

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS 2009-10**

TREASURY PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2009-10

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President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2009-10 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, appearing to read 'Wayne Swan', written in a cursive style.

Wayne Swan

Abbreviations and conventions

The following notation may be used:

| | |
|-----|---|
| - | nil |
| .. | not zero, but rounded to zero |
| * | unquantifiable |
| na | not applicable (unless otherwise specified) |
| nfp | not for publication |
| \$m | \$ million |
| \$b | \$ billion |

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Mr Robert Ward 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
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

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.

The focus of the PAES differs from the Portfolio Budget Statements in one important aspect. While the PAES include an Agency Resource Statement to inform Parliament of the revised estimate of the total resources available to an agency, the focus of the PAES is on explaining the changes in resourcing by outcome since the Budget. As such, the PAES provides information on new measures and their impact on the financial and non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2009-10. 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 2009-10* 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 a brief 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.

| | |
|--|--|
| Section 1: Agency overview and resources | This section details the total resources available to an agency, the impact of any measures since the Budget, and impact on Appropriation Bills No. 3 and No. 4. |
| Section 2: Revisions to outcomes and planned performance | This section details changes to Government outcomes and/or changes to the planned performance of agency programs. |
| 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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PORTFOLIO OVERVIEW

TREASURY PORTFOLIO OVERVIEW

There has been no change to the portfolio overview, portfolio responsibilities or agency outcomes from that included in the *Portfolio Budget Statements 2009-10* (pages 3-5).

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 and the Australian Taxation Office. 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 Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector-General of Taxation, the National Competition Council, the Office of the Auditing and Assurance Standards Board, the Office of the Australian Accounting Standards Board, the Productivity Commission or the Royal Australian Mint.

The whole-of-government departmental efficiencies measure, included on pages 166 and 167 of the *Mid-Year Economic and Fiscal Outlook 2009-10*, applies to the Department of the Treasury, the Australian Competition and Consumer Commission, the Australian Office of Financial Management, the Australian Securities and Investments Commission, the Australian Taxation Office, the Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector-General of Taxation, the National Competition Council, the Office of the Auditing and Assurance Standards Board, the Office of the Australian Accounting Standards Board and the Productivity Commission.

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury portfolio structure and outcomes (continued)



PORTFOLIO RESOURCES

Table 1 shows a summary of resources for those agencies that are seeking funding through Appropriation Bills (No. 3 and No. 4) 2009-10.

Table 1: Portfolio resources 2009-10

| | Appropriation | | Movements | | Total |
|---|----------------------|----------------------|-------------------|--------------------|------------------|
| | Bill No. 3 \$'000 | Bill No. 4 \$'000 | Special \$'000 | Receipts \$'000 | \$'000 |
| Department of the Treasury | | | | | |
| Administered appropriations | - | - | (274,014) | 2,195,602 | 1,921,588 |
| Departmental appropriations | 109 | 118 | - | 4,339 | 4,566 |
| Total: | 109 | 118 | (274,014) | 2,199,941 | 1,926,154 |
| Australian Bureau of Statistics | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | 6,022 | 1,303 | - | 7,774 | 15,099 |
| Total: | 6,022 | 1,303 | - | 7,774 | 15,099 |
| Australian Competition and Consumer Commission | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | 1,765 | - | - | - | 1,765 |
| Total: | 1,765 | - | - | - | 1,765 |
| Australian Prudential and Regulation Authority | | | | | |
| Administered appropriations | - | 1,524 | - | - | 1,524 |
| Departmental appropriations | 490 | - | - | - | 490 |
| Total: | 490 | 1,524 | - | - | 2,014 |
| Australian Securities and Investments Commission | | | | | |
| Administered appropriations | - | - | - | - | - |
| Departmental appropriations | - | 1,050 | - | 919 | 1,969 |
| Total: | - | 1,050 | - | 919 | 1,969 |
| Australian Taxation Office | | | | | |
| Administered appropriations | 13,363 | - | 88,000 | 1,638 | 103,001 |
| Departmental appropriations | - | - | - | 9,284 | 9,284 |
| Total: | 13,363 | - | 88,000 | 10,922 | 112,285 |

**AGENCY ADDITIONAL ESTIMATES
STATEMENTS**

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 (the Treasury) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 15-17).

The Treasury is seeking an additional \$0.1 million in departmental outputs through Appropriation Bill (No. 3) 2009-10. This relates to an additional \$1.0 million for strengthening Australia's relationship with India offset by a reduction of \$0.9 million for the whole-of-government departmental efficiencies.

The Treasury is also seeking an additional \$0.1 million as an equity injection through Appropriation Bill (No. 4) 2009-10 for strengthening Australia's relationship with India.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Department of the Treasury resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimates at at Budget + | Proposed Additional Estimates = | Total estimate at Additional Estimates | Total available appropriation |
|---|-----------------------------|---------------------------------------|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services | | | | |
| Departmental | | | | |
| Prior year departmental carried forward | 62,816 | 11,598 | 74,414 | - |
| Departmental appropriation | 167,211 | 109 ¹ | 167,320 | 145,931 |
| Receipts from other sources (s31) | 10,721 | 4,339 | 15,060 | 9,647 |
| Total departmental | 240,748 | 16,046 | 256,794 | 155,578 |
| Administered expenses | | | | |
| Outcome 1 | 1,000 | - | 1,000 | 5,000 |
| Total administered expenses | 1,000 | - | 1,000 | 5,000 |
| Total ordinary annual services | A 241,748 | 16,046 | 257,794 | 160,578 |
| Other services | | | | |
| Administered expenses | | | | |
| Payments to States, ACT, NT and local government | | | | |
| Outcome 1 | - | - | - | 615,768 |
| Total | - | - | - | 615,768 |
| Departmental non-operating | | | | |
| Equity injections | 11,841 | 118 ² | 11,959 | 21,304 |
| Previous years' outputs | 1,800 | - | 1,800 | 949 |
| Total | 13,641 | 118 | 13,759 | 22,253 |
| Administered non-operating | | | | |
| Administered assets and liabilities | | | | |
| Outcome 1 | 19,010 | - | 19,010 | 83,840 |
| Total | 19,010 | - | 19,010 | 83,840 |
| Total other services | B 32,651 | 118 | 32,769 | 721,861 |
| Total available annual appropriations (A + B) | 274,399 | 16,164 | 290,563 | 882,439 |

Table 1.1: Department of the Treasury resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

| | Estimates at at Budget + | Proposed Additional Estimates = | Total estimate at Additional Estimates | Total available appropriation |
|--|-----------------------------|---------------------------------------|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Special appropriations | | | | |
| <i>Federal Financial Relations Act 2009</i> | 59,264,932 | 349,400 | 59,614,332 | 3,181,600 |
| <i>International Monetary Agreements Act 1947</i> | 4,466 | 287,850 | 292,316 | 433,711 |
| Australian Business Investment Partnership Bill 2009 | 1,000,000 | (1,000,000) | - | - |
| <i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i> | - | 88,736 | 88,736 | 41,450,756 |
| Total special appropriations | C 60,269,398 | (274,014) | 59,995,384 | 45,066,067 |
| Total appropriations excluding special accounts (A+B+C) | 60,543,797 | (257,850) | 60,285,947 | 45,948,506 |
| Special accounts | | | | |
| Opening balance | 1,858 | - | 1,858 | 1,858 |
| Appropriation receipts | 18,945,775 | 2,195,602 | 21,141,377 | 7,988,356 |
| Non-appropriation receipts to special accounts | 1,660 | - | 1,660 | 1,548 |
| Total special account | D 18,949,293 | 2,195,602 | 21,144,895 | 7,991,762 |
| Total resourcing (A+B+C+D) | 79,493,090 | 1,937,752 | 81,430,842 | 53,940,268 |
| Less receipts from other sources credited to special accounts | 1,660 | - | 1,660 | 1,548 |
| Total net resourcing for the Treasury | 79,491,430 | 1,937,752 | 81,429,182 | 53,938,720 |

1. Appropriation Bill (No. 3) 2009-10.
2. Appropriation Bill (No. 4) 2009-10.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget.

Table 1.2: Agency Measures since Budget

| | Program | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Drought assistance - | | | | | |
| Exceptional Circumstances assistance for primary producers | 1.10 | 16,805 | 2,260 | - | - |
| Exceptional Circumstances assistance for small businesses | 1.10 | 1,062 | 201 | - | - |
| Economic Stimulus Plan | | | | | |
| Recalibration - | | | | | |
| Building the Education Revolution - Primary Schools for the 21st Century (P21) | 1.10 | 19,387 | 16,103 | - | - |
| Nation Building and Jobs Plan - investment in social housing - reduced funding | 1.10 | (150,000) | (450,000) | (150,000) | - |
| Greenhouse Gas | | | | | |
| Reduction Scheme - transitional assistance | 1.10 | - | 130,000 | - | - |
| GST - Government response to Board of Taxation report - minor changes | 1.10 | - | * | * | * |
| International Monetary Fund - additional contribution | 1.10 | 30,000 | - | - | - |
| National Solar Schools Program - reduced funding | 1.10 | - | (18,370) | (18,790) | - |
| Strengthening Australia's relationship with India ¹ | 1.1 | 974 | 891 | 900 | 974 |
| Victorian bushfire reconstruction and recovery | 1.10 | 41,200 | 6,900 | - | - |
| Whole-of-government departmental efficiencies | 1.1 | (890) | (1,632) | (1,531) | (1,527) |
| Total expense measures | | 71,284 | 117,789 | (19,421) | (553) |
| Related capital | | | | | |
| Strengthening Australia's relationship with India ¹ | 1.1 | 118 | - | - | - |
| Total related capital | | 118 | - | - | - |

Note: Details of these measures are in the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1. This measure was agreed after the Mid-Year Economic and Fiscal Outlook.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2009-10 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

| | Program impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Strengthening Australia's relationship with India | 1.1 | 974 | 891 | 900 | 974 |
| Strengthening Australia's relationship with India (related capital) | 1.1 | 118 | - | - | - |
| Decrease in estimates (departmental) | | | | | |
| Whole-of-government departmental efficiencies | 1.1 | (890) | (1,632) | (1,531) | (1,527) |
| Net impact on estimates for Outcome 1 (departmental) | | | | | |
| | | 202 | (741) | (631) | (553) |

Note: These figures represent the fiscal balance impact.

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

The Treasury does not have any other variations since the 2009-10 Budget that affect Appropriation Bills No. 3 and No. 4.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.5: Appropriation Bill (No. 3) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|---|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| DEPARTMENTAL PROGRAMS | | | | | |
| Outcome 1 | | | | | |
| Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations | 145,931 | 167,211 | 167,320 | 999 | (890) |
| Total | 145,931 | 167,211 | 167,320 | 999 | (890) |

Note: These figures represent the resourcing impact.

Table 1.6: Appropriation Bill (No. 4) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional Estimates \$'000 | Reduced estimates \$'000 |
|----------------------|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Non-operating | | | | | |
| Equity injections | 21,304 | 11,841 | 11,959 | 118 | - |
| Total | 21,304 | 11,841 | 11,959 | 118 | - |

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2009-10* (pages 33-34).

There has been no change to the program objective, expenses, deliverables or key performance indicators for program 1.2 and programs 1.4 to 1.10 that affect Appropriation Bills No. 3 and No. 4.

For program 1.3, the program objective, expenses, deliverables and key performance indicators have been amended to remove the Australian Business Investment Partnership as legislation was not passed.

Programs 1.4 to 1.10 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 70 to 128 of the *Mid-Year Economic and Fiscal Outlook 2009-10*.

Table 2.1: Budgeted expenses and resources for Outcome 1

| Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations | 2008-09 Actual | 2009-10 Revised estimated resources |
|---|-------------------|--|
| | \$'000 | \$'000 |
| Program 1.1: Department of the Treasury | | |
| Departmental resources | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 145,931 | 167,320 |
| Equity injections (Appropriation Bill No. 2) | 21,304 | 11,959 |
| Previous years' outputs | 949 | 1,800 |
| Revenues from independent sources (section 31) | 9,647 | 15,060 |
| Special accounts | 1,548 | 1,660 |
| Total for Program 1.1 | 179,379 | 197,799 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 936 | 993 |

Program 1.1: Department of the Treasury

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program resources

| | 2008-09 Actuals | 2009-10 Revised budget | 2010-11 Forward year 1 | 2011-12 Forward year 2 | 2012-13 Forward year 3 |
|---|--------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Departmental items: | | | | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 145,931 | 167,320 | 156,031 | 140,878 | 140,314 |
| Equity injections | 21,304 | 11,959 | - | - | - |
| Previous years' outputs | 949 | 1,800 | - | - | - |
| Receipts from other sources (section 31) | 9,647 | 15,060 | 14,560 | 13,810 | 13,810 |
| Special accounts | 1,548 | 1,660 | 1,660 | 1,660 | 1,660 |
| Total program resources | 179,379 | 197,799 | 172,251 | 156,348 | 155,784 |

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 that affect Appropriation Bills No. 3 and No. 4.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting for a departmental breakeven operating result for 2009-10.

