,627
Receipts from Government	290,901	-	-	-	-
Sale of goods and rendering of services	128,144	133,123	165,618	153,483	156,909
Net GST received	149,620	132,476	131,034	130,218	128,786
Total cash received	3,946,226	4,230,464	3,937,016	3,702,186	3,200,322
Cash used					
Employees	1,910,515	2,141,569	2,158,153	2,154,396	1,924,496
Suppliers	1,519,545	1,678,025	1,408,733	1,172,924	898,666
Borrowing costs	13,677	12,692	11,630	16,697	18,620
Net GST paid	-	130,902	131,450	128,786	128,786
s74 External Revenue transferred to the OPA	300,202	-	-	-	-
Total cash used	3,743,939	3,963,188	3,709,966	3,472,803	2,970,568
Net cash from/(used by) operating activities	202,287	267,276	227,050	229,383	229,754
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	139,498	302,765	201,421	138,061	123,761
Total cash used	139,498	302,765	201,421	138,061	123,761
Net cash from/(used by) investing activities	(139,498)	(302,765)	(201,421)	(138,061)	(123,761)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	132,498	244,893	197,385	138,061	123,761
Total cash received	132,498	244,893	197,385	138,061	123,761
Cash used					
Principal payments on lease liability	204,529	209,346	222,955	229,383	229,754
Total cash used	204,529	209,346	222,955	229,383	229,754
Net cash from/(used by) financing activities	(72,031)	35,547	(25,570)	(91,322)	(105,993)
Net increase/(decrease) in cash held	(9,242)	58	59	-	-
Cash and cash equivalents at the beginning of the reporting period	45,368	36,126	36,184	36,243	36,243
Cash and cash equivalents at the end of the reporting period	36,126	36,184	36,243	36,243	36,243

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget-Bill 1 (DCB)	117,737	118,644	119,867	121,024	119,051
Equity injections-Bill 2	76,607	126,249	77,518	17,037	4,710
Total new capital appropriations	194,344	244,893	197,385	138,061	123,761
<i>Provided for:</i>					
Purchase of non-financial assets	184,682	244,893	197,385	138,061	123,761
Other items	9,662	-	-	-	-
Total items	194,344	244,893	197,385	138,061	123,761
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	60,150	160,353	81,554	17,037	4,710
Funded by capital appropriation - DCB (b)	123,308	142,412	119,867	121,024	119,051
TOTAL	183,458	302,765	201,421	138,061	123,761
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	183,458	302,765	201,421	138,061	123,761
Total cash used to acquire assets	183,458	302,765	201,421	138,061	123,761

Prepared on Australian Accounting Standards basis.

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

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

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	192,079	61,951	1,839,111	2,093,141
Gross book value - ROU assets	1,331,979	8,667	-	1,340,646
Accumulated depreciation/ amortisation and impairment	(37,984)	(21,934)	(1,337,662)	(1,397,580)
Accumulated depreciation/amortisation and impairment - ROU assets	(218,047)	(2,040)	-	(220,087)
Opening net book balance	1,268,027	46,644	501,449	1,816,120
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	160,353	160,353
By purchase - appropriation ordinary annual services (b)	42,637	22,191	77,584	142,412
By purchase - appropriation ordinary annual services - ROU assets	50,421	-	-	50,421
Total additions	93,058	22,191	237,937	353,186
Other movements				
Depreciation/amortisation expense	(32,012)	(17,436)	(141,263)	(190,711)
Depreciation/amortisation on ROU assets	(225,142)	-	-	(225,142)
Total other movements	(257,154)	(17,436)	(141,263)	(415,853)
As at 30 June 2021				
Gross book value	234,716	84,142	2,077,048	2,395,906
Gross book value - ROU assets	1,382,400	8,667	-	1,391,067
Accumulated depreciation/ amortisation and impairment	(69,996)	(39,370)	(1,478,925)	(1,588,291)
Accumulated depreciation/amortisation and impairment - ROU assets	(443,189)	(2,040)	-	(445,229)
Closing net book balance	1,103,931	51,399	598,123	1,753,453

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Subsidies	65,320,704	93,517,981	13,988,072	11,849,445	12,432,787
Personal benefits	1,074,685	1,095,000	1,127,000	1,153,000	1,167,000
Penalty and interest charge remission expense	1,281,920	1,480,000	1,500,000	1,550,000	1,630,000
Write-down and impairment of assets	6,868,203	5,175,000	5,683,000	5,905,000	6,057,000
Interest on overpayments	119,276	80,000	100,000	100,000	100,000
Superannuation Guarantee Charge	746,483	428,000	396,000	426,000	461,000
Unclaimed superannuation monies interest	(30,549)	24,000	14,000	8,000	7,000
Other Expenses	2,595	7,915	4,682	2,741	295
Total expenses administered on behalf of Government	75,383,317	101,807,896	22,812,754	20,994,186	21,855,082
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	328,248,000	321,289,392	303,910,939	326,793,253	365,824,493
Indirect tax	90,075,578	87,330,000	92,910,000	98,830,000	104,020,000
Other taxes	2,936,800	2,783,400	2,800,200	2,903,300	3,024,400
Total taxation revenue	421,260,378	411,402,792	399,621,139	428,526,553	472,868,893
Non-taxation revenue					
Unclaimed Superannuation Monies	1,120,014	625,000	216,000	124,000	88,000
Other Revenue	62,120	16,408	16,416	17,016	20,031
Total non-taxation revenue	1,182,134	641,408	232,416	141,016	108,031
Total own-source revenue administered on behalf of Government	422,442,512	412,044,200	399,853,555	428,667,569	472,976,924
Net (cost of)/ contribution by services	(347,059,195)	(310,236,304)	(377,040,801)	(407,673,383)	(451,121,842)
Surplus/(deficit)	347,059,195	310,236,304	377,040,801	407,673,383	451,121,842

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	546,126	546,126	546,126	546,126	546,126
Total financial assets	546,126	546,126	546,126	546,126	546,126
Non-financial assets					
Taxation Receivables	34,769,903	36,755,903	39,168,903	41,572,903	43,877,903
Other Receivables	241,625	241,625	241,625	241,625	241,625
Accrued Revenues	12,303,242	13,743,242	14,338,242	15,013,242	15,753,242
Total non-financial assets	47,314,770	50,740,770	53,748,770	56,827,770	59,872,770
Total assets administered on behalf of Government	47,860,896	51,286,896	54,294,896	57,373,896	60,418,896
LIABILITIES					
Payables					
Subsidies	448,478	45,211	45,211	45,211	45,211
Personal benefits	8,281	8,281	8,281	8,281	8,281
Superannuation guarantee charge	43,290	43,290	43,290	43,290	43,290
Taxation refunds due	1,216,301	1,216,301	1,216,301	1,216,301	1,216,301
Superannuation holding account	78,472	78,472	95,272	111,272	125,972
Other payables	-	16,800	16,000	14,700	11,100
Total payables	1,794,823	1,408,356	1,424,356	1,439,056	1,450,156
Provisions					
Subsidies	23,231,000	4,393,148	3,847,267	3,870,946	4,199,810
Personal Benefits	1,167,000	1,167,000	1,194,000	1,224,000	1,242,000
Income Taxation refunds provided for	1,727,610	1,717,610	1,707,610	1,697,610	1,687,610
Indirect Taxation refunds provided for	184,203	184,203	184,203	184,203	184,203
Superannuation guarantee payments	777,650	780,650	777,650	802,650	829,650
Unclaimed superannuation payments	506,100	582,100	384,100	201,100	32,100
Targeted Assistance through the Taxation Program	36,501	46,501	46,501	38,501	28,501
Provision for interest on overpayments of taxes	18,975	18,975	18,975	18,975	18,975
Total provisions	27,649,039	8,890,187	8,160,306	8,037,985	8,222,849
Total liabilities administered on behalf of Government	29,443,861	10,298,543	9,584,662	9,477,041	9,673,005
Net assets/(liabilities)	18,417,035	40,988,353	44,710,234	47,896,855	50,745,891

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	404,896,013	401,526,792	389,450,139	417,982,553	462,126,893
Other	(413,145)	519,208	20,416	(27,284)	(49,869)
Total cash received	404,482,868	402,046,000	389,470,555	417,955,269	462,077,024
Cash used					
Subsidies paid	45,307,244	112,759,100	14,533,953	11,825,766	12,103,923
Personal benefits	1,059,691	1,095,000	1,100,000	1,123,000	1,149,000
Suppliers	2,739	7,915	4,682	2,741	295
Interest	122,681	80,000	100,000	100,000	100,000
Other	696,345	439,000	413,000	417,000	451,000
Total cash used	47,188,700	114,381,015	16,151,635	13,468,507	13,804,218
Net cash from/(used by) operating activities	357,294,168	287,664,985	373,318,920	404,486,762	448,272,806
Net increase/(decrease) in cash held	357,294,168	287,664,985	373,318,920	404,486,762	448,272,806
Cash and cash equivalents at beginning of reporting period	464,641	546,126	546,126	546,126	546,126
Cash from Official Public Account for:					
- Appropriations	161,346,732	114,513,815	16,285,635	13,604,307	13,944,118
- Special accounts	8,606	(1,000)	(600)	(800)	(3,400)
Total cash from Official Public Account	161,355,338	114,512,815	16,285,035	13,603,507	13,940,718
Cash to Official Public Account for:					
- Administered receipts	518,559,415	402,149,200	389,574,555	418,060,569	462,185,924
- Special accounts	8,606	28,600	29,400	29,700	27,600
Total cash to Official Public Account	518,568,021	402,177,800	389,603,955	418,090,269	462,213,524
Cash and cash equivalents at end of reporting period	546,126	546,126	546,126	546,126	546,126

Prepared on Australian Accounting Standards basis

COMMONWEALTH GRANTS COMMISSION

SECTION 1: ENTITY OVERVIEW AND RESOURCES	237
1.1 Strategic direction statement.....	237
1.2 Entity resource statement.....	237
1.3 Budget measures.....	238
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	239
2.1 Budgeted expenses and performance for Outcome 1.....	240
SECTION 3: BUDGETED FINANCIAL STATEMENTS	242
3.1 Budgeted financial statements.....	242
3.2 Budgeted financial statements tables	243

COMMONWEALTH GRANTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Grants Commission (the Commission) operates under the *Commonwealth Grants Commission Act 1973*. It is a statutory authority whose role is to provide advice to the Australian Government in response to terms of reference.

The main subject on which the Commission provides advice is the allocation among the states of the goods and services tax (GST) revenue. Terms of reference for these inquiries are decided by the Australian Government in consultation with the states. The reports are considered by the Council on Federal Financial Relations.

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 those 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 2020-21 as at Budget October 2020

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	5,165	8,287
Departmental appropriation (b)	8,227	8,482
Departmental capital budget (c)	825	1,102
Total departmental annual appropriations	<u>14,217</u>	<u>17,871</u>
Total departmental resourcing	14,217	17,871
	<u>2019-20</u>	<u>2020-21</u>
Average staffing level (number)	24	34

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

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

(a) Appropriation Bill (No. 1) 2020-21.

