

**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS 2008-09**

TREASURY PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2008-09

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## TREASURER

PO BOX 6022  
PARLIAMENT HOUSE  
CANBERRA ACT 2600

Telephone: 02 6277 7340  
Facsimile: 02 6273 3420

[www.treasurer.gov.au](http://www.treasurer.gov.au)

President of the Senate  
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Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit the Portfolio Additional Estimates Statements in support of the 2008-09 Additional Estimates for the Treasury portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the additional funding requirements being sought 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, reading 'Wayne Swan' in a cursive style.

WAYNE SWAN

## **ABBREVIATIONS AND CONVENTIONS**

(a) The following notations may be used:

- nil

\$m \$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

## **ENQUIRIES**

Should you have any enquiries regarding this publication please contact Ms Nicole Scott in the Department of the Treasury on (02) 6263 2111.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

# USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they update the resourcing for the agency. The PAES include an agency resource statement, in addition to the information on new measures and the Appropriation Bills.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2008-09. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2008-09* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

## STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

### User guide

Provides an introduction explaining the purpose of the PAES.

### Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

### Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by additional estimates.

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#### Section 1: Agency overview and resources

This section details the total resources available to an agency, the impact of any measures since Budget, and impact on Appropriation Bills No. 3 and No. 4.

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#### Section 2: Revisions to outcomes and planned performance

This section details changes to Government outcomes and/or changes to the planned performance of agency output groups.

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#### Section 3: Explanatory tables and budgeted financial statements

This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.

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#### Glossary

Explains key terms relevant to the portfolio.

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# **PORTFOLIO OVERVIEW**



## PORTFOLIO OVERVIEW

The Office of the Auditing and Assurance Standards Board (AUASB) and the Office of the Australian Accounting Standards Board (AASB) have transferred governance arrangements from the *Commonwealth Authorities and Companies Act 1997* framework to the *Financial Management and Accountability Act 1997* framework from 1 July 2008.

This has resulted in both the AUASB and AASB now being appropriated directly from Government and will now report as separate agencies within the Treasury portfolio.

Details about the AUASB and AASB appear in their respective sections in the Portfolio Additional Estimates Statements.

There has been no other change to the portfolio overview from that included in the *Portfolio Budget Statements 2008-09*.

### **ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL**

Additional estimates are being sought for the Department of the Treasury, the Australian Bureau of Statistics, the Australian Competition and Consumer Commission, the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, the AUASB and the AASB. Explanations of additional estimates for these agencies are detailed in their respective section in the Portfolio Additional Estimates Statements.

There are no additional estimates for the Australian Office of Financial Management, the Australian Taxation Office, the Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector-General of Taxation, the National Competition Council, the Productivity Commission or the Royal Australian Mint.

**Figure 1: The Treasury portfolio structure and outcomes**



**Figure 1: The Treasury portfolio structure and outcomes (continued)**





# DEPARTMENT OF THE TREASURY

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# DEPARTMENT OF THE TREASURY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Department of the Treasury from that outlined in the *Portfolio Budget Statements 2008-09* (pages 13-15).

The Department of the Treasury is seeking an additional \$0.7 million in departmental outputs through Appropriation Bill (No. 3) 2008-09. This relates to: an additional \$2.5 million for the global financial crisis - additional funding for regulators and the Treasury measure; \$1.0 million for the Council of Australian Governments - implementing a national approach to the regulation of consumer credit measure; \$0.3 million to assist in the implementation of operation sunlight measure; and offset by a reduction of \$3.1 million to be transferred to equity injections as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

The Department of the Treasury is also seeking an additional \$11.8 million in equity injections through Appropriation Bill (No. 4) 2008-09 as part of a reallocation of funds for Standard Business Reporting from the Australian Bureau of Statistics, the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission. The reallocation will have no net impact on the Budget.

The Department of the Treasury is also seeking an additional \$3.2 million for payments to the States and Territories through Appropriation Bill (No. 4) 2008-09 for Standard Business Reporting. This is a movement of funds from 2007-08.

The Department of the Treasury is also seeking an additional \$4.0 million for administered assets and liabilities through Appropriation Bill (No. 4) 2008-09 for payments in relation to the HIF assistance scheme (\$4.0 million) and subscriptions to international financial institutions (\$0.05 million).

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

**Table 1.1: Department of the Treasury resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at + Budget	Proposed additional = estimates	Total estimate at Additional Estimates	Total available at appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Prior year amounts available	71,450	-	71,450	-
Departmental outputs	144,143 <sup>1</sup>	728 <sup>2</sup>	144,871	150,844
Receipts from other sources (s31)	10,818	-	10,818	11,144
<b>Total departmental outputs</b>	<b>226,411</b>	<b>728</b>	<b>227,139</b>	<b>161,988</b>
<b>Administered expenses</b>				
Outcome 4 - Housing Loan Insurance Company Limited - payments in respect of insurance claims	5,000	-	5,000	5,000
<b>Total administered expenses</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>
<b>Total ordinary annual services</b> <b>A</b>	<b>231,411</b>	<b>728</b>	<b>232,139</b>	<b>166,988</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	9,541	11,763 <sup>3</sup>	21,304	8,978
Previous years' outputs	-	-	-	1,820
<b>Total departmental non-operating</b>	<b>9,541</b>	<b>11,763</b>	<b>21,304</b>	<b>10,798</b>
<b>Administered expenses</b>				
Outcome 2 - Additional First Home Owners Scheme	2,413	-	2,413	-
Outcome 2 - Crude oil excise - condensate	72,300	-	72,300	80,000
Outcome 4 - Standard Business Reporting - payments to State Revenue Offices	7,120	3,150 <sup>3</sup>	10,270	3,240
Outcome 4 - Compensation - companies regulation	-	-	-	173,868
<b>Total administered expenses</b>	<b>81,833</b>	<b>3,150</b>	<b>84,983</b>	<b>257,108</b>
<b>Administered non-operating</b>				
Administered assets and liabilities				
Subscriptions to international financial institutions	3,053	45 <sup>3</sup>	3,098	3,654
Payments in relation to the HIH Assistance Scheme	76,791	3,951 <sup>3</sup>	80,742	50,119
<b>Total administered non-operating</b>	<b>79,844</b>	<b>3,996</b>	<b>83,840</b>	<b>53,773</b>
<b>Total other services</b> <b>B</b>	<b>171,218</b>	<b>18,909</b>	<b>190,127</b>	<b>321,679</b>
<b>Total available annual appropriations (A + B)</b>	<b>402,629</b>	<b>19,637</b>	<b>422,266</b>	<b>488,667</b>

**Table 1.1: Department of the Treasury resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008 (continued)**

	Estimate as at <sup>+</sup> Budget	Proposed additional <sup>=</sup> estimates	Total estimate at Additional Estimates 2008-09	Total available appropriation 2007-08
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Special appropriations</b>				
<i>International Monetary Agreements Act 1947</i>	21,816	1,434	23,250	31,050
<i>A New Tax System (Commonwealth- State Financial Arrangements) Act 1999</i>	45,280,000	(1,670,002)	43,609,998	42,673,196
<i>Appropriation (HIH Assistance) Act 2001</i>	-	-	-	11,017
<i>Appropriation (Economic Security Strategy) Act (No. 2) 2008</i>	-	1,184,883	-	1,184,883
<b>Total special appropriations</b>	<b>C 45,301,816</b>	<b>(483,685)</b>	<b>43,633,248</b>	<b>43,900,146</b>
<b>Total appropriations (A + B + C)</b>	<b>45,704,445</b>	<b>(464,048)</b>	<b>44,055,514</b>	<b>44,388,813</b>
<b>Special Accounts</b>				
Opening balance	3,580	(2,000)	1,580	3,580
Non-appropriation receipts to special accounts	1,809	(180)	1,629	1,809
<b>Total special accounts</b>	<b>D 5,389</b>	<b>(2,180)</b>	<b>3,209</b>	<b>5,389</b>
<b>Total resourcing (A + B + C + D)</b>	<b>45,709,834</b>	<b>(466,228)</b>	<b>44,058,723</b>	<b>44,394,202</b>
Less receipts from other sources credited to special accounts	1,809	-	-	1,809
<b>Total net resourcing for the Treasury</b>	<b>45,708,025</b>	<b>(466,228)</b>	<b>44,058,723</b>	<b>44,392,393</b>

1. Includes transfer of \$2.303 million under section 32 of the *Financial Management and Accountability Act 1997* to the Office of the Auditing and Assurance Standards Board and the Office of the Australian Accounting Standards Board.
2. Appropriation Bill (No. 3) 2008-09.
3. Appropriation Bill (No. 4) 2008-09.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008-09 Budget.

**Table 1.2: Agency measures since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
Global financial crisis - additional funding for regulators and the Treasury					
Departmental outputs <sup>1</sup>	1.1	2,500	5,000	-	-
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
Departmental outputs <sup>1</sup>	4.1	1,022	1,033	802	673
Implementation of operation sunlight					
Departmental outputs	4.1	306	-	-	-
<b>Total expense measures</b>		<b>3,828</b>	<b>6,033</b>	<b>802</b>	<b>673</b>

1. Details of these measures appear in the *Mid-Year Economic and Fiscal Outlook 2008-09* on pages 184 and 185.

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2008-09 Budget in Appropriation Bills No. 3 and No. 4. Table 1.4 details additional estimates or variations from other variations.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Global financial crisis - additional funding for regulators and the Treasury	1.1	2,500	5,000	-	-
<b>Outcome 4</b>					
<b>Increase in estimates (departmental)</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit	4.1	1,022	1,033	802	673
Implementation of operation sunlight	4.1	306	-	-	-
<b>Net impact on estimates for measures (departmental)</b>		<b>3,828</b>	<b>6,033</b>	<b>802</b>	<b>673</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (administered)</b>					
Subscriptions to international financial institutions (capital)	1.1	45	-	-	-
<b>Net impact on estimates for outcome 1 (administered)</b>		<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Outcome 4</b>					
<b>Increase in estimates (departmental)</b>					
Standard Business Reporting (capital)	4.1	11,763	-	-	-
<b>Decrease in estimates (departmental)</b>					
Standard Business Reporting (expense)	4.1	(3,100)	-	-	-
<b>Net impact on estimates for outcome 4 (departmental)</b>		<b>8,663</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in estimates (administered)</b>					
Standard Business Reporting (expense)	4.1	3,150	-	-	-
Payments in relation to the HIH Assistance Scheme (capital)	4.1	3,951	(21,570)	(16,765)	(14,765)
<b>Net impact on estimates for outcome 4 (administered)</b>		<b>7,101</b>	<b>(21,570)</b>	<b>(16,765)</b>	<b>(14,765)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for the Department of the Treasury through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2007-08 available \$'000	2008-09 Budget <sup>1</sup> \$'000	2008-09 Budget <sup>2</sup> \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>ADMINISTERED ITEMS</b>						
<b>Outcome 4</b>						
Well functioning markets	5,000	5,000	5,000	5,000	-	-
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	-	-
<b>DEPARTMENTAL OUTPUTS</b>						
<b>Outcome 1</b>						
Sound macroeconomic environment	28,515	27,320	27,320	29,820	2,500	-
<b>Outcome 2</b>						
Effective government spending arrangements	20,082	21,356	21,356	21,356	-	-
<b>Outcome 3</b>						
Effective taxation and retirement income arrangements	42,208	46,980	46,980	46,980	-	-
<b>Outcome 4</b>						
Well functioning markets	60,039	50,790	48,487	46,715	(1,772)	-
<b>Total</b>	<b>150,844</b>	<b>146,446</b>	<b>144,143</b>	<b>144,871</b>	<b>728</b>	-
<b>Total administered and departmental</b>	<b>155,844</b>	<b>151,446</b>	<b>149,143</b>	<b>149,871</b>	<b>728</b>	-

1. Estimate as shown in the *Portfolio Budget Statements 2008-09*.

2. Includes transfer of \$2.303 million under section 32 of the *Financial Management and Accountability Act 1997* to the Office of the Auditing and Assurance Standards Board and the Office of the Australian Accounting Standards Board.

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT</b>					
<b>Outcome 4</b>					
Well functioning markets	3,240	7,120	10,270	3,150	-
<b>OTHER ADMINISTERED ITEMS</b>					
<b>Non-operating</b>					
Equity injections	8,978	9,541	21,304	11,763	-
Previous years' outputs	1,820	-	-	-	-
Administered assets and liabilities	53,773	79,844	83,840	3,996	-
<b>Total non-operating</b>	<b>64,571</b>	<b>89,385</b>	<b>105,144</b>	<b>15,759</b>	-
<b>Total</b>	<b>67,811</b>	<b>96,505</b>	<b>115,414</b>	<b>18,909</b>	-

## Section 2: Revisions to agency outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There has been no change to outcomes and performance information for the Department of the Treasury from that included in the *Portfolio Budget Statements 2008-09* (pages 20-34).

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of the Treasury. The corresponding table in the *Portfolio Budget Statements 2008-09* is Table 3.1.3.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b>	Receipts <b>2008-09</b>	Payments <b>2008-09</b>	Adjustments <b>2008-09</b>	Closing balance <b>2008-09</b>
		2007-08	2007-08	2007-08	2007-08	2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial Services Special Account	4	<b>1,580</b>	<b>1,629</b>	<b>1,629</b>	-	<b>1,580</b>
		1,580	1,629	1,629	-	1,580
Other Trust Moneys Account	All	-	-	-	-	-
		-	-	-	-	-
Services for other Governments and Non-Agency Bodies Account	All	-	-	-	-	-
		-	-	-	-	-
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		<b>1,580</b>	<b>1,629</b>	<b>1,629</b>	-	<b>1,580</b>
Total special accounts						
2007-08 estimate actual		1,580	1,629	1,629	-	1,580

Note: Lloyd's Deposit Trust Special Account was transferred to Australian Prudential Regulation Authority from 23 May 2008. This was previously reported by the Department of the Treasury.

#### 3.1.2 Estimates of variations to Average Staffing Level

Changes in Average Staffing Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget. The ASL figures for Budget were reported in agency *Portfolio Budget Statements 2008-09* in each outcome resourcing table.

**Table 3.1.2: Average Staffing Level**

	2008-09 Budget	2008-09 Revised	Variation
Department of the Treasury	920	928	8
<b>Total</b>	<b>920</b>	<b>928</b>	<b>8</b>



## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting towards a departmental breakeven operating result for 2008-09.