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 comprehensive income statement
(for the period ended 30 June)**

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|--|----------------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES | | | | | |
| Employee benefits | 107,575 | 119,911 | 110,671 | 99,449 | 99,053 |
| Supplier | 47,046 | 51,940 | 49,015 | 45,124 | 44,956 |
| Grants | 3,248 | 2,330 | 1,830 | 1,080 | 1,080 |
| Depreciation and amortisation | 4,191 | 8,154 | 9,075 | 9,036 | 9,035 |
| Net write-down and impairment | 33 | - | - | - | - |
| Net losses from sale | 9 | - | - | - | - |
| Finance costs | 94 | 45 | - | - | - |
| Total expenses | 162,196 | 182,380 | 170,591 | 154,689 | 154,124 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 8,823 | 14,240 | 13,740 | 12,990 | 12,990 |
| Other revenue | 290 | 290 | 290 | 290 | 290 |
| Total revenue | 9,113 | 14,530 | 14,030 | 13,280 | 13,280 |
| Gains | | | | | |
| Other gains | 534 | 530 | 530 | 530 | 530 |
| Total gains | 534 | 530 | 530 | 530 | 530 |
| Total own-source income | 9,647 | 15,060 | 14,560 | 13,810 | 13,810 |
| Net cost of (contribution by) services | 152,549 | 167,320 | 156,031 | 140,879 | 140,314 |
| Appropriation revenue | 148,680 | 167,320 | 156,031 | 140,879 | 140,314 |
| Surplus (deficit) attributable to the Australian Government | (3,869) | - | - | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 1,367 | 1,367 | 1,367 | 1,367 | 1,367 |
| Trade and other receivables | 76,793 | 78,342 | 81,891 | 84,465 | 87,038 |
| Total financial assets | 78,160 | 79,709 | 83,258 | 85,832 | 88,405 |
| Non-financial assets | | | | | |
| Land and buildings | 10,314 | 9,408 | 8,384 | 7,360 | 6,336 |
| Infrastructure, plant and equipment | 8,009 | 9,809 | 12,019 | 12,268 | 14,518 |
| Intangibles | 19,650 | 30,048 | 27,144 | 25,345 | 21,546 |
| Other | 1,042 | 1,091 | 1,141 | 1,141 | 1,141 |
| Total non-financial assets | 39,015 | 50,356 | 48,688 | 46,114 | 43,541 |
| Total assets | 117,175 | 130,065 | 131,946 | 131,946 | 131,946 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Leases | 233 | 233 | 233 | 233 | 233 |
| Total interest bearing liabilities | 233 | 233 | 233 | 233 | 233 |
| Provisions | | | | | |
| Employees | 37,687 | 38,500 | 39,365 | 39,365 | 39,365 |
| Total provisions | 37,687 | 38,500 | 39,365 | 39,365 | 39,365 |
| Payables | | | | | |
| Suppliers | 3,853 | 3,897 | 3,942 | 3,942 | 3,942 |
| Other | 4,991 | 5,065 | 5,141 | 5,141 | 5,141 |
| Total payables | 8,844 | 8,962 | 9,083 | 9,083 | 9,083 |
| Total liabilities | 46,764 | 47,695 | 48,681 | 48,681 | 48,681 |
| Net assets | 70,411 | 82,370 | 83,265 | 83,265 | 83,265 |
| EQUITY | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 34,243 | 46,202 | 47,097 | 47,097 | 47,097 |
| Reserves | 5,246 | 5,246 | 5,246 | 5,246 | 5,246 |
| Retained surpluses or accumulated deficits | 30,922 | 30,922 | 30,922 | 30,922 | 30,922 |
| Total parent entity interest | 70,411 | 82,370 | 83,265 | 83,265 | 83,265 |
| Current assets | 79,202 | 80,800 | 84,399 | 86,973 | 89,546 |
| Non-current assets | 37,973 | 49,265 | 47,547 | 44,973 | 42,400 |
| Current liabilities | 36,943 | 37,481 | 38,059 | 37,634 | 37,192 |
| Non-current liabilities | 9,821 | 10,214 | 10,622 | 11,047 | 11,489 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 9,584 | 14,155 | 13,653 | 12,990 | 12,990 |
| Appropriations | 158,418 | 169,410 | 157,454 | 138,305 | 137,741 |
| Other | 792 | 280 | 280 | 290 | 290 |
| Total cash received | 168,794 | 183,845 | 171,387 | 151,585 | 151,021 |
| Cash used | | | | | |
| Employees | 106,925 | 119,789 | 110,517 | 100,155 | 99,053 |
| Suppliers | 43,582 | 54,194 | 52,578 | 43,888 | 44,426 |
| Grants | 1,805 | 2,330 | 1,830 | 1,080 | 1,080 |
| Borrowing costs | 135 | 45 | - | - | - |
| Total cash used | 152,447 | 176,358 | 164,925 | 145,123 | 144,559 |
| Net cash from or (used by) operating activities | 16,347 | 7,487 | 6,462 | 6,462 | 6,462 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 37,651 | 19,446 | 7,357 | 6,462 | 6,462 |
| Total cash used | 37,651 | 19,446 | 7,357 | 6,462 | 6,462 |
| Net cash from or (used by) investing activities | (37,651) | (19,446) | (7,357) | (6,462) | (6,462) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 21,304 | 11,959 | 895 | - | - |
| Total cash received | 21,304 | 11,959 | 895 | - | - |
| Net cash from or (used by) financing activities | 21,304 | 11,959 | 895 | - | - |
| Net increase or (decrease) in cash held | - | - | - | - | - |
| Cash at the beginning of the reporting period | 2,270 | 2,270 | 2,270 | 2,270 | 2,270 |
| Cash at the end of the reporting period | 2,270 | 2,270 | 2,270 | 2,270 | 2,270 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|---|-------------------|---------------------------|----------------|----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2009 | | | | | |
| Balance carried forward from previous period | 30,922 | 5,246 | - | 34,243 | 70,411 |
| Adjusted opening balance | 30,922 | 5,246 | - | 34,243 | 70,411 |
| Transactions with owners | | | | | |
| <i>Contribution by owners</i> | | | | | |
| Appropriation (equity injection) | - | - | - | 11,959 | 11,959 |
| Sub-total transactions with owners | - | - | - | 11,959 | 11,959 |
| Estimated closing balance as at 30 June 2010 | 30,922 | 5,246 | - | 46,202 | 82,370 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|---------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 21,304 | 11,959 | 895 | - | - |
| Previous year's outputs | - | 1,800 | - | - | - |
| Total capital appropriations | 21,304 | 13,759 | 895 | - | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 21,304 | 11,959 | 895 | - | - |
| Other | - | 1,800 | - | - | - |
| Total represented by | 21,304 | 13,759 | 895 | - | - |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 21,304 | 11,959 | 895 | - | - |
| Funded internally from departmental resources | 16,347 | 7,487 | 6,462 | 6,462 | 6,462 |
| TOTAL | 37,651 | 19,446 | 7,357 | 6,462 | 6,462 |

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

| | Buildings | Other infrastructure, plant and equipment | Intangibles | Total |
|--|---------------|--|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2009 | | | | |
| Gross book value | 18,449 | 12,408 | 22,410 | 53,267 |
| less Accumulated depreciation/ amortisation | 8,135 | 4,399 | 2,760 | 15,294 |
| Opening net book balance | 10,314 | 8,009 | 19,650 | 37,973 |
| Asset movements | | | | |
| Additions | 618 | 4,000 | 14,828 | 19,446 |
| less Depreciation/amortisation expense | 1,524 | 2,200 | 4,430 | 8,154 |
| Total asset movements | 2,142 | 6,200 | 19,258 | 27,600 |
| As at 30 June 2010 | | | | |
| Gross book value | 19,067 | 16,408 | 37,238 | 72,713 |
| less Accumulated depreciation/ amortisation | 9,659 | 6,599 | 7,190 | 23,448 |
| Closing net book balance | 9,408 | 9,809 | 30,048 | 49,265 |

Prepared on Australian Accounting Standards basis.

Table 3.2.7: 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 |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Revenue | | | | | |
| Non-taxation | | | | | |
| Goods and services | 1,106,895 | 2,235,983 | 2,497,323 | 2,242,903 | 1,907,948 |
| Interest | 3,817 | 3,964 | 7,047 | 8,923 | 9,468 |
| Dividends | 1,402,968 | 5,977,000 | 810,000 | 866,000 | 965,000 |
| COAG Receipts from government agencies | 2,060,272 | 328,230 | 953,218 | 1,521,390 | 1,735,642 |
| Other sources of non-taxation revenues | 137,216 | 222,666 | 28,100 | 8,100 | 2,500 |
| Total non-taxation | 4,711,168 | 8,767,843 | 4,295,688 | 4,647,316 | 4,620,558 |
| Total income administered on behalf of Government | 4,711,168 | 8,767,843 | 4,295,688 | 4,647,316 | 4,620,558 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Grants | 53,643,549 | 81,406,309 | 78,705,078 | 80,162,859 | 84,183,283 |
| Interest | 14,265 | 14,011 | 15,114 | 15,114 | 15,114 |
| Other | (232) | 675 | 675 | 675 | 675 |
| Foreign exchange losses | 403,553 | 572,475 | 572 | - | - |
| Total expenses administered on behalf of Government | 54,061,135 | 81,993,470 | 78,721,439 | 80,178,648 | 84,199,072 |

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 8,230 | 8,230 | 8,230 | 8,230 | 8,230 |
| Receivables | 2,744,885 | 5,861,893 | 3,384,780 | 1,943,239 | 870,447 |
| Investments | 25,947,373 | 25,839,422 | 25,888,632 | 25,952,632 | 26,016,632 |
| Total financial assets | 28,700,488 | 31,709,545 | 29,281,642 | 27,904,101 | 26,895,309 |
| Total assets administered on behalf of Government | 28,700,488 | 31,709,545 | 29,281,642 | 27,904,101 | 26,895,309 |
| LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Interest bearing liabilities | | | | | |
| Loans | 3,889,425 | 4,626,285 | 4,553,770 | 4,395,170 | 4,433,570 |
| Other debt | 899,016 | 5,787,819 | 5,773,729 | 5,773,729 | 5,773,729 |
| Total interest bearing liabilities | 4,788,441 | 10,414,104 | 10,327,499 | 10,168,899 | 10,207,299 |
| Provisions | | | | | |
| Other provisions | 79 | 79 | 79 | 79 | 79 |
| Total provisions | 79 | 79 | 79 | 79 | 79 |
| Payables | | | | | |
| Grants | 558,917 | 558,917 | 558,917 | 558,917 | 558,917 |
| Other payables | 3,695,665 | 5,404,120 | 3,253,004 | 1,844,851 | 784,874 |
| Total payables | 4,254,582 | 5,963,037 | 3,811,921 | 2,403,768 | 1,343,791 |
| Total liabilities administered on behalf of Government | 9,043,102 | 16,377,220 | 14,139,499 | 12,572,746 | 11,551,169 |

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Sales of goods and rendering of services | 1,023,165 | 1,540,468 | 1,882,907 | 1,644,745 | 1,284,125 |
| Interest | 3,893 | 3,493 | 6,623 | 8,769 | 9,468 |
| Dividends | 1,402,968 | 5,227,000 | 1,560,000 | 866,000 | 965,000 |
| COAG receipts from government agencies | 2,060,272 | 328,200 | 953,188 | 1,521,360 | 1,735,612 |
| Other | 95,827 | 222,695 | 28,100 | 8,100 | 2,500 |
| Total cash received | 4,586,125 | 7,321,856 | 4,430,818 | 4,048,974 | 3,996,705 |
| Cash used | | | | | |
| Grant payments | 53,084,810 | 80,532,074 | 78,078,248 | 79,531,129 | 83,546,615 |
| Interest paid | 17,543 | 12,218 | 15,114 | 15,114 | 15,114 |
| Other | 63,314 | 19,685 | 6,425 | 675 | 675 |
| Total cash used | 53,165,667 | 80,563,977 | 78,099,787 | 79,546,918 | 83,562,404 |
| Net cash from or (used by) operating activities | (48,579,542) | (73,242,121) | (73,668,969) | (75,497,944) | (79,565,699) |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of equity instruments | 592 | 250,098 | 566,600 | 222,600 | 25,600 |
| Total cash used | 592 | 250,098 | 566,600 | 222,600 | 25,600 |
| Net cash from or (used by) investing activities | (592) | (250,098) | (566,600) | (222,600) | (25,600) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Other | - | 4,845,258 | - | - | - |
| Total cash received | - | 4,845,258 | - | - | - |
| Net cash from or (used by) financing activities | - | 4,845,258 | - | - | - |
| Net increase or (decrease) in cash held | (48,580,134) | (68,646,961) | (74,235,569) | (75,720,544) | (79,591,299) |
| Cash at beginning of reporting period | 10,213 | 8,230 | 8,230 | 8,230 | 8,230 |
| Cash from Official Public Account - appropriations | 50,787,063 | 80,814,075 | 78,666,387 | 79,769,518 | 83,588,004 |
| Cash to Official Public Account | 2,208,912 | 12,167,114 | 4,430,818 | 4,048,974 | 3,996,705 |
| Cash at end of reporting period | 8,230 | 8,230 | 8,230 | 8,230 | 8,230 |

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

| | Actual | Revised | Forward | Forward | Forward |
|-------------------------------------|---------------|----------------|----------------|----------------|---------------|
| | 2008-09 | budget | estimate | estimate | estimate |
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Administered assets and liabilities | 83,840 | 19,010 | 5,750 | - | - |
| Special appropriations | - | 250,098 | 566,600 | 222,600 | 25,600 |
| Total capital appropriations | 83,840 | 269,108 | 572,350 | 222,600 | 25,600 |
| Represented by: | | | | | |
| Other | 83,840 | 269,108 | 572,350 | 222,600 | 25,600 |
| Total represented by | 83,840 | 269,108 | 572,350 | 222,600 | 25,600 |

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

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

Departmental assets, liabilities, revenues and expenses are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing goods and services.

Administered items are revenues, expenses, assets or liabilities which are managed by the department on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments, and administered revenues include taxes, fines and excises.

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 2009-10* (pages 69-71).

The ABS is seeking an additional \$6.0 million in departmental outputs through Appropriation Bill (No. 3) 2009-10 and an additional \$1.3 million as an equity injection through Appropriations Bill (No. 4) 2009-10 for the Council of Australian Governments' decision – Commonwealth investment in closing Indigenous data gaps measure. Details of this measure are on page 380 of Budget Paper No. 2, *Budget Measures 2009-10*.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Australian Bureau of Statistics resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimate as at Budget + | Proposed additional estimates = | Total estimate at Additional Estimates | Total available appropriation |
|--|----------------------------|---------------------------------------|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services | | | | |
| Departmental appropriation | | | | |
| Prior year amounts available | 20,859 | 9,462 | 30,321 | 20,311 |
| Departmental appropriation | 321,906 | 6,022 ¹ | 327,928 | 282,568 |
| Receipts from other sources (s31) | 21,737 | 7,774 | 29,511 | 36,110 |
| Total ordinary annual services A | 364,502 | 23,258 | 387,760 | 338,989 |
| Other services | | | | |
| Departmental non-operating | | | | |
| Equity injections | - | 1,303 ² | 1,303 | 2,212 |
| Total other services B | - | 1,303 | 1,303 | 2,212 |
| Total available annual appropriations (A+B) | 364,502 | 24,561 | 389,063 | 341,201 |
| Special accounts | | | | |
| Opening balance | 109 | 29 | 138 | 138 |
| Total special account C | 109 | 29 | 138 | 138 |
| Total net resourcing for the ABS (A+B+C) | 364,611 | 24,590 | 389,201 | 341,339 |

1. Appropriation Bill (No. 3) 2009-10.

2. Appropriation Bill (No. 4) 2009-10.

1.3 AGENCY MEASURES TABLE

Table 1.2 updates the financial estimates from the measure agreed in the 2009-10 Budget.

