

# Australian Prudential Regulation Authority

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# Australian Prudential Regulation Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

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

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

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

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

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

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

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

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

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

## 1.2 Entity resource statement

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

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

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

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

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

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

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

**Third party payments from and on behalf of other entities**

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

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

- (a) Appropriation Bill (No. 1) 2022-23.
- (b) Estimated Retained Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes 'Special Public Money'. For further information on special appropriations and special accounts, refer to *Budget Paper No. 4 – Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources. For example, annual appropriations, special appropriations and special accounts.
- (d) Appropriation receipts include receipts from the Department of Foreign Affairs and Trade, the Reserve Bank of Australia, and the Australian Bureau of Statistics.
- (e) Comprises Private Health Insurance risk equalisation receipts which are redistributed to industry.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

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

The most recent annual performance statement can be found at:

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

## 2.1 Budgeted expenses and performance for Outcome 1

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

### Budgeted expenses for Outcome 1

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

**Table 2.1: Budgeted expenses for Outcome 1**

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

	2021-22	2022-23
<b>Average staffing level (number)</b>	819	831

(a) Private Health Insurance Industry risk equalisation payments.

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

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

(d) Expenses not requiring appropriation in the Budget year are made up of ANAO audit services that are received free of charge; however, the expense is recognised along with an equal and offsetting income stream.



**Table 2.2: Performance criteria for Outcome 1**

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

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

**Budget 2022–23** | Portfolio Budget Statements

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

## **Section 3: Budgeted financial statements**

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

### **3.1 Budgeted financial statements**

#### **3.1.1 Differences between entity resourcing and financial statements**

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

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

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

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

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

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

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

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

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

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

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

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

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

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

### 3.2. Budgeted financial statements tables

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

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

#### Note: Impact of net cash appropriation arrangements

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

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

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

Prepared on Australian Accounting Standards basis.

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.



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

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

Prepared on Australian Accounting Standards basis.

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.