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

### 3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	149,315	144,871	154,977	137,012	135,092
Goods and services	7,666	9,644	9,547	9,204	9,369
Other	824	824	823	824	824
<b>Total revenue</b>	<b>157,805</b>	<b>155,339</b>	<b>165,347</b>	<b>147,040</b>	<b>145,285</b>
<b>Gains</b>					
Other	360	350	351	351	351
<b>Total gains</b>	<b>360</b>	<b>350</b>	<b>351</b>	<b>351</b>	<b>351</b>
<b>Total income</b>	<b>158,165</b>	<b>155,689</b>	<b>165,698</b>	<b>147,391</b>	<b>145,636</b>
<b>EXPENSE</b>					
Employees	101,143	107,240	111,786	104,212	104,332
Suppliers	40,403	42,154	43,804	31,766	29,928
Depreciation and amortisation	3,344	4,355	8,168	9,473	9,436
Grants	4,625	1,805	1,805	1,805	1,805
Finance costs	160	135	135	135	135
<b>Total expenses</b>	<b>149,675</b>	<b>155,689</b>	<b>165,698</b>	<b>147,391</b>	<b>145,636</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>8,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,270	2,270	2,270	2,270	2,270
Receivables	73,469	63,898	65,423	69,332	72,268
<b>Total financial assets</b>	<b>75,739</b>	<b>66,168</b>	<b>67,693</b>	<b>71,602</b>	<b>74,538</b>
<b>Non-financial assets</b>					
Land and buildings	10,442	11,366	10,816	10,266	9,716
Infrastructure, plant and equipment	7,067	8,120	9,290	10,486	9,719
Intangibles	788	32,107	41,461	37,842	36,223
Other	1,443	1,490	1,539	1,589	1,589
<b>Total non-financial assets</b>	<b>19,740</b>	<b>53,083</b>	<b>63,106</b>	<b>60,183</b>	<b>57,247</b>
<b>Total assets</b>	<b>95,479</b>	<b>119,251</b>	<b>130,799</b>	<b>131,785</b>	<b>131,785</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,789	2,832	2,876	2,921	2,921
Other payables	4,098	4,169	4,243	4,319	4,319
<b>Total payables</b>	<b>6,887</b>	<b>7,001</b>	<b>7,119</b>	<b>7,240</b>	<b>7,240</b>
<b>Interest bearing liabilities</b>					
Leases	890	890	890	890	890
<b>Total interest bearing liabilities</b>	<b>890</b>	<b>890</b>	<b>890</b>	<b>890</b>	<b>890</b>
<b>Provisions</b>					
Employees	34,696	37,050	37,863	38,728	38,728
<b>Total provisions</b>	<b>34,696</b>	<b>37,050</b>	<b>37,863</b>	<b>38,728</b>	<b>38,728</b>
<b>Total liabilities</b>	<b>42,473</b>	<b>44,941</b>	<b>45,872</b>	<b>46,858</b>	<b>46,858</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	12,939	34,243	44,860	44,860	44,860
Reserves	5,276	5,276	5,276	5,276	5,276
Retained surpluses or accumulated deficits	34,791	34,791	34,791	34,791	34,791
<b>Total equity</b>	<b>53,006</b>	<b>74,310</b>	<b>84,927</b>	<b>84,927</b>	<b>84,927</b>
<b>Current assets</b>	<b>77,182</b>	<b>67,658</b>	<b>69,232</b>	<b>73,191</b>	<b>76,127</b>
<b>Non-current assets</b>	<b>18,297</b>	<b>51,593</b>	<b>61,567</b>	<b>58,594</b>	<b>55,658</b>
<b>Current liabilities</b>	<b>33,030</b>	<b>35,952</b>	<b>36,697</b>	<b>37,486</b>	<b>37,486</b>
<b>Non-current liabilities</b>	<b>9,443</b>	<b>8,989</b>	<b>9,175</b>	<b>9,372</b>	<b>9,372</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	11,966	9,584	9,485	9,141	9,369
Appropriations	132,002	154,609	157,091	138,075	132,156
Other	1,653	792	790	790	824
<b>Total cash received</b>	<b>145,621</b>	<b>164,985</b>	<b>167,366</b>	<b>148,006</b>	<b>142,349</b>
<b>Cash used</b>					
Employees	100,278	105,578	111,664	104,058	105,038
Suppliers	43,267	41,120	46,237	35,508	28,871
Grants	4,625	1,805	1,805	1,805	1,805
Other	1,625	135	135	135	135
<b>Total cash used</b>	<b>149,795</b>	<b>148,638</b>	<b>159,841</b>	<b>141,506</b>	<b>135,849</b>
<b>Net cash from or (used by) operating activities</b>	<b>(4,174)</b>	<b>16,347</b>	<b>7,525</b>	<b>6,500</b>	<b>6,500</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	35	-	-	-	-
<b>Total cash received</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,037	37,651	18,142	6,500	6,500
<b>Total cash used</b>	<b>4,037</b>	<b>37,651</b>	<b>18,142</b>	<b>6,500</b>	<b>6,500</b>
<b>Net cash from or (used by) investing activities</b>	<b>(4,002)</b>	<b>(37,651)</b>	<b>(18,142)</b>	<b>(6,500)</b>	<b>(6,500)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	8,978	21,304	10,617	-	-
<b>Total cash received</b>	<b>8,978</b>	<b>21,304</b>	<b>10,617</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	788	-	-	-	-
<b>Total cash used</b>	<b>788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>8,190</b>	<b>21,304</b>	<b>10,617</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	2,256	2,270	2,270	2,270	2,270
<b>Cash at the end of the reporting period</b>	<b>2,270</b>	<b>2,270</b>	<b>2,270</b>	<b>2,270</b>	<b>2,270</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	34,791	5,276	-	12,939	53,006
<b>Adjusted opening balance</b>	34,791	5,276	-	12,939	53,006
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	21,304	21,304
<b>Sub-total transactions with owners</b>	-	-	-	21,304	21,304
<b>Estimated closing balance as at 30 June 2009</b>	34,791	5,276	-	34,243	74,310

Prepared on an Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Revenue from Government	42,652,315	44,884,401	46,711,498	48,831,616	51,251,616
Goods and services	600,200	631,200	620,600	626,800	631,700
Interest	3,652	3,118	2,988	2,988	2,988
Dividends	1,084,822	1,403,000	2,402,000	1,994,000	2,097,000
Other sources of non-taxation revenues	68,980	60,536	1,950	1,950	1,950
<b>Total non-taxation</b>	<b>44,409,969</b>	<b>46,982,255</b>	<b>49,739,036</b>	<b>51,457,354</b>	<b>53,985,254</b>
<b>Total revenues administered on behalf of Government</b>	<b>44,409,969</b>	<b>46,982,255</b>	<b>49,739,036</b>	<b>51,457,354</b>	<b>53,985,254</b>
<b>Gains</b>					
Net foreign exchange gains	67,519	63,447	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>67,519</b>	<b>63,447</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>67,519</b>	<b>63,447</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	42,627,153	44,860,151	46,687,982	48,808,100	51,228,100
Interest	28,738	23,250	22,516	22,516	22,516
Other	(203)	1,000	1,000	1,000	1,000
<b>Total expenses administered on behalf of Government</b>	<b>42,655,688</b>	<b>44,884,401</b>	<b>46,711,498</b>	<b>48,831,616</b>	<b>51,251,616</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	10,213	10,213	10,213	10,213	10,213
Receivables	1,418	574	500,574	574	574
Investments	17,273,877	17,846,264	17,846,264	17,846,264	17,846,264
<b>Total financial assets</b>	<b>17,285,508</b>	<b>17,857,051</b>	<b>18,357,051</b>	<b>17,857,051</b>	<b>17,857,051</b>
<b>Non-financial assets</b>					
Other	1,833	1,833	1,833	1,833	1,833
<b>Total non-financial assets</b>	<b>1,833</b>	<b>1,833</b>	<b>1,833</b>	<b>1,833</b>	<b>1,833</b>
<b>Total assets administered on behalf of Government</b>	<b>17,287,341</b>	<b>17,858,884</b>	<b>18,358,884</b>	<b>17,858,884</b>	<b>17,858,884</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Loans	3,881,382	4,309,837	4,309,837	4,309,837	4,309,837
Other	796,724	880,511	880,511	880,511	880,511
<b>Total interest bearing liabilities</b>	<b>4,678,106</b>	<b>5,190,348</b>	<b>5,190,348</b>	<b>5,190,348</b>	<b>5,190,348</b>
<b>Provisions</b>					
Suppliers	241	241	241	241	241
Other provisions	385	-	-	-	-
<b>Total provisions</b>	<b>626</b>	<b>241</b>	<b>241</b>	<b>241</b>	<b>241</b>
<b>Payables</b>					
Grants and subsidies	146,908	63,666	60,250	60,250	59,250
Other payables	3,929	3,752	3,752	3,752	3,752
<b>Total payables</b>	<b>150,837</b>	<b>67,418</b>	<b>64,002</b>	<b>64,002</b>	<b>63,002</b>
<b>Total liabilities administered on behalf of Government</b>	<b>4,829,569</b>	<b>5,258,007</b>	<b>5,254,591</b>	<b>5,254,591</b>	<b>5,253,591</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	600,200	631,200	620,600	626,800	631,700
Interest	3,961	3,215	2,988	2,988	2,988
Dividends	1,084,822	1,403,000	1,902,000	2,494,000	2,097,000
Other	61,848	60,898	1,950	1,950	1,950
<b>Total cash received</b>	<b>1,750,831</b>	<b>2,098,313</b>	<b>2,527,538</b>	<b>3,125,738</b>	<b>2,733,638</b>
<b>Cash used</b>					
Grant payments	42,627,153	44,860,151	46,687,982	48,808,100	51,228,100
Interest paid	30,729	23,427	22,516	22,516	22,516
Other	39,621	81,742	4,416	1,000	2,000
<b>Total cash used</b>	<b>42,697,503</b>	<b>44,965,320</b>	<b>46,714,914</b>	<b>48,831,616</b>	<b>51,252,616</b>
<b>Net cash from operating activities</b>	<b>(40,946,672)</b>	<b>(42,867,007)</b>	<b>(44,187,376)</b>	<b>(45,705,878)</b>	<b>(48,518,978)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of equity instruments	1,105	3,098	-	-	-
<b>Total cash used</b>	<b>1,105</b>	<b>3,098</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from investing activities</b>	<b>(1,105)</b>	<b>(3,098)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	312,875	-	-	-	-
<b>Total cash received</b>	<b>312,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>312,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	13,168	10,213	10,213	10,213	10,213
Cash from Official Public Account for appropriations	42,695,095	44,968,418	46,714,914	48,831,616	51,252,616
Cash to Official Public Account	2,063,148	2,098,313	2,527,538	3,125,738	2,733,638
<b>Cash at end of reporting period</b>	<b>10,213</b>	<b>10,213</b>	<b>10,213</b>	<b>10,213</b>	<b>10,213</b>

Prepared on an Australian Accounting Standards basis.





# AUSTRALIAN BUREAU OF STATISTICS

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# AUSTRALIAN BUREAU OF STATISTICS

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Bureau of Statistics (ABS) from that outlined in the *Portfolio Budget Statements 2008-09* (pages 47-48).

The ABS is seeking an additional \$1.0 million in departmental outputs through Appropriation Bill (No. 3) 2008-09. This relates to \$0.1 million for the Commonwealth Spatial Data Integration program measure and \$0.8 million as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

There is also a reduction of \$2.7 million in 2008-09 for equity injections as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4 and special accounts.

**Table 1.1: Australian Bureau of Statistics resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at + Budget 2008-09 \$'000	Proposed additional = estimates 2008-09 \$'000	Total estimate at Additional Estimates 2008-09 \$'000	Total available appropriation 2007-08 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Prior year amounts available	7,734	-	7,734	-
Departmental outputs	282,775	982 <sup>1</sup>	283,757	302,260
Receipts from other sources (s31)	17,960	5,260	23,220	23,872
<b>Total ordinary annual services</b>	<b>A 308,469</b>	<b>6,242</b>	<b>314,711</b>	<b>326,132</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	5,365	(2,692)	2,673	7,377
Previous years' outputs	-	-	-	608
<b>Total other services</b>	<b>B 5,365</b>	<b>(2,692)</b>	<b>2,673</b>	<b>7,985</b>
<b>Total available annual appropriations (A + B)</b>	<b>313,834</b>	<b>3,550</b>	<b>317,384</b>	<b>334,117</b>
<b>Special accounts</b>				
Opening balance	112	-	112	110
Non-appropriation receipts to special accounts	6	-	6	4
<b>Total special accounts</b>	<b>C 118</b>	<b>-</b>	<b>118</b>	<b>114</b>
<b>Total resourcing (A + B + C)</b>	<b>313,952</b>	<b>3,550</b>	<b>317,502</b>	<b>334,231</b>
Less receipts from other sources credited to special accounts	6	-	6	4
<b>Total net resourcing for the ABS</b>	<b>313,946</b>	<b>3,550</b>	<b>317,496</b>	<b>334,227</b>

1. Appropriation Bill (No. 3) 2008-09.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008-09 Budget.

**Table 1.2: Agency measures since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
Commonwealth Spatial Data					
Integration program					
	1.1	144	265	-	-
<b>Total expense measures</b>		<b>144</b>	<b>265</b>	<b>-</b>	<b>-</b>

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the ABS at Additional Estimates, by outcome. Table 1.3 details the additional estimates resulting from new measures since the 2008-09 Budget. Table 1.4 details additional estimates or variations from other variations.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Commonwealth Spatial Data					
	1.1	144	265	-	-
<b>Net impact on estimates for measures (departmental)</b>		<b>144</b>	<b>265</b>	<b>-</b>	<b>-</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
	1.1	838	-	-	-
<b>Decrease in estimates (departmental)</b>					
	1.1	(2,692)	(651)	-	-
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>(1,854)</b>	<b>(651)</b>	<b>-</b>	<b>-</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for the ABS through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service	302,260	282,775	283,757	982	-
<b>Total</b>	<b>302,260</b>	<b>282,775</b>	<b>283,757</b>	<b>982</b>	<b>-</b>

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections	6,501	5,365	2,673	-	(2,692)
<b>Total</b>	<b>6,501</b>	<b>5,365</b>	<b>2,673</b>	<b>-</b>	<b>(2,692)</b>

## Section 2: Revisions to agency outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There has been no change to outcomes and performance information for the ABS from that included in the *Portfolio Budget Statements 2008-09* (pages 50-53).

## Section 3: Explanatory tables and budgeted financial statements

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Estimates of special account flows**

There has been no change to special account flows from that included in the *Portfolio Budget Statements 2008-09* (page 55).

#### **3.1.2 Estimates of variations to Average Staffing Level**

There has been no change to the Average Staffing Level from that included in the *Portfolio Budget Statements 2008-09* (page 51).