Table 1.2: Agency Measures

| | Program | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Council of Australian Governments' decision - Commonwealth investment in closing Indigenous data gaps | 1.1 | 6,022 | 8,106 | 15,446 | 3,599 |
| Total expense measures | | 6,022 | 8,106 | 15,446 | 3,599 |
| Related capital | | | | | |
| Council of Australian Governments' decision - Commonwealth investment in closing Indigenous data gaps | 1.1 | 1,303 | 623 | 483 | 115 |
| Total related capital | | 1,303 | 623 | 483 | 115 |

Note: Further details of this measure can be found on page 380 of Budget Paper No. 2, *Budget Measures 2009-10*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the changes to the resourcing for the ABS at additional estimates, by outcome.

Table 1.3: Additional estimates and variations to outcomes from measures

| | Program impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Council of Australian Governments' decision - Commonwealth investment in closing Indigenous data gaps | 1.1 | 6,022 | 8,106 | 15,446 | 3,599 |
| Council of Australian Governments' decision - Commonwealth investment in closing Indigenous data gaps (related capital) | 1.1 | 1,303 | 623 | 483 | 115 |
| Net impact on estimates for Outcome 1 (departmental) | | 7,325 | 8,729 | 15,929 | 3,714 |

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

The ABS does not have any other variations since the 2009-10 Budget that affect additional estimates.

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) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|--|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| DEPARTMENTAL PROGRAMS | | | | | |
| Outcome 1 | | | | | |
| Informed decisions, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information | 282,568 | 321,906 | 327,928 | 6,022 | - |
| Total | 282,568 | 321,906 | 327,928 | 6,022 | - |

Table 1.6: Appropriation Bill (No. 4) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|----------------------|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Non-operating | | | | | |
| Equity injections | 2,212 | - | 1,303 | 1,303 | - |
| Total | 2,212 | - | 1,303 | 1,303 | - |

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes, outcome strategy and performance information for the ABS from that included in the *Portfolio Budget Statements 2009-10* (pages 75-78).

Table 2.1: Budgeted expenses and resources for Outcome 1

| | | |
|--|---|---|
| Outcome 1: Informed decisions, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information | 2008-09 Actual expenses \$'000 | 2009-10 Revised estimated expenses \$'000 |
| Program 1.1: Australian Bureau of Statistics | | |
| Departmental expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 282,568 | 327,928 |
| Revenues from independent sources (section 31) | 29,189 | 29,994 |
| Expenses funded by prior years' departmental carried forward | 14,213 | - |
| Total expenses for Outcome 1 | 325,970 | 357,922 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 2,575 | 2,685 |

Program 1.1 Australian Bureau of Statistics

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.1 expenses

| | 2008-09 Actuals \$'000 | 2009-10 Revised budget \$'000 | 2010-11 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|------------------------------------|------------------------------|--|--|--|--|
| Annual departmental expenses: | | | | | |
| Departmental items | 325,970 | 357,922 | 416,778 | 597,769 | 361,648 |
| Total departmental expenses | 325,970 | 357,922 | 416,778 | 597,769 | 361,648 |

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 ABS.

Table 3.1.1: Estimates of special account flows

| | | Opening balance | Receipts | Payments | Adjustments | Closing balance |
|--|---------|--------------------|----------------|----------------|----------------|--------------------|
| | | 2009-10 | 2009-10 | 2009-10 | 2009-10 | 2009-10 |
| | | <i>2008-09</i> | <i>2008-09</i> | <i>2008-09</i> | <i>2008-09</i> | <i>2008-09</i> |
| | Outcome | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Other Trust Moneys Account | 1 | 138 | - | - | - | 138 |
| | | <i>109</i> | <i>29</i> | - | - | <i>138</i> |
| Services for other Governments and Non-Agency Bodies Account | 1 | - | - | - | - | - |
| | | - | - | - | - | - |
| Total special accounts | | | | | | |
| 2009-10 Budget estimate | | 138 | - | - | - | 138 |
| Total special accounts 2008-09 actual | | <i>109</i> | <i>29</i> | - | - | <i>138</i> |

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Changes to the budgeted financial statements since the 2009-10 Budget predominantly relate to Budget measures as outlined in Table 1.2.

3.2.2 Budgeted financial statements

Departmental financial statements

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

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|--|-----------------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES | | | | | |
| Employee benefits | 219,450 | 229,673 | 265,018 | 424,948 | 238,171 |
| Supplier | 67,009 | 98,774 | 118,471 | 134,712 | 85,782 |
| Depreciation and amortisation | 30,826 | 29,044 | 32,944 | 37,633 | 37,195 |
| Finance costs | 261 | 167 | 65 | - | - |
| Other | 142 | 264 | 280 | 476 | 500 |
| Assets and fair value losses | 8,282 | - | - | - | - |
| Total expenses | 325,970 | 357,922 | 416,778 | 597,769 | 361,648 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 28,009 | 29,774 | 29,000 | 32,000 | 29,000 |
| Other revenue | 1,180 | - | - | - | - |
| Total revenue | 29,189 | 29,774 | 29,000 | 32,000 | 29,000 |
| Gains | | | | | |
| Sale of assets | 53 | 100 | 100 | 100 | 100 |
| Other gains | 410 | 120 | 120 | 120 | 120 |
| Total gains | 463 | 220 | 220 | 220 | 220 |
| Total own-source income | 29,652 | 29,994 | 29,220 | 32,220 | 29,220 |
| Net cost of (contribution by) services | 296,318 | 327,928 | 387,558 | 565,549 | 332,428 |
| Appropriation revenue | 282,568 | 327,928 | 387,558 | 565,549 | 332,428 |
| Surplus (deficit) attributable to the Australian Government | (13,750) | - | - | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 1,285 | 1,884 | 1,889 | 1,889 | 1,889 |
| Trade and other receivables | 32,596 | 28,895 | 19,323 | 27,279 | 26,482 |
| Accrued revenues | 273 | 156 | 141 | 141 | 434 |
| Total financial assets | 34,154 | 30,935 | 21,353 | 29,309 | 28,805 |
| Non-financial assets | | | | | |
| Infrastructure, plant and equipment | 45,658 | 41,356 | 45,504 | 43,562 | 35,776 |
| Inventories | 29 | 39 | 64 | 64 | 64 |
| Intangibles | 84,278 | 94,428 | 102,012 | 104,577 | 103,220 |
| Other non-financial assets | 6,672 | 8,671 | 8,994 | 6,014 | 7,997 |
| Total non-financial assets | 136,637 | 144,494 | 156,574 | 154,217 | 147,057 |
| Total assets | 170,791 | 175,429 | 177,927 | 183,526 | 175,862 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Loans | 3,308 | 1,699 | - | - | - |
| Leases | 8,293 | 6,582 | 4,249 | 1,258 | 1,258 |
| Total interest bearing liabilities | 11,601 | 8,281 | 4,249 | 1,258 | 1,258 |
| Provisions | | | | | |
| Employees | 76,496 | 79,816 | 84,172 | 91,062 | 88,810 |
| Total provisions | 76,496 | 79,816 | 84,172 | 91,062 | 88,810 |
| Payables | | | | | |
| Suppliers | 18,837 | 18,865 | 18,644 | 18,692 | 19,331 |
| Other | 14,150 | 17,590 | 19,935 | 22,079 | 16,958 |
| Total payables | 32,987 | 36,455 | 38,579 | 40,771 | 36,289 |
| Total liabilities | 121,084 | 124,552 | 127,000 | 133,091 | 126,357 |
| Net assets | 49,707 | 50,877 | 50,927 | 50,435 | 49,505 |
| EQUITY | | | | | |
| Contributed equity | 18,293 | 19,468 | 19,518 | 19,026 | 18,096 |
| Reserves | 17,188 | 17,188 | 17,188 | 17,188 | 17,188 |
| Retained surpluses or accumulated deficits | 14,226 | 14,221 | 14,221 | 14,221 | 14,221 |
| Total equity | 49,707 | 50,877 | 50,927 | 50,435 | 49,505 |
| Current assets | 38,743 | 39,795 | 40,362 | 41,632 | 39,893 |
| Non-current assets | 132,048 | 135,634 | 137,565 | 141,894 | 135,969 |
| Current liabilities | 88,488 | 91,022 | 92,811 | 97,263 | 92,342 |
| Non-current liabilities | 32,596 | 33,530 | 34,189 | 35,828 | 34,015 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 31,928 | 29,511 | 28,972 | 32,000 | 29,885 |
| Appropriations | 269,539 | 336,983 | 400,001 | 560,572 | 336,929 |
| Net GST received | 10,413 | 7,779 | 10,759 | 10,946 | 6,329 |
| Other cash received | - | 114 | 23 | - | (293) |
| Total cash received | 311,880 | 374,387 | 439,755 | 603,518 | 372,850 |
| Cash used | | | | | |
| Employees | 215,200 | 232,063 | 264,414 | 423,667 | 240,421 |
| Suppliers | 66,040 | 96,420 | 114,997 | 127,777 | 95,063 |
| Borrowing costs | 261 | 167 | 65 | - | - |
| Cash to the OPA | 2,967 | - | - | - | - |
| Net GST paid | 9,635 | 10,298 | 13,636 | 13,925 | 9,029 |
| Other cash used | - | 263 | 280 | 476 | 500 |
| Total cash used | 294,103 | 339,211 | 393,392 | 565,845 | 345,013 |
| Net cash from or (used by) operating activities | 17,777 | 35,176 | 46,363 | 37,673 | 27,837 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 100 | 100 | 100 | 100 | 100 |
| Total cash received | 100 | 100 | 100 | 100 | 100 |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 24,096 | 34,371 | 45,382 | 38,256 | 28,052 |
| Total cash used | 24,096 | 34,371 | 45,382 | 38,256 | 28,052 |
| Net cash from or (used by) investing activities | (23,996) | (34,271) | (45,282) | (38,156) | (27,952) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 2,211 | 1,303 | 623 | 483 | 115 |
| Total cash received | 2,211 | 1,303 | 623 | 483 | 115 |
| Cash used | | | | | |
| Repayments of debt | 1,513 | 1,609 | 1,699 | - | - |
| Total cash used | 1,513 | 1,609 | 1,699 | - | - |
| Net cash from or (used by) financing activities | 698 | (306) | (1,076) | 483 | 115 |
| Net increase or (decrease) in cash held | (5,521) | 599 | 5 | - | - |
| Cash at the beginning of the reporting period | 6,806 | 1,285 | 1,884 | 1,889 | 1,889 |
| Cash at the end of the reporting period | 1,285 | 1,884 | 1,889 | 1,889 | 1,889 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings | Asset revaluation reserve | Contributed equity/capital | Total equity |
|---|-------------------|---------------------------|----------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2009 | | | | |
| Balance carried forward from previous period | 14,226 | 17,188 | 18,293 | 49,707 |
| Entity Adjustments | (5) | - | - | (5) |
| Adjusted opening balance | 14,221 | 17,188 | 18,293 | 49,702 |
| Transactions with owners | | | | |
| <i>Contribution by owners</i> | | | | |
| Appropriation (equity injection) | - | - | 1,175 | 1,175 |
| Sub-total transactions with owners | - | - | 1,175 | 1,175 |
| Estimated closing balance as at 30 June 2010 | 14,221 | 17,188 | 19,468 | 50,877 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|---------------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | - | 1,303 | 623 | 483 | 115 |
| Total capital appropriations | - | 1,303 | 623 | 483 | 115 |
| Represented by: | | | | | |
| Purchase of non-financial assets | - | 1,303 | 623 | 483 | 115 |
| Total represented by | - | 1,303 | 623 | 483 | 115 |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | - | 1,303 | 623 | 483 | 115 |
| Funded internally from departmental resources | 24,096 | 33,589 | 44,053 | 37,773 | 27,937 |
| TOTAL | 24,096 | 34,892 | 44,676 | 38,256 | 28,052 |

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

| | Other infrastructure, plant and equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|--|--|-----------------------|-----------------|
| As at 1 July 2009 | | | |
| Gross book value | 52,550 | 171,073 | 223,623 |
| less Accumulated depreciation/amortisation | 6,892 | 86,795 | 93,687 |
| Opening net book balance | 45,658 | 84,278 | 129,936 |
| Asset movements | | | |
| Additions | 7,187 | 27,705 | 34,892 |
| less Depreciation/amortisation expense | 11,489 | 17,555 | 29,044 |
| Total asset movements | (4,302) | 10,150 | 5,848 |
| As at 30 June 2010 | | | |
| Gross book value | 59,737 | 198,778 | 258,515 |
| less Accumulated depreciation/amortisation | 18,381 | 104,350 | 122,731 |
| Closing net book balance | 41,356 | 94,428 | 135,784 |

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Basis of accounting

The agency budget statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets, which are at valuation.

Budgeted departmental financial statements

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (agency transactions) are budgeted and reported separately from transactions 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.

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

Budgeted departmental income statement

Revenues

Appropriations

The ABS is appropriated from government for its program.

Goods and services

Revenue is derived from the sale of ABS publications and census data, as well as the provision of user-funded surveys and consultancy work. The amount of revenue earned in any one year is dependent upon the demand for such products and services by government agencies, business and the community.

Other

This category includes resources received free of charge.

Expenses

Employees

This includes wages and salaries, superannuation, provision for annual leave and long service leave, and workers compensation. Employee entitlements are based on leave patterns of ABS employees. Accrued salaries and employer superannuation contributions are based on daily salary expense and the number of days owing at 30 June in each budget year.

Depreciation and amortisation

Depreciable assets are written off over their estimated useful lives. Depreciation is calculated using the straight-line method, which is consistent with the consumption of the service potential of the depreciable assets of the ABS.

Budgeted departmental balance sheet

Non-financial assets

Intangibles

These include software developed in house (internally generated software).

Other

This category includes prepayments.

Interest bearing liabilities

Loans

The ABS received a loan of \$13.2 million in 2001-02. This loan was used to partially fund the fitout of the ABS's new national office accommodation. Loan repayments will be made over a ten-year period and are being met by the ABS from within its ongoing operational funding levels.