(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 CGC 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 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: <https://www.cgc.gov.au/>

The most recent annual performance statement can be found at: <https://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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Commonwealth Grants Commission					
Departmental expenses					
Departmental appropriation	8,227	8,482	8,208	7,943	7,826
Expenses not requiring appropriation in the Budget year (a)	571	534	715	703	724
Departmental total	8,798	9,016	8,923	8,646	8,550
Total expenses for program 1.1	8,798	9,016	8,923	8,646	8,550
Total expenses for Outcome 1	8,798	9,016	8,923	8,646	8,550
	2019-20	2020-21			
Average staffing level (number)	24	34			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and 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 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue.		
Program 1.1 – The Commission makes recommendations on the distribution of the GST pool, which are considered by Government		
Delivery	The Commission will prepare a report, on an annual basis, recommending the distribution of the GST pool to the states and territories.	
Performance information		
Year	Performance criteria	Targets
2019-20	Excellent research and analysis Stakeholder engagement Responsiveness to government	Achieved
2020-21 and beyond	Excellent research and analysis Stakeholder engagement Responsiveness to government	Recognised analytical work of a technically high quality Consultation in accordance with the agreed engagement plan Timely provision of advice in accordance with terms of reference
Purpose	The purpose of the Commonwealth Grants Commission (CGC) is to provide advice and recommendations to the Australian Government on the relative fiscal capacities of the states and territories as the basis for distributing GST revenue to achieve fiscal equalisation among the states and territories. The Commission, or its staff, may also be asked to provide advice 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 those inquiries are developed by relevant Australian Government entities and the reports are considered by their Ministers.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	4,226	5,564	5,417	5,472	5,547
Suppliers	1,150	2,612	2,501	2,324	2,125
Depreciation and amortisation (a)	526	489	670	658	679
Total expenses	5,902	8,665	8,588	8,454	8,351
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	75	45	45	45	45
Total own-source revenue	75	45	45	45	45
Total own-source income	75	45	45	45	45
Net (cost of)/contribution by services	(5,827)	(8,620)	(8,543)	(8,409)	(8,306)
Revenue from Government	8,227	8,482	8,208	7,943	7,826
Surplus/(deficit) attributable to the Australian Government	2,400	(138)	(335)	(466)	(480)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(64)	-	-	-	-
Total other comprehensive income	(64)	-	-	-	-
Total comprehensive income/(loss)	2,336	(138)	(335)	(466)	(480)
Total comprehensive income/(loss) attributable to the Australian Government	2,336	(138)	(335)	(466)	(480)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	2,351	(139)	(320)	(447)	(468)
less: depreciation/amortisation expenses for ROU assets (b)	350	350	350	211	211
add: Principal repayments on leased assets (b)	335	351	335	192	199
Total comprehensive income/(loss) - as per the statement of comprehensive income	2,336	(138)	(335)	(466)	(480)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Trade and other receivables	8,299	8,323	8,347	7,636	7,636
Total financial assets	8,399	8,423	8,447	7,736	7,736
Non-financial assets					
Land and buildings	856	428	-	1,868	1,557
Property, plant and equipment	89	89	89	89	89
Software	15	1,056	1,915	1,831	1,728
Prepayments	72	48	24	-	-
Total non-financial assets	1,032	1,621	2,028	3,788	3,374
Total assets	9,431	10,044	10,475	11,524	11,110
LIABILITIES					
Payables					
Suppliers	128	128	128	128	128
Other payables	109	109	109	109	109
Total payables	237	237	237	237	237
Interest bearing liabilities					
Leases	686	335	-	1,287	1,088
Total interest bearing liabilities	686	335	-	1,287	1,088
Provisions					
Employee provisions	1,412	1,412	1,412	1,412	1,412
Other provisions	109	109	109	74	74
Total provisions	1,521	1,521	1,521	1,486	1,486
Total liabilities	2,444	2,093	1,758	3,010	2,811
Net assets	6,987	7,951	8,717	8,514	8,299
EQUITY*					
Parent entity interest					
Contributed equity	886	1,988	3,089	3,352	3,617
Reserves	200	200	200	-	-
Retained surplus (accumulated deficit)	5,901	5,763	5,428	5,162	4,682
Total equity	6,987	7,951	8,717	8,514	8,299

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

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

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	5,901	200	886	6,987
Adjusted opening balance	5,901	200	886	6,987
Comprehensive income				
Surplus/(deficit) for the period	(138)	-	-	(138)
Total comprehensive income	(138)	-	-	(138)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,102	1,102
Sub-total transactions with owners	-	-	1,102	1,102
Estimated closing balance as at 30 June 2021	5,763	200	1,988	7,951
Closing balance attributable to the Australian Government	5,763	200	1,988	7,951

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,620	8,458	8,184	8,654	7,826
Total cash received	6,620	8,458	8,184	8,654	7,826
Cash used					
Employees	4,590	5,564	5,417	5,472	5,547
Suppliers	1,722	2,543	2,432	2,255	2,080
Total cash used	6,312	8,107	7,849	7,727	7,627
Net cash from/(used by) operating activities	308	351	335	927	199
INVESTING ACTIVITIES					
Cash used					
Purchase of non-financial assets	22	1,102	1,101	998	265
Total cash used	22	1,102	1,101	998	265
Net cash from/(used by) investing activities	(22)	(1,102)	(1,101)	(998)	(265)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	22	1,102	1,101	263	265
Total cash received	22	1,102	1,101	263	265
Cash used					
Principal payments on lease liability	335	351	335	192	199
Total cash used	335	351	335	192	199
Net cash from/(used by) financing activities	(313)	751	766	71	66
Net increase/(decrease) in cash held	(27)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	127	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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	825	1,102	1,101	263	265
Total new capital appropriations	825	1,102	1,101	263	265
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	825	1,102	1,101	263	265
Total items	825	1,102	1,101	263	265
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	825	1,102	1,101	263	265
Funded internally from departmental resources (b)	-	-	-	735	-
TOTAL	825	1,102	1,101	998	265
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	825	1,102	1,101	998	265
Total cash used to acquire assets	825	1,102	1,101	998	265

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 asset movements (Budget year 2020-21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	156	296	22	474
Gross book value - ROU assets	1,050	-	-	1,050
Accumulated depreciation/ amortisation and impairment	-	(207)	(7)	(214)
Accumulated depreciation/amortisation and impairment - ROU assets	(350)	-	-	(350)
Opening net book balance	856	89	15	960
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	61	1,041	1,102
Total additions	-	61	1,041	1,102
Other movements				
Depreciation/amortisation expense	(78)	(61)	-	(139)
Depreciation/amortisation on ROU assets	(350)	-	-	(350)
Total other movements	(428)	(61)	-	(489)
As at 30 June 2021				
Gross book value	156	357	1,063	1,576
Gross book value - ROU assets	1,050	-	-	1,050
Accumulated depreciation/ amortisation and impairment	(78)	(268)	(7)	(353)
Accumulated depreciation/amortisation and impairment - ROU assets	(700)	-	-	(700)
Closing net book balance	428	89	1,056	1,573

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020-21 for depreciation/amortisation expenses, DCBs or other operational expenses.

INFRASTRUCTURE AND PROJECT FINANCING AGENCY

SECTION 1: ENTITY OVERVIEW AND RESOURCES	253
1.1 Strategic direction statement.....	253
1.2 Entity resource statement.....	254
1.3 Budget measures.....	254
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	255
2.1 Budgeted expenses and performance for Outcome 1.....	256
SECTION 3: BUDGETED FINANCIAL STATEMENTS	260
3.1 Budgeted financial statements.....	260
3.2 Budgeted financial statements tables	261

INFRASTRUCTURE AND PROJECT FINANCING AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Infrastructure and Project Financing Agency (IPFA) was established on 1 July 2017 as an independent executive agency under the *Public Service Act 1999*.

IPFA delivers on its vision by supporting the Australian Government in making commercially astute decisions on nationally significant infrastructure projects and programs.

The Agency provides independent, commercial and financial advisory services across all phases of a project or program's lifecycle, from program design, market sounding processes, business case development, project governance facilitation, financial and commercial risk analysis, assurance through procurement, complex commercial negotiation and delivery.

The projects, programs and initiative in which IPFA advises on cover all sectors of the economy including, energy, transport utilities and social infrastructure.

IPFA's other strategic flagship initiative is its program of knowledge sharing events, including an active secondment program. These knowledge sharing events focus on supporting the Australian Public Service in developing the commercial and financial skills and capability need to ensure the Commonwealth brings a commercially astute approach to infrastructure investment to the use of taxpayer dollars.

IPFA delivers its services through an established client focused engagement model, meaning IPFA works collaboratively with stakeholders and agencies, state and territory counterparts and our industry partners to enable commercial excellence in infrastructure investments for the benefit of all Australians.

IPFA's purpose and strategic goals are available in IPFA's 2020–21 to 2023–24 Corporate Plan, available from www.ipfa.gov.au/reports.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to IPFA 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 departmental (for IPFA's operations) classification.

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

Table 1.1: Infrastructure and Project Financing Agency resource statement – Budget estimates for 2020–21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Budget \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	764	615
Departmental Appropriation	4,961	5,754
Annual appropriations - other services - non-operating (b)		
Equity injection	-	-
Total departmental annual appropriations	<u>5,725</u>	<u>6,369</u>
Total departmental resourcing	<u>5,725</u>	<u>6,369</u>
Total resourcing for Infrastructure and Project Financing Agency	<u>5,725</u>	<u>6,369</u>
	<u>2019-20</u>	<u>2020-21</u>
Average staffing level (number)	18	23

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

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

(a) Appropriation Bill (No. 1) 2020-21

(b) Appropriation Bill (No. 2) 2020-21.

1.3 BUDGET MEASURES

IPFA has no new budget measures.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in PB 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 corporate plan for IPFA can be found at: www.ipfa.gov.au/reports

The most recent Annual Performance Statement can be found at:
www.ipfa.gov.au/reports

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth's investment by assisting the Government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector.

Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Infrastructure and Project Financing Agency					
Departmental expenses					
Departmental appropriation	5,774	5,754	5,744	4,231	4,242
s74 external revenue (a)	237	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	428	148	131	113	69
Total departmental expenses	6,439	5,902	5,875	4,344	4,311
Total expenses for Program 1.1	6,439	5,902	5,875	4,344	4,311
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	5,774	5,754	5,744	4,231	4,242
s74 external revenue (a)	237	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	428	148	131	113	69
Total departmental expenses	6,439	5,902	5,875	4,344	4,311
Total expenses for Outcome 1	6,439	5,902	5,875	4,344	4,311
Average staffing level (number)					
	2019-20	2020-21			
	18	23			

(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 and audit fees.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth’s investment by assisting the Government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector.			
Program 1.1 – To leverage additional private sector investment in infrastructure and secure better returns from the Commonwealth’s investment by assisting the Government to identify, assess, and broker financing opportunities for infrastructure and projects, including through engagement with Commonwealth entities, State and Territory governments, and the private sector.			
Purposes (a)	<ul style="list-style-type: none"> • Provide independent commercial and financial advice to support the delivery of Australian Government infrastructure projects. • Build the Australian Government’s capability to deliver infrastructure priorities. • Strengthen confidence in the Australian Government’s investment through better-informed decisions and investment management. 		
Delivery	IPFA delivers on its Outcome, vision and strategic goals through three core activities: <ul style="list-style-type: none"> • Providing valued and independent, commercial and financial advisory services. • Delivering specialist infrastructure project governance and program management services. • Arranging high quality knowledge sharing forums and capability building activities. 		
Performance information			
Year	Performance criteria	Targets	2019-20 Actual Achievement/Targets
2019-20 (b)	Our advice is proactively sought by government and agencies.	50 per cent of our work is sought proactively through unsolicited approaches from agencies and/or Government	Achieved 94 per cent of our work was sought proactively through unsolicited approaches.
	Our involvement improves outcomes for and our advice is valued by all stakeholders	80 per cent of our stakeholders are satisfied that we are improving outcomes and provide valued service.	Achieved 100 per cent of stakeholders being satisfied with our advice and involvement.
	Our contribution increases confidence in the Australian Government’s infrastructure investment decisions and processes.	Delivery of agreed activities and positive stakeholder/market regard for our contribution: <ul style="list-style-type: none"> - 100 per cent of committed activities being completed within timeframes. 	Not Achieved 97 per cent of committed activities completed within time frames. IPFA fell 3 per cent short of its target. Where IPFA was unable to meet a client timeframe, clients were informed and revised timeframes agreed.

Infrastructure and Project Financing Agency Budget Statements

Performance information			
		- 80 per cent of feedback from external stakeholders regarding our contribution is positive.	Achieved 91 per cent of feedback from external parties regarding our contribution was positive.
2019-20	Our work strengthens the commercial and financial capability of the Australian Government.	Facilitation of quality knowledge sharing and development programs, events and forums:	Achieved 17 knowledge activities completed.
		- 10 knowledge sharing activities are conducted.	
		- 80 per cent satisfaction with the quality of the activity.	Achieved 100 per cent satisfaction with quality of activity.
	IPFA is a great place for people to work and develop.	- Net Promoter score (NPS) of 80.	Achieved 82 NPS.
	IPFA has best practice corporate and governance arrangements.	- No adverse findings from a governance Perspective.	Achieved No adverse findings.
Forward looking performance information			
Year	Performance criteria	Targets	
2020-21(b)	Our partners seek our commercial and financial advice.	60 per cent of our work is sought proactively through unsolicited approaches from agencies and/or Government.	
	Our involvement improves outcomes for and our advice is valued by all stakeholders	85 per cent of our stakeholders are satisfied that we are improving outcomes and provide valued service.	
	Our contribution increases confidence in the Australian Government's infrastructure investment decisions and processes.	Delivery of agreed activities and positive stakeholder/market regard for our contribution:	
		- 100 per cent of committed activities being completed within timeframes.	
		- 85 per cent of feedback from external regarding our contribution is positive.	
	Our work strengthens the commercial and financial capability of the Australian Government.	Facilitation of quality knowledge sharing and development programs, events and forums:	
- 10 knowledge sharing activities are conducted.			
	- 85 per cent satisfaction with the quality of the activity.		
	IPFA is a great place for people to work and develop.	Net Promoter Score of 80.	
	IPFA has best practice corporate and governance arrangements.	No adverse findings from a governance perspective.	

Infrastructure and Project Financing Agency Budget Statements

Forward looking performance information		
2021-22 and beyond (b)	Our partners seek our commercial and financial advice.	60 per cent of our work is sought proactively through unsolicited approaches from agencies and/or Government.
	Our involvement improves outcomes for and our advice is valued by all stakeholders.	85 per cent of our stakeholders are satisfied that we are improving outcomes and provide valued service.
	Our contribution increases confidence in the Australian Government's infrastructure investment decisions and processes.	Delivery of agreed activities and positive stakeholder/market regard for our contribution:
		- 100 per cent of committed activities being completed within timeframes.
	Our work strengthens the commercial and financial capability of the Australian Government.	- 85 per cent of feedback from external regarding our contribution is positive.
		Facilitation of quality knowledge sharing and development programs, events and forums:
	- 10 knowledge sharing activities are conducted.	
- 90 per cent satisfaction with the quality of the activity.		
IPFA is a great place for people to work and develop.	Net Promoter Score of 80.	
IPFA has best practice corporate and governance arrangements.	No adverse findings from a governance perspective.	

- (a) Refers to purposes that are reflected in IPFA's 2020-21 to 2023-24 Corporate Plan.
 (b) IPFA's performance measures are reflective of a client focused advisory services organisation where value is best demonstrated by the interaction and satisfaction of the Australian Government clients that IPFA was established to work for.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of IPFA's finances for the 2020-21 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

IPFA's primary liability is accrued employee entitlements.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	3,552	4,268	4,276	3,853	3,851
Suppliers	2,459	1,135	1,104	-	-
Depreciation and amortisation	415	481	481	481	455
Finance costs	13	18	14	10	5
Total expenses	6,439	5,902	5,875	4,344	4,311
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	237	-	-	-	-
Other	49	49	49	49	49
Total own-source revenue	286	49	49	49	49
Total own-source income	286	49	49	49	49
Net (cost of)/contribution by services	(6,153)	(5,853)	(5,826)	(4,295)	(4,262)
Revenue from Government	5,725	5,754	5,744	4,231	4,242
Surplus/(Deficit) attributable to the Australian Government	(428)	(99)	(82)	(64)	(20)
Total comprehensive income/(loss)	(428)	(99)	(82)	(64)	(20)
Total comprehensive income/(loss) attributable to the Australian Government	(428)	(99)	(82)	(64)	(20)

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

Note: Impact of net cash appropriation arrangements

	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(339)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	52	44	44	44	18
less: depreciation/amortisation expenses for ROU assets (b)	363	437	437	437	437
add: Principal repayments on leased assets (b)	(326)	(382)	(399)	(417)	(435)
Total comprehensive income/(loss) - as per Statement of Comprehensive	(428)	(99)	(82)	(64)	(20)

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.
- (b) Applies leases under AASB 16 Leases.

Infrastructure and Project Financing Agency Budget Statements

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	505	530	537	525	525
Trade and other receivables	1,449	1,424	1,417	1,429	1,429
Total financial assets	1,954	1,954	1,954	1,954	1,954
Non-financial assets					
Land and buildings	2,005	1,568	1,131	694	257
Property, plant and equipment	194	150	106	62	44
Other non-financial assets	63	63	63	63	63
Total non-financial assets	2,262	1,781	1,300	819	364
Total assets	4,216	3,735	3,254	2,773	2,318
LIABILITIES					
Payables					
Suppliers	1,035	1,035	1,035	1,035	1,035
Other payables	136	136	136	136	136
Total payables	1,171	1,171	1,171	1,171	1,171
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	1,895	1,513	1,114	697	262
Total interest bearing liabilities	1,895	1,513	1,114	697	262
Provisions					
Employee provisions	613	-	613	613	613
Other provisions	148	148	148	148	148
Total provisions	761	148	761	761	761
Total liabilities	3,827	2,832	3,046	2,629	2,194
Net assets	389	903	208	144	124
EQUITY*					
Contributed equity	105	105	105	105	105
Retained surplus/(accumulated deficit)	284	185	103	39	19
Total equity	389	290	208	144	124

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	284	105	389
Adjusted opening balance	284	105	389
Comprehensive income			
Surplus/(deficit) for the period	(99)	-	(99)
Total comprehensive income	(99)	-	(99)
of which:			
Attributable to the Australian Government	(99)	-	(99)
Transactions with owners			
Contribution by owners			
Equity injection - Appropriation	-	-	-
Sub-total transactions with owners	-	-	-
Estimated closing balance as at 30 June 2021	185	105	290
Closing balance attributable to the Australian Government	185	105	290

Prepared on Australian Accounting Standards basis.

Infrastructure and Project Financing Agency Budget Statements

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,150	5,779	5,751	4,219	4,242
Sale of goods and rendering of services	224	-	-	-	-
Other	(18)	-	-	-	-
Total cash received	5,356	5,779	5,751	4,219	4,242
Cash used					
Employees	3,446	4,268	4,276	4,350	4,197
Suppliers	1,606	1,086	1,055	(546)	(395)
Interest payments on lease liability	13	17	13	9	4
Other	(148)	-	-	-	-
Total cash used	4,917	5,371	5,344	3,813	3,806
Net cash from/(used by) operating activities	439	408	407	406	436
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	219	1	1	1	1
Total cash used	219	1	1	1	1
Net cash from/(used by) investing activities	(219)	(1)	(1)	(1)	(1)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Principal payments on lease liability	473	382	399	417	435
Total cash used	473	382	399	417	435
Net cash from/(used by) financing activities	(473)	(382)	(399)	(417)	(435)
Net increase/(decrease) in cash held	(253)	25	7	(12)	-
Cash and cash equivalents at the beginning of the reporting period	758	505	530	537	525
Cash and cash equivalents at the end of the reporting period	505	530	537	525	525

Prepared on Australian Accounting Standards basis.

Infrastructure and Project Financing Agency Budget Statements

Table 3.5: Statement of asset movements (Budget year 2020–21)

	Building	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2020			
Gross book value	2,368	392	2,760
Accumulated depreciation/amortisation and impairment	(363)	(198)	(561)
Opening net book balance	2,005	194	2,199
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity	-	-	-
Total additions	-	-	-
Other movements			
Depreciation/amortisation expense	(437)	(44)	(481)
Total other movements	(437)	(44)	(481)
As at 30 June 2021			
Gross book value	2,368	392	2,760
Accumulated depreciation/amortisation and impairment	(800)	(242)	(1,042)
Closing net book balance	1,568	150	1,718

Prepared on Australian Accounting Standards basis.

INSPECTOR-GENERAL OF TAXATION

SECTION 1: ENTITY OVERVIEW AND RESOURCES	269
1.1 Strategic direction statement.....	269
1.2 Entity resource statement.....	270
1.3 Budget measures.....	270
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	271
2.1 Budgeted expenses and performance for Outcome 1.....	272
SECTION 3: BUDGETED FINANCIAL STATEMENTS	275
3.1 Budgeted financial statements.....	275
3.2 Budgeted financial statements tables	276

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 2020-21 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.