### **3.2 BUDGETED FINANCIAL STATEMENTS**

#### **3.2.1 Analysis of budgeted financial statements**

An analysis of the ABS's budgeted financial statements, as reflected in the budgeted departmental financial statements for 2008-09, is provided below.

The ABS is budgeting for a break even result for 2008-09. The actual operating result for 2007-08 was a \$1.5 million deficit.

Total income is estimated to be \$307.0 million, an increase of \$6.1 million from the *Portfolio Budget Statements 2008-09* due to an increase in appropriation revenue of \$1.0 million and an increase in other income of \$5.3 million.

The ABS's non financial assets and equity injections have decreased for the reallocation of Standard Business Reporting capital funding to the Department of the Treasury.



## 3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	302,260	283,757	300,148	353,845	468,669
Goods and services	25,599	23,000	19,000	18,500	18,500
Other	461	-	-	-	-
<b>Total revenue</b>	<b>328,320</b>	<b>306,757</b>	<b>319,148</b>	<b>372,345</b>	<b>487,169</b>
<b>Gains</b>					
Net gains from sale of assets	43	100	100	100	100
Other	169	120	120	120	120
<b>Total gains</b>	<b>212</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
<b>Total income</b>	<b>328,532</b>	<b>306,977</b>	<b>319,368</b>	<b>372,565</b>	<b>487,389</b>
<b>EXPENSE</b>					
Employees	220,471	206,712	198,255	225,451	324,585
Suppliers	73,081	70,009	89,420	111,485	124,650
Depreciation and amortisation	30,763	29,542	31,263	35,284	37,680
Finance costs	351	261	167	65	-
Write-down of assets and impairment of assets	5,167	-	-	-	-
Other	186	453	263	280	474
<b>Total expenses</b>	<b>330,019</b>	<b>306,977</b>	<b>319,368</b>	<b>372,565</b>	<b>487,389</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(1,487)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,806	5,128	5,133	5,138	5,138
Receivables	21,951	18,791	14,907	7,020	13,023
Accrued revenues	368	673	556	541	541
<b>Total financial assets</b>	<b>29,125</b>	<b>24,592</b>	<b>20,596</b>	<b>12,699</b>	<b>18,702</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	50,414	49,711	45,528	49,559	48,171
Inventories	38	38	48	73	73
Intangibles	95,577	96,236	106,256	112,612	115,068
Other non-financial assets	6,905	7,169	9,168	9,491	6,511
<b>Total non-financial assets</b>	<b>152,934</b>	<b>153,154</b>	<b>161,000</b>	<b>171,735</b>	<b>169,823</b>
<b>Total assets</b>	<b>182,059</b>	<b>177,746</b>	<b>181,596</b>	<b>184,434</b>	<b>188,525</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	8,562	9,082	9,522	10,867	9,013
<b>Total payables</b>	<b>8,562</b>	<b>9,082</b>	<b>9,522</b>	<b>10,867</b>	<b>9,013</b>
<b>Interest bearing liabilities</b>					
Loans	4,821	3,308	1,699	-	-
Other interest bearing liabilities	26,257	24,967	23,256	20,923	17,932
<b>Total interest bearing liabilities</b>	<b>31,078</b>	<b>28,275</b>	<b>24,955</b>	<b>20,923</b>	<b>17,932</b>
<b>Provisions</b>					
Employees	72,246	68,395	71,715	76,416	85,306
Other provisions	3,420	2,567	2,595	2,374	2,422
<b>Total provisions</b>	<b>75,666</b>	<b>70,962</b>	<b>74,310</b>	<b>78,790</b>	<b>87,728</b>
<b>Total liabilities</b>	<b>115,306</b>	<b>108,319</b>	<b>108,787</b>	<b>110,580</b>	<b>114,673</b>
<b>EQUITY</b>					
Contributed equity	20,534	23,207	26,590	27,635	27,635
Reserves	18,243	18,243	18,243	18,243	18,243
Retained surpluses or accumulated deficits	27,976	27,977	27,976	27,976	27,974
<b>Total equity</b>	<b>66,753</b>	<b>69,427</b>	<b>72,809</b>	<b>73,854</b>	<b>73,852</b>
<b>Current assets</b>	<b>36,068</b>	<b>31,799</b>	<b>29,812</b>	<b>22,263</b>	<b>25,286</b>
<b>Non-current assets</b>	<b>145,991</b>	<b>145,947</b>	<b>151,784</b>	<b>162,171</b>	<b>163,239</b>
<b>Current liabilities</b>	<b>84,228</b>	<b>80,044</b>	<b>83,832</b>	<b>89,657</b>	<b>96,741</b>
<b>Non-current liabilities</b>	<b>31,078</b>	<b>28,275</b>	<b>24,955</b>	<b>20,923</b>	<b>17,932</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	27,964	23,221	18,737	18,472	18,500
Appropriations	289,918	289,102	307,177	361,555	462,687
Net GST received	11,381	7,420	8,945	9,951	9,479
Other cash received	-	-	110	23	-
<b>Total cash received</b>	<b>329,263</b>	<b>319,743</b>	<b>334,969</b>	<b>390,001</b>	<b>490,666</b>
<b>Cash used</b>					
Employees	215,918	215,932	200,645	224,501	321,305
Suppliers	73,108	65,715	89,933	108,439	120,737
Financing costs	351	261	167	65	-
Net GST paid	11,308	7,603	9,251	9,780	9,500
Other cash used	-	881	263	280	476
<b>Total cash used</b>	<b>300,685</b>	<b>290,392</b>	<b>300,259</b>	<b>343,065</b>	<b>452,018</b>
<b>Net cash from or (used by) operating activities</b>	<b>28,578</b>	<b>29,351</b>	<b>34,710</b>	<b>46,936</b>	<b>38,648</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	239	100	100	100	100
<b>Total cash received</b>	<b>239</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	33,523	32,289	36,579	46,377	38,748
<b>Total cash used</b>	<b>33,523</b>	<b>32,289</b>	<b>36,579</b>	<b>46,377</b>	<b>38,748</b>
<b>Net cash from or (used by) investing activities</b>	<b>(33,284)</b>	<b>(32,189)</b>	<b>(36,479)</b>	<b>(46,277)</b>	<b>(38,648)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	6,501	2,673	3,383	1,045	-
<b>Total cash received</b>	<b>6,501</b>	<b>2,673</b>	<b>3,383</b>	<b>1,045</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	1,424	1,513	1,609	1,699	-
<b>Total cash used</b>	<b>1,424</b>	<b>1,513</b>	<b>1,609</b>	<b>1,699</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>5,077</b>	<b>1,160</b>	<b>1,774</b>	<b>(654)</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>371</b>	<b>(1,678)</b>	<b>5</b>	<b>5</b>	<b>-</b>
Cash at the beginning of the reporting period	6,435	6,806	5,128	5,133	5,138
<b>Cash at the end of the reporting period</b>	<b>6,806</b>	<b>5,128</b>	<b>5,133</b>	<b>5,138</b>	<b>5,138</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>				
Balance carried forward from previous period	27,976	18,243	20,534	66,753
<b>Adjusted opening balance</b>	27,976	18,243	20,534	66,753
<b>Transactions with owners</b>				
<i>Contribution by owners</i>				
Appropriation (equity injection)	-	-	2,673	2,673
<b>Sub-total transactions with owners</b>	-	-	2,673	2,673
<b>Estimated closing balance as at 30 June 2009</b>	27,976	18,243	23,207	69,426

Prepared on an Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

The ABS does not have any administered funds.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

The ABS does not have any administered funds.

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

The ABS does not have any administered funds.

# AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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# AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Competition and Consumer Commission (ACCC) from that included in the *Portfolio Budget Statements 2008-09* (pages 65-66).

The ACCC is seeking an additional \$5.0 million in equity injections through Appropriation Bill (No. 4) 2008-09 for the Litigation Contingency Fund.

The ACCC is also reducing appropriations by \$4.0 million as legislation to provide for criminal sanctions for price fixing and market sharing (cartel conduct) has not been enacted.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4 and special accounts.

**Table 1.1: Australian Competition and Consumer Commission resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at Budget	Proposed additional estimates	Total estimate at Additional Estimates	Total available appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Prior year amounts available	19,867	-	19,867	-
Departmental outputs	139,227	(4,000)	135,227	115,358
Receipts from other sources (s31)	500	-	500	500
<b>Total ordinary annual services</b>	<b>A 159,594</b>	<b>(4,000)</b>	<b>155,594</b>	<b>115,858</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Prior year amounts available	17,420	-	17,420	-
Equity injections	1,299	5,000 <sup>1</sup>	6,299	1,073
Previous years' outputs	2,948	-	2,948	-
<b>Total other services</b>	<b>B 21,667</b>	<b>5,000</b>	<b>26,667</b>	<b>1,073</b>
<b>Total available annual appropriations (A + B)</b>	<b>181,261</b>	<b>1,000</b>	<b>182,261</b>	<b>116,931</b>
<b>Special accounts</b>				
Opening balance	52	-	52	52
Appropriation Receipts	15	-	15	203
<b>Total special accounts</b>	<b>C 67</b>	<b>-</b>	<b>67</b>	<b>255</b>
<b>Total resourcing (A + B + C)</b>	<b>181,328</b>	<b>1,000</b>	<b>182,328</b>	<b>117,186</b>
Less receipts from other sources credited to special accounts	15	-	15	203
<b>Total net resourcing for the ACCC</b>	<b>181,313</b>	<b>1,000</b>	<b>182,313</b>	<b>116,983</b>

1. Appropriation Bill (No. 4) 2008-09.

### Third party drawdowns from and on behalf of other agencies

	Estimate at Budget	Estimate at Additional Estimates
	2008-09 \$'000	2008-09 \$'000
Payments made on behalf of the National Competition Council (NCC)	2,781	2,781

Note: The ACCC provides financial services to the NCC and has drawdown access to manage the NCC's finances.



### 1.3 AGENCY MEASURES TABLE

**Table 1.2: Agency measures since Budget**

The ACCC does not have any measures since the 2008-09 Budget.

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2008-09 Budget. Table 1.4 details additional estimates or variations from other variations.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

The ACCC does not have any additional estimates from measures since the 2008-09 Budget.

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
	Litigation Contingency Fund	1.1	5,000	-	-
<b>Decrease in estimates (departmental)</b>					
	Criminal Cartel enforcement	1.1	(4,000)	-	-
<b>Net impact on estimates for outcome 1</b>			<b>1,000</b>	-	-

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for the ACCC through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets					
	115,358	139,227	135,227	-	(4,000)
<b>Total</b>	<b>115,358</b>	<b>139,227</b>	<b>135,227</b>	<b>-</b>	<b>(4,000)</b>

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections	1,073	1,299	6,299	5,000	-
Previous years' outputs	-	2,948	2,948	-	-
<b>Total</b>	<b>1,073</b>	<b>4,247</b>	<b>9,247</b>	<b>5,000</b>	<b>-</b>

## Section 2: Revisions to agency outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There has been no change to outcomes and performance information for the ACCC from that included in the *Portfolio Budget Statements 2008-09* (pages 69-74).

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a snapshot of the ACCC's finances for the budget year 2008-09.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

There has been no change to special account flows from that included in the *Portfolio Budget Statements 2008-09* (page 76).

#### 3.1.2 Estimates of variations to Average Staffing Level

There has been no change to the Average Staffing Level from that included in the *Portfolio Budget Statements 2008-09* (page 71).

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.1 Analysis of budgeted financial statements

An analysis of the ACCC's budgeted financial statements, as reflected in the budgeted departmental financial statements and administered schedules for 2008-09, is provided below.

##### **Departmental**

##### **Income statement**

The ACCC is budgeting for a break even result for 2008-09. The actual operating result for 2007-08 was a \$5.2 million deficit.

##### **Operating revenues**

Total revenue in 2008-09 is estimated to be \$135.8 million, an increase of \$16.9 million from the 2007-08 actual. The increase is primarily as a result of the net increase in funding from measures disclosed in the 2008-09 Budget (\$14.1 million) (details are provided in Table 1.2 of the *Portfolio Budget Statements 2008-09*) and measures disclosed in the 2006-07 Budget for the Australian Energy Regulator (AER) in the 2008-09 forward year.

## Operating expenses

Total expenses in 2008-09 are estimated to be \$135.8 million. This is an increase of \$11.7 million from the 2007-08 actual. The increase is primarily due to the measures disclosed in the 2008-09 Budget (\$14.1 million) (details are provided in Table 1.2 of the *Portfolio Budget Statements 2008-09*), and the full year impact of initiatives funded in 2006-07 for the AER and in 2007-08 for Water Regulatory initiatives.

## Balance sheet

The ACCC's budgeted net asset position of \$42.6 million represents an increase of \$6.3 million from the 2007-08 actual. The increase is attributable to an equity injection associated with the Litigation Contingency Fund.

The total assets are expected to increase by \$7.1 million to \$77.7 million reflecting a projected increase in receivables and infrastructure, plant and equipment.

The ACCC's primary liability continues to be accrued employee leave entitlements of \$16.9 million. The liability is expected to increase by approximately \$0.8 million during 2008-09.