Other

These include lease incentives in the form of a rent-free period and/or a contribution to fitout costs. Lease incentives are recognised as a liability, which is reduced by allocating lease rental payments between interest, rental expense and reduction of the liability. Rent free lease periods are taken up as a liability during the rent-free period and amortised over the remaining term of the lease. The full amount of the lease is therefore allocated evenly over the total term of the lease.

Provisions

Employees

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting.

The non current portion of the liability for annual leave and long service leave is recognised and measured at the present value of the estimated future cash flows in respect of all employees.

Payables

Supplier and other payables reflect the amounts owed to trade and other creditors by the ABS at the end of each financial year.

Asset valuation

Australian Government agencies and authorities are required to value property, plant and equipment and other infrastructure assets using the fair value method of valuation. This essentially reflects the current cost the entity would face in replacing that asset.

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 outlined in the *Portfolio Budget Statements 2009-10* (pages 91-93).

The ACCC is seeking an additional \$1.8 million in departmental outputs through Appropriation Bill (No. 3) 2009-10. This relates to \$2.5 million for the Telecommunications regulatory reform – competition and consumer safeguards measure (refer page 164 of the *Mid-Year Economic and Fiscal Outlook 2009-10*) and is offset by a reduction of \$0.7 million for the whole-of-government departmental efficiencies measure (refer page 166 of the *Mid-Year Economic and Fiscal Outlook 2009-10*).

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Australian Competition and Consumer Commission resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimate as at Budget + | Proposed additional estimates = | Total estimate at Additional Estimates | Actual available appropriation |
|--|----------------------------|---------------------------------------|---|--------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services | | | | |
| Departmental appropriation | | | | |
| Prior year departmental appropriation | 24,619 | - | 24,619 | - |
| Departmental appropriation | 137,165 | 1,765 ¹ | 138,930 | 130,231 |
| Receipts from other sources (s31) | 500 | - | 500 | 500 |
| Total ordinary annual services | A 162,284 | 1,765 | 164,049 | 130,731 |
| Other services | | | | |
| Departmental non-operating | | | | |
| Prior year amounts available | 28,794 | - | 28,794 | - |
| Equity injections | 61 | - | 61 | 5,943 |
| Previous years' outputs | 2,324 | - | 2,324 | 1,999 |
| Total other services | B 31,179 | - | 31,179 | 7,942 |
| Total available annual appropriations | 193,463 | 1,765 | 195,228 | 138,673 |
| Special accounts | | | | |
| Opening balance | - | - | - | 52 |
| Total special account | C - | - | - | 52 |
| Total net resourcing for ACCC (A+B+C) | 193,463 | 1,765 | 195,228 | 138,725 |

1. Appropriation Bill (No. 3) 2009-10.

Third party drawdowns from and on behalf of other agencies

| | Estimate at budget | Estimate at Additional Estimates |
|---|-----------------------|--|
| | 2009-10 \$'000 | 2008-09 \$'000 |
| Payments made on behalf of the National Competition Council (NCC) | 2,825 | 2,825 |

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 summarises new Government measures taken since the 2009-10 Budget.

Table 1.2: Agency measures since Budget

| | Program | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Telecommunications regulatory reform - competition and consumer safeguards | 1.1 | 2,454 | 904 | - | - |
| Whole-of-government departmental efficiencies | 1.1 | (689) | (1,372) | (1,347) | (1,367) |
| Total expense measures | | 1,765 | (468) | (1,347) | (1,367) |

Note: Further details of these measures can be found in the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the changes to the resourcing for the ACCC at Additional Estimates, by outcome.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

| | Program impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Telecommunications regulatory reform - competition and consumer safeguards | 1.1 | 2,454 | 904 | - | - |
| Decrease in estimates (departmental) | | | | | |
| Whole-of-government departmental efficiencies | 1.1 | (689) | (1,372) | (1,347) | (1,367) |
| Net impact on estimates for Outcome 1 (departmental) | | | | | |
| | | 1,765 | (468) | (1,347) | (1,367) |

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

The ACCC does not have any other variations since the 2009-10 Budget that affect additional estimates.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the additional estimates sought for the ACCC through Appropriation Bill No. 3. There are no additional estimates sought for the ACCC through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|---|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| DEPARTMENTAL PROGRAMS | | | | | |
| Outcome 1 | | | | | |
| Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services | 130,231 | 137,165 | 138,930 | 2,454 | (689) |
| Total | 130,231 | 137,165 | 138,930 | 2,454 | (689) |

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes, outcome strategy or performance information for the ACCC from that included in the *Portfolio Budget Statements 2009-10* (pages 96-102).

Table 2.1 Budgeted expenses and resources for Outcome 1

| Outcome 1: Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services | 2008-09 Actual expenses \$'000 | 2009-10 Revised estimated expenses \$'000 |
|---|---|---|
| Program 1.1: Australian Competition and Consumer Commission | | |
| Departmental expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 130,231 | 138,930 |
| Revenues from independent sources (section 31) | 1,310 | 500 |
| Expenses not requiring appropriation in the Budget year | 3,072 | 2,112 |
| Total expenses for Outcome 1 | 134,613 | 141,542 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 695 | 738 |

Program 1.1: Australian Competition and Consumer Commission

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.1 expenses

| | 2008-09 Actual \$'000 | 2009-10 Revised budget \$'000 | 2010-011 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|------------------------------------|-----------------------------|--|---|--|--|
| Annual departmental expenses: | | | | | |
| Departmental items | 134,613 | 141,542 | 135,952 | 132,034 | 133,647 |
| Total departmental expenses | 134,613 | 141,542 | 135,952 | 132,034 | 133,647 |

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 2009-10*. The corresponding table in the *Portfolio Budget Statements 2009-10* is Table 3.1.2 on page 103.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Changes to the budgeted financial statements since the 2009-10 Budget predominantly relate to Budget measures as outlined in Table 1.2.

3.2.2 Budgeted financial statements

Departmental financial statements

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

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|--|----------------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES | | | | | |
| Employee benefits | 72,338 | 77,036 | 76,493 | 74,634 | 75,442 |
| Supplier | 58,635 | 61,063 | 55,994 | 53,932 | 54,736 |
| Depreciation and amortisation | 2,986 | 3,443 | 3,465 | 3,468 | 3,469 |
| Write-down and impairment of assets | 82 | - | - | - | - |
| Other | 572 | - | - | - | - |
| Total expenses | 134,613 | 141,542 | 135,952 | 132,034 | 133,647 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 508 | 500 | 500 | 500 | 500 |
| Other revenue | 802 | - | - | - | - |
| Total revenue | 1,310 | 500 | 500 | 500 | 500 |
| Gains | | | | | |
| Sale of assets | 6 | - | - | - | - |
| Other gains | 755 | 2,112 | 75 | 75 | 75 |
| Total gains | 761 | 2,112 | 75 | 75 | 75 |
| Total own-source income | 2,071 | 2,612 | 575 | 575 | 575 |
| Net cost of (contribution by) services | 132,542 | 138,930 | 135,377 | 131,459 | 133,072 |
| Appropriation revenue | 132,555 | 138,930 | 135,377 | 131,459 | 133,072 |
| Surplus (deficit) attributable to the Australian Government | 13 | - | - | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 1,783 | 1,783 | 1,783 | 1,783 | 1,783 |
| Trade and other receivables | 57,028 | 57,028 | 57,028 | 57,028 | 57,028 |
| Total financial assets | 58,811 | 58,811 | 58,811 | 58,811 | 58,811 |
| Non-financial assets | | | | | |
| Land and buildings | 9,561 | 9,510 | 9,510 | 9,510 | 9,510 |
| Infrastructure, plant and equipment | 6,075 | 6,518 | 6,518 | 6,518 | 6,518 |
| Inventories | 28 | 28 | 28 | 28 | 28 |
| Intangibles | 1,145 | 814 | 854 | 909 | 969 |
| Other | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 |
| Total non-financial assets | 18,113 | 18,174 | 18,214 | 18,269 | 18,329 |
| Total assets | 76,924 | 76,985 | 77,025 | 77,080 | 77,140 |
| LIABILITIES | | | | | |
| Provisions | | | | | |
| Employees | 19,604 | 19,604 | 19,604 | 19,604 | 19,604 |
| Other | 5,081 | 5,081 | 5,081 | 5,081 | 5,081 |
| Total provisions | 24,685 | 24,685 | 24,685 | 24,685 | 24,685 |
| Payables | | | | | |
| Suppliers | 5,472 | 5,472 | 5,472 | 5,472 | 5,472 |
| Other | 3,205 | 3,205 | 3,205 | 3,205 | 3,205 |
| Total payables | 8,677 | 8,677 | 8,677 | 8,677 | 8,677 |
| Total liabilities | 33,362 | 33,362 | 33,362 | 33,362 | 33,362 |
| Net assets | 43,562 | 43,623 | 43,663 | 43,718 | 43,778 |
| EQUITY | | | | | |
| Contributed equity | 40,041 | 40,102 | 40,142 | 40,197 | 40,257 |
| Reserves | 3,538 | 3,538 | 3,538 | 3,538 | 3,538 |
| Retained surpluses or accumulated deficits | (17) | (17) | (17) | (17) | (17) |
| Total equity | 43,562 | 43,623 | 43,663 | 43,718 | 43,778 |
| Current assets | 60,143 | 60,115 | 60,115 | 60,115 | 60,115 |
| Non-current assets | 16,781 | 16,870 | 16,910 | 16,965 | 17,025 |
| Current liabilities | 25,993 | 25,076 | 25,076 | 25,076 | 25,076 |
| Non-current liabilities | 7,369 | 8,286 | 8,286 | 8,286 | 8,286 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 476 | 2,537 | 500 | 500 | 500 |
| Appropriations | 131,252 | 138,930 | 135,377 | 131,459 | 133,072 |
| GST | 5,755 | - | - | - | - |
| Other | 882 | - | - | - | - |
| Total cash received | 138,365 | 141,467 | 135,877 | 131,959 | 133,572 |
| Cash used | | | | | |
| Employees | 68,850 | 77,830 | 76,493 | 74,634 | 75,442 |
| Suppliers | 63,181 | 60,194 | 55,919 | 53,857 | 54,661 |
| Other | 2,455 | - | - | - | - |
| Total cash used | 134,486 | 138,024 | 132,412 | 128,491 | 130,103 |
| Net cash from or (used by) operating activities | 3,879 | 3,443 | 3,465 | 3,468 | 3,469 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 7 | - | - | - | - |
| Total cash received | 7 | - | - | - | - |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 3,962 | 3,504 | 3,505 | 3,523 | 3,529 |
| Total cash used | 3,962 | 3,504 | 3,505 | 3,523 | 3,529 |
| Net cash from or (used by) investing activities | (3,955) | (3,504) | (3,505) | (3,523) | (3,529) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 691 | 61 | 40 | 55 | 60 |
| Total cash received | 691 | 61 | 40 | 55 | 60 |
| Net cash from or (used by) financing activities | 691 | 61 | 40 | 55 | 60 |
| Net increase or (decrease) in cash held | 615 | - | - | - | - |
| Cash at the beginning of the reporting period | 1,168 | 1,783 | 1,783 | 1,783 | 1,783 |
| Cash at the end of the reporting period | 1,783 | 1,783 | 1,783 | 1,783 | 1,783 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|---|-------------------|---------------------------|----------------|----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2009 | | | | | |
| Balance carried forward from previous period | (17) | 3,538 | - | 40,041 | 43,562 |
| Opening balance | (17) | 3,538 | - | 40,041 | 43,562 |
| Transactions with owners | | | | | |
| <i>Contribution by owners</i> | | | | | |
| appropriation (equity injection) | - | - | - | 61 | 61 |
| Subtotal transactions with owners | - | - | - | 61 | 61 |
| Estimated closing balance as at 30 June 2010 | (17) | 3,538 | - | 40,102 | 43,623 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|---------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 5,943 | 61 | 40 | 55 | 60 |
| Previous years' outputs | 2,948 | 2,324 | - | - | - |
| Total capital appropriations | 8,891 | 2,385 | 40 | 55 | 60 |
| Represented by: | | | | | |
| Purchase of non-financial assets | 3,962 | 61 | 40 | 55 | 60 |
| Other | 2,948 | 2,324 | - | - | - |
| Total represented by | 6,910 | 2,385 | 40 | 55 | 60 |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 691 | 61 | 40 | 55 | 60 |
| Funded internally from departmental resources | 3,271 | 3,443 | 3,465 | 3,468 | 3,469 |
| TOTAL | 3,962 | 3,504 | 3,505 | 3,523 | 3,529 |

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

| | Buildings | Other infrastructure, plant and equipment | Intangibles | Total |
|---|--------------|--|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2009 | | | | |
| Gross book value | 9,561 | 6,091 | 3,505 | 19,157 |
| less Accumulated depreciation/amortisation | - | 16 | 2,360 | 2,376 |
| Opening net book balance | 9,561 | 6,075 | 1,145 | 16,781 |
| Asset movements | | | | |
| Additions | 800 | 2,643 | 61 | 3,504 |
| less Depreciation/amortisation expense | 851 | 2,200 | 392 | 3,443 |
| Total asset movements | (51) | 443 | (331) | 61 |
| As at 30 June 2010 | | | | |
| Gross book value | 10,361 | 8,734 | 3,566 | 22,661 |
| less Accumulated depreciation/amortisation | 851 | 2,216 | 2,752 | 5,819 |
| Closing net book balance | 9,510 | 6,518 | 814 | 16,842 |

Prepared on Australian Accounting Standards basis.

Schedule of administered activity**Table 3.2.7: 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 |
|--|---------------|-------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Revenue | | | | | |
| Non-taxation | | | | | |
| Fees and fines | 45,183 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total revenues administered on behalf of Government | 45,183 | 10,000 | 10,000 | 10,000 | 10,000 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Write down and impairment of assets | 229 | - | - | - | - |
| Total expenses administered on behalf of Government | 229 | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 29 | 29 | 29 | 29 | 29 |
| Receivables | 4,071 | 4,071 | 4,071 | 4,071 | 4,071 |
| Total assets administered on behalf of Government | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Fees | 46,869 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total cash received | 46,869 | 10,000 | 10,000 | 10,000 | 10,000 |
| Cash used | | | | | |
| Other | 46,991 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total cash used | 46,991 | 10,000 | 10,000 | 10,000 | 10,000 |
| Net cash from or (used by) operating activities | (122) | - | - | - | - |
| Net increase or (decrease) in cash held | (122) | - | - | - | - |
| Cash at beginning of reporting period | 151 | 29 | 29 | 29 | 29 |
| Cash at end of reporting period | 29 | 29 | 29 | 29 | 29 |

Prepared on 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 Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Departmental and administered items

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

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

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 programs.