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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	5,398	5,608
Departmental appropriation (b)	6,449	6,477
Departmental capital budget (c)	31	31
Total departmental annual appropriations	<u>11,878</u>	<u>12,116</u>
Total departmental resourcing	11,878	12,116
Total resourcing for Inspector-General of Taxation	11,878	12,116
	<u>2019-20</u>	<u>2020-21</u>
Average staffing level (number)	35	35

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

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

(a) Appropriation Bill (No. 1) 2020-21.

(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/news-and-publications/corporate-plans/corporate-plan-FY21-FY24>

The most recent annual performance statement can be found at:
<https://www.igt.gov.au/news-and-publications/annual-reports/annual-report-2018-19>

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Inspector-General of Taxation					
Departmental expenses					
Departmental appropriation	6,449	6,477	6,483	6,489	6,515
s74 External Revenue (a)	58	60	60	60	60
Expenses not requiring appropriation in the Budget year (b)	473	295	309	240	46
Departmental total	6,980	6,832	6,852	6,789	6,621
Total expenses for program 1.1	6,980	6,832	6,852	6,789	6,621
	2019-20	2020-21			
Average staffing level (number)	35	35			

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

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

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

Table 2.2: Performance criteria for Outcome 1

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 2019-20 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
2019-20	<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 • 2,775 tax complaints were received in 2019-20, of which 93.7% were processed and finalised within the same period • positive feedback on complaints handling and broader reviews from community stakeholders including taxpayers, tax practitioners, other citizens and relevant government entities • 71% of survey respondents reported their overall satisfaction with the complaints service and 89% of respondents to an in-house survey provided a satisfaction rating of at least 4/5 • areas of tax administration for improvement identified and prioritised through complaints handling and stakeholder consultation • a register of 27 potential review topics have been published on the IGT's website • reviews, reports and recommendations on areas of tax administration • 3 reviews launched into

Inspector-General of Taxation Budget Statements

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.		
		undisputed tax debts, deceased estates and ATO communications of taxpayers' rights to complain, review and appeal
2020-21 and beyond	As per 2019-20 targets	As per 2019-20 targets
Purposes	<p>The IGT is an independent statutory agency. Our role is to improve tax administration in Australia through:</p> <ul style="list-style-type: none"> • an effective and efficient complaints investigation service; • identifying and prioritising areas of tax administration requiring improvement; and • conducting review investigations and making recommendations for improvement to the Government, the ATO and the TPB. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between 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 2020-21.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	4,654	4,840	4,801	4,798	4,818
Suppliers	1,390	1,244	1,268	1,297	1,340
Depreciation and amortisation (a)	920	731	775	694	463
Finance costs	16	17	8	-	-
Total expenses	6,980	6,832	6,852	6,789	6,621
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	58	60	60	60	60
Total own-source income	58	60	60	60	60
Net (cost of)/contribution by services	(6,922)	(6,772)	(6,792)	(6,729)	(6,561)
Revenue from Government	6,449	6,477	6,483	6,489	6,515
Surplus/(deficit) attributable to the Australian Government	(473)	(295)	(309)	(240)	(46)
Total comprehensive income/(loss) attributable to the Australian Government	(473)	(295)	(309)	(240)	(46)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	30	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	467	281	325	281	46
less: depreciation/amortisation expenses for ROU assets (b)	453	450	450	413	417
add: Principal repayments on leased assets (b)	417	436	466	454	417
Total comprehensive income/(loss) - as per the statement of comprehensive income	(473)	(295)	(309)	(240)	(46)

Prepared on Australian Accounting Standards basis

- (a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	42	42	42	42	42
Trade and other receivables	5,617	5,617	5,617	5,617	5,617
Total financial assets	5,659	5,659	5,659	5,659	5,659
Non-financial assets					
Land and buildings	2,068	1,372	670	11	1,346
Property, plant and equipment	271	267	226	223	188
Intangibles	-	-	-	-	31
Other non-financial assets	54	54	54	54	54
Total non-financial assets	2,393	1,693	950	288	1,619
Assets held for sale					
Total assets	8,052	7,352	6,609	5,947	7,278
LIABILITIES					
Payables					
Suppliers	217	217	217	217	217
Other payables	75	75	75	75	75
Total payables	292	292	292	292	292
Interest bearing liabilities					
Leases	1,359	923	457	3	1,349
Total interest bearing liabilities	1,359	923	457	3	1,349
Provisions					
Employee provisions	1,655	1,655	1,655	1,655	1,655
Other provisions	173	173	173	173	173
Total provisions	1,828	1,828	1,828	1,828	1,828
Total liabilities	3,479	3,043	2,577	2,123	3,469
Net assets	4,573	4,309	4,032	3,824	3,809
EQUITY*					
Parent entity interest					
Contributed equity	1,322	1,353	1,385	1,417	1,448
Reserves	453	453	453	453	453
Retained surplus (accumulated deficit)	2,798	2,503	2,194	1,954	1,908
Total equity	4,573	4,309	4,032	3,824	3,809

*'Equity' is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

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

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	2,798	453	1,322	4,573
Adjusted opening balance	2,798	453	1,322	4,573
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(295)	-	-	(295)
Total comprehensive income	(295)	-	-	(295)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	31	31
Sub-total transactions with owners	-	-	31	31
Closing balance attributable to the Australian Government	2,503	453	1,353	4,309

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,476	6,477	6,483	6,489	6,515
Net GST received	110	-	-	-	-
Total cash received	6,586	6,477	6,483	6,489	6,515
Cash used					
Employees	4,560	4,840	4,801	4,798	4,818
Suppliers	1,138	1,184	1,208	1,237	1,280
Net GST paid	116	-	-	-	-
Interest payments on lease liability	12	17	8	-	-
s74 External Revenue transferred to the OPA	237	-	-	-	-
Total cash used	6,063	6,041	6,017	6,035	6,098
Net cash from/(used by) operating activities	523	436	466	454	417
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	157	31	32	32	31
Total cash used	157	31	32	32	31
Net cash from/(used by) investing activities	(157)	(31)	(32)	(32)	(31)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	31	31	32	32	31
Total cash received	31	31	32	32	31
Cash used					
Principal payments on lease liability	417	436	466	454	417
Total cash used	417	436	466	454	417
Net cash from/(used by) financing activities	(386)	(405)	(434)	(422)	(386)
Net increase/(decrease) in cash held	(20)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	62	42	42	42	42
Cash and cash equivalents at the end of the reporting period	42	42	42	42	42

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget- Bill 1 (DCB)	31	31	32	32	31
Total new capital appropriations	31	31	32	32	31
<i>Provided for:</i>					
Purchase of non-financial assets	31	31	32	32	31
Total items	31	31	32	32	31
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	31	31	32	32	31
TOTAL	31	31	32	32	31
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	157	31	32	32	31
Total cash used to acquire assets	157	31	32	32	31

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 asset movements (Budget year 2020-21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	1,503	482	471	2,456
Gross book value - ROU assets	1,776	-	-	1,776
Accumulated depreciation/ amortisation and impairment	(758)	(211)	(471)	(1,440)
Accumulated depreciation/amortisation and impairment - ROU assets	(453)	-	-	(453)
Opening net book balance	2,068	271	-	2,339
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	31	-	31
Total additions	-	31	-	31
Other movements				
Depreciation/amortisation expense	(246)	(35)	-	(281)
Depreciation/amortisation on ROU assets	(450)	-	-	(450)
Total other movements	(696)	(35)	-	(731)
As at 30 June 2021				
Gross book value	1,503	513	471	2,487
Gross book value - ROU assets	1,776	-	-	1,776
Accumulated depreciation/ amortisation and impairment	(1,004)	(246)	(471)	(1,721)
Accumulated depreciation/amortisation and impairment - ROU assets	(903)	-	-	(903)
Closing net book balance	1,372	267	-	1,639

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21, including CDABs.

NATIONAL COMPETITION COUNCIL

SECTION 1: ENTITY OVERVIEW AND RESOURCES	285
1.1 Strategic direction statement.....	285
1.2 Entity resource statement.....	286
1.3 Budget measures.....	286
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	287
2.1 Budgeted expenses and performance for Outcome 1.....	288
SECTION 3: BUDGETED FINANCIAL STATEMENTS	291
3.1 Budgeted financial statements.....	291
3.2 Budgeted financial statements tables	292

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 has not employed 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 2020-21 as at Budget October 2020

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	3,985	3,690
Departmental appropriation (c)	1,700	1,701
Total departmental annual appropriations	<u>5,685</u>	<u>5,391</u>
Total departmental resourcing	5,685	5,391
Total resourcing for the National Competition Council	5,685	5,391
<hr/>		
Average staffing level (number)	<u>1</u>	<u>1</u>

Third party payments from and on behalf of other

	<i>2019-20 Estimated actual \$'000</i>	2020-21 Estimate \$'000
Payments made by the ACCC on behalf of the NCC	1,700	1,701
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 (i.e. appropriations available) basis.

(a) Appropriation Bill (No. 1) 2020-21.

(b) Excludes \$4.5 million for 2019-20 and \$4.9 million for 2020-21. These amounts are 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 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 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: National Competition Council					
Departmental expenses					
Departmental appropriation	1,700	1,701	1,726	1,744	1,751
Expenses not requiring appropriation in the Budget year (a)	34	32	32	32	32
Departmental total	1,734	1,733	1,758	1,776	1,783
Total expenses for Program 1.1	1,734	1,733	1,758	1,776	1,783
Total expenses for Outcome 1	1,734	1,733	1,758	1,776	1,783
	2019-20	2020-21			
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).

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – 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		
Program 1.1 – 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.		
Delivery	<p>Program 1.1 aims to:</p> <ul style="list-style-type: none"> • Make recommendations to ministers pursuant to Part IIIA of the CCA in relation to applications for the declaration of services provided by monopoly infrastructure and the certification of state and territory access regimes; • Make recommendations to ministers pursuant to the NGL in relation to application for coverage of natural gas pipelines and for price regulation and greenfields pipeline exemptions; • Make decisions pursuant to the NGL relating to the form of regulation and classification of natural gas pipelines; and • Advise the Parliament on the operation of the National Access Regime in accordance with section 29O(f) of the CCA. 	
Performance information		
Performance criteria	2019-20	Targets
Recommendations on declaration applications are made within statutory time limits (consideration period of 180 days, subject to 'clockstopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.	As per 2019-20.
Recommendations on certification applications are made within statutory time limits (consideration period of 180 days, subject to 'clockstopping' provisions) and meet advice requirements of Ministers.	All recommendations are forecast to be made within the statutory time limits.	As per 2019-20.
Recommendations and decisions under the NGL made within specified time limits and recommendations under the NGL meet the advice requirements of Ministers.	All recommendations and decisions are forecast to be made within the statutory time limits.	As per 2019-20.