## 3.2.2 Budgeted financial statements

### Departmental financial statements

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	118,306	135,227	137,818	136,261	132,962
Goods and services	492	500	500	500	500
<b>Total revenue</b>	<b>118,798</b>	<b>135,727</b>	<b>138,318</b>	<b>136,761</b>	<b>133,462</b>
<b>Gains</b>					
Other	105	75	75	75	75
<b>Total gains</b>	<b>105</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>Total income</b>	<b>118,903</b>	<b>135,802</b>	<b>138,393</b>	<b>136,836</b>	<b>133,537</b>
<b>EXPENSE</b>					
Employees	60,642	73,121	73,180	72,290	70,873
Suppliers	52,081	59,151	61,594	60,885	58,990
Depreciation and amortisation	2,120	3,530	3,619	3,661	3,674
Finance costs	111	-	-	-	-
Write- down and impairment of asset	47	-	-	-	-
Net losses from sale of assets	83	-	-	-	-
Other	8,969	-	-	-	-
<b>Total expenses</b>	<b>124,053</b>	<b>135,802</b>	<b>138,393</b>	<b>136,836</b>	<b>133,537</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(5,150)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,168	1,168	1,168	1,168	1,168
Receivables	51,607	57,637	58,756	59,123	59,343
<b>Total financial assets</b>	<b>52,775</b>	<b>58,805</b>	<b>59,924</b>	<b>60,291</b>	<b>60,511</b>
<b>Non-financial assets</b>					
Land and buildings	10,082	8,933	7,492	6,055	6,055
Infrastructure, plant and equipment	5,381	7,574	8,703	10,045	9,918
Inventories	42	42	42	42	42
Intangibles	1,342	1,336	1,421	1,262	1,262
Other	1,007	1,007	1,007	1,007	1,007
<b>Total non-financial assets</b>	<b>17,854</b>	<b>18,892</b>	<b>18,665</b>	<b>18,411</b>	<b>18,284</b>
<b>Total assets</b>	<b>70,629</b>	<b>77,697</b>	<b>78,589</b>	<b>78,702</b>	<b>78,795</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	6,322	6,297	6,272	6,272	6,272
Other payables	2,702	2,702	2,702	2,702	2,702
<b>Total payables</b>	<b>9,024</b>	<b>8,999</b>	<b>8,974</b>	<b>8,974</b>	<b>8,974</b>
<b>Provisions</b>					
Employees	16,116	16,910	17,704	17,704	17,704
Other provisions	9,151	9,151	9,151	9,151	9,151
<b>Total provisions</b>	<b>25,267</b>	<b>26,061</b>	<b>26,855</b>	<b>26,855</b>	<b>26,855</b>
<b>Total liabilities</b>	<b>34,291</b>	<b>35,060</b>	<b>35,829</b>	<b>35,829</b>	<b>35,829</b>
<b>Net assets</b>	<b>36,338</b>	<b>42,637</b>	<b>42,760</b>	<b>42,873</b>	<b>42,966</b>
<b>EQUITY</b>					
Contributed equity	34,098	40,397	40,520	40,633	40,726
Reserves	1,321	1,321	1,321	1,321	1,321
Retained surpluses or accumulated deficits	919	919	919	919	919
<b>Total equity</b>	<b>36,338</b>	<b>42,637</b>	<b>42,760</b>	<b>42,873</b>	<b>42,966</b>
<b>Current assets</b>	<b>53,824</b>	<b>59,812</b>	<b>60,931</b>	<b>61,298</b>	<b>61,518</b>
<b>Non-current assets</b>	<b>16,805</b>	<b>17,885</b>	<b>17,658</b>	<b>17,404</b>	<b>17,277</b>
<b>Current liabilities</b>	<b>26,716</b>	<b>17,454</b>	<b>17,826</b>	<b>17,826</b>	<b>17,826</b>
<b>Non-current liabilities</b>	<b>7,575</b>	<b>17,606</b>	<b>18,003</b>	<b>18,003</b>	<b>18,003</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	437	500	500	500	500
Appropriations	112,160	134,197	136,699	135,894	132,742
Net GST received	5,688	-	-	-	-
<b>Total cash received</b>	<b>118,285</b>	<b>134,697</b>	<b>137,199</b>	<b>136,394</b>	<b>133,242</b>
<b>Cash used</b>					
Employees	58,305	72,327	72,386	72,290	70,873
Suppliers	55,274	59,101	61,544	60,810	58,915
Other cash used	2,617	-	-	-	-
<b>Total cash used</b>	<b>116,196</b>	<b>131,428</b>	<b>133,930</b>	<b>133,100</b>	<b>129,788</b>
<b>Net cash from or (used by) operating activities</b>	<b>2,089</b>	<b>3,269</b>	<b>3,269</b>	<b>3,294</b>	<b>3,454</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	33	-	-	-	-
<b>Total cash received</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	9,555	4,568	3,392	3,407	3,547
<b>Total cash used</b>	<b>9,555</b>	<b>4,568</b>	<b>3,392</b>	<b>3,407</b>	<b>3,547</b>
<b>Net cash from or (used by) investing activities</b>	<b>(9,522)</b>	<b>(4,568)</b>	<b>(3,392)</b>	<b>(3,407)</b>	<b>(3,547)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	7,593	1,299	123	113	93
<b>Net cash from or (used by) financing activities</b>	<b>7,593</b>	<b>1,299</b>	<b>123</b>	<b>113</b>	<b>93</b>
<b>Net increase or (decrease) in cash held</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	1,008	1,168	1,168	1,168	1,168
<b>Cash at the end of the reporting period</b>	<b>1,168</b>	<b>1,168</b>	<b>1,168</b>	<b>1,168</b>	<b>1,168</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	919	1,321	-	34,098	36,338
<b>Adjusted opening balance</b>	919	1,321	-	34,098	36,338
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	6,299	6,299
<b>Sub-total transactions with owners</b>	-	-	-	6,299	6,299
<b>Estimated closing balance as at 30 June 2009</b>	919	1,321	-	40,397	42,637

Prepared on Australian Accounting Standards basis.

### Schedule of administered activity

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other fines	62,198	10,000	10,000	10,000	10,000
<b>Total non-taxation</b>	62,198	10,000	10,000	10,000	10,000
<b>Total revenues administered on behalf of Government</b>	62,198	10,000	10,000	10,000	10,000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Write down and impairment of assets	10,872	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	10,872	-	-	-	-

Prepared on an Australian Accounting Standards basis.



**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	151	151	151	151	151
Receivables	5,988	5,988	5,988	5,988	5,988
<b>Total assets administered on behalf of Government</b>	<b>6,139</b>	<b>6,139</b>	<b>6,139</b>	<b>6,139</b>	<b>6,139</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	2	2	2	2	2
<b>Total liabilities administered on behalf of Government</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	47,835	10,000	10,000	10,000	10,000
<b>Total cash received</b>	<b>47,835</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Cash used</b>					
To official public account	47,689	10,000	10,000	10,000	10,000
<b>Total cash used</b>	<b>47,689</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Net cash from operating activities</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	5	151	151	151	151
<b>Cash at end of reporting period</b>	<b>151</b>	<b>151</b>	<b>151</b>	<b>151</b>	<b>151</b>

Prepared on an Australian Accounting Standards basis.

## **Notes to the financial statements**

### **Accounting policy**

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Accounting Standards Board; and
- International Financial Reporting Standards.

### **Departmental and administered items**

Agency assets, liabilities, revenues and expenses are those items that are controlled by the ACCC that are used by the ACCC in producing its outputs and include:

- computers, plant and equipment, and building fit out used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those items incurred in providing programs that are controlled by the Government and managed, or oversighted, by the ACCC on behalf of the Government. Administered revenues include fees and fines.

### **Departmental revenue**

Revenue from government represents the purchase of outputs from the ACCC by the government and is recognised to the extent that it has been received into the ACCC's bank account.

Revenue from other sources, representing sales from goods and services, is recognised at the time that it is imposed on customers.

### **Departmental expenses — employees**

Payments and net increases in entitlements to employees for services rendered in the financial year.

**Departmental expenses — suppliers**

Payments to suppliers for goods and services used in providing agency outputs.

**Departmental expenses — depreciation and amortisation**

Depreciable property, plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life, using the straight-line calculation method.

**Departmental assets — financial assets**

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

**Departmental assets — non-financial assets**

These items represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase paid less depreciation incurred to date in using the asset.

**Departmental liabilities — provisions and payables**

Provision has been made for the ACCC's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

Provision has also been made for unpaid expenses as at balance date.



# AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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# AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Prudential Regulation Authority (APRA) from that outlined in the *Portfolio Budget Statements 2008-09* (pages 107-108).

APRA is seeking an additional \$8.3 million through Appropriation Bill (No. 3) 2008-09. This relates to an additional \$9.0 million for the global financial crisis - additional funding for regulators and the Treasury measure; \$0.4 million for a reversal of the 2007-08 efficiency dividend; and offset by a reduction of \$1.1 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

There is also a reduction of \$1.0 million in 2008-09 for equity injections as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bill No. 3, equity injections and special accounts.

**Table 1.1: Australian Prudential Regulation Authority resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at + Budget	Proposed additional = estimates	Total estimate at Additional Estimates	Total available appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Departmental outputs	5,036	8,336 <sup>1</sup>	13,372	2,840
<b>Total ordinary annual services</b>	<b>A 5,036</b>	<b>8,336</b>	<b>13,372</b>	<b>2,840</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	1,865	(965)	900	-
<b>Total departmental non-operating</b>	<b>1,865</b>	<b>(965)</b>	<b>900</b>	<b>-</b>
<b>Administered non-operating</b>				
Administered assets and liabilities	500	-	500	-
<b>Total administered non-operating</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>-</b>
<b>Total other services</b>	<b>B 2,365</b>	<b>(965)</b>	<b>1,400</b>	<b>-</b>
<b>Total available annual appropriations (A + B)</b>	<b>7,401</b>	<b>7,371</b>	<b>14,772</b>	<b>2,840</b>
<b>Total appropriations excluding special accounts</b>	<b>7,401</b>	<b>7,371</b>	<b>14,772</b>	<b>2,840</b>
<b>Special accounts</b>				
Opening balance	31,350	-	31,350	46,606
Non-appropriation receipts to special accounts	93,185	-	93,185	78,790
<b>Total special accounts</b>	<b>C 124,535</b>	<b>-</b>	<b>124,535</b>	<b>125,396</b>
<b>Total net resourcing for APRA (A + B + C)</b>	<b>131,936</b>	<b>7,371</b>	<b>139,307</b>	<b>128,236</b>

1. Appropriation Bill (No. 3) 2008-09.



### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008-09 Budget.

**Table 1.2: Australian Prudential Regulation Authority 2008-09 measure since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
Global financial crisis - additional funding for regulators and the Treasury					
Departmental outputs	1.1	9,000	18,500	9,000	9,000
<b>Total measures</b>		<b>9,000</b>	<b>18,500</b>	<b>9,000</b>	<b>9,000</b>

Note: Details of this measure appear in the *Mid-Year Economic and Fiscal Outlook 2008-09* on page 185.

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2008-09 Budget in Appropriation Bill No. 3. Table 1.4 details additional estimates or variations from other variations.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Global financial crisis - additional funding for regulators and the Treasury					
	1.1	9,000	18,500	9,000	9,000
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>9,000</b>	<b>18,500</b>	<b>9,000</b>	<b>9,000</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Reversal of 2007-08 efficiency dividend					
	1.1	427	-	-	-
<b>Decrease in estimates (departmental)</b>					
Standard Business Reporting (expense)					
	1.1	(1,091)	(1,330)	-	-
Standard Business Reporting (capital)					
	1.1	(965)	(222)	-	-
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>(1,629)</b>	<b>(1,552)</b>	<b>-</b>	<b>-</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for APRA through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
To enhance public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality	2,840	5,036	13,372	8,336	-
<b>Total</b>	<b>2,840</b>	<b>5,036</b>	<b>13,372</b>	<b>8,336</b>	<b>-</b>

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections	-	1,865	900	-	(965)
<b>Total non-operating</b>	<b>-</b>	<b>1,865</b>	<b>900</b>	<b>-</b>	<b>(965)</b>

## Section 2: Revisions to agency outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There has been no change to outcomes and performance information for APRA from that included in the *Portfolio Budget Statements 2008-09* (pages 111-114).

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by APRA. The corresponding table in the *Portfolio Budget Statements 2008-09* is Table 3.1.3.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Prudential						
Regulation Authority	1	<b>31,350</b>	<b>107,957</b>	<b>108,778</b>	-	<b>30,529</b>
Special Account		46,606	81,630	96,886	-	31,350
Services for Other Entities and						
Trust Moneys - Australian						
Prudential Regulation	1	-	-	-	-	-
Authority Special Account		-	-	-	-	-
Lloyd's Deposit Trust Special	1	<b>2,000</b>	<b>180</b>	<b>180</b>	-	<b>2,000</b>
Account		2,000	180	180	-	2,000
Superannuation Protection	1	-	-	-	-	-
Account		-	-	-	-	-
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		<b>33,350</b>	<b>108,137</b>	<b>108,958</b>	-	<b>32,529</b>
Total special accounts						
2007-08 estimate actual		48,606	81,810	97,066	-	33,350

Note: Lloyd's Deposit Trust Special Account was transferred to APRA from 23 May 2008. This was previously reported by the Department of the Treasury.

### 3.1.2 Estimates of variations to Average Staffing Level

Changes in Average Staffing Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget.

**Table 3.1.2: Average Staffing Level**

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
To enhance public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality	570	585	15
<b>Total</b>	<b>570</b>	<b>585</b>	<b>15</b>

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

#### Budgeted departmental income statement

The budgeted departmental income statement (refer Table 3.2.1) shows an increase in 2008-09 appropriations from \$98.7 million, as disclosed in the *Portfolio Budget Statements 2008-09*, to \$107.1 million; an \$8.4 million change. The increase reflects the impacts of additional estimates, as shown in Tables 1.3 and 1.4.

\$45.5 million is sought across 2008-09 and the forward estimates to meet the government's budget measure for the global financial crisis – additional funding for regulators and the Treasury.

APRA's funding to support its contribution to Standard Business Reporting (SBR) has been reduced by \$1.1 million, and is fully offset by a corresponding reduction in 2008-09 related SBR expenditure.

#### Budgeted departmental balance sheet

The budgeted departmental balance sheet (Table 3.2.2) shows that APRA will maintain sufficient financial assets to meet all employee and supplier commitments as and when they fall due.

Continued investment in core supervisory and corporate infrastructure, coupled with investment in SBR, will see non-financial asset balances increase in 2008-09 and beyond.

Contributed equity increases over 2008-09 and 2009-10 reflect government equity injections for SBR.

Retained surpluses are budgeted to maintain general reserves at a level sufficient to accommodate unforeseen business needs which may arise from supervision of at-risk institutions.

**Budgeted departmental statement of cash flows**

The budget departmental statement of cash flows (Table 3.2.3) reflects the increase in 2008-09 appropriations as detailed in Tables 1.3 and 1.4.

**Departmental statement of changes in equity — summary of movement**

Table 3.2.4 shows the expected changes in equity between 2007-08 and 2008-09. Note that the opening 2008-09 position is some \$3.4 million higher than that reflected in the *Portfolio Budget Statements 2008-09* reflecting asset revaluations completed in the last quarter of 2007-08.

The main item of change across 2008-09 will be the reduced equity injection related to SBR.