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. The 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 2009-10* (pages 139-140).

APRA is seeking an additional \$0.5 million in departmental outputs through Appropriation Bill (No. 3) 2009-10 and an additional \$1.5 million in administered assets and liabilities through Appropriation Bill (No. 4) 2009-10. These funds are for APRA to administer the government's Financial Claims Scheme and to compensate eligible policy holders impacted by the failure of the Australian Family Assurance Limited.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Australian Prudential Regulation Authority resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimate as at Budget ⁺ | Proposed additional estimates | Total estimate at Additional Estimates | Total available appropriation |
|---|---------------------------------------|-------------------------------------|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services | | | | |
| Departmental appropriation | | | | |
| Departmental appropriation | 23,055 | 490 ¹ | 23,545 | 13,372 |
| Receipts from other sources (s31) | - | - | - | 4,689 |
| Total ordinary annual services A | 23,055 | 490 | 23,545 | 18,061 |
| Departmental non-operating | | | | |
| Equity injections | 1,957 | - | 1,957 | 900 |
| Previous years' outputs | 773 | - | 773 | - |
| Total departmental non-operating | 2,730 | - | 2,730 | 900 |
| Administered non-operating | | | | |
| Administered assets and liabilities | 3,000 | 1,524 ² | 4,524 | 684 |
| Total other services B | 5,730 | 1,524 | 7,254 | 1,584 |
| Total available annual appropriations (A+B) | 28,785 | 2,014 | 30,799 | 19,645 |
| Special accounts | | | | |
| Opening balance | 28,547 | 4,753 | 33,300 | 33,347 |
| Non-Appropriation receipts to special accounts | 100,657 | 27,026 | 127,683 | 98,386 |
| Total special accounts C | 129,204 | 31,779 | 160,983 | 131,733 |
| Total net resourcing (A+B+C) | 157,989 | 33,793 | 191,782 | 151,378 |
| Less receipts from other sources credited to special accounts | - | 29,026 | 29,026 | 13,772 |
| Total net resourcing for APRA | 157,989 | 4,767 | 162,756 | 137,606 |

1. Appropriation Bill (No. 3) 2009-10.

2. Appropriation Bill (No. 4) 2009-10.

1.3 AGENCY MEASURES TABLE

Table 1.2: Australian Prudential Regulation Authority measures since Budget

APRA does not have any measures since the 2009-10 Budget.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.4 details the changes to the resourcing for APRA at additional estimates, by outcome.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

APRA does not have any additional estimates from measures since the 2009-10 Budget.

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

| | Program Impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Financial claims scheme admin | 1.1 | 490 | - | - | - |
| Net impact on estimates for Outcome 1 (departmental) | | | | | |
| | | 490 | - | - | - |
| Increase in estimates (administered) | | | | | |
| Financial claims scheme beneficiaries | 1.1 | 1,524 | - | - | - |
| Net impact on estimates for Outcome 1 (administered) | | | | | |
| | | 1,524 | - | - | - |

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) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|--|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| DEPARTMENTAL OUTPUTS | | | | | |
| Outcome 1 | | | | | |
| Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality | 13,372 | 23,055 | 23,545 | 490 | - |
| Total | 13,372 | 23,055 | 23,545 | 490 | - |

Table 1.6: Appropriation Bill (No. 4) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|--|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| OTHER ADMINISTERED ITEMS | | | | | |
| Outcome 1 | | | | | |
| Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality | - | - | 1,524 | 1,524 | - |
| Total | - | - | 1,524 | 1,524 | - |

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes, outcome strategies and performance information for APRA from that included in the *Portfolio Budget Statements 2009-10* (pages 144-146).

Table 2.1: Budgeted expenses and resources for Outcome 1

| Outcome 1: Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality | 2008-09 Actual expenses | 2009-10 Estimated expenses |
|--|-------------------------------|----------------------------------|
| | \$'000 | \$'000 |
| Program 1.1: Australian Prudential Regulation Authority | | |
| Departmental expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 11,772 | 23,545 |
| Prior years' outputs | - | - |
| Revenues from independent sources (s31) | 4,689 | - |
| Special accounts | 86,017 | 100,507 |
| Expenses not requiring appropriation in the Budget year | 110 | 150 |
| less Revenue carried forward | - | (2,600) |
| Administered expenses | | |
| Waivers and write-offs | 684 | 3,000 |
| Total expenses for Outcome 1 | 103,272 | 124,602 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 572 | 604 |

Program 1.1: Australian Prudential Regulation Authority

There has been no change to program objectives, deliverables or key performance indicators for APRA from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.1 expenses

| | 2008-09 Actual \$'000 | 2009-10 Revised budget \$'000 | 2010-11 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|---|-----------------------------|--|--|--|--|
| Annual departmental expenses: | | | | | |
| Departmental items: | 102,588 | 121,602 | 110,607 | 110,150 | 102,892 |
| Administered expenses: | | | | | |
| Special Appropriations | | | | | |
| <i>Financial Management and Accountability Act 1997</i> | 684 | 3,000 | 3,000 | 3,000 | 3,000 |
| Total expenses | 103,272 | 124,602 | 113,607 | 113,150 | 105,892 |

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a snapshot of APRA’s finances for the budget year 2009-10.

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.

Table 3.1.1: Estimates of special account flows

| | | Opening balance 2009-10 2008-09 | Receipts 2009-10 2008-09 | Payments 2009-10 2008-09 | Adjustments 2009-10 2008-09 | Closing balance 2009-10 2008-09 |
|--|---------|---|---------------------------------------|---------------------------------------|--|---|
| | Outcome | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Australian Prudential Regulation Authority special account | 1 | 31,300 31,347 | 126,159 98,386 | 125,059 98,433 | 3 - | 32,403 31,300 |
| Financial Claims Scheme Special account | 1 | - | 1,524 | - | - | 1,524 |
| Lloyds Deposit Trust Special account | 1 | 2,000 2,000 | - | - | - | 2,000 2,000 |
| Total special accounts | | | | | | |
| 2009-10 Budget estimate | | 33,300 | 127,683 | 125,059 | 3 | 35,927 |
| Total special accounts 2008-09 actual | | 33,347 | 98,386 | 98,433 | - | 33,300 |

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The budgeted departmental income statement (refer Table 3.2.1) shows an increase in 2009-10 appropriations from \$121.1 million, as disclosed in the *Portfolio Budget Statements 2009-10*, to \$121.6 million; a \$0.5 million change. The increase reflects the costs of administering a Financial Claims Scheme matter.

The schedule of budgeted assets and liabilities administered on behalf of government (see Table 3.2.8) have been increased by \$1.5 million representing the funds provided via the Financial Claims Scheme to settle approved claims arising from the Australian Family Assurance Limited matter.

3.2.2 Budgeted financial statements

Departmental financial statements

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 72,768 | 82,206 | 78,596 | 78,596 | 69,596 |
| Supplier | 26,766 | 35,396 | 28,011 | 27,554 | 28,896 |
| Depreciation and amortisation | 3,738 | 4,000 | 4,000 | 4,000 | 4,400 |
| Total expenses | 103,272 | 121,602 | 110,607 | 110,150 | 102,892 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 3,854 | 4,160 | 4,160 | 4,160 | 4,160 |
| Other revenue | 835 | 2,247 | 1,630 | 1,623 | 1,615 |
| Total revenue | 4,689 | 6,407 | 5,790 | 5,783 | 5,775 |
| Gains | | | | | |
| Other | 110 | 150 | 150 | 150 | 150 |
| Total gains | 110 | 150 | 150 | 150 | 150 |
| Total own-source income | 4,799 | 6,557 | 5,940 | 5,933 | 5,925 |
| Net cost of (contribution by) services | 98,473 | 115,045 | 104,667 | 104,217 | 96,967 |
| Appropriation revenue | 100,038 | 117,645 | 104,743 | 104,217 | 96,967 |
| Surplus (deficit) attributable to the Australian Government | 1,565 | 2,600 | 76 | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash | 31,303 | 32,403 | 32,879 | 32,574 | 32,570 |
| Receivables | 6,777 | 7,633 | 6,864 | 6,959 | 4,779 |
| Accrued revenues | - | 450 | 450 | 450 | 450 |
| Total financial assets | 38,080 | 40,486 | 40,193 | 39,983 | 37,799 |
| Non-financial assets | | | | | |
| Infrastructure, plant and equipment | 6,861 | 6,564 | 5,964 | 5,463 | 4,477 |
| Intangibles | 5,656 | 9,410 | 9,615 | 10,421 | 11,411 |
| Other | 1,975 | 2,095 | 2,129 | 2,161 | 2,195 |
| Total non-financial assets | 14,492 | 18,069 | 17,708 | 18,045 | 18,083 |
| Total assets | 52,572 | 58,555 | 57,901 | 58,028 | 55,882 |
| LIABILITIES | | | | | |
| Provisions | | | | | |
| Employees | 21,463 | 22,750 | 21,870 | 21,850 | 19,555 |
| Other | 1,919 | 2,001 | 2,043 | 2,085 | 2,127 |
| Total provisions | 23,382 | 24,751 | 23,913 | 23,935 | 21,682 |
| Payables | | | | | |
| Suppliers | 3,744 | 3,801 | 3,908 | 4,013 | 4,120 |
| Total payables | 3,744 | 3,801 | 3,908 | 4,013 | 4,120 |
| Total liabilities | 27,126 | 28,552 | 27,821 | 27,948 | 25,802 |
| Net assets | 25,446 | 30,003 | 30,080 | 30,080 | 30,080 |
| EQUITY | | | | | |
| Contributed equity | 4,055 | 6,012 | 6,012 | 6,012 | 6,012 |
| Reserves | 9,809 | 9,809 | 9,809 | 9,809 | 9,809 |
| Retained surpluses or accumulated deficits | 11,582 | 14,182 | 14,259 | 14,259 | 14,259 |
| Total equity | 25,446 | 30,003 | 30,080 | 30,080 | 30,080 |
| Current assets | 40,055 | 42,581 | 42,322 | 42,144 | 39,994 |
| Non-current assets | 12,517 | 15,975 | 15,579 | 15,884 | 15,888 |
| Current liabilities | 21,243 | 22,530 | 21,650 | 21,630 | 19,335 |
| Non-current liabilities | 5,883 | 6,022 | 6,171 | 6,318 | 6,467 |

Prepared on Australian Accounting Standards basis.

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

| | Actuals 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|------------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 1,882 | 4,160 | 4,160 | 4,160 | 4,160 |
| Appropriations | 99,695 | 117,645 | 104,743 | 104,217 | 96,967 |
| Other | 3,074 | 2,397 | 1,780 | 1,773 | 1,765 |
| Total cash received | 104,651 | 124,202 | 110,683 | 110,150 | 102,892 |
| Cash used | | | | | |
| Employees | 70,048 | 82,206 | 78,596 | 78,596 | 69,596 |
| Suppliers | 31,688 | 35,396 | 28,011 | 27,559 | 28,900 |
| Total cash used | 101,736 | 117,602 | 106,607 | 106,155 | 98,496 |
| Net cash from or (used by) operating activities | 2,915 | 6,600 | 4,076 | 3,995 | 4,396 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 3,862 | 7,457 | 3,600 | 4,300 | 4,400 |
| Total cash used | 3,862 | 7,457 | 3,600 | 4,300 | 4,400 |
| Net cash from or (used by) investing activities | (3,862) | (7,457) | (3,600) | (4,300) | (4,400) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 900 | 1,957 | - | - | - |
| Total cash received | 900 | 1,957 | - | - | - |
| Net cash from or (used by) financing activities | 900 | 1,957 | - | - | - |
| Net increase (or decrease) in cash held | (47) | 1,100 | 476 | (305) | (4) |
| Cash at the beginning of the reporting period | 31,350 | 31,303 | 32,403 | 32,879 | 32,574 |
| Cash at the end of the reporting period | 31,303 | 32,403 | 32,879 | 32,574 | 32,570 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|--|-------------------|---------------------------|----------------|----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2009 | | | | | |
| Balance carried forward from previous period | 11,582 | 3,809 | 6,000 | 4,055 | 25,446 |
| Opening balance | 11,582 | 3,809 | 6,000 | 4,055 | 25,446 |
| Income and expense | | | | | |
| Net operating result | 2,600 | - | - | - | 2,600 |
| Total income and expenses recognised directly in equity | 2,600 | - | - | - | 2,600 |
| Transactions with owners | | | | | |
| Contribution by owners | | | | | |
| Appropriation (equity injection) | | | | 1,957 | 1,957 |
| Transactions with owners | - | - | - | 1,957 | 1,957 |
| Estimated closing balance as at 30 June 2010 | 14,182 | 3,809 | 6,000 | 6,012 | 30,003 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|---------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 900 | 1,957 | - | - | - |
| Total capital appropriations | 900 | 1,957 | - | - | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 900 | 1,957 | - | - | - |
| Total represented by | 900 | 1,957 | - | - | - |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 900 | 1,957 | - | - | - |
| Funded internally from departmental resources | 2,962 | 5,500 | 3,600 | 4,300 | 4,400 |
| TOTAL | 3,862 | 7,457 | 3,600 | 4,300 | 4,400 |

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

| | Other infrastructure, plant & equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|--|--|-----------------------|-----------------|
| As at 1 July 2009 | | | |
| Gross book value | 10,507 | 15,359 | 25,866 |
| less Accumulated depreciation/amortisation | 3,646 | 9,703 | 13,349 |
| Opening net book balance | 6,861 | 5,656 | 12,517 |
| Asset movements | | | |
| Additions | 1,646 | 5,811 | 7,457 |
| less Depreciation/amortisation expense | 1,943 | 2,057 | 4,000 |
| Total asset movements | (297) | 3,754 | 3,457 |
| As at 30 June 2010 | | | |
| Gross book value | 12,153 | 21,170 | 33,323 |
| less Accumulated depreciation/amortisation | 5,589 | 11,760 | 17,349 |
| Closing net book balance | 6,564 | 9,410 | 15,974 |

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Revenue | | | | | |
| Non-taxation | | | | | |
| Other sources of non-taxation revenues | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| Total non-taxation | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| Total revenues administered on behalf of Government | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| Total income administered on behalf of Government | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Waivers and write-offs | 684 | 3,000 | 3,000 | 3,000 | 3,000 |
| Total expenses administered on behalf of Government | 684 | 3,000 | 3,000 | 3,000 | 3,000 |

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Receivables | 85 | 1,674 | 1,674 | 1,674 | 1,674 |
| Total financial assets | 85 | 1,674 | 1,674 | 1,674 | 1,674 |
| Total assets administered on behalf of Government | 85 | 1,674 | 1,674 | 1,674 | 1,674 |

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash or equivalents received | | | | | |
| Transfer from Official Public Account | 2,418 | 3,000 | 3,000 | 3,000 | 3,000 |
| Administered revenue | 109,428 | 147,402 | 131,273 | 130,741 | 123,482 |
| Total cash or equivalents received | 111,846 | 150,402 | 134,273 | 133,741 | 126,482 |
| Cash or equivalents used | | | | | |
| Cash to Official Public Account | 109,428 | 147,402 | 131,273 | 130,741 | 123,482 |
| Administered expenses | 2,418 | 3,000 | 3,000 | 3,000 | 3,000 |
| Total cash or equivalents used | 111,846 | 150,402 | 134,273 | 133,741 | 126,482 |
| Net cash or equivalents from or (used by) operating activities | - | - | - | - | - |

Prepared on 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.