National Competition Council Budget Statements

Performance information (continued)		
Performance criteria	2019-20	Targets
Accessible information on all access regulation matters for which the NCC is responsible is provided on the NCC website.	The Council website is forecast to hold all documents relevant to the Council's functions.	As per 2019-20.
Up to date and informative guidelines on all the NCC's areas of responsibility are maintained on the NCC website.	Guidelines are forecast to be updated within 30 days of relevant decisions or developments in case law.	As per 2019-20.
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.	Case law developments, legislative amendments and developments in Council processes or policies are forecast to be reflected in Council information resources within 30 days.	As per 2019-20.
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).	The Council 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.	As per 2019-20.
Purposes	<p>The NCC is a Commonwealth statutory agency established by section 29A of the <i>Competition and Consumer Act 2010</i> (CCA). It was created in 1995 following agreement by the Council of Australian Governments (COAG) to a National Competition Policy (NCP). NCP places competition at the forefront as a means of promoting productivity and economic growth to enhance the economic welfare of Australians.</p> <p>The NCC makes recommendations under the National Access Regime in Part IIIA of the CCA and recommendations and decisions under the NGL. 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 <i>National Gas (South Australia) Act 2008</i>, 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 greenfield 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>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The NCC is budgeting for a break-even operating result for 2020-21 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 2020-21 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 2020*, 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	80	149	128	130	128
Suppliers	934	1,584	1,630	1,646	1,655
Total expenses	1,014	1,733	1,758	1,776	1,783
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Gains					
Other	34	32	32	32	32
Total gains	34	32	32	32	32
Total own-source income	34	32	32	32	32
Net (cost of)/contribution by services	(980)	(1,701)	(1,726)	(1,744)	(1,751)
Revenue from Government	1,700	1,701	1,726	1,744	1,751
Surplus/(deficit) attributable to the Australian Government	720	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	50	50	50	50	50
Trade and other receivables	3,640	3,640	3,640	3,640	3,640
Total financial assets	3,690	3,690	3,690	3,690	3,690
Non-financial assets					
Other non-financial assets	213	213	213	213	213
Total non-financial assets	213	213	213	213	213
Total assets	3,903	3,903	3,903	3,903	3,903
LIABILITIES					
Payables					
Suppliers	2	2	2	2	2
Other payables	1	1	1	1	1
Total payables	3	3	3	3	3
Total liabilities	3	3	3	3	3
Net assets	3,900	3,900	3,900	3,900	3,900
EQUITY*					
Contributed equity	81	81	81	81	81
Retained surplus (accumulated deficit)	3,819	3,819	3,819	3,819	3,819
Total equity	3,900	3,900	3,900	3,900	3,900

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	3,819	81	3,900
Adjusted opening balance	3,819	81	3,900
Comprehensive income			
Surplus/(deficit) for the period	-	-	-
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2021	3,819	81	3,900
Closing balance attributable to the Australian Government	3,819	81	3,900

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,056	1,701	1,726	1,744	1,751
Net GST received	15	156	162	165	166
Total cash received	1,071	1,857	1,888	1,909	1,917
Cash used					
Employees	80	149	128	130	128
Suppliers	976	1,552	1,598	1,614	1,623
Net GST paid	15	156	162	165	166
Total cash used	1,071	1,857	1,888	1,909	1,917
Net cash from/(used by) operating activities					
	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	50	50	50	50	50
Cash and cash equivalents at the end of the reporting period	50	50	50	50	50

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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
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 from other entities (Finance - Whole of Government)	-	(8)	(8)	(8)	(8)
Total cash from 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

SECTION 1: ENTITY OVERVIEW AND RESOURCES	301
1.1 Strategic direction statement.....	301
1.2 Entity resource statement.....	303
1.3 Budget measures.....	303
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	304
2.1 Budgeted expenses and performance for Outcome 1.....	305
SECTION 3: BUDGETED FINANCIAL STATEMENTS	310
3.1 Budgeted financial statements.....	310
3.2 Budgeted financial statements tables	311

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 the International Auditing and Assurance Standards Board (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 the 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 Australian Accounting Standards Board (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

Office of the Auditing and Assurance Standards Board Budget Statements

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 resource statement — Budget estimates for 2020-21 as at Budget October 2020

	<i>2019-20 Estimated actual \$'000</i>	<i>2020-21 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	876	1,073
Departmental appropriation (c)	2,398	2,386
Departmental capital budget (d)	38	22
Total departmental annual appropriations	<u>3,312</u>	<u>3,481</u>
Total departmental resourcing	3,312	3,481
Total resourcing for entity AUASB	3,312	3,481
	<i>2019-20</i>	<i>2020-21</i>
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) 2020-21.

(b) Excludes \$0.38 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). For 2019-20 the Bill 1 DCB has been reallocated from Departmental Capital to Operating.

(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 AUASB 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 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 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 AUASB can be found at (https://www.aasb.gov.au/admin/file/content102/c3/AASB-AUASB_CorporatePlan_2019-20.pdf)

The most recent annual performance statement can be found at (https://www.aasb.gov.au/admin/file/content102/c3/2018-19_AASB-AUASB_AnnualReport.pdf)

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Office of the Auditing and Assurance Standards Board					
Departmental expenses					
Departmental appropriation	2,183	2,386	2,381	2,102	2,110
Expenses not requiring appropriation in the Budget year (a)	103	116	120	120	121
Departmental total	2,286	2,502	2,501	2,222	2,231
Total expenses for program 1.1	2,286	2,502	2,501	2,222	2,231

	2019-20	2020-21
Average staffing level (number)	8	8

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<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 – 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>Delivery</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.

Office of the Auditing and Assurance Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
2019-20	<ul style="list-style-type: none"> Issue Australian Auditing and Assurance Standards based on International Accounting Standards Board (IAASB) equivalent standards in accordance with AUASB functions and mandate from the Financial Reporting Council (FRC). Develop, update and maintain Australian specific Standards and/or Guidance Statements for topics not specifically addressed by IAASB Standards as required. Monitor the Assurance Environment (including the impact of regulator inspection findings) and address any implications for Australian auditing and assurance standards and guidance. Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols. Develop thought leadership by identifying and implementing strategic projects that address emerging issues in auditing and assurance. Increase stakeholder satisfaction and engagement with AUASB activities, with a specific focus on assurance practitioners, regulators, the professional bodies and financial report users. Build, maintain and enhance key international relationships around key focus areas with both global and national standard setters. 	<ul style="list-style-type: none"> Timely release of all AUASB standards. Timely responses to all significant IAASB exposure drafts and requests for comment. Identify and implement strategic projects on EER, Audit Technologies, Public Sector Audit Issues and other relevant topics as they arise. In conjunction with the FRC, develop appropriate responses to audit quality issues. Collaborate with the NZAuASB on common projects and outreach activities. Increase in engagement of Australian constituents in the standard setting process, measured by attendance at AUASB events, number of submissions received and online traffic. Increase influence and engagement with IAASB and other major national auditing and assurance standard setters.
2020-21	<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 	<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.

Office of the Auditing and Assurance Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
	<p>strategic projects that address emerging areas of auditing and assurance.</p> <ul style="list-style-type: none"> 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"> 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. 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

Office of the Auditing and Assurance Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
		support changes to the external reporting framework. <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.
2021-22 and beyond	<i>As per 2020-21</i>	<i>As per 2020-21</i>
Purposes	The functions of the AUASB are to: <ul style="list-style-type: none"> • make auditing standards under section 336 of the <i>Corporations Act 2001</i> for the purposes of the corporations legislation; • formulate auditing and assurance standards for other purposes; • formulate guidance on auditing and assurance matters; • participate in and contribute to the development of a single set of auditing standards for world-wide use; and advance and promote the main objectives of part 12 of the <i>Australian Securities and Investments Commission Act 2001</i>. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The AUASB and the 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	1,444	1,390	1,415	1,238	1,302
Suppliers	842	1,090	1,062	960	905
Depreciation and amortisation (a)	-	22	24	24	24
Total expenses	2,286	2,502	2,501	2,222	2,231
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	103	94	96	96	97
Total gains	103	94	96	96	97
Total own-source income	103	94	96	96	97
Net (cost of)/contribution by services	(2,183)	(2,408)	(2,405)	(2,126)	(2,134)
Revenue from Government	2,398	2,386	2,381	2,102	2,110
Surplus/(deficit) attributable to the Australian Government	215	(22)	(24)	(24)	(24)

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	215	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	22	24	24	24
Total comprehensive income/(loss) - as per the statement of comprehensive income	215	(22)	(24)	(24)	(24)

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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,073	273	273	273	273
Trade and other receivables	-	803	806	806	806
Total financial assets	1,073	1,076	1,079	1,079	1,079
Non-financial assets					
Property, plant and equipment	-	-	-	-	-
Intangibles	39	41	43	35	35
Total non-financial assets	39	41	43	35	35
Assets held for sale					
Total assets	1,112	1,117	1,122	1,114	1,114
LIABILITIES					
Payables					
Suppliers	221	223	225	217	217
Other payables	-	3	6	6	6
Total payables	221	226	231	223	223
Provisions					
Employee provisions	264	264	264	264	264
Other provisions	-	-	-	-	-
Total provisions	264	264	264	264	264
Total liabilities	485	490	495	487	487
Net assets	627	627	627	627	627
EQUITY*					
Parent entity interest					
Contributed equity	281	303	327	351	375
Retained surplus (accumulated deficit)	346	324	300	276	252
Total parent entity interest	627	627	627	627	627
Total equity	627	627	627	627	627

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	346	281	627
Adjustment for changes in accounting policies	-	-	-
Adjusted opening balance	346	281	627
Comprehensive income			
Other comprehensive income			-
Surplus/(deficit) for the period	(22)	-	(22)
Total comprehensive income	(22)	-	(22)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	22	22
Sub-total transactions with owners	-	22	22
Estimated closing balance as at 30 June 2021	324	303	627
Closing balance attributable to the Australian Government	324	303	627

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,015	1,586	2,381	2,102	2,110
Total cash received	3,015	1,586	2,381	2,102	2,110
Cash used					
Employees	1,361	1,390	1,415	1,238	1,302
Suppliers	808	996	966	864	808
Total cash used	2,169	2,386	2,381	2,102	2,110
Net cash from/(used by) operating activities	846	(800)	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	-	22	24	24	24
Total cash used	-	22	24	24	24
Net cash from/(used by) investing activities	-	(22)	(24)	(24)	(24)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	38	22	24	24	24
Total cash received	38	22	24	24	24
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	38	22	24	24	24
Net increase/(decrease) in cash held	884	(800)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	189	1,073	273	273	273
Cash and cash equivalents at the end of the reporting period	1,073	273	273	273	273

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB) (a)	-	22	24	24	24
Total new capital appropriations	-	22	24	24	24
<i>Provided for:</i>					
Purchase of non-financial assets	-	22	24	24	24
Total items	-	22	24	24	24
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (b)	-	-	-	-	-
Funded by capital appropriation - DCB (c)	-	22	24	24	24
TOTAL	-	22	24	24	24
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	22	24	24	24
Total cash used to acquire assets	-	22	24	24	24

Prepared on Australian Accounting Standards basis.