### 3.2.2 Budgeted financial statements

#### Departmental financial statements

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual	Budget	Forward	Forward	Forward
	2007-08	estimate	estimate	estimate	estimate
	\$'000	2008-09	2009-10	2010-11	2011-12
		\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	81,497	104,512	115,250	105,394	105,268
Goods and services	6,478	2,495	2,495	2,495	2,495
Other	221	50	50	50	50
<b>Total income</b>	<b>88,196</b>	<b>107,057</b>	<b>117,795</b>	<b>107,939</b>	<b>107,813</b>
<b>EXPENSE</b>					
Employees	68,217	73,733	80,722	78,596	78,596
Suppliers	30,043	29,545	33,289	25,583	25,300
Depreciation and amortisation	3,199	3,246	3,684	3,684	3,917
<b>Total expenses</b>	<b>101,459</b>	<b>106,524</b>	<b>117,695</b>	<b>107,863</b>	<b>107,813</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(13,263)</b>	<b>533</b>	<b>100</b>	<b>76</b>	<b>-</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	31,350	30,529	30,126	29,710	26,319
Receivables	4,163	4,372	4,854	4,401	4,513
Accrued revenues	-	500	450	450	450
<b>Total financial assets</b>	<b>35,513</b>	<b>35,402</b>	<b>35,430</b>	<b>34,561</b>	<b>31,283</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	7,527	8,923	9,616	9,767	10,121
Intangibles	4,897	5,755	6,364	6,706	9,743
Other	1,571	1,601	1,634	1,667	1,700
<b>Total non-financial assets</b>	<b>13,995</b>	<b>16,279</b>	<b>17,615</b>	<b>18,140</b>	<b>21,564</b>
<b>Total assets</b>	<b>49,508</b>	<b>51,680</b>	<b>53,045</b>	<b>52,701</b>	<b>52,846</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	19,677	20,286	20,604	20,042	20,042
Other	1,935	1,972	2,013	2,053	2,095
<b>Total provisions</b>	<b>21,612</b>	<b>22,258</b>	<b>22,618</b>	<b>22,095</b>	<b>22,136</b>
<b>Payables</b>					
Suppliers	4,915	5,008	5,114	5,216	5,320
<b>Total payables</b>	<b>4,915</b>	<b>5,008</b>	<b>5,114</b>	<b>5,216</b>	<b>5,320</b>
<b>Total liabilities</b>	<b>26,527</b>	<b>27,266</b>	<b>27,731</b>	<b>27,311</b>	<b>27,457</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	3,155	4,055	4,855	4,855	4,855
Reserves	9,809	9,809	9,809	9,809	9,809
Retained surpluses or accumulated deficits	10,017	10,550	10,650	10,726	10,726
<b>Total equity</b>	<b>22,981</b>	<b>24,414</b>	<b>25,314</b>	<b>25,390</b>	<b>25,390</b>
<b>Current assets</b>	<b>37,084</b>	<b>37,003</b>	<b>37,064</b>	<b>36,228</b>	<b>32,983</b>
<b>Non-current assets</b>	<b>12,424</b>	<b>14,678</b>	<b>15,981</b>	<b>16,473</b>	<b>19,863</b>
<b>Current liabilities</b>	<b>21,305</b>	<b>21,702</b>	<b>22,077</b>	<b>21,787</b>	<b>21,923</b>
<b>Non-current liabilities</b>	<b>5,222</b>	<b>5,564</b>	<b>5,654</b>	<b>5,524</b>	<b>5,534</b>

Prepared on an Australian Accounting Standards basis.



**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	5,529	2,495	2,495	2,495	2,495
Appropriations	81,298	104,512	115,250	105,394	105,268
Other	1,242	50	50	50	50
<b>Total cash received</b>	<b>88,069</b>	<b>107,057</b>	<b>117,795</b>	<b>107,939</b>	<b>107,813</b>
<b>Cash used</b>					
Employees	65,638	73,733	80,722	78,596	78,596
Suppliers	32,985	29,545	33,289	25,583	25,300
<b>Total cash used</b>	<b>98,623</b>	<b>103,278</b>	<b>114,011</b>	<b>104,179</b>	<b>103,896</b>
<b>Net cash from or (used by) operating activities</b>	<b>(10,554)</b>	<b>3,779</b>	<b>3,784</b>	<b>3,760</b>	<b>3,917</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	(4,722)	(5,500)	(4,987)	(4,176)	(7,308)
<b>Net cash from or (used by) investing activities</b>	<b>(4,722)</b>	<b>(5,500)</b>	<b>(4,987)</b>	<b>(4,176)</b>	<b>(7,308)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	900	800	-	-
<b>Total cash received</b>	<b>-</b>	<b>900</b>	<b>800</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(15,276)</b>	<b>(821)</b>	<b>(404)</b>	<b>(416)</b>	<b>(3,391)</b>
Cash at the beginning of the reporting period	46,626	31,350	30,529	30,126	29,710
<b>Cash at the end of the reporting period</b>	<b>31,350</b>	<b>30,529</b>	<b>30,126</b>	<b>29,710</b>	<b>26,319</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	10,017	3,809	6,000	3,155	22,981
<b>Adjusted opening balance</b>	10,017	3,809	6,000	3,155	22,981
<b>Income and expense</b>					
Net operating result	533	-	-	-	533
<b>Total income and expenses recognised directly in equity</b>	533	-	-	-	533
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	900	900
<b>Sub-total transactions with owners</b>	-	-	-	900	900
<b>Estimated closing balance as at 30 June 2009</b>	10,550	3,809	6,000	4,055	24,414

Prepared on an Australian Accounting Standards basis.

## 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 (Table 3.2.5) shows the amounts APRA collects in supervisory levies from the finance industry on behalf of the government under the *Financial Institutions Supervisory Levies Collection Act 1998*. In addition to the amount required to fund APRA, the levies also include amounts to fund the activities of the Australian Taxation Office (ATO) for unclaimed moneys and lost member functions and the Australian Securities and Investments Commission (ASIC) for consumer protection and market integrity functions. The expenses shown are an estimate of the amount of levies and penalties that will be waived or written off in the year.

### Schedule of budgeted assets and liabilities administered on behalf of government

Table 3.2.6 refers to amounts of administered income that may not have been collected at year end. The balance at 30 June 2008 reflected disputed levies which have subsequently been resolved and collected.

### Schedule of budgeted administered cash flows

As indicated in the schedule of budgeted administered cash flows (Table 3.2.7), the cash collected is swept daily from the APRA account to the Official Public Account, from which APRA, in turn, draws down the amounts appropriated to it by the Parliament, and applies these as shown in Table 3.2.3.

APRA does not administer any non financial assets on behalf of the government.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual	Budget	Forward	Forward	Forward
	2007-08	estimate	estimate	estimate	estimate
	\$'000	2008-09	2009-10	2010-11	2011-12
		\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	103,760	125,512	135,150	125,294	125,168
<b>Total income administered on behalf of Government</b>	103,760	125,512	135,150	125,294	125,168
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Waivers and write-offs	195	500	500	500	500
<b>Total expenses administered on behalf of Government</b>	195	500	500	500	500

Prepared on an Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual	Budget	Forward	Forward	Forward
	2007-08	estimate	estimate	estimate	estimate
	\$'000	2008-09	2009-10	2010-11	2011-12
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	838	150	150	150	150
<b>Total financial assets</b>	838	150	150	150	150
<b>Total assets administered on behalf of Government</b>	838	150	150	150	150

Prepared on an Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash or equivalents received</b>					
Transfer from Official Public Account	682	500	500	500	500
Administered Revenue	103,760	125,512	135,150	125,294	125,168
<b>Total cash or equivalents received</b>	<b>104,442</b>	<b>126,012</b>	<b>135,650</b>	<b>125,794</b>	<b>125,668</b>
<b>Cash or equivalents used</b>					
Cash to Official Public Account	104,691	125,512	135,150	125,294	125,168
Administered Expenses	195	500	500	500	500
<b>Total cash or equivalents used</b>	<b>104,886</b>	<b>126,012</b>	<b>135,650</b>	<b>125,794</b>	<b>125,668</b>
<b>Net cash or equivalents from or (used by) operating activities</b>	<b>(444)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash or equivalents held</b>	<b>(444)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash or equivalents at beginning of reporting period	1,281	837	837	837	837
<b>Cash or equivalents at end of reporting period</b>	<b>837</b>	<b>837</b>	<b>837</b>	<b>837</b>	<b>837</b>
<b>Net cash from or (used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Cash to Official Public Account	(102,023)	(106,190)	(106,204)	(107,459)	(106,117)
<b>Net cash from or (used by) financing activities</b>	<b>(102,023)</b>	<b>(106,190)</b>	<b>(106,204)</b>	<b>(107,459)</b>	<b>(106,117)</b>

Prepared on an Australian Accounting Standards basis.

## **Notes to the financial statements**

### **Basis of accounting**

The financial statements have been prepared on an accrual basis in accordance with historical cost convention.

### **Departmental**

#### **Budgeted departmental statement of financial performance**

##### **Revenues from Government**

APRA is funded by a special appropriation for levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported by APRA is net of the levies retained in the Official Public Account to fund ASIC for consumer protection and market integrity functions, and the ATO, for unclaimed moneys and lost member functions.

##### **Other revenue**

Revenue from rendering of specific services is recognised by reference to the stage of completion of contracts or other agreements. Revenue from licence fees is recognised on receipt of the application and licence fee.

Note that current period reported revenue may include amounts for past years' levies and penalties as legislative restrictions require the lodgement of annual returns by institutions to APRA before billing can occur.

##### **Depreciation and amortisation**

APRA's depreciation expense remains in balance with the capital program aimed at maintaining APRA's processes and infrastructure to an appropriate standard.

#### **Budgeted departmental statement of financial position**

##### **Financial assets**

Receivables include levies invoiced but still outstanding at the financial year end and accrued revenues, being fees prorated over the periods to which they relate.

All accounts receivable are recorded at their estimated recoverable amount.

##### **Non-financial assets**

Non-financial assets include leasehold improvements, furniture and fittings, computer hardware and office equipment. All of the foregoing assets are shown at fair value. Intangible assets comprise capitalised software, including works in progress and are shown at cost. APRA does not own any land or buildings.

Other non-financial assets include prepayments.

## **Provisions and payables**

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making good leased premises and payments to trade creditors.

## **Equity**

Contributed equity of \$3.1 million at 30 June 2008 represented the net value of assets and liabilities transferred from the Reserve Bank of Australia and the Insurance and Superannuation Commission on the formation of APRA on 1 July 1998, less an amount of \$2.1 million returned to the Consolidated Revenue Fund as a return of unused appropriation in 2004-05. Contributed equity is planned to increase by \$0.9 million in 2008-09 and \$0.8 million in 2009-10 reflecting capital injections related to SBR (Table 3.2.4).

## **Budgeted departmental statement of cash flows**

Cash received from operating activities includes the appropriation for levies collected from industry less amounts collected on behalf of the ATO and ASIC, cash from industry fees and charges and government funding of special measures.

## **Administered**

### **Schedule of budgeted revenues and expenses administered on behalf of Government**

#### **Revenues**

Non-taxation revenues are the levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported in this statement is higher than that reported by APRA in the budgeted agency statement of financial position reflecting the amount retained in the Official Public Account to fund ASIC and ATO activities described above.

Note that current period reported revenue may include amounts for past years' levies and penalties as legislative restrictions require the lodgement of annual returns by institutions to APRA before billing can occur.

#### **Expenses**

Actual waivers and write-offs are the net position after adjusting for movements in doubtful debt provisions.

### **Schedule of budgeted assets and liabilities administered on behalf of Government**

#### **Financial assets**

The financial assets include levy debt invoiced and still outstanding at year end.

**Schedule of budgeted administered cash flows**

All cash collected by APRA for levies, late lodgement and late payment penalties under the *Financial Institutions Supervisory Levies Collection Act 1998* is transferred to the Official Public Account at the close of business each day.





# AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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# AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction for the Australian Securities and Investments Commission (ASIC) from that included in the *Portfolio Budget Statements 2008-09* (pages 127-128).

ASIC is seeking an additional \$11.2 million in departmental outputs through Appropriation Bill (No. 3) 2008-09. This relates to: an additional \$1.6 million for the Council of Australian Governments - implementing a national approach to the regulation of consumer credit measure; \$10.0 million for the global financial crisis - additional funding for regulators and the Treasury measure; \$1.0 million for the Australian Business Number and Business Name Registration project; and offset by a reduction of \$1.4 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

ASIC is also seeking an additional \$3.5 million in equity injections through Appropriation Bill (No. 4) 2008-09. This relates to: an additional \$0.8 million for the Council of Australian Governments - implementing a national approach to the regulation of consumer credit measure; \$2.9 million for the Australian Business Number and Business Name Registration project; and offset by a reduction of \$0.2 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

**Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at Budget <sup>+</sup>	Proposed additional estimates <sup>=</sup>	Total estimate at Additional Estimates	Total available appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Prior year amounts available	46,741	-	46,741	-
Departmental outputs	298,963	11,163 <sup>1</sup>	310,126	292,173
Receipts from other sources (s31)	8,287	-	8,287	9,645
<b>Total departmental outputs</b>	<b>353,991</b>	<b>11,163</b>	<b>365,154</b>	<b>301,818</b>
<b>Administered expenses</b>				
Outcome 1 - Assetless				
Administration Fund	3,424	-	3,424	5,206
<b>Total administered expenses</b>	<b>3,424</b>	<b>-</b>	<b>3,424</b>	<b>5,206</b>
<b>Total ordinary annual services</b>	<b>A 357,415</b>	<b>11,163</b>	<b>368,578</b>	<b>307,024</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Prior year amounts available	19,096	-	19,096	-
Equity injections	17,117	3,478 <sup>2</sup>	20,595	38,758
<b>Total other services</b>	<b>B 36,213</b>	<b>3,478</b>	<b>39,691</b>	<b>38,758</b>
<b>Total available annual appropriations (A + B)</b>	<b>393,628</b>	<b>14,641</b>	<b>408,269</b>	<b>345,782</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by amount</b>				
<i>Banking Act 1959</i>	21,780	-	21,780	24,315
<i>Life Insurance Act 1995</i>	2,760	-	2,760	5,105
<b>Total special appropriations</b>	<b>C 24,540</b>	<b>-</b>	<b>24,540</b>	<b>29,420</b>
<b>Total appropriations excluding special accounts (A + B + C)</b>	<b>418,168</b>	<b>14,641</b>	<b>432,809</b>	<b>375,202</b>
<b>Special accounts</b>				
Opening balance	255,458	-	255,458	255,458
Appropriation receipts	30,000	-	30,000	30,000
Non-appropriation receipts to special accounts	38,000	11,601	49,601	49,601
<b>Total special accounts</b>	<b>D 323,458</b>	<b>11,601</b>	<b>335,059</b>	<b>335,059</b>
<b>Total resourcing (A + B + C + D)</b>	<b>741,626</b>	<b>26,242</b>	<b>767,868</b>	<b>710,261</b>
Less appropriations drawn from annual appropriations above and credited to special accounts	30,000	-	30,000	30,000
<b>Total net resourcing for ASIC</b>	<b>711,626</b>	<b>26,242</b>	<b>737,868</b>	<b>680,261</b>