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.

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

The opening balance of contributed equity represents 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.

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 and cash from fees and charges.

Schedule of budgeted revenues and expenses administered on behalf of Government

Revenues

The other 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 by the amount retained in the Official Public Account to fund ASIC and ATO activities described above.

Write down and impairment of assets

Write down and impairment of assets represents waivers and write-offs of levies.

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 of the Australian Securities and Investments Commission (ASIC) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 161-163).

ASIC is seeking an additional \$1.1 million in equity injections through Appropriation Bill (No. 4) 2009-10 for the Supervision of Australia's financial markets – reform measure. Details of this measure appears on page 216 of the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimate as at Budget ⁺ | Proposed additional estimates ⁼ | Total estimate at Additional Estimates | Total available appropriation |
|--|---------------------------------------|--|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services | | | | |
| Departmental appropriation | | | | |
| Prior year departmental appropriation | 77,109 | 25,907 | 103,016 | - |
| Departmental appropriation | 344,776 | - | 344,776 | 310,126 |
| Receipts from other sources (s31) | 5,788 | 919 | 6,707 | 8,106 |
| Total | 427,673 | 26,826 | 454,499 | 318,232 |
| Administered expenses | | | | |
| Outcome 1 - Assetless Administration fund | 3,441 | - | 3,441 | 3,424 |
| Total | 3,441 | - | 3,441 | 3,424 |
| Total ordinary annual services | A 431,114 | 26,826 | 457,940 | 321,656 |
| Other services | | | | |
| Departmental non-operating | | | | |
| Equity injections | 9,015 | 1,050 ¹ | 10,065 | 20,595 |
| Total other services | B 9,015 | 1,050 | 10,065 | 20,595 |
| Total available annual appropriations (A+B) | 440,129 | 27,876 | 468,005 | 342,251 |
| Special appropriations | | | | |
| <i>Banking Act 1959</i> | 23,077 | - | 23,077 | 25,015 |
| <i>Life Insurance Act 1995</i> | 3,390 | - | 3,390 | 4,047 |
| Total special appropriations | C 26,467 | - | 26,467 | 29,062 |
| Total appropriations excluding special accounts (A+B+C) | 466,596 | 27,876 | 494,472 | 371,313 |

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

| | Estimate as at Budget ⁺ | Proposed additional estimates ⁼ | Total estimate at Additional Estimates | Total available appropriation |
|---|---------------------------------------|--|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Special accounts | | | | |
| Opening balance | 38,576 | - | 38,576 | - |
| Appropriation receipts | 30,000 | - | 30,000 | 30,000 |
| Non-Appropriation receipts to special accounts | 51,000 | - | 51,000 | 49,601 |
| Total special account | D 119,576 | - | 119,576 | 79,601 |
| Total resourcing (A+B+C+D) | 586,172 | 27,876 | 614,048 | 450,914 |
| Less receipts from other sources and credited to special accounts | 30,000 | - | 30,000 | 30,000 |
| Total net resourcing for ASIC | 556,172 | 27,876 | 584,048 | 420,914 |

1. Appropriation Bill (No. 4) 2009-10.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget.

Table 1.2: Agency measures since Budget

| Program | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | |
| Supervision of Australia's financial markets - reform | 1.1, 1.2 | 1,623 | 10,406 | 10,989 |
| Whole-of-government departmental efficiencies | | | | |
| Departmental expenses | 1.1, 1.2 | (1,761) | (3,426) | (3,265) |
| Total expense measures | | (138) | 6,980 | 7,724 |
| Related capital | | | | |
| Supervision of Australia's financial markets - reform | 1.1, 1.2 | 1,050 | 4,970 | - |
| Total related capital | | 1,050 | 4,970 | - |
| Related revenue | | | | |
| Supervision of Australia's financial markets - reform | 2.2 | - | 15,100 | 12,800 |
| Total related revenue | | - | 15,100 | 12,800 |

Note: Further details of these measures can be found in the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2009-10 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

| | Program impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (departmental) | | | | | |
| Supervision of Australia's financial markets - reform (related capital) | 1.1, 1.2 | 1,050 | 4,970 | - | - |
| Net impact on estimates for outcome 1 (departmental) | | 1,050 | 4,970 | - | - |

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

ASIC does not have any other variations since the 2009-10 Budget that affect additional estimates.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.6 details the additional estimates sought for ASIC through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

ASIC does not have any additional estimates through Appropriation Bill No. 3.

Table 1.6: Appropriation Bill (No. 4) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|----------------------|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Non-operating | | | | | |
| Equity injections | 20,595 | 9,015 | 10,065 | 1,050 | - |
| Total | 20,595 | 9,015 | 10,065 | 1,050 | - |

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes and performance information for ASIC from that included in the *Portfolio Budget Statements 2009-10* (pages 167-176).

OUTCOME 1

Outcome 1 Strategy

There has been no change to the outcome strategy for Outcome 1 from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.1: Budgeted expenses and resources for Outcome 1

| Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks | 2008-09 Actual expenses \$'000 | 2009-10 Revised estimated expenses \$'000 |
|---|---|---|
| Program 1.1: Research, policy, compliance, education and information initiatives | | |
| Departmental items | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 91,773 | 103,068 |
| Revenues from independent sources (s31) | 3,315 | 2,743 |
| Total for Program 1.1 | 95,088 | 105,811 |
| Program 1.2: Enforcement/deterrence | | |
| Administered expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 3,076 | 3,424 |
| Departmental expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 132,610 | 148,857 |
| Revenues from independent sources (s31) | 4,791 | 3,964 |
| Total for Program 1.2 | 140,477 | 156,245 |
| Outcome 1 totals by appropriation type | | |
| Administered expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 3,076 | 3,424 |
| Departmental expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 224,383 | 251,925 |
| Revenues from independent sources (s31) | 8,106 | 6,707 |
| Total resources for Outcome 1 | 235,565 | 262,056 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 1,238 | 1,442 |

Program 1.1: Research, policy, compliance, education and information initiatives

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.1 expenses

| | 2008-09 Actuals \$'000 | 2009-10 Revised budget \$'000 | 2010-11 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|---|------------------------------|--|--|--|--|
| Annual departmental expenses: | | | | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 91,773 | 103,068 | 102,123 | 97,791 | 102,242 |
| Revenues from independent sources (s31) | 3,315 | 2,743 | 2,427 | 3,127 | 3,204 |
| Total program expenses | 95,088 | 105,811 | 104,450 | 100,918 | 105,446 |

Program 1.2: Enforcement/deterrence

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.3: Program 1.2 expenses

| | 2008-09 Actuals \$'000 | 2009-10 Revised budget \$'000 | 2010-11 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|---|------------------------------|--|--|--|--|
| Annual departmental expenses: | | | | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 132,610 | 148,857 | 147,567 | 141,308 | 147,740 |
| Revenues from independent sources (section 31) | 4,791 | 3,964 | 3,507 | 4,519 | 4,632 |
| Annual administered expenses: | | | | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 3,076 | 3,424 | 3,443 | 3,472 | 3,557 |
| Total program expenses | 140,477 | 156,245 | 154,517 | 149,299 | 155,929 |

OUTCOME 2

Outcome 2 Strategy

There has been no change to the outcome strategy for Outcome 2 from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.4: Budgeted expenses and resources for Outcome 2

| Outcome 2: Streamlined and cost-effective interaction and access to information for business and the public, through registry, licensing and business facilitation services | 2008-09 Actual expenses \$'000 | 2009-10 Revised estimated expenses \$'000 |
|--|---|---|
| Program 2.1: Legal infrastructure for companies and financial services providers | | |
| Departmental items | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 83,413 | 92,713 |
| Total for Program 2.1 | 83,413 | 92,713 |
| Program 2.2: Banking Act and Life Insurance Act, unclaimed moneys and special accounts | | |
| Administered items | | |
| Special appropriations | | |
| Banking Act 1959 - Banking Unclaimed Moneys | 26,122 | 23,077 |
| Life Insurance Act 1995 - Life Unclaimed Moneys | 4,793 | 3,390 |
| Special accounts | | |
| Enforcement special account | 23,894 | 30,000 |
| ASIC Deregistered Companies Special Account | 4,375 | 1,000 |
| ASIC Security Deposit Special Account | 40 | - |
| ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account | 55 | - |
| Companies and Unclaimed Moneys Special Account | 85,345 | 50,000 |
| Other Trust Moneys Account | 52 | - |
| Total for Program 2.2 | 144,676 | 107,467 |
| Outcome 2 totals by appropriation type | | |
| Departmental items | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 83,413 | 92,713 |
| Administered expenses | | |
| Special appropriations | 30,915 | 26,467 |
| Special accounts | 113,761 | 81,000 |
| Total resources for Outcome 2 | 228,089 | 200,180 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 460 | 538 |

Program 2.1: Legal infrastructure for companies and financial services providers

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.5: Program 2.1 expenses

| | 2008-09 Actuals \$'000 | 2009-10 Revised budget \$'000 | 2010-11 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|--|------------------------------|--|--|--|--|
| Annual departmental expenses: | | | | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 83,413 | 92,713 | 89,367 | 84,747 | 78,812 |
| Total program expenses | 83,413 | 92,713 | 89,367 | 84,747 | 78,812 |

Program 2.2: Banking Act and Life Insurance Act, Unclaimed Moneys and Special accounts

There has been no change to the program objective, expenses, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

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 2009-10*. The corresponding table in the *Portfolio Budget Statements* is Table 3.1.2 on page 178.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted departmental Comprehensive income statement

ASIC is currently budgeting for a break-even operating result for 2009-10 and for the remainder of the forward estimates.

Revenue from Government for 2009-10 is \$344.6 million, which is a decrease of \$0.2 million from the *Portfolio Budget Statements 2009-10*. Of this amount, \$1.6 million relates to the measure, supervision of Australia's financial markets – reform, offset by a reduction of \$1.8 million for the whole-of-government departmental efficiencies measure.

Total revenue and expenses are estimated to be \$352.2 million for 2009-10. The expenditure will be used to fund activities that contribute towards achieving the outcome and program objectives outlined in Section 2.

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 2009-10 is \$122.6 million.

The 2009-10 equity position reflects the cumulative effect of capital injections of \$10.0 million received during 2009-10.

Budgeted departmental statement of cash flows

The budgeted statement of cash flows provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental statement of changes in equity — summary of movement

This statement shows the changes in the equity position of ASIC. It helps decision-makers to track the management of ASIC's equity.

Departmental capital budget statement

This statement shows details of capital appropriations received by ASIC. It helps decision-makers to track the acquisition of new non-financial assets.

Statement of Asset Movements — Departmental

This statement shows details of gross asset movements during the year. It helps decision-makers to analyse movements of non-financial assets.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The schedule of budgeted income and expenses administered on behalf of government shows the revenue and expenses associated with the collection of revenue under the *Corporations Act 2001* and ASIC's responsibilities in administering unclaimed 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 2009-10 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 2009-10 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.