(a) 2019-20 Bill 1 DCB has been reallocated from Capital to Operating.

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

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

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

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020			
Opening net book balance	-	-	-
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity (a)	-	22	22
Total additions	-	22	22
Other movements			
Depreciation/amortisation expense	-	(22)	(22)
Total other movements	-	(22)	(22)
As at 30 June 2021			
Gross book value	-	22	22
Accumulated depreciation/ amortisation and impairment	-	(22)	(22)
Closing net book balance	-	-	-

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21, including CDABs.

OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

SECTION 1: ENTITY OVERVIEW AND RESOURCES	319
1.1 Strategic direction statement.....	319
1.2 Entity resource statement.....	321
1.3 Budget measures.....	321
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	322
2.1 Budgeted expenses and performance for Outcome 1.....	323
SECTION 3: BUDGETED FINANCIAL STATEMENTS	328
3.1 Budgeted financial statements.....	328
3.2 Budgeted financial statements tables	328

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;
- Develop guidance and education initiatives to enhance the consistent application of external reporting and accounting standards guidance; and
- 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.

Office of the Australian Accounting Standards Board Budget Statements

This is achieved by developing, issuing and maintaining in the public interest high quality Australian auditing and assurance standards and guidance that meet user needs and enhanced audit and assurance consistency and quality.

We use our expertise and influence to contribute 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 Australian Accounting Standards Board resource statement — Budget estimates for 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	1,656	1,543
Departmental appropriation (c)	3,598	3,565
s74 External Revenue (d)	1,043	1,124
Departmental capital budget (e)	-	51
Total departmental annual appropriations	6,297	6,283
Total Departmental resourcing	6,297	6,283
<hr/>		
Average staffing level (number)	17	22

All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2020-21.

(b) Excludes \$0.79m 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'.

1.3 BUDGET MEASURES

The AASB 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 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 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 AASB can be found at https://www.auasb.gov.au/admin/file/content102/c3/AASB-AUASB_CorporatePlan_2019-20.pdf

The most recent annual performance statement can be found at https://www.auasb.gov.au/admin/file/content13/c6/2018-19_AASB-AUASB_AnnualReport_1571199073126.pdf

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Office of the Australian Accounting Standards Board					
Departmental expenses					
Departmental appropriation	3,045	3,373	3,359	3,354	3,367
s74 External Revenue (a)	1,044	1,136	1,153	1,153	1,050
Expenses not requiring appropriation in the Budget year (b)	329	364	373	380	384
Departmental total	4,418	4,873	4,885	4,887	4,801
Total expenses for program 1.1	4,418	4,873	4,885	4,887	4,801
	2019-20	2020-21			
Average staffing level (number)	17	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, audit fees and services received free of charge.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – 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.	
Program 1.1 –	
<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. • Contribute to the development of a single set of accounting and external reporting standards for world-wide use. 	
Delivery	<p>To achieve program 1 the AASB:</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. 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 regulators to develop objective criteria on: <ul style="list-style-type: none"> • who prepares external reports (including financial reports) • the nature and extent of assurance required on these external reports. • 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, partnership and outreach. • Influence initiatives to develop standards and guidance that meet user needs for external reporting beyond financial reporting. • Monitor and respond to emerging issues impacting the development of accounting and external reporting standards and guidance, including changing technologies. • Develop guidance and education initiatives, or promote development by others, to enhance consistent application of accounting and external reporting standards and guidance. • Build a high performing team that operates efficiently, effectively and within budget, complying with all relevant legislation and Commonwealth Government requirements.

Office of the Australian Accounting Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
2019-20	<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. Develop staff publications, and frequently asked questions (FAQs) to help with consistent application of accounting and external reporting standards as agreed with the Board. 	<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. <p>The AASB expects to meet all its targets and expectations implied by performance criteria in 2018-19</p>

Office of the Australian Accounting Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
	<ul style="list-style-type: none"> 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. <p>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.</p>	
2020-21	As per 2019-20	<p>As per 2019-20</p> <ul style="list-style-type: none"> IASB equivalent Standards issued within two months of the release of the IFRS. Australian specific Standards for the projects outlined below: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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

Office of the Australian Accounting Standards Board Budget Statements

Performance information		
Year	Performance criteria	Targets
		<p>discussion with parliamentary accounts committees.</p> <ul style="list-style-type: none"> • 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. • Commence the following projects for external reporting: <ul style="list-style-type: none"> • reporting service performance information. • remuneration reporting. • management commentary. <p>Conduct formal agenda consultation.</p>
2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	<p>Make accounting standards under the <i>Corporations Act 2001</i> for corporations and for other purposes. Participate in and contribute to the development of a single set of accounting standards for world-wide use. In a financial reporting context, enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including its capital markets; having regard to the interests of Australian corporations raising capital in major international financial centres.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The 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**

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	2,682	3,320	3,386	3,386	3,490
Suppliers	1,481	1,304	1,243	1,237	1,045
Depreciation and amortisation (a)	251	243	250	257	259
Finance	4	6	6	7	7
Total expenses	4,418	4,873	4,885	4,887	4,801
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	544	636	653	653	550
Other	500	500	500	500	500
Total own-source revenue	1,044	1,136	1,153	1,153	1,050
Gains					
Other	78	121	123	123	125
Total gains	78	121	123	123	125
Total own-source income	1,122	1,257	1,276	1,276	1,175
Net (cost of)/contribution by services	(3,296)	(3,616)	(3,609)	(3,611)	(3,626)
Revenue from Government	3,598	3,565	3,558	3,560	3,574
Surplus/(deficit) attributable to the Australian Government	302	(51)	(51)	(51)	(52)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	51	(302)	(302)	(302)	(303)
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a) less depreciation/amortisation expenses for ROU (b)	(251)	(251)	(251)	(251)	(251)
add principal repayments on leased assets (b)	202	211	202	202	202
Total comprehensive income/(loss) - as per the statement of comprehensive income	302	(51)	(51)	(51)	(52)

Prepared on Australian Accounting Standards basis.

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

(b) Applies leases under AASB 16 Leases.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,183	2,183	2,183	2,183	2,183
Trade and other receivables	259	259	260	260	260
Total financial assets	2,442	2,442	2,443	2,443	2,443
Non-financial assets					
Buildings Right of Use (ROU)	350	358	366	374	367
Property, plant and equipment	149	153	153	153	153
Intangibles	4	0	0	0	0
Other non-financial assets	64	128	129	133	133
Total non-financial assets	567	639	648	660	653
Total assets	3,009	3,081	3,091	3,103	3,096
LIABILITIES					
Payables					
Suppliers	46	106	104	104	104
Other payables	150	150	150	150	150
Total payables	196	256	254	254	254
Interest bearing liabilities					
Leases	358	370	382	394	387
Total interest bearing liabilities	358	370	382	394	387
Provisions					
Employee provisions	304	304	304	304	304
Total provisions	304	304	304	304	304
Total liabilities	858	930	940	952	945
Net assets	2,151	2,151	2,151	2,151	2,151
EQUITY*					
Parent entity interest					
Contributed equity	651	702	753	804	856
Retained surplus (accumulated deficit)	1,500	1,449	1,398	1,347	1,295
Total equity	2,151	2,151	2,151	2,151	2,151

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	1,500	651	2,151
Adjusted opening balance	1,500	651	2,151
Comprehensive income			
Other 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 2021	1,449	702	2,151
Closing balance attributable to the Australian Government	1,449	702	2,151

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,145	3,565	3,557	3,560	3,574
Sale of goods and rendering of services	604	636	653	653	550
Net GST Received	125	-	-	-	-
Other	510	500	500	500	500
Total cash received	6,384	4,701	4,710	4,713	4,624
Cash used					
Employees	2,975	3,320	3,386	3,386	3,490
Suppliers	1,501	1,170	1,122	1,125	932
Interest payments on lease liabilities	4	-	-	-	-
Total cash used	4,480	4,490	4,508	4,511	4,422
Net cash from/(used by) operating activities	1,904	211	202	202	202
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	63	51	51	51	52
Total cash used	63	51	51	51	52
Net cash from/(used by) investing activities	(63)	(51)	(51)	(51)	(52)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	79	51	51	51	52
Total cash received	79	51	51	51	52
Cash used					
Principal payments on lease liability	202	211	202	202	202
Total cash used	202	211	202	202	202
Net cash from/(used by) financing activities	(123)	(160)	(151)	(151)	(150)
Net increase/(decrease) in cash held	1,718	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	465	2,183	2,183	2,183	2,183
Cash and cash equivalents at the end of the reporting period	2,183	2,183	2,183	2,183	2,183

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	51	51	51	52
Total new capital appropriations	-	51	51	51	52
<i>Provided for:</i>					
Purchase of non-financial assets	63	51	51	51	52
Total items	63	51	51	51	52
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	63	51	51	51	52
TOTAL	63	51	51	51	52
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	63	51	51	51	52
Total cash used to acquire assets	63	51	51	51	52

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 asset movements (Budget year 2020-21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	-	208	10	218
Gross book value - ROU assets	560	-	-	560
Accumulated depreciation/ amortisation and impairment	-	(59)	(6)	(65)
Accumulated depreciation/amortisation and impairment- ROU assets	(210)	-	-	(210)
Opening net book balance	350	149	4	503
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	51	-	51
By purchase - appropriation equity - ROU assets	-	-	-	-
Total additions	-	51	-	51
Other movements				
ROU assets held for sale or in a disposal group held for sale	-	-	-	-
Depreciation/amortisation expense	-	(47)	(4)	(51)
Depreciation/amortisation on ROU assets	(199)	-	-	(199)
Total other movements	(199)	(47)	(4)	(250)
As at 30 June 2021				
Gross book value	-	259	10	269
Gross book value - ROU assets	560	-	-	560
Accumulated depreciation/ amortisation and impairment	-	(106)	(10)	(116)
Accumulated depreciation/amortisation and impairment- ROU assets	(409)	-	-	(409)
Closing net book balance	151	153	-	304

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21, including CDABs.

PRODUCTIVITY COMMISSION

SECTION 1: ENTITY OVERVIEW AND RESOURCES	339
1.1 Strategic direction statement.....	339
1.2 Entity resource statement.....	341
1.3 Budget measures.....	342
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	343
2.1 Budgeted expenses and performance for Outcome 1.....	344
SECTION 3: BUDGETED FINANCIAL STATEMENTS	346
3.1 Budgeted financial statements.....	346
3.2 Budgeted financial statements tables	347

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 2020-21 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 in 2020-21 include: an inquiry into *National Water Reform*, developing a whole-of-government evaluation strategy for policies and programs affecting Aboriginal and Torres Strait Islander people, a review of the *National Agreement for Skills and Workforce Development*, and a study into *Resources Sector Regulation*.