1. Appropriation Bill (No. 3) 2008-09.

2. Appropriation Bill (No. 4) 2008-09.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008-09 Budget.

**Table 1.2: Agency measures since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	
<b>Expense measures</b>						
Council of Australian Governments - implementing a national approach to the regulation of consumer credit						
	Departmental outputs	1.1	1,622	12,742	25,555	25,950
Global financial crisis - additional funding for regulators and the Treasury						
	Departmental outputs	1.1	10,000	20,000	-	-
<b>Total expense measures</b>			<b>11,622</b>	<b>32,742</b>	<b>25,555</b>	<b>25,950</b>
<b>Related capital</b>						
Council of Australian Governments - implementing a national approach to the regulation of consumer credit						
	Departmental capital	1.1	800	-	-	-
<b>Total related capital</b>			<b>800</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Details of these measures appear in the *Mid-Year Economic and Fiscal Outlook 2008-09* on pages 184 and 185.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2008-09 Budget in Appropriation Bills No. 3 and No. 4. Table 1.4 details additional estimates or variations from other variations.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2008-09 Budget**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
<b>Expense measures</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
	1.1	1,622	12,742	25,555	25,950
Global financial crisis - additional funding for regulators and the Treasury					
	1.1	10,000	20,000	-	-
<b>Total expense measures</b>		<b>11,622</b>	<b>32,742</b>	<b>25,555</b>	<b>25,950</b>
<b>Related capital</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
	1.1	800	-	-	-
<b>Total related capital</b>		<b>800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net impact on estimates for measures (departmental)</b>		<b>12,422</b>	<b>32,742</b>	<b>25,555</b>	<b>25,950</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Australian Business Number and Business Name Registration project (expense)					
	1.1	951	-	-	-
Australian Business Number and Business Name Registration project (capital)					
	1.1	2,857	-	-	-
<b>Decrease in estimates (departmental)</b>					
Standard Business Reporting (expense)					
	1.1	(1,410)	(1,628)	-	-
Standard Business Reporting (capital)					
	1.1	(179)	472	-	-
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>2,219</b>	<b>(1,156)</b>	<b>-</b>	<b>-</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for ASIC through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers					
	5,206	3,424	3,424	-	-
<b>Total</b>	<b>5,206</b>	<b>3,424</b>	<b>3,424</b>	<b>-</b>	<b>-</b>
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers					
	292,173	298,963	310,126	11,163	-
<b>Total</b>	<b>292,173</b>	<b>298,963</b>	<b>310,126</b>	<b>11,163</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>297,379</b>	<b>302,387</b>	<b>313,550</b>	<b>11,163</b>	<b>-</b>

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections	38,758	17,117	20,595	3,478	-
<b>Total</b>	<b>38,758</b>	<b>17,117</b>	<b>20,595</b>	<b>3,478</b>	<b>-</b>

## Section 2: Revisions to agency outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There has been no change to outcomes and performance information for ASIC from that included in the *Portfolio Budget Statements 2008-09* (pages 132-139).



## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC. The corresponding table in the *Portfolio Budget Statements 2008-09* is Table 3.1.3.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Companies and unclaimed Moneys Special Account	1	<b>223,640</b> 206,281	<b>48,500</b> 56,585	<b>31,000</b> 39,226	- -	<b>241,140</b> 223,640
Deregistered Companies Special Account	1	<b>4,636</b> -	<b>966</b> 4,649	<b>5,299</b> 13	- -	<b>303</b> 4,636
Enforcement Special Account	1	<b>26,635</b> 13,863	<b>30,000</b> 30,000	<b>30,000</b> 17,399	- 171	<b>26,635</b> 26,635
Investigations, Legal Proceedings, Settlements and Court Orders Special Account	1	<b>124</b> 260	<b>3</b> 130	<b>100</b> 266	- -	<b>27</b> 124
Other Trust Moneys Account	1	- -	<b>132</b> -	<b>132</b> -	- -	- -
Security Deposits Special Account	1	<b>423</b> 443	- -	<b>423</b> 20	- -	- 423
Services for other Governments and Non-Agency Bodies Account	1	- -	- -	- -	- -	- -
<b>Total special accounts 2008-09 Budget estimate</b>		<b>255,458</b>	<b>79,601</b>	<b>66,954</b>	-	<b>268,105</b>
Total special accounts 2007-08 actual		220,847	91,364	56,924	171	255,458

### 3.1.2 Estimates of variations to Average Staffing Level

Changes in Average Staffing Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget.

**Table 3.1.2: Average Staffing Level**

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,685	1,794	109
<b>Total</b>	<b>1,685</b>	<b>1,794</b>	<b>109</b>

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

#### Departmental financial statements

#### Budgeted departmental income statement

ASIC is currently budgeting for a break-even operating result for 2008-09 and for the remainder of the forward estimates.

Revenues from government for 2008-09 are \$310.1 million, which is an increase of \$11.2 million from the *Portfolio Budget Statements 2008-09*. This is comprised of \$1.6 million for the Council of Australian Governments – implementing a national approach to the regulation of consumer credit measure; \$10.0 million for the global financial crisis – additional funding for regulators and the Treasury measure; \$1.0 million for the Australian Business Number and Business Name Registration project, less \$1.4 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting.

Total revenues and expenses are estimated to be \$317.5 million for 2008-09. The expenditure will be used to fund activities that contribute towards achieving ASIC’s output objectives.

#### 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 2008-09 is \$93.4 million. This includes capital funding of \$17.4 million received in 2008-09.

### **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.

### **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 moneys under the *Banking Act 1959* and the *Life Insurance Act 1995*.

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 moneys under the *Banking Act 1959* and the *Life Insurance Act 1995*.

Expenses represent budgeted payments of unclaimed moneys, refund of overpaid fees and charges levied under the *Corporations Act 2001*, bad debt expense and 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 2008-09 and in the forward estimates is the estimated amount of fees and charges under the *Corporations Act 2001* remaining unpaid at 30 June.

The amounts shown in other payables for 2008-09 and the forward estimates represent the estimated amount of refunds relating to the over payments of annual review and other fees under the *Corporations Act 2001*.

### **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.

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	282,218	310,126	331,828	302,733	305,660
Sale of services	4,370	4,000	4,080	4,162	4,244
Interest	6	-	-	-	-
Other	5,269	3,241	3,305	3,371	3,438
<b>Total revenue</b>	<b>291,863</b>	<b>317,367</b>	<b>339,213</b>	<b>310,266</b>	<b>313,342</b>
<b>Gains</b>					
Other	126	126	126	126	126
<b>Total gains</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>
<b>Total income</b>	<b>291,989</b>	<b>317,493</b>	<b>339,339</b>	<b>310,392</b>	<b>313,468</b>
<b>EXPENSE</b>					
Employees	164,676	180,628	195,713	175,309	177,248
Suppliers	92,930	105,503	108,762	103,428	104,565
Depreciation and amortisation	15,554	30,862	34,364	31,155	31,155
Finance costs	306	500	500	500	500
Write-down of assets and impairment of assets	334	-	-	-	-
Net losses from sale of assets	6	-	-	-	-
<b>Total expenses</b>	<b>273,806</b>	<b>317,493</b>	<b>339,339</b>	<b>310,392</b>	<b>313,468</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>18,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,415	4,128	4,302	4,161	4,202
Receivables	115,660	47,412	42,873	48,853	52,028
<b>Total financial assets</b>	124,075	51,540	47,175	53,014	56,230
<b>Non-financial assets</b>					
Leasehold improvements	24,303	41,815	54,860	54,152	53,723
Plant and equipment	6,792	25,173	23,472	24,380	34,014
Intangibles	18,742	56,244	57,030	48,475	35,815
Other	2,686	3,146	3,237	3,099	3,133
<b>Total non-financial assets</b>	52,523	126,378	138,599	130,106	126,685
<b>Total assets</b>	176,598	177,918	185,774	183,120	182,915
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	20,678	17,334	17,970	17,003	17,242
Other payables	24,996	13,132	11,218	10,308	9,097
<b>Total payables</b>	45,674	30,466	29,188	27,311	26,339
<b>Interest bearing liabilities</b>					
Leases	188	-	-	-	-
<b>Total interest bearing liabilities</b>	188	-	-	-	-
<b>Provisions</b>					
Employees	43,636	46,953	48,639	47,621	48,125
Other provisions	11,150	7,118	7,346	7,587	7,850
<b>Total provisions</b>	54,786	54,071	55,985	55,208	55,975
<b>Total liabilities</b>	100,648	84,537	85,173	82,519	82,314
<b>EQUITY</b>					
Contributed equity	59,354	76,785	84,005	84,005	84,005
Reserves	8,900	8,900	8,900	8,900	8,900
Retained surpluses or accumulated deficits	7,696	7,696	7,696	7,696	7,696
<b>Total equity</b>	75,950	93,381	100,601	100,601	100,601
<b>Current assets</b>	126,761	54,686	50,412	56,113	59,363
<b>Non-current assets</b>	49,837	123,232	135,362	127,007	123,552
<b>Current liabilities</b>	77,784	64,123	65,173	62,961	63,024
<b>Non-current liabilities</b>	22,864	20,414	20,000	19,558	19,290

Prepared on an Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Services	4,761	5,046	4,046	4,126	4,208
Appropriations	245,376	365,289	336,668	297,056	302,788
Interest	6	-	-	-	-
Net GST received	8,996	18,860	14,667	13,403	13,373
Other cash received	5,946	3,241	1,742	1,808	3,438
<b>Total cash received</b>	<b>265,085</b>	<b>392,436</b>	<b>357,123</b>	<b>316,393</b>	<b>323,807</b>
<b>Cash used</b>					
Employees	154,999	183,851	194,027	176,027	176,744
Suppliers	102,878	125,663	123,176	117,707	119,322
Financing costs	40	190	-	-	-
Return of court costs to Government	171	-	-	-	-
Transfer to the Official Public Account	45,206	-	-	-	-
<b>Total cash used</b>	<b>303,294</b>	<b>309,704</b>	<b>317,203</b>	<b>293,734</b>	<b>296,066</b>
<b>Net cash from or (used by) operating activities</b>	<b>(38,209)</b>	<b>82,732</b>	<b>39,920</b>	<b>22,659</b>	<b>27,741</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	17,732	104,257	46,494	22,800	27,700
<b>Total cash used</b>	<b>17,732</b>	<b>104,257</b>	<b>46,494</b>	<b>22,800</b>	<b>27,700</b>
<b>Net cash from or (used by) investing activities</b>	<b>(17,732)</b>	<b>(104,257)</b>	<b>(46,494)</b>	<b>(22,800)</b>	<b>(27,700)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	13,390	17,431	6,748	-	-
<b>Total cash received</b>	<b>13,390</b>	<b>17,431</b>	<b>6,748</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayment of finance lease principal	694	193	-	-	-
<b>Total cash used</b>	<b>694</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>12,696</b>	<b>17,238</b>	<b>6,748</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(43,245)</b>	<b>(4,287)</b>	<b>174</b>	<b>(141)</b>	<b>41</b>
Cash at the beginning of the reporting period	51,660	8,415	4,128	4,302	4,161
<b>Cash at the end of the reporting period</b>	<b>8,415</b>	<b>4,128</b>	<b>4,302</b>	<b>4,161</b>	<b>4,202</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	7,696	8,900	-	59,354	75,950
<b>Adjusted opening balance</b>	7,696	8,900	-	59,354	75,950
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	17,431	17,431
<b>Sub-total transactions with owners</b>	-	-	-	17,431	17,431
<b>Estimated closing balance as at 30 June 2009</b>	7,696	8,900	-	76,785	93,381

Prepared on an Australian Accounting Standards basis.

**Schedule of administered activity****Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	589,855	609,440	617,358	625,357	633,439
<b>Total income administered on behalf of Government</b>	589,855	609,440	617,358	625,357	633,439
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	966	3,424	3,451	3,512	3,560
Write down and impairment of assets	22,506	22,555	22,826	23,100	23,376
Other	29,445	24,540	25,190	25,860	26,540
<b>Total expenses administered on behalf of Government</b>	52,917	50,519	51,467	52,472	53,476

Prepared on an Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,064	5,052	4,652	4,651	4,650
Receivables	83,059	88,816	96,981	104,768	112,577
<b>Total financial assets</b>	<b>86,123</b>	<b>93,868</b>	<b>101,633</b>	<b>109,419</b>	<b>117,227</b>
<b>Total assets administered on behalf of Government</b>	<b>86,123</b>	<b>93,868</b>	<b>101,633</b>	<b>109,419</b>	<b>117,227</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	446	446	446	446	446
Other payables	4,397	4,397	4,397	4,397	4,397
<b>Total payables</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>
<b>Total liabilities administered on behalf of Government</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>

Prepared on an Australian Accounting Standards basis.



**Table 3.2.7: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	116	313	313	319	322
Other	561,700	580,931	586,062	594,162	601,942
<b>Total cash received</b>	561,816	581,244	586,375	594,481	602,264
<b>Cash used</b>					
Suppliers	1,411	3,737	3,764	3,831	3,882
Other	29,420	24,343	24,885	25,552	26,228
<b>Total cash used</b>	30,831	28,080	28,649	29,383	30,110
<b>Net cash from operating activities</b>	530,985	553,164	557,726	565,098	572,154
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	35,028	33,964	34,641	35,372	36,100
<b>Total cash received</b>	35,028	33,964	34,641	35,372	36,100
<b>Cash used</b>					
Cash to Official Public Account	565,455	585,140	592,767	600,471	608,255
<b>Total cash used</b>	565,455	585,140	592,767	600,471	608,255
<b>Net cash from financing activities</b>	(530,427)	(551,176)	(558,126)	(565,099)	(572,155)
<b>Net increase or (decrease) in cash held</b>	558	1,988	(400)	(1)	(1)
Cash at beginning of reporting period	2,506	3,064	5,052	4,652	4,651
<b>Cash at end of reporting period</b>	3,064	5,052	4,652	4,651	4,650

Prepared on an Australian Accounting Standards basis.

## **Notes to the financial statements**

### **Basis of accounting**

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

### **Budgeted agency financial statements**

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions that agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Australian Government according to set government directions. Administered expenses and administered revenues include fees, fines and expenses that have been earmarked for a specific purpose by the government.

### **Appropriations in the accrual budgeting framework**

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations representing the Australian Government's purchase of outputs from agencies;
- departmental capital appropriations for investments by the Australian Government for either additional equity or loans in agencies;
- administered expense appropriations for the estimated administered expenses relating to an existing outcome or a new outcome; and
- administered capital appropriations for increases in administered equity through funding non-expense administered payments.

## **Departmental**

### **Asset valuation**

ASIC has adopted fair value as a basis for valuing its leasehold improvements and plant and equipment. Valuation is conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets fair values as at the reporting date.

### **Asset recognition threshold**

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition.

### **Leases**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the lower of fair value or the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

### **Depreciation and amortisation**

Computer equipment is depreciated using the declining-balance method whilst, for all other plant and equipment, the straight-line method of depreciation is applied. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) are reviewed at each balance date and necessary adjustments are recognised.