3.2.2 Budgeted financial statements

Departmental financial statements

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 176,792 | 208,613 | 208,442 | 196,109 | 198,921 |
| Supplier | 97,437 | 108,672 | 106,390 | 102,672 | 104,962 |
| Depreciation and amortisation | 19,191 | 34,364 | 31,384 | 32,373 | 32,373 |
| Finance costs | 468 | 500 | 500 | 500 | 500 |
| Other | 905 | - | - | - | - |
| Total expenses | 294,793 | 352,149 | 346,716 | 331,654 | 336,756 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 3,370 | 4,080 | 4,162 | 4,244 | 4,329 |
| Other revenue | 3,402 | 3,431 | 3,497 | 3,564 | 3,633 |
| Total revenue | 6,772 | 7,511 | 7,659 | 7,808 | 7,962 |
| Total own-source income | 6,772 | 7,511 | 7,659 | 7,808 | 7,962 |
| Net cost of (contribution by) services | 288,021 | 344,638 | 339,057 | 323,846 | 328,794 |
| Appropriation revenue | 307,796 | 344,638 | 339,057 | 323,846 | 328,794 |
| Surplus (deficit) attributable to the Australian Government | 19,775 | - | - | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 2,950 | 3,124 | 2,212 | 3,471 | 4,411 |
| Trade and other receivables | 108,366 | 93,827 | 99,807 | 102,982 | 106,715 |
| Total financial assets | 111,316 | 96,951 | 102,019 | 106,453 | 111,126 |
| Non-financial assets | | | | | |
| Land and buildings | 27,043 | 50,088 | 49,380 | 48,951 | 48,769 |
| Infrastructure, plant and equipment | 17,241 | 15,540 | 16,448 | 26,082 | 25,727 |
| Intangibles | 52,149 | 55,780 | 52,966 | 39,088 | 34,952 |
| Other | 4,247 | 4,338 | 4,200 | 4,234 | 4,234 |
| Total non-financial assets | 100,680 | 125,746 | 122,994 | 118,355 | 113,682 |
| Total assets | 211,996 | 222,697 | 225,013 | 224,808 | 224,808 |
| LIABILITIES | | | | | |
| Provisions | | | | | |
| Employees | 51,652 | 53,338 | 52,320 | 52,824 | 52,824 |
| Other | 6,696 | 6,924 | 7,165 | 7,428 | 7,428 |
| Total provisions | 58,348 | 60,262 | 59,485 | 60,252 | 60,252 |
| Payables | | | | | |
| Suppliers | 20,764 | 21,400 | 20,433 | 20,672 | 20,672 |
| Other | 20,299 | 18,385 | 17,475 | 16,264 | 16,264 |
| Total payables | 41,063 | 39,785 | 37,908 | 36,936 | 36,936 |
| Total liabilities | 99,411 | 100,047 | 97,393 | 97,188 | 97,188 |
| Net assets | 112,585 | 122,650 | 127,620 | 127,620 | 127,620 |
| EQUITY | | | | | |
| Contributed equity | 76,214 | 86,279 | 91,249 | 91,249 | 91,249 |
| Reserves | 8,900 | 8,900 | 8,900 | 8,900 | 8,900 |
| Retained surpluses or accumulated deficits | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 |
| Total equity | 112,585 | 122,650 | 127,620 | 127,620 | 127,620 |
| Current assets | 115,563 | 101,289 | 106,219 | 110,687 | 115,360 |
| Non-current assets | 96,433 | 121,408 | 118,794 | 114,121 | 109,448 |
| Current liabilities | 78,685 | 81,477 | 79,586 | 80,168 | 80,168 |
| Non-current liabilities | 20,726 | 18,570 | 17,807 | 17,020 | 17,020 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 4,832 | 4,965 | 4,126 | 4,208 | 4,329 |
| Appropriations | 315,501 | 358,559 | 333,380 | 320,974 | 325,061 |
| GST received | 15,169 | 14,667 | 13,403 | 13,373 | 12,555 |
| Other | 3,272 | 1,742 | 1,808 | 3,438 | 3,507 |
| Total cash received | 338,774 | 379,933 | 352,717 | 341,993 | 345,452 |
| Cash used | | | | | |
| Employees | 168,805 | 206,927 | 209,160 | 195,605 | 198,921 |
| Suppliers | 110,368 | 108,891 | 107,266 | 104,056 | 105,336 |
| GST Paid | 17,261 | 14,667 | 13,403 | 13,373 | 12,555 |
| Borrowing costs | 3 | - | - | - | - |
| Total cash used | 296,437 | 330,485 | 329,829 | 313,034 | 316,812 |
| Net cash from or (used by) operating activities | 42,337 | 49,448 | 22,888 | 28,959 | 28,640 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property plant and equipment, and intangibles | 2 | - | - | - | - |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 64,476 | 59,339 | 28,770 | 27,700 | 27,700 |
| Total cash used | 64,476 | 59,339 | 28,770 | 27,700 | 27,700 |
| Net cash from or (used by) investing activities | (64,474) | (59,339) | (28,770) | (27,700) | (27,700) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 16,860 | 10,065 | 4,970 | - | - |
| Total cash received | 16,860 | 10,065 | 4,970 | - | - |
| Cash used | | | | | |
| Repayments of finance lease principal | 188 | - | - | - | - |
| Total cash used | 188 | - | - | - | - |
| Net cash from or (used by) financing activities | 16,672 | 10,065 | 4,970 | - | - |
| Net increase or (decrease) in cash held | (5,465) | 174 | (912) | 1,259 | 940 |
| Cash at the beginning of the reporting period | 8,415 | 2,950 | 3,124 | 2,212 | 3,471 |
| Cash at the end of the reporting period | 2,950 | 3,124 | 2,212 | 3,471 | 4,411 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|---|-------------------|---------------------------|----------------|----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2009 | | | | | |
| Balance carried forward from previous period | 27,471 | 8,900 | - | 76,214 | 112,585 |
| Adjusted opening balance | 27,471 | 8,900 | - | 76,214 | 112,585 |
| Appropriation (equity injection) | - | - | - | 10,065 | 10,065 |
| Subtotal transactions | - | - | - | 10,065 | 10,065 |
| Estimated closing balance as at 30 June 2010 | 27,471 | 8,900 | - | 86,279 | 122,650 |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|---------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 16,860 | 10,065 | 4,970 | - | - |
| Total capital appropriations | 16,860 | 10,065 | 4,970 | - | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 16,860 | 10,065 | 4,970 | - | - |
| Total represented by | 16,860 | 10,065 | 4,970 | - | - |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 16,860 | 10,065 | 4,970 | - | - |
| Funded internally from departmental resources | 49,704 | 49,274 | 23,800 | 27,700 | 27,700 |
| TOTAL | 66,564 | 59,339 | 28,770 | 27,700 | 27,700 |

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental

| | Buildings | Other infrastructure, plant and equipment | Intangibles | Total |
|--|---------------|--|---------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2009 | | | | |
| Gross book value | 41,760 | 32,131 | 70,565 | 144,456 |
| less Accumulated depreciation/amortisation | 14,717 | 14,890 | 18,416 | 48,023 |
| Opening net book balance | 27,043 | 17,241 | 52,149 | 96,433 |
| Asset movements | | | | |
| Additions | 27,456 | 5,650 | 26,233 | 59,339 |
| less Depreciation/amortisation expense | 4,411 | 7,351 | 22,602 | 34,364 |
| Total asset movements | 23,045 | (1,701) | 3,631 | 24,975 |
| As at 30 June 2010 | | | | |
| Gross book value | 71,716 | 39,781 | 101,298 | 212,795 |
| less Accumulated depreciation/amortisation | 21,628 | 24,241 | 45,518 | 91,387 |
| Closing net book balance | 50,088 | 15,540 | 55,780 | 121,408 |

Prepared on Australian Accounting Standards basis.

Schedule of administered activity

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Non-taxation | | | | | |
| Other sources of non-taxation revenues | 603,945 | 611,848 | 656,804 | 686,238 | 718,456 |
| Total revenues administered on behalf of Government | 603,945 | 611,848 | 656,804 | 686,238 | 718,456 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Suppliers | 3,076 | 3,424 | 3,443 | 3,472 | 3,557 |
| Write down and impairment of assets | 28,975 | 23,402 | 23,662 | 23,944 | 24,232 |
| Other | 30,944 | 26,492 | 27,190 | 27,887 | 28,584 |
| Total expenses administered on behalf of Government | 62,995 | 53,318 | 54,295 | 55,303 | 56,373 |

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 3,072 | 3,072 | 3,072 | 3,072 | 3,073 |
| Receivables | 86,321 | 96,366 | 107,337 | 116,669 | 129,436 |
| Total assets administered on behalf of Government | 89,393 | 99,438 | 110,409 | 119,741 | 132,509 |
| LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Payables | | | | | |
| Suppliers | 930 | 930 | 930 | 930 | 930 |
| Other payables | 5,484 | 5,484 | 5,485 | 2,985 | 2,985 |
| Total liabilities administered on behalf of Government | 6,414 | 6,414 | 6,415 | 3,915 | 3,915 |

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Net GST received | 198 | 314 | 319 | 549 | 330 |
| Other | 612,903 | 613,962 | 658,447 | 689,959 | 719,529 |
| Total cash received | 613,101 | 614,276 | 658,766 | 690,508 | 719,859 |
| Cash used | | | | | |
| Suppliers | 2,609 | 3,424 | 3,443 | 5,972 | 3,557 |
| Other | 30,915 | 26,162 | 26,857 | 27,550 | 28,540 |
| Net GST paid | 198 | 314 | 319 | 549 | 330 |
| Total cash used | 33,722 | 29,900 | 30,619 | 34,071 | 32,427 |
| Net cash from or (used by) operating activities | 579,379 | 584,376 | 628,147 | 656,437 | 687,432 |
| FINANCING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Cash to Official Public Account | 579,371 | 584,376 | 628,147 | 656,437 | 687,431 |
| Total cash used | 579,371 | 584,376 | 628,147 | 656,437 | 687,431 |
| Net cash from or (used by) financing activities | (579,371) | (584,376) | (628,147) | (656,437) | (687,431) |
| Net increase or (decrease) in cash held | 8 | - | - | - | 1 |
| Cash at beginning of reporting period | 3,064 | 3,072 | 3,072 | 3,072 | 3,072 |
| Cash at end of reporting period | 3,072 | 3,072 | 3,072 | 3,072 | 3,073 |

Prepared on 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 appropriations representing the Australian Government's purchase of programs 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 (OPA) 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 OPA when received.

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Taxation Office (ATO) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 193-194).

The ATO is seeking an additional \$13.4 million in administered expenses in Appropriation Bill (No. 3) 2009-10 to move unspent 2008-09 funding of \$11.3 million into 2009-10 for the public awareness campaign associated with the Nation Building and Jobs Plan – Small Business and General Business Tax Break measure, and bring forward funding of \$2.1 million from 2011-12 into 2009-10 for the public awareness campaign associated with the Private Health Insurance – fair and sustainable support for the future measure.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Australian Taxation Office resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

| | Estimates as at ⁺ Budget | Proposed additional ⁼ estimates | Total estimate at Additional Estimates | Total available appropriation |
|--|---|--|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Ordinary annual services | | | | |
| Departmental outputs | | | | |
| Prior year departmental carried forward | 156,886 | - | 156,886 | - |
| Departmental appropriation | 3,027,903 | - | 3,027,903 | 2,896,248 |
| Receipts from other sources (s31) | 16,372 | 9,284 | 25,656 | 37,639 |
| Total | 3,201,161 | 9,284 | 3,210,445 | 2,933,887 |
| Administered expenses | | | | |
| Outcome 1 | 5,360 | 13,363 ¹ | 18,723 | 24,150 |
| Total | 5,360 | 13,363 | 18,723 | 24,150 |
| Total ordinary annual services | A 3,206,521 | 22,647 | 3,229,168 | 2,958,037 |
| Other services | | | | |
| Departmental non-operating | | | | |
| Equity injections | 8,212 | - | 8,212 | - |
| Previous years' outputs | 16,332 | - | 16,332 | 2,886 |
| Total other services | B 24,544 | - | 24,544 | 2,886 |
| Total available annual appropriations (A+B) | 3,231,065 | 22,647 | 3,253,712 | 2,960,923 |

Table 1.1: Australian Taxation Office resource statement — Additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

| | Estimates as at Budget | Proposed additional estimates | Total estimate at Additional Estimates | Total available appropriation |
|--|------------------------------|-------------------------------------|---|-------------------------------------|
| | 2009-10 \$'000 | 2009-10 \$'000 | 2009-10 \$'000 | 2008-09 \$'000 |
| Special appropriations | | | | |
| <i>Product Grants and Benefits Administration Act 2000 - cleaner fuel grants</i> | 40,000 | - | 40,000 | 101,472 |
| <i>Product Grants and Benefits Administration Act 2000 - product stewardship waste (oil) scheme</i> | 25,000 | - | 25,000 | 40,724 |
| <i>Superannuation Guarantee (Administration) Act 1992 Taxation Administration Act 1953 - section 16 (Non-refund items)²</i> | 224,000 | 5,000 | 229,000 | 296,767 |
| | 8,121,000 | 83,000 | 8,204,000 | 15,807,963 |
| Total special appropriations | C 8,410,000 | 88,000 | 8,498,000 | 16,246,926 |
| Total appropriations excluding special accounts | 11,641,065 | 110,647 | 11,751,712 | 19,207,849 |
| Special accounts | | | | |
| Opening balance | 138,466 | 3,473 | 141,939 | 97,186 |
| Appropriation receipts | 26,000 | 6,000 | 32,000 | 74,373 |
| Non-appropriation receipts to special accounts | 40,040 | 1,638 | 41,678 | 42,251 |
| Total special account | D 204,506 | 11,111 | 215,617 | 213,810 |
| Total resourcing (A+B+C+D) | 11,845,571 | 121,758 | 11,967,329 | 19,421,659 |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts | 26,000 | 6,000 | 32,000 | 74,373 |
| Total net resourcing for the ATO | 11,819,571 | 115,758 | 11,935,329 | 19,347,286 |

1. Appropriation Bill (No. 3) 2009-10.

2. These figures relate to administered expenses including fuel tax credits, superannuation co-contributions, education tax refunds and research and development subsidies. Tax refund items for 2008-09 are \$83,388 million (including \$72 million paid via the Australian Customs Service (ACS) on the ATO's behalf) and are estimated at \$86,870 million for 2009-10 (including \$90 million paid via the ACS on the ATO's behalf).

1.3 AGENCY MEASURES TABLE

Table 1.2: Agency measures since Budget

| | Program | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|---|-----------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Australian Taxation Office - Reduction in campaign advertising funding | 1.3 | (27) | (47) | (46) | - |
| Social Security Agreement - Australia and the former Yugoslav Republic of Macedonia | 1.4 | - | 150 | 151 | 147 |
| Whole-of-government departmental efficiencies | 1.1 - 1.5 | (15,376) | (31,397) | (31,442) | (31,387) |
| Total expense measures | | (15,403) | (31,294) | (31,337) | (31,240) |
| Related expense | | | | | |
| GST - Government response to Board of Taxation report - minor changes | 1.14 | - | .. | .. | .. |
| Total related expense | | - | .. | .. | .. |

Note: Further details of these measures can be found in *Mid-Year Economic Fiscal Outlook 2009-10*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the ATO at additional estimates, by outcome.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

| | Program impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (administered) | | | | | |
| Australian Taxation Office - Reduction in campaign advertising funding | 1.1 | (27) | (47) | (46) | - |
| Net impact on estimates for Outcome 1 (administered) | | | | | |
| | | (27) | (47) | (46) | - |

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

| | Program impacted | 2009-10 \$'000 | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Increase in estimates (administered) | | | | | |
| Nation Building and Jobs Plan - Small Business and General Tax break | 1.3 | 11,285 | - | - | - |
| Private Health Insurance - fair and sustainable support for the future | 1.3 | 2,105 | - | - | - |
| Decrease in estimates (administered) | | | | | |
| Private Health Insurance - fair and sustainable support for the future | 1.3 | - | - | (2,105) | - |
| Net impact on estimates for Outcome 1 (administered) | | | | | |
| | | 13,390 | - | (2,105) | |

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2009-10

| | 2008-09 available \$'000 | 2009-10 Budget \$'000 | 2009-10 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|--|-----------------------------|--------------------------|---------------------------|--------------------------------|-----------------------------|
| ADMINISTERED OUTPUTS | | | | | |
| Outcome 1 | | | | | |
| Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law | 24,150 | 5,360 | 18,723 | 13,390 | (27) |
| Total | 24,150 | 5,360 | 18,723 | 13,390 | (27) |

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

Outcome 1 Budgeted expenses and resources

There has been no change to outcomes, the outcome strategy or performance information for the ATO from that included in the *Portfolio Budget Statements 2009-10* (pages 201-229).