The Commission will also operate the National Cabinet performance dashboard, and undertake further reviews of nationally significant sector – wide Commonwealth-State agreements. The Commission will also progress case studies on productivity reform within Australia for the Council on Federal Financial Relations, with the purpose of

Productivity Commission Budget Statements

informing and diffusing knowledge and practices across governments and identifying reform opportunities.

The Commission will continue to provide cross-jurisdictional reporting on performance of government services; indicators of Indigenous disadvantage; and expenditure on services to Indigenous Australians.

The Commission will receive \$10.1 million over four years to undertake its new functions under the *National Agreement on Closing the Gap*. The Commission will deliver a dashboard and annual progress report, underpinned by an information repository, to measure progress towards Closing the Gap targets, as well as three-yearly reviews. This will involve the Commission enhancing its cultural capability, and adapting its ways of thinking and working, to better engage and work with Aboriginal and Torres Strait Islander people.

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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	34,140	34,503
Departmental appropriation (c)	33,517	33,297
s74 Retained revenue receipts (d)	552	310
Departmental capital budget (e)	824	2,327
Total departmental annual appropriations	69,033	70,437
Total departmental resourcing	69,033	70,437
Total resourcing for the Productivity Commission	69,033	70,437
	2019-20	2020-21
Average staffing level (number)	174	172

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

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

(a) Appropriation Bill (No. 1) 2020-21.

(b) Excludes \$0.3 million 2017-18 DCB which lapsed on 1 July 2020.

(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

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

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

	2020-21	2021-22	2022-23	2023-24
Program	\$'000	\$'000	\$'000	\$'000
Payment measures				
Closing the Gap — partnering for delivery (a)	1.1			
Departmental payments	1,154	2,903	3,451	2,561
Total payment measures	1,154	2,903	3,451	2,561

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 Government will provide \$10.1 million over four years from 2020-21 (and \$2.6 million ongoing from 2024-25) to the Productivity Commission to deliver an annual progress report and an improved dashboard to measure progress towards Closing the Gap targets, as well as a three-yearly review.

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/2018-19>

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.

(a) **Table 2.1: Budgeted expenses for Outcome 1**

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Productivity Commission					
Departmental expenses					
Departmental appropriation	34,213	35,322	36,946	37,438	36,575
s74 Retained revenue receipts (a)	521	310	10	10	10
Expenses not requiring appropriation in the Budget year (b)	1,177	1,100	1,100	1,100	1,100
Departmental total	35,911	36,732	38,056	38,548	37,685
Total expenses for program 1.1	35,911	36,732	38,056	38,548	37,685
Total expenses for Outcome 1	35,911	36,732	38,056	38,548	37,685

	2019-20	2020-21
Average staffing level (number)	174	172

(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.

(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 2.2: 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	2019-20 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 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Commission expects to make an operating loss of \$1.5 million in 2020-21. The expected loss is attributable to reclassification of \$1.5 million from its Annual Operating Appropriation to its Departmental Capital Budget for the Commission's new (Melbourne) office fit-out. The Commission is budgeting for a break-even result for 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	27,659	28,350	29,883	30,180	29,302
Suppliers	4,418	3,849	4,688	4,921	4,976
Depreciation and amortisation	3,637	4,181	3,179	3,179	3,179
Finance costs	197	352	306	268	228
Total expenses	35,911	36,732	38,056	38,548	37,685
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	521	310	10	10	10
Other	50	50	50	50	50
Total own-source revenue	571	360	60	60	60
Total own-source income	571	360	60	60	60
Net (cost of)/contribution by services	(35,340)	(36,372)	(37,996)	(38,488)	(37,625)
Revenue from Government	33,517	33,297	36,580	37,198	36,447
Surplus/(deficit) attributable to the Australian Government	(1,823)	(3,075)	(1,416)	(1,290)	(1,178)

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

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(445)	(1,500)	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,127	1,050	1,050	1,050	1,050
less: depreciation/amortisation expenses for ROU assets (b)	2,510	3,131	2,129	2,129	2,129
add: Principal repayments on leased assets (b)	2,259	2,606	1,763	1,889	2,001
Total comprehensive income/(loss) - as per the statement of comprehensive income	(1,823)	(3,075)	(1,416)	(1,290)	(1,178)

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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	288	288	288	288	288
Trade and other receivables	34,380	30,549	31,307	32,065	32,526
Total financial assets	34,668	30,837	31,595	32,353	32,814
Non-financial assets					
Land and buildings	11,372	20,744	17,965	15,186	12,407
Property, plant and equipment	709	1,284	1,074	866	978
Intangibles	146	146	146	146	126
Other non-financial assets	294	294	294	294	294
Total non-financial assets	12,521	22,468	19,479	16,492	13,805
Total assets	47,189	53,305	51,074	48,845	46,619
LIABILITIES					
Payables					
Suppliers	270	270	270	270	270
Total payables	270	270	270	270	270
Interest bearing liabilities					
Leases	9,499	16,746	14,983	13,094	11,093
Total interest bearing liabilities	9,499	16,746	14,983	13,094	11,093
Provisions					
Employee provisions	11,906	12,126	12,246	12,366	12,486
Other provisions	603	-	-	-	-
Total provisions	12,509	12,126	12,246	12,366	12,486
Total liabilities	22,278	29,142	27,499	25,730	23,849
Net assets	24,911	24,163	23,575	23,115	22,770
EQUITY*					
Parent entity interest					
Contributed equity	8,984	11,311	12,139	12,969	13,802
Reserves	1,593	1,593	1,593	1,593	1,593
Retained surplus (accumulated deficit)	14,334	11,259	9,843	8,553	7,375
Total equity	24,911	24,163	23,575	23,115	22,770

Prepared on Australian Accounting Standards basis.

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

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

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	14,334	1,593	8,984	24,911
Adjusted opening balance	14,334	1,593	8,984	24,911
Comprehensive income				
Surplus/(deficit) for the period	(3,075)	-	-	(3,075)
Total comprehensive income	(3,075)	-	-	(3,075)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	2,327	2,327
Sub-total transactions with owners	-	-	2,327	2,327
Estimated closing balance as at 30 June 2020	11,259	1,593	11,311	24,163
Closing balance attributable to the Australian Government	11,259	1,593	11,311	24,163

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	33,322	35,478	36,460	37,078	36,327
Sale of goods and rendering of services	557	310	10	10	10
Net GST received	(19)	-	-	-	-
Other	(5)	-	-	-	-
Total cash received	33,855	35,788	36,470	37,088	36,337
Cash used					
Employees	27,310	28,130	29,763	30,060	29,182
Suppliers	4,248	4,413	4,638	4,871	4,926
Interest payments on lease liability	186	341	306	268	228
Total cash used	31,744	32,884	34,707	35,199	34,336
Net cash from/(used by) operating activities	2,111	2,904	1,763	1,889	2,001
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	212	4,275	190	192	492
Total cash used	212	4,275	190	192	492
Net cash from/(used by) investing activities	(212)	(4,275)	(190)	(192)	(492)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	508	3,977	190	192	492
Total cash received	508	3,977	190	192	492
Cash used					
Return of contributed equity	296	-	-	-	-
Principal payments on lease liability	2,259	2,606	1,763	1,889	2,001
Total cash used	2,555	2,606	1,763	1,889	2,001
Net cash from/(used by) financing activities	(2,047)	1,371	(1,573)	(1,697)	(1,509)
Net increase/(decrease) in cash held	(148)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	436	288	288	288	288
Cash and cash equivalents at the end of the reporting period	288	288	288	288	288

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget-Bill 1 (DCB)	824	2,327	828	830	833
Total new capital appropriations	824	2,327	828	830	833
Provided for:					
Purchase of non-financial assets	212	2,327	190	192	492
Other items	612	-	638	638	341
Total items	824	2,327	828	830	833
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	212	3,977	190	192	492
Funded internally from departmental resources (b)	-	298	-	-	-
TOTAL	212	4,275	190	192	492
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	212	4,275	190	192	492
Total cash used to acquire assets	212	4,275	190	192	492

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 the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 External Revenue; and
- proceeds from the sale of assets.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	3,761	1,787	802	6,350
Gross book value - ROU assets	11,958	-	-	11,958
Accumulated depreciation/ amortisation and impairment	(1,837)	(1,078)	(656)	(3,571)
Accumulated depreciation/amortisation and impairment- ROU assets	(2,510)	-	-	(2,510)
Opening net book balance	11,372	709	146	12,227
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	3,300	955	20	4,275
By purchase - other - ROU assets	9,853	-	-	9,853
Total additions	13,153	955	20	14,128
Other movements				
Depreciation/amortisation expense	(650)	(380)	(20)	(1,050)
Depreciation/amortisation on ROU assets	(3,131)	-	-	(3,131)
Total other movements	(3,781)	(380)	(20)	(4,181)
As at 30 June 2021				
Gross book value	7,061	2,742	822	10,625
Gross book value - ROU assets	21,811	-	-	21,811
Accumulated depreciation/ amortisation and impairment	(2,487)	(1,458)	(676)	(4,621)
Accumulated depreciation/amortisation and impairment- ROU assets	(5,641)	-	-	(5,641)
Closing net book balance	20,744	1,284	146	22,174

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.

ROYAL AUSTRALIAN MINT

SECTION 1: ENTITY OVERVIEW AND RESOURCES	357
1.1 Strategic direction statement.....	357
1.2 Entity resource statement.....	359
1.3 Budget measures.....	359
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	360
2.1 Budgeted expenses and performance for Outcome 1.....	361
SECTION 3: BUDGETED FINANCIAL STATEMENTS	364
3.1 Budgeted financial statements.....	364
3.2 Budgeted financial statements tables	365

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 achieve excellence as the world's best performing Mint. 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 tourist services to local and overseas visitors.

2020-21 will be the first year of a new strategic plan which acknowledges the long-term decline in the demand for circulating coin, the global and domestic challenges ahead and identifies opportunities for growth in commercial domestic and foreign business. Key strategies identified in this plan include:

- Further enhance and grow the visitor experience at the Mint and its related programs;
- Invest in the system of innovation;
- Continue to implement efficiency improvements by investing in technology, automation and the more effective utilisation of all resources;
- Continue to selectively identify and convert opportunities to increase the commercial revenue;
- Delivering in full and on time to all customers;
- Maintaining the record for workplace health and safety;
- Progressively build on its environmental programs;
- Continue to recognise the importance of staff; and
- Continue to enhance and leverage its brand recognition.

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.

In 2020-21, the Mint will continue to target profitable revenue growth opportunities for circulating and commercial activities.

Royal Australian Mint Budget Statements

The Mint's return on net assets is budgeted to be 29 per cent in 2020-21, inclusive of the seigniorage return to the Commonwealth. Across the forward estimates, the Mint will be focussed on maintaining its return on net assets. With the decline in demand for circulating coin, seigniorage is expected to fall over the next four years from the budgeted \$19.9 million in 2020-21 to \$12.5 million in 2023-24. However, the decline is offset by commercial pre-tax profit and royalties.