### **Receivables**

A provision is raised for any doubtful debts based on a review of the collectability of all outstanding accounts as at year-end.

Bad debts are written off during the year in which they are identified.

## **Provisions and payables**

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making-good leased premises and lease incentives. No provision for sick leave is required as all sick leave is non-vesting.

## **Administered**

### **Schedule of budgeted revenues and expenses administered on behalf of government**

#### **Revenues**

Non-taxation revenues are predominately comprised of *Corporations Act 2001* fees and charges and collections of unclaimed moneys under the *Banking Act 1959* and the *Life Insurance Act 1995*.

#### **Write down and impairment of assets**

Write down and impairment of assets represents waivers and write-offs of Corporations Law fees.

### **Schedule of budgeted assets and liabilities administered on behalf of government**

#### **Financial assets**

The financial assets include Corporations Law debt invoiced and still outstanding at year-end.

#### **Schedule of budgeted administered cash flows**

All cash collected by ASIC for Corporations Law revenue, is transferred to the Official Public Account at the close of business each day. Cash collected for *Banking Act 1959* unclaimed moneys and *Life Insurance Act 1995* unclaimed moneys is transferred to the Official Public Account when received.

# OFFICE OF THE AUDITING AND ASSURANCE STANDARDS BOARD

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# OFFICE OF THE AUDITING AND ASSURANCE STANDARDS BOARD

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Office of the Auditing and Assurance Standards Board (AUASB) is an Australian Government agency under the *Australian Securities and Investments Commission Act 2001*. The AUASB transferred governance arrangements from the *Commonwealth Authorities and Companies Act 1997* framework to the *Financial Management and Accountability Act 1997* framework from 1 July 2008.

The functions of the AUASB are to:

- make auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the corporations legislation;
- formulate auditing and assurance standards for other purposes;
- formulate guidance on auditing and assurance matters; and
- participate in and contribute to the development of a single set of auditing standards for world-wide use; and to advance and promote the main objectives of part 12 of the *Australian Securities and Investments Commission Act 2001*.

The vision of the AUASB is to be recognised as a leading national auditing and assurance standards setting body that develops high quality auditing and assurance standards and guidance in the public interest.

The mission of the AUASB is to develop, in the public interest, high quality auditing and assurance standards and related guidance as a means to enhance the relevance, reliability and timeliness of information provided to users of audit and assurance services.

Key strategies during 2008-09 include:

- developing auditing and assurance standards and guidance;
- identify emerging auditing and assurance issues;

- contribute to and influence the development of international auditing standards; and
- promote awareness and understanding of the AUASB role and work program, auditor responsibilities, and the role of auditing and assurance services.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources. The table summarises how resources will be applied to the AUASB.

**Table 1.1: Auditing and Assurance Standards Board resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at Budget <sup>1</sup>	Estimate as at Budget <sup>2</sup> +	Proposed additional estimates =	Total estimate at Additional Estimates
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Departmental outputs	-	1,078	41 <sup>3</sup>	1,119
Receipts from other sources (s31)	-	927	-	927
<b>Total ordinary annual services</b>	<b>A</b>	<b>2,005</b>	<b>41</b>	<b>2,046</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	579 <sup>4</sup>	579
<b>Total other services</b>	<b>B</b>	<b>-</b>	<b>579</b>	<b>579</b>
<b>Special accounts</b>				
Opening balance	-	-	-	-
Non-appropriation receipts	-	900	-	900
<b>Total special accounts</b>	<b>C</b>	<b>900</b>	<b>-</b>	<b>900</b>
<b>Total resourcing (A + B + C)</b>		<b>2,905</b>	<b>620</b>	<b>3,525</b>
Less receipts from other sources credited to special accounts	-	900	-	900
<b>Total net resourcing for AUASB</b>		<b>2,005</b>	<b>620</b>	<b>2,625</b>

1. The AUASB did not receive a separate appropriation in the 2008-09 Budget.

2. Appropriation was transferred from the Department of the Treasury to the AUASB under section 32 of the *Financial Management and Accountability Act 1997*.

3. Appropriation Bill (No. 3) 2008-09.

4. Appropriation Bill (No. 4) 2008-09.

## 1.3 AGENCY MEASURES TABLE

**Table 1.2: Agency measures since Budget**

The AUASB does not have any measures since the 2008-09 Budget.



## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.4 details the additional estimates and variations sought as a result of the AUASB transferring governance arrangements from the *Commonwealth Authorities and Companies Act 1997* framework to the *Financial Management and Accountability Act 1997* framework through Appropriation Bills No. 3 and No. 4.

### Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget

The AUASB does not have any additional estimates or variations as a result of Budget measures.

### Table 1.4: Additional estimates and variations to outcomes from other variations

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Interest revenue forgone as a result of becoming an agency subject to the <i>Financial Management and Accountability Act 1997</i>	1.1	41	41	41	41
Equity injection equivalent to the cash at bank amount as a result of becoming an agency subject to the <i>Financial Management and Accountability Act 1997</i>	1.1	579	-	-	-
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>620</b>	<b>41</b>	<b>41</b>	<b>41</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the AUASB through Appropriation Bill No. 3. Table 1.6 details the additional estimates sought for the AUASB through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2008-09 Budget <sup>1</sup> \$'000	2008-09 Budget <sup>2</sup> \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
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					
	-	1,078	1,119	41	-
<b>Total</b>	-	<b>1,078</b>	<b>1,119</b>	<b>41</b>	-

1. The AUASB did not receive a separate appropriation in the 2008-09 Budget.
2. Appropriation was transferred from the Department of the Treasury to the AUASB under section 32 of the *Financial Management and Accountability Act 1997*.

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2008-09 Budget <sup>1</sup> \$'000	2008-09 Budget <sup>2</sup> \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections					
	-	-	579	579	-
<b>Total</b>	-	-	<b>579</b>	<b>579</b>	-

1. The AUASB did not receive a separate appropriation in the 2008-09 Budget.
2. Appropriation was transferred from the Department of the Treasury to the AUASB under section 32 of the *Financial Management and Accountability Act 1997*.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community.

The AUASB's outcome is described below, specifying the performance indicators and targets used to assess and monitor the performance of the AUASB in achieving government outcomes.

#### **2.1.1 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**

##### **Outcome 1 strategy**

The key strategies to achieve Outcome 1 are:

- making auditing standards under section 336 of the *Corporations Act 2001* and for related guidance for use by Australian auditors who are undertaking audit engagements for the purposes of the Corporations legislation (Output 1.1.1);
- formulating auditing and assurance standards and related guidance for use by Australian auditors who are undertaking auditing or assurance engagements for purposes other than the purposes of the Corporations legislation (Output 1.1.2); and
- to provide Australian participation in, and contribution to, the development of a single set of auditing standards for world-wide use (Output 1.1.3).

The AUASB will continue its role in the development of auditing and assurance standards guidance, identifying emerging auditing and assurance issues and contributing to and influence the development of international auditing standards.

## Contributions to Outcome 1

<b>Output Group 1.1 — Auditing and Assurance Standards Board</b>	
<p>Components of Output Group 1.1 AUASB are:</p> <ul style="list-style-type: none"> <li>• Output 1.1.1 — making auditing standards under section 336 of the <i>Corporations Act 2001</i> and related guidance for use by Australian auditors who are undertaking audit engagements for the purposes of Corporations legislation.</li> <li>• Output 1.1.2 — formulating auditing and assurance standards and related guidance for use by Australian auditors who are undertaking auditing or assurance engagements for purposes other than for the purposes of the Corporations legislation.</li> <li>• Output 1.1.3 — to provide Australian participation in, and contribution to, the development of a single set of auditing standards for world-wide use.</li> </ul>	
<p>Output 1.1.1 — making auditing standards under section 336 of the <i>Corporations Act 2001</i> and related guidance for use by Australian auditors who are undertaking audit engagements for the purposes of Corporations legislation.</p>	
<p>Output 1.1.1 reflects the AUASB’s role in the development of standards that are legally enforceable under the Corporations Act. This output involves:</p> <ul style="list-style-type: none"> <li>• monitoring the International Assurance and Accounting Standards Board (IAASB) and other international standard setters’ activities;</li> <li>• issuing exposure drafts of proposed auditing standards for public comment;</li> <li>• issuing auditing standards;</li> <li>• issuing amending auditing standards;</li> <li>• assessing the regulatory impact of proposed standards; and</li> <li>• issuing related guidance statement on auditing and assurance matters.</li> </ul>	
<b>Key performance indicators</b>	<b>2008-09 target</b>
<p>Issuing auditing standards of the highest quality that are consistent with those developed by the IAASB, subject to revision:</p> <ul style="list-style-type: none"> <li>• for Australian legal and regulatory requirements;</li> <li>• to a form suitable as a legal instrument; and</li> <li>• allowing for any additional Australian public interest considerations.</li> </ul>	<p>Develop a set of revised and redrafted legally enforceable auditing standards based on the ‘clarity’ versions of International Standards on Auditing.</p> <p>Develop amending auditing standards as required on a timely basis.</p>
<p>Output 1.1.2 — formulating auditing and assurance standards and related guidance for use by Australian auditors who are undertaking auditing or assurance engagements for purposes other than the purposes of Corporations legislation.</p>	
<p>Output 1.1.2 reflects the AUASB’s role in the development of auditing standards for other purposes. This output involves:</p> <ul style="list-style-type: none"> <li>• issuing assurance standards and auditing standards for other purposes.</li> </ul>	

**Contributions to Outcome 1 (continued)**

Key performance indicators	2008-09 target
Revising existing assurance standards. Developing new assurance standards.	Revise and issue assurance standards for other purposes as required on a timely basis.
Output 1.1.3 — to provide Australian participation in, and contribution to, the development of a single set of auditing standards for world-wide use.	
Output 1.1.3 reflects the AUASB’s role in the development of global auditing standards. This output involves: <ul style="list-style-type: none"> <li>• contributing to the development of international auditing and assurance standards.</li> </ul>	
Key performance indicators	2008-09 target
Contribute to and influence the development of international auditing and assurance standards that will result in a single set of robust and high quality standards for world-wide use.	Respond to all significant IAASB exposure drafts. Monitor IAASB activities. Provide technical support to IAASB member. Provide technical assistance for IAASB projects.
Identify emerging auditing and assurance issues of public interest and address as appropriate on a timely basis.	Monitor the activities of other National Standards Setters. Participate in the work of the IAASB National Standards Setters forum. Participate in the work of the Trans-Tasman Accounting and Auditing Standards Advisory Group.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the AUASB.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Office of the Auditing and Assurance Standards Board Special Account	1	-	900	900	-	-
		-	-	-	-	-
Office of the Auditing and Assurance Standards Board Services for Other Entities and Trust Moneys Special Account	1	-	-	-	-	-
		-	-	-	-	-
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		-	900	900	-	-
Total special accounts 2007-08 estimate actual		-	-	-	-	-

#### 3.1.2 Estimates of variations to Average Staffing Level

Table 3.1.2 provides the Average Staffing Level for the AUASB.

**Table 3.1.2: Average Staffing Level**

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
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	9	9	-
<b>Total</b>	<b>9</b>	<b>9</b>	<b>-</b>

## 3.2 BUDGETED FINANCIAL STATEMENTS

### Departmental financial statements

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Budget estimates 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	1,379	1,119	1,128	1,167	1,230
Goods and services	26	28	29	30	31
Interest	41	-	-	-	-
Other <sup>1</sup>	900	900	900	900	900
<b>Total revenue</b>	<b>2,346</b>	<b>2,047</b>	<b>2,057</b>	<b>2,097</b>	<b>2,161</b>
<b>EXPENSE</b>					
Employees	1,426	1,287	1,269	1,279	1,313
Suppliers	775	701	729	758	789
Depreciation and amortisation	59	59	59	59	59
Finance costs	3	-	-	-	-
<b>Total expenses</b>	<b>2,263</b>	<b>2,047</b>	<b>2,057</b>	<b>2,096</b>	<b>2,161</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Estimates for other revenue for 2009-10 and onwards are yet to be confirmed.  
Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	579	579	579	579	579
Receivables	285	344	403	462	521
<b>Total financial assets</b>	864	923	982	1,041	1,100
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	309	250	191	132	73
Intangibles	10	10	10	10	10
Other non-financial assets	49	49	49	49	49
<b>Total non-financial assets</b>	368	309	250	191	132
<b>Total assets</b>	1,232	1,232	1,232	1,232	1,232
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	374	374	374	374	374
<b>Total payables</b>	374	374	374	374	374
<b>Provisions</b>					
Employees	271	371	371	371	371
Other provisions	61	61	61	61	61
<b>Total provisions</b>	332	432	432	432	432
<b>Total liabilities</b>	706	806	806	806	806
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Retained surpluses or accumulated deficits	526	426	426	426	426
<b>Total equity</b>	526	426	426	426	426
<b>Current assets</b>	870	923	982	1,041	1,100
<b>Non-current assets</b>	362	309	250	191	132
<b>Current liabilities</b>	336	545	545	545	545
<b>Non-current liabilities</b>	370	61	61	61	61

Prepared on an Australian Accounting Standards basis.



**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	-	28	29	30	31
Appropriations	-	1,059	1,069	1,108	1,171
Interest	41	-	-	-	-
Net GST received	93	-	-	-	-
Other cash received <sup>1</sup>	2,435	900	900	900	900
<b>Total cash received</b>	<b>2,569</b>	<b>1,987</b>	<b>1,998</b>	<b>2,038</b>	<b>2,102</b>
<b>Cash used</b>					
Employees	1,408	1,286	1,269	1,280	1,313
Suppliers	979	701	729	758	789
Net GST paid	101	-	-	-	-
<b>Total cash used</b>	<b>2,488</b>	<b>1,987</b>	<b>1,998</b>	<b>2,038</b>	<b>2,102</b>
<b>Net cash from or (used by) operating activities</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	9	-	-	-	-
<b>Total cash used</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	507	579	579	579	579
<b>Cash at the end of the reporting period</b>	<b>579</b>	<b>579</b>	<b>579</b>	<b>579</b>	<b>579</b>

1. Estimates for other cash received for 2009-10 and onwards are yet to be confirmed.

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	526	-	-	-	526
<b>Adjusted opening balance</b>	526	-	-	-	526
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Actuarial losses	(100)	-	-	-	(100)
<b>Sub-total transactions with owners</b>	(100)	-	-	-	(100)
<b>Estimated closing balance as at 30 June 2009</b>	426	-	-	-	426

Prepared on an Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

The AUASB does not have any administered funds.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

The AUASB does not have any administered funds.

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

The AUASB does not have any administered funds.

# OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

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# OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Office of the Australian Accounting Standards Board (AASB) is an Australian Government agency under the *Australian Securities and Investments Commission Act 2001*. The AASB transferred governance arrangements from the *Commonwealth Authorities and Companies Act 1997* framework to the *Financial Management and Accountability Act 1997* framework from 1 July 2008.

The functions of the AASB are to:

- develop a conceptual framework for the purpose of evaluating proposed accounting standards and international standards;
- make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation;
- formulate accounting standards for other purposes;
- participate in and contribute to the development of a single set of accounting standard for world-wide use; and
- facilitate the Australian economy by reducing the cost of capital, enabling Australian entities to compete effectively overseas, leaving accounting standards that are clearly stated and easily to understand, and to maintain investor confidence in the Australian economy (including its capital markets).

The vision of the AASB is to build on its reputation as a leading national standard setter and be recognised as a global centre of excellence, delivering a truly distinctive contribution to the development of high quality financial reporting standards.

The mission of the AASB is to develop and maintain high quality financial reporting standards for all sectors of the Australian economy and contribute, through leadership and talent, to the development of global financial reporting standards and be recognised as facilitating the inclusion of the Australian community in the activity of global standard setting.

Key priorities during 2008-09 include:

- issue Australian equivalents to the International Accounting Standards Board (IASB) standards, exposure drafts, invitations to comment and interpretations;
- retain a transaction neutral policy of standard setting;
- participate in ongoing IASB and International Public Sector Accounting Standards Board (IPSASB) research projects including extractive activities for the IASB and conceptual framework and service concessions for the IPSASB;
- issue an exposure draft and standard on superannuation entity accounting; and
- establish a policy on the use of the IPSASB standards in Australia.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources. The table summarises how resources will be applied to the AASB.

**Table 1.1: Australian Accounting Standards Board resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at Budget <sup>1</sup> 2008-09 \$'000	Estimate as at + Budget <sup>2</sup> 2008-09 \$'000	Proposed additional = estimates 2008-09 \$'000	Total estimate at Additional Estimates 2008-09 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Departmental outputs	-	1,225	269 <sup>3</sup>	1,494
Receipts from other sources (s31)	-	3,101	-	3,101
<b>Total ordinary annual services</b>	<b>A</b>	<b>4,326</b>	<b>269</b>	<b>4,595</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	3,688 <sup>4</sup>	3,688
<b>Total other services</b>	<b>B</b>	<b>-</b>	<b>3,688</b>	<b>3,688</b>
<b>Special accounts</b>				
Opening balance	-	-	-	-
Appropriation receipts	-	700	-	700
<b>Total special accounts</b>	<b>C</b>	<b>700</b>	<b>-</b>	<b>700</b>
<b>Total resourcing (A + B + C)</b>	<b>-</b>	<b>5,026</b>	<b>3,957</b>	<b>8,983</b>
Less receipts from other sources credited to special accounts	-	700	-	700
<b>Total net resourcing for AASB</b>	<b>-</b>	<b>4,326</b>	<b>3,957</b>	<b>8,283</b>

1. The AASB did not receive a separate appropriation in the 2008-09 Budget.

2. Appropriation was transferred from the Department of the Treasury to the AASB under section 32 of the *Financial Management and Accountability Act 1997*.

3. Appropriation Bill (No. 3) 2008-09.

4. Appropriation Bill (No. 4) 2008-09.

### 1.3 AGENCY MEASURES TABLE

**Table 1.2: Agency measures since Budget**

The AASB does not have any measures since the 2008-09 Budget.

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.4 details the additional estimates and variations sought as a result of the AASB transferring governance arrangements from the *Commonwealth Authorities and Companies Act 1997* framework to the *Financial Management and Accountability Act 1997* framework through Appropriation Bills No. 3 and No. 4.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

The AASB does not have any additional estimates or variations as a result of Budget measures.

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Interest revenue forgone as a result of becoming an agency subject to the <i>Financial Management and Accountability Act 1997</i>	1.1	269	269	269	269
Equity injection equivalent to the cash at bank amount as a result of becoming an agency subject to the <i>Financial Management and Accountability Act 1997</i>	1.1	3,688	-	-	-
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>3,957</b>	<b>269</b>	<b>269</b>	<b>269</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the AASB through Appropriation Bill No. 3. Table 1.6 details the additional estimates sought for the AASB through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2008-09 Budget <sup>1</sup> \$'000	2008-09 Budget <sup>2</sup> \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
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					
	-	1,225	1,494	269	-
<b>Total</b>	-	<b>1,225</b>	<b>1,494</b>	<b>269</b>	-

1. The AASB did not receive a separate appropriation in the 2008-09 Budget.
2. Appropriation was transferred from the Department of the Treasury to the AASB under section 32 of the *Financial Management and Accountability Act 1997*.

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2008-09 Budget <sup>1</sup> \$'000	2008-09 Budget <sup>2</sup> \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections					
	-	-	3,688	3,688	-
<b>Total</b>	-	-	<b>3,688</b>	<b>3,688</b>	-

1. The AASB did not receive a separate appropriation in the 2008-09 Budget.
2. Appropriation was transferred from the Department of the Treasury to the AASB under section 32 of the *Financial Management and Accountability Act 1997*.



## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community.

The AASB's outcome is described below, specifying the performance indicators and targets used to assess and monitor the performance of the AASB in achieving government outcomes.

#### **2.1.1 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**

##### **Outcome 1 strategy**

The key strategies to achieve Outcome 1 are:

- to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards (Output 1.1.1);
- formulating accounting standards for purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards (Output 1.1.2); and
- to provide Australian participation in, and contribution to, the development of a single set of accounting standards for world-wide use (Output 1.1.3).

The AASB will continue its role in the development of legally enforceable accounting standards, the development of accounting standards for non corporation's legislation entities and the development of global accounting standards.

## Contributions to Outcome 1

Output Group 1.1 — Australian Accounting Standards Board	
Components of Output Group 1.1 are:	
<ul style="list-style-type: none"> <li>• Output 1.1.1 — making accounting standards under section 334 of the <i>Corporations Act 2001</i> for the purposes of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards;</li> <li>• Output 1.1.2 — formulating accounting standards for purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards; and</li> <li>• Output 1.1.3 — to provide Australian participation in, and contribution to, the development of a single set of accounting standards for world-wide use.</li> </ul>	
Output 1.1.1 — making accounting standards under section 334 of the <i>Corporations Act 2001</i> for the purposes of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards	
Output 1.1.1 reflects the AASB’s role in the development of legally enforceable accounting standards. This output involves:	
<ul style="list-style-type: none"> <li>• issuing Australian standards;</li> <li>• amending existing standards; and</li> <li>• developing standards setting expertise.</li> </ul>	
Key performance indicators	2008-09 target
Convert each standard and standard amendment developed by the IASB, into Australian Law.	Each converted IASB standard and standard amendment must accord with: <ul style="list-style-type: none"> <li>• Australian legislative drafting protocols; and</li> <li>• Federal Register of Legislative Instruments requirements.</li> </ul>
Prepare and publish compiled versions of standards.	Compilations are lodged on the: <ul style="list-style-type: none"> <li>• Federal Register of Legislative Instruments; and</li> <li>• The AASB website.</li> </ul>
Issue exposure drafts.	Obtain stakeholder feedback. Provide feedback to the IASB.
Output 1.1.2 — formulating accounting standards for purposes of financial reporting by Australian entities that are not subject to reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards.	
Output 1.1.2 — reflects the AASB’s role in the development of accounting standards for non corporations legislation entities. This output involves:	
<ul style="list-style-type: none"> <li>• developing accounting standards for the public sector and non-Corporations Act entities.</li> </ul>	

**Contributions to Outcome 1 (continued)**

Key performance indicators	2008-09 target
Issue Australian accounting standards.	Update the AASB website within three days of finalising any standard.
Prepare and publish compiled versions of standards.	Update the AASB website within three days of finalising any compiled standard.
Output 1.1.3 — to provide Australian participation in, and contribution to, the development of a single set of accounting standards for world-wide use.	
Output 1.1.3 — reflects the AASB's role in the development of global accounting standards. This output involves:	
<ul style="list-style-type: none"> <li>contributing to the development of International Financial Reporting Standards, International Public Sector Accounting Standards and participation in various international forums.</li> </ul>	
Key performance indicators	2008-09 target
Participate in international standards setting and other research projects.	Respond to all significant IASB and IPSASB exposure drafts; and  Undertake research and prepare draft accounting standards on behalf of the IASB and IPSASB.
Maintain close working relationships with equivalent organisations in other jurisdictions.	Host and/or attend National Standards Setters meetings; and  Participate in the work of the Trans-Tasman Accounting and Auditing Standards Advisory Group.
Develop personnel with experience in standard setting.	Provide developmental opportunities for accounting professionals, including recent graduates.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the AASB.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Office of the Australian Accounting Standards Board Special Account	1	-	700	700	-	-
		-	-	-	-	-
Office of the Australian Accounting Standards Board Services for Other Entities and Trust Moneys Special Account	1	-	-	-	-	-
		-	-	-	-	-
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		-	700	700	-	-
Total special accounts 2007-08 estimate actual		-	-	-	-	-

#### 3.1.2 Estimates of variations to Average Staffing Level

Table 3.1.2 provides the Average Staffing Level for the AASB.

**Table 3.1.2: Average Staffing Level**

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
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	23	23	-
<b>Total</b>	<b>23</b>	<b>23</b>	<b>-</b>

## 3.2 BUDGETED FINANCIAL STATEMENTS

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Actual	Budget	Forward	Forward	Forward
	2007-08	estimate	estimate	estimate	estimate
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	2,934	1,494	3,121	3,220	3,385
Goods and services	88	1,901	288	277	266
Interest	269	-	-	-	-
Other <sup>1</sup>	2,023	1,200	1,200	1,200	1,200
<b>Total revenue</b>	<b>5,314</b>	<b>4,595</b>	<b>4,609</b>	<b>4,697</b>	<b>4,851</b>
<b>EXPENSE</b>					
Employees	3,127	3,179	3,142	3,177	3,276
Suppliers	1,300	1,270	1,321	1,374	1,429
Grants	200	-	-	-	-
Depreciation and amortisation	145	146	146	146	146
Finance costs	5	-	-	-	-
<b>Total expenses</b>	<b>4,777</b>	<b>4,595</b>	<b>4,609</b>	<b>4,697</b>	<b>4,851</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Estimates for other revenue for 2009-10 and onwards are yet to be confirmed.  
Prepared on an Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,691	3,691	3,691	3,691	3,691
Receivables	100	246	392	538	684
<b>Total financial assets</b>	<b>3,791</b>	<b>3,937</b>	<b>4,083</b>	<b>4,229</b>	<b>4,375</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	687	541	395	249	103
Inventories	3	3	3	3	3
Intangibles	19	19	19	19	19
Other non-financial assets	88	88	88	88	88
<b>Total non-financial assets</b>	<b>797</b>	<b>651</b>	<b>505</b>	<b>359</b>	<b>213</b>
<b>Total assets</b>	<b>4,588</b>	<b>4,588</b>	<b>4,588</b>	<b>4,588</b>	<b>4,588</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	639	639	639	639	639
<b>Total payables</b>	<b>639</b>	<b>639</b>	<b>639</b>	<b>639</b>	<b>639</b>
<b>Provisions</b>					
Employees	1,310	2,310	2,310	2,310	2,310
Other provisions	101	101	101	101	101
<b>Total provisions</b>	<b>1,411</b>	<b>2,411</b>	<b>2,411</b>	<b>2,411</b>	<b>2,411</b>
<b>Total liabilities</b>	<b>2,050</b>	<b>3,050</b>	<b>3,050</b>	<b>3,050</b>	<b>3,050</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Retained surpluses or accumulated deficits	2,538	1,538	1,538	1,538	1,538
<b>Total equity</b>	<b>2,538</b>	<b>1,538</b>	<b>1,538</b>	<b>1,538</b>	<b>1,538</b>
<b>Current assets</b>	<b>3,809</b>	<b>3,940</b>	<b>4,086</b>	<b>4,232</b>	<b>4,378</b>
<b>Non-current assets</b>	<b>779</b>	<b>648</b>	<b>502</b>	<b>356</b>	<b>210</b>
<b>Current liabilities</b>	<b>1,434</b>	<b>2,949</b>	<b>2,949</b>	<b>2,949</b>	<b>2,949</b>
<b>Non-current liabilities</b>	<b>616</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>

Prepared on an Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	133	1,901	288	277	266
Appropriations	-	1,348	2,975	3,074	3,239
Interest	278	-	-	-	-
Net GST received	156	-	-	-	-
Other cash received <sup>1</sup>	4,950	1,200	1,200	1,200	1,200
<b>Total cash received</b>	<b>5,517</b>	<b>4,449</b>	<b>4,463</b>	<b>4,551</b>	<b>4,705</b>
<b>Cash used</b>					
Employees	3,017	3,179	3,142	3,177	3,276
Suppliers	1,591	1,270	1,321	1,374	1,429
Net GST paid	99	-	-	-	-
Other cash used	200	-	-	-	-
<b>Total cash used</b>	<b>4,907</b>	<b>4,449</b>	<b>4,463</b>	<b>4,551</b>	<b>4,705</b>
<b>Net cash from or (used by) operating activities</b>	<b>610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	93	-	-	-	-
<b>Net cash from or (used by) investing activities</b>	<b>(93)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>517</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	3,174	3,691	3,691	3,691	3,691
<b>Cash at the end of the reporting period</b>	<b>3,691</b>	<b>3,691</b>	<b>3,691</b>	<b>3,691</b>	<b>3,691</b>

1. Estimates for other cash received for 2009-10 and onwards are yet to be confirmed.

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	2,538	-	-	-	2,538
<b>Adjusted opening balance</b>	2,538	-	-	-	2,538
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Actuarial losses	(1,000)	-	-	-	(1,000)
<b>Sub-total transactions with owners</b>	(1,000)	-	-	-	(1,000)
<b>Estimated closing balance as at 30 June 2009</b>	1,538	-	-	-	1,538

Prepared on an Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

The AASB does not have any administered funds.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

The AASB does not have any administered funds.

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

The AASB does not have any administered funds.



# PORTFOLIO GLOSSARY

<b>Term</b>	<b>Meaning</b>
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Australian Government. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Appropriation Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the <i>Commonwealth of Australia Constitution Act 1900</i> stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Departmental items	Assets, liabilities, income and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
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.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	A valuation methodology whereby the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.

Operating result	Equals income less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.

Special account

Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (*Financial Management and Accountability Act 1997* (FMA Act), subsection 20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account may only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Minister for Finance and Deregulation (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA 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 Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.