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 (i.e. cash available) basis, whilst the 'Budgeted expenses by Outcome' 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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual \$'000</i>	2020-21 Estimate \$'000
Departmental		
Special accounts(a)		
Opening balance	52,292	54,841
Non-appropriation receipts	130,603	125,978
<i>Total special accounts</i>	<i>182,895</i>	<i>180,819</i>
Total departmental resourcing	182,895	180,819
Total resourcing for the Royal Australian Mint	182,895	180,819
	2019-20	2020-21
Average staffing level(number)	230	239

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 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 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Royal Australian Mint Special Account	27,860	22,283	21,371	21,016	20,501
Administered total	27,860	22,283	21,371	21,016	20,501
Departmental expenses					
Special accounts					
Royal Australian Mint Special Account	119,147	108,157	127,841	136,730	145,750
Departmental total	119,147	108,157	127,841	136,730	145,750
Total expenses for program 1.1	147,007	130,440	149,212	157,746	166,251
Total expenses for Outcome 1	147,007	130,440	149,212	157,746	166,251
	2019-20	2020-21			
Average staffing level (number)	230	239			

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – 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. • Tourism 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	2019-20	2020-21	2021-22 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage: \$27m Volume: 92.9 mpcs	Seigniorage: \$19.9m Volume: 115 mpcs	Seigniorage: \$13.3m; \$15.6m; \$12.4m Volume: 77 mpcs; 90 mpcs; 72 mpcs
Optimum return on investment	Return on Net Assets: 29%	Return on Net Assets: 30%	Return on Net Assets: 30%
Commercial orders placed are produced and delivered within agreed delivery time	Delivered on time and in full: 99%	Delivered on time and in full: 90%	Delivered on time and in full: 90%
Visitor satisfaction rating of Mint experience	Survey result: 95%	Survey result: 95%	Survey result: 95%
Increase in visitor numbers compared to prior year	Visitors: 257,275 (COVID-19 Impacted)	Visitors: 101,000 (COVID-19 Impacted)	Visitors: 250,000

Royal Australian Mint Budget Statements

Performance criteria	2019-20	2020-21	2021-22 and the forward estimates
Provide a safe, secure and sustainable operational environment	Retain certification: Yes Major injuries: Nil Security breaches: 1	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: 72%	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 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between 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 numismatic products and production of foreign circulating coins and other minted products.

The Mint's Departmental projected results for the 2020-21 and forward years reflect the Mint's focus on identifying opportunities in its numismatic business (refer to Table 3.1). The ongoing implementation of 'lean' principles will enable the Mint to manufacture coins (both circulating and numismatic) 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 numismatic products and foreign circulating coins. It is expected to rise from \$7.8 million in 2019-20 to \$17.7 million in 2023-24 and will offset the reduction in seigniorage received by the government from Australian circulating coins.

The anticipated decline in demand for Australian circulating coin is reflected in a fall in Administered surplus over the next four years from \$27 million in 2019-20 to \$12.5 million in 2023-24 (refer to Table 3.7). However with the increased Departmental commercial 'pre-tax profit' and Commonwealth royalties, the decline in seigniorage returned to Commonwealth will be less significant.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	23,590	26,302	26,302	26,302	26,302
Suppliers	85,911	72,562	92,212	101,082	110,082
Depreciation and amortisation	7,116	7,058	7,058	7,058	7,058
Finance costs	999	999	999	999	999
Other expenses	1,531	1,236	1,270	1,289	1,309
Total expenses	119,147	108,157	127,841	136,730	145,750
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	128,584	123,740	144,847	156,450	168,954
Interest	362	400	475	550	625
Other	504	902	934	967	999
Total own-source revenue	129,450	125,042	146,256	157,967	170,578
Total own-source income	129,450	125,042	146,256	157,967	170,578
Net (cost of)/contribution by services	11,048	16,885	18,415	21,237	24,828
Notional income tax expense	3,231	5,005	5,194	6,041	7,119
Total comprehensive income/(loss) - as per the statement of comprehensive income	7,817	11,880	13,221	15,196	17,709

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	54,841	75,116	74,710	85,992	94,520
Trade and other receivables	1,160	44	44	44	44
Total financial assets	56,001	75,160	74,754	86,036	94,564
Non-financial assets					
Buildings	55,589	36,816	35,479	34,161	32,863
Property, plant and equipment	10,878	27,587	27,905	26,923	24,964
Intangibles	1,828	2,034	2,241	2,448	2,632
Heritage and cultural	22,030	22,030	22,030	22,030	22,030
Inventories	72,171	84,712	85,438	86,171	86,911
Tax assets	1,120	782	782	782	782
Other non-financial assets	3,688	3,688	3,688	3,688	3,688
Total non-financial assets	167,304	177,649	177,563	176,203	173,870
Total assets	223,305	252,809	252,317	262,239	268,434
LIABILITIES					
Payables					
Suppliers	2,972	2,972	2,972	2,972	2,972
Tax liabilities	3,054	3,300	4,584	6,976	8,653
Other payables	15,844	34,547	29,235	31,344	28,162
Total payables	21,870	40,819	36,791	41,292	39,787
Interest bearing liabilities					
Leases	40,030	38,562	37,732	36,809	35,789
Total interest bearing liabilities	40,030	38,562	37,732	36,809	35,789
Provisions					
Employee provisions	6,829	6,961	7,095	7,232	7,232
Other provisions	801	812	823	834	845
Total provisions	7,630	7,773	7,918	8,066	8,077
Total liabilities	69,530	87,154	82,441	86,167	83,653
Net assets	153,775	165,655	169,876	176,072	184,781
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)	35,256	47,136	51,357	57,553	66,262
Total equity	153,775	165,655	169,876	176,072	184,781

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

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

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	55,256	20,616	77,903	153,775
Opening balance	55,256	20,616	77,903	153,775
Comprehensive income				
Surplus/(deficit) for the period	11,880	-	-	11,880
Total comprehensive income	11,880	-	-	11,880
Estimated closing balance as at 30 June 2021	67,136	20,616	77,903	165,655
Closing balance attributable to the Australian Government	67,136	20,616	77,903	165,655

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	168,759	157,458	174,432	181,950	168,954
Net GST received	633	(638)	-	-	-
Interest received	-	-	-	-	-
Other	773	10,562	10,669	10,787	10,894
Total cash received	170,165	167,382	185,101	192,737	179,848
Cash used					
Employees	22,005	26,085	26,080	26,073	26,302
Suppliers	110,924	97,055	107,267	112,523	119,642
Net GST paid	-	440	440	450	450
Borrowing and other financing costs	988	988	988	988	988
Other	21,368	11,112	30,746	22,884	4,491
Total cash used	155,285	135,680	165,521	162,918	151,873
Net cash from/(used by) operating activities	14,880	31,702	19,580	29,819	27,975
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,426	5,200	5,500	4,200	3,200
Total cash used	1,426	5,200	5,500	4,200	3,200
Net cash from/(used by) investing activities	(1,426)	(5,200)	(5,500)	(4,200)	(3,200)
FINANCING ACTIVITIES					
Cash used					
Repayments of borrowings	1,905	1,468	1,576	1,688	1,805
Payments to Commonwealth - return of	9,000	4,759	12,910	12,649	14,442
Total cash used	10,905	6,227	14,486	14,337	16,247
Net cash from/(used by) financing activities	(10,905)	(6,227)	(14,486)	(14,337)	(16,247)
Net increase/(decrease) in cash held	2,549	20,275	(406)	11,282	8,528
Cash and cash equivalents at the beginning of the reporting period	52,292	54,841	75,116	74,710	85,992
Cash and cash equivalents at the end of the reporting period	54,841	75,116	74,710	85,992	94,520

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	1,574	5,200	5,500	4,200	3,200
TOTAL	1,574	5,200	5,500	4,200	3,200
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,574	5,200	5,500	4,200	3,200
Total cash used to acquire assets	1,574	5,200	5,500	4,200	3,200

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020					
Gross book value - ROU assets	40,970	-	-	-	40,970
Gross book value	-	31,909	22,030	8,026	61,965
Accumulated depreciation/ amortisation and impairment	-	(4,341)	-	(6,198)	(10,539)
Accumulated depreciation/ amortisation and impairment - ROU assets	(2,083)	-	-	-	(2,083)
Opening net book balance	38,887	27,568	22,030	1,828	90,313
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	4,324	-	876	5,200
Total additions	-	4,324	-	876	5,200
Other movements					
Depreciation/amortisation expense - ROU	(2,083)	-	-	-	-
Depreciation/amortisation expense	-	(4,305)	-	(670)	(4,975)
Total other movements	(2,083)	(4,305)	-	(670)	(4,975)
As at 30 June 2021					
Gross book value - ROU assets	40,970	-	-	-	-
Gross book value	-	36,233	22,030	8,902	67,165
Accumulated depreciation/ amortisation and impairment - ROU	(4,166)	-	-	-	(4,166)
Accumulated depreciation/ amortisation and impairment	-	(8,646)	-	(6,868)	(15,514)
Closing net book balance	36,816	27,587	22,030	2,034	88,467

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)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Suppliers	25,983	20,362	19,412	19,017	18,462
Other expenses	1,877	1,921	1,959	1,999	2,039
Total expenses administered on behalf of Government	27,860	22,283	21,371	21,016	20,501
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	53,461	42,200	34,700	36,700	33,000
Total non-taxation revenue	53,461	42,200	34,700	36,700	33,000
Total own-source revenue administered on behalf of Government	53,461	42,200	34,700	36,700	33,000
Total own-sourced income administered on behalf of Government	53,461	42,200	34,700	36,700	33,000
Net cost of/(contribution by) services	(25,601)	(19,917)	(13,329)	(15,684)	(12,499)
Surplus/(deficit)	25,601	19,917	13,329	15,684	12,499

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	13,999	19,917	13,329	15,684	12,499
Total financial assets	13,999	19,917	13,329	15,684	12,499
Non-financial assets					
Inventories	2,210	2,210	2,210	2,210	2,210
Total non-financial assets	2,210	2,210	2,210	2,210	2,210
Total assets administered on behalf of Government	16,209	22,127	15,539	17,894	14,709
LIABILITIES					
Payables					
Other payables	-	-	-	-	-
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-
Net assets/(liabilities)	16,209	22,127	15,539	17,894	14,709

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	39,462	13,999	19,917	13,329	15,684
Total cash received	39,462	13,999	19,917	13,329	15,684
Net cash from/(used by) operating activities					
	39,462	13,999	19,917	13,329	15,684
Net increase/(decrease) in cash held					
	39,462	13,999	19,917	13,329	15,684
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(39,462)	(13,999)	(19,917)	(13,329)	(15,684)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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).

Glossary

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 chief executive officers 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.

Glossary

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 incurrance 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-expended 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.

Glossary

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).
Special appropriations (including standing appropriations)	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.