There have been no changes to program objectives, expenses, deliverables or key performance indicators from that published in the *Portfolio Budget Statements 2009-10* for programs 1.1 to 1.2 and 1.4 to 1.21 that affect additional estimates.

Table 2.1 reflects changes to program expenses from that published in the *Portfolio Budget Statements 2009-10*.

Table 2.1: Budgeted expenses and resources for Outcome 1

| | | |
|--|---|---|
| Outcome 1: Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law | 2008-09 Actual expenses \$'000 | 2009-10 Revised estimated expenses \$'000 |
| Program 1.3: Compliance assurance and support for revenue collections | | |
| Administered expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 10,748 | 18,723 |
| Total administered expenses for Program 1.3 | 10,748 | 18,723 |
| | 2008-09 | 2009-10 |
| Average staffing level (number) | 21,930 | 21,745 |

Program 1.3: Compliance assurance and support for revenue collections

There have been no changes to program objectives, deliverables or key performance indicators from that published in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.3 expenses

| | 2008-09 Actual \$'000 | 2009-10 Revised budget \$'000 | 2010-11 Forward year 1 \$'000 | 2011-12 Forward year 2 \$'000 | 2012-13 Forward year 3 \$'000 |
|------------------------------------|-----------------------------|--|--|--|--|
| Annual administered expenses: | | | | | |
| Administered item | 10,748 | 18,723 | 4,604 | 2,469 | 21 |
| Total administered expenses | 10,748 | 18,723 | 4,604 | 2,469 | 21 |

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 ATO.

Table 3.1.1: Estimates of special account flows

| | | Opening balance 2009-10 <i>2008-09</i> | Receipts 2009-10 <i>2008-09</i> | Payments 2009-10 <i>2008-09</i> | Adjustments 2009-10 <i>2008-09</i> | Closing balance 2009-10 <i>2008-09</i> |
|--------------------------------|---------|--|--|--|---|--|
| | Outcome | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Excise Security Deposits | 1 | 49 | - | - | - | 49 |
| Special Account (A) | | 51 | - | 2 | - | 49 |
| Other Trust Moneys | 1 | 1,035 | 10,000 | 15,000 | 5,000 | 1,035 |
| Account (A) | | 20,043 | 9,668 | 28,676 | - | 1,035 |
| Superannuation Holding | 1 | 131,485 | 32,000 | 56,000 | - | 107,485 |
| Accounts Special Account (A) | | 63,565 | 74,373 | 6,453 | - | 131,485 |
| Valuation Services Special | 1 | 9,370 | 31,678 | 34,154 | - | 6,894 |
| Account (D) | | 13,527 | 32,583 | 36,740 | - | 9,370 |
| Total special accounts | | | | | | |
| 2009-10 Budget estimate | | 141,939 | 73,678 | 105,154 | 5,000 | 115,463 |
| Total special accounts | | | | | | |
| 2008-09 actual | | 97,186 | 116,624 | 71,871 | - | 141,939 |

(A) = Administered.

(D) = Departmental.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted departmental income statements

Operating revenues

In 2009-10, total agency revenue is estimated to be \$3,067.0 million. This consists of government appropriation revenue of \$3,006.6 million, revenue from other sources of \$56.4 million and resources received free of charge of \$4.0 million. Total agency revenue is estimated to decrease by \$8.3 million in 2009-10 from that in the *Portfolio Budget Statements 2009-10*, representing a decrease in government appropriation of \$21.2 million due to measures, offset by an increase in revenue from other sources of \$12.9 million.

Operating expenses

In 2009-10, total expenses are estimated to be \$3,067.0 million. This consists of \$1,953.8 million in employees, \$1,003.3 million in suppliers and other expenses, and \$109.9 million in depreciation and amortisation.

Budgeted departmental balance sheet

This statement shows the financial position of ATO and helps decision makers to track the management of the ATO's assets and liabilities.

Assets

The ATO's assets are predominantly non-financial assets. In 2009-10 the ATO will continue to maintain its commitment to long term improvement, investing \$146.0 million in capital expenditure. Total assets have decreased by \$46.2 million from the *Portfolio Budget Statements 2009-10*.

A significant proportion of the ATO's capital investment is directed toward the development or improvement of internally developed systems and software in support of the ATO's intention of making people's experience with the revenue systems easier, cheaper and more personalised, and improving the integrity and flexibility of the superannuation business systems.

Liabilities

The ATO's liabilities are predominantly employee entitlements. Total liabilities have decreased by \$56.7 million from the *Portfolio Budget Statements 2009-10*. This represents decreases in the following categories – employee entitlements (\$4.5 million), other provisions (\$19.8 million), finance lease liabilities (\$2.2 million) and total payables (\$30.2 million).

3.2.2 Budgeted financial statements

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

| | Actual | Revised | Forward | Forward | Forward |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2008-09 | budget | estimate | estimate | estimate |
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES | | | | | |
| Employee benefits | 1,899,865 | 1,953,844 | 1,980,091 | 2,004,002 | 2,034,656 |
| Supplier | 989,079 | 1,003,160 | 1,015,385 | 961,397 | 930,169 |
| Depreciation and amortisation | 99,892 | 109,944 | 115,443 | 122,302 | 127,355 |
| Write-down and impairment of assets | 35,714 | - | - | - | - |
| Finance costs | 315 | | | | |
| Other | 786 | 119 | 298 | 297 | 293 |
| Total expenses | 3,025,651 | 3,067,067 | 3,111,217 | 3,087,998 | 3,092,473 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Revenue | | | | | |
| Sale of goods and rendering of services | 62,766 | 56,134 | 53,945 | 51,816 | 52,604 |
| Other revenue | 1,332 | 300 | 307 | 315 | 322 |
| Total revenue | 64,098 | 56,434 | 54,252 | 52,131 | 52,926 |
| Gains | | | | | |
| Sale of assets | 35 | - | - | - | - |
| Other gains | 23,778 | 4,000 | 4,250 | 4,250 | 4,250 |
| Total gains | 23,813 | 4,000 | 4,250 | 4,250 | 4,250 |
| Total own-source income | 87,911 | 60,434 | 58,502 | 56,381 | 57,176 |
| Net cost of (contribution by) services | 2,937,740 | 3,006,633 | 3,052,715 | 3,031,617 | 3,035,297 |
| Appropriation revenue | 2,910,451 | 3,006,633 | 3,052,715 | 3,031,617 | 3,035,297 |
| Surplus (Deficit) attributable to the Australian Government | (27,289) | - | - | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 27,139 | 28,216 | 27,174 | 26,808 | 26,457 |
| Trade and other receivables | 258,320 | 201,936 | 197,114 | 182,300 | 172,495 |
| Total financial assets | 285,459 | 230,152 | 224,288 | 209,108 | 198,952 |
| Non-financial assets | | | | | |
| Land and buildings | 145,564 | 143,114 | 140,750 | 137,557 | 134,364 |
| Infrastructure, plant and equipment | 58,433 | 51,482 | 44,524 | 37,566 | 30,558 |
| Intangibles | 376,161 | 421,640 | 441,801 | 469,257 | 489,413 |
| Other | 30,703 | 30,703 | 30,703 | 30,703 | 30,703 |
| Total non-financial assets | 610,861 | 646,939 | 657,778 | 675,083 | 685,038 |
| Total assets | 896,320 | 877,091 | 882,066 | 884,191 | 883,990 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Leases | 30,475 | 28,564 | 28,564 | 28,564 | 28,564 |
| Total interest bearing liabilities | 30,475 | 28,564 | 28,564 | 28,564 | 28,564 |
| Provisions | | | | | |
| Employees | 662,958 | 653,456 | 653,243 | 653,225 | 653,225 |
| Other | 15,248 | 15,248 | 15,248 | 15,248 | 15,248 |
| Total provisions | 678,206 | 668,704 | 668,491 | 668,473 | 668,473 |
| Payables | | | | | |
| Suppliers | 199,565 | 195,815 | 195,991 | 196,185 | 196,335 |
| Dividends | 917 | 139 | 347 | 347 | 342 |
| Other | 2,061 | 2,180 | 2,359 | 2,358 | 2,354 |
| Total payables | 202,543 | 198,134 | 198,697 | 198,890 | 199,031 |
| Total liabilities | 911,224 | 895,402 | 895,752 | 895,927 | 896,068 |
| Net assets | (14,904) | (18,311) | (13,686) | (11,736) | (12,078) |
| EQUITY | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 315,462 | 314,996 | 319,968 | 322,265 | 322,265 |
| Reserves | 66,266 | 66,266 | 66,266 | 66,266 | 66,266 |
| Retained surpluses or accumulated deficits | (396,632) | (399,573) | (399,920) | (400,267) | (400,609) |
| Total equity | (14,904) | (18,311) | (13,686) | (11,736) | (12,078) |
| Current assets | 291,284 | 293,825 | 295,492 | 296,204 | 296,137 |
| Non-current assets | 605,036 | 583,266 | 586,574 | 587,987 | 587,853 |
| Current liabilities | 716,721 | 720,799 | 721,080 | 721,221 | 721,335 |
| Non-current liabilities | 194,503 | 174,603 | 174,672 | 174,706 | 174,733 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 70,222 | 57,334 | 53,945 | 51,816 | 52,604 |
| Appropriations | 2,918,500 | 3,050,265 | 3,073,537 | 3,046,431 | 3,045,102 |
| Interest | 1,101 | 240 | 247 | 255 | 262 |
| Other | 106,264 | 106,058 | 107,591 | 101,931 | 98,649 |
| Total cash received | 3,096,087 | 3,213,897 | 3,235,320 | 3,200,433 | 3,196,617 |
| Cash used | | | | | |
| Employees | 1,852,216 | 1,963,346 | 1,980,304 | 2,004,020 | 2,034,656 |
| Suppliers | 987,781 | 1,004,821 | 1,010,959 | 956,953 | 925,769 |
| Other | 103,370 | 105,926 | 107,531 | 101,871 | 98,589 |
| Income taxes paid | 2,652 | - | 119 | 298 | 297 |
| Total cash used | 2,946,019 | 3,074,093 | 3,098,913 | 3,063,142 | 3,059,311 |
| Net cash from or (used by) operating activities | 150,068 | 139,804 | 136,407 | 137,291 | 137,306 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 125 | - | - | - | - |
| Total cash received | 125 | - | - | - | - |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 144,951 | 146,022 | 142,282 | 139,607 | 137,310 |
| Total cash used | 144,951 | 146,022 | 142,282 | 139,607 | 137,310 |
| Net cash from or (used by) investing activities | (144,826) | (146,022) | (142,282) | (139,607) | (137,310) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | - | 8,212 | 4,972 | 2,297 | - |
| Total cash received | - | 8,212 | 4,972 | 2,297 | - |
| Cash used | | | | | |
| Dividends paid | 2,248 | 917 | 139 | 347 | 347 |
| Total cash used | 2,248 | 917 | 139 | 347 | 347 |
| Net cash from or (used by) financing activities | (2,248) | 7,295 | 4,833 | 1,950 | (347) |
| Net increase or (decrease) in cash held | 2,994 | 1,077 | (1,042) | (366) | (351) |
| Cash at the beginning of the reporting period | 24,145 | 27,139 | 28,216 | 27,174 | 26,808 |
| Cash at the end of the reporting period | 27,139 | 28,216 | 27,174 | 26,808 | 26,457 |

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity |
|---|-------------------|---------------------------|----------------|----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2009 | | | | | |
| Balance carried forward from previous period | (396,632) | 66,266 | - | 315,462 | (14,904) |
| Adjusted opening balance | (396,632) | 66,266 | - | 315,462 | (14,904) |
| Transactions with owners | | | | | |
| <i>Distribution to owners</i> | | | | | |
| Returns on capital dividends | (139) | - | - | - | (139) |
| Returns of capital restructuring | (2,802) | - | - | (8,678) | (11,480) |
| <i>Contribution by owners</i> | | | | | |
| Appropriation (equity injection) | - | - | - | 8,212 | 8,212 |
| Sub-total transactions with owners | (2,941) | - | - | (466) | (3,407) |
| Estimated closing balance as at 30 June 2010 | (399,573) | 66,266 | - | 314,996 | (18,311) |

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

| | Actual | Revised budget | Forward estimate | Forward estimate | Forward estimate |
|---|---------|----------------|------------------|------------------|------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 72,580 | 24,544 | 4,972 | 2,297 | - |
| Total capital appropriations | 72,580 | 24,544 | 4,972 | 2,297 | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 69,694 | 8,212 | 4,972 | 2,297 | - |
| Other | 2,886 | 16,332 | - | - | - |
| Total represented by | 72,580 | 24,544 | 4,972 | 2,297 | - |
| ACQUISITION OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 69,982 | 8,212 | 4,972 | 2,297 | - |
| Funded internally from departmental resources | 137,310 | 137,810 | 137,310 | 137,310 | 137,310 |
| TOTAL | 207,292 | 146,022 | 142,282 | 139,607 | 137,310 |

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

| | Buildings | Other infrastructure, plant and equipment | Intangibles | Total |
|--|----------------|--|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2009 | | | | |
| Gross book value | 158,125 | 106,701 | 717,015 | 981,841 |
| less Accumulated depreciation/ amortisation | 12,561 | 48,268 | 340,854 | 401,683 |
| Opening net book balance | 145,564 | 58,433 | 376,161 | 580,158 |
| Asset movements | | | | |
| Additions | 25,140 | 12,650 | 108,232 | 146,022 |
| less Depreciation/amortisation expense | 27,590 | 19,601 | 62,753 | 109,944 |
| Total asset movements | (2,450) | (6,951) | 45,479 | 36,078 |
| As at 30 June 2010 | | | | |
| Gross book value | 183,265 | 119,351 | 825,247 | 1,127,863 |
| less Accumulated depreciation/amortisation | 40,151 | 67,869 | 403,607 | 511,627 |
| Closing net book balance | 143,114 | 51,482 | 421,640 | 616,236 |

Prepared on Australian Accounting Standards basis.

Table 3.2.7: 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 |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Revenue | | | | | |
| Taxation | | | | | |
| Income tax | 201,389,194 | 189,310,000 | 202,890,000 | 226,890,000 | 246,520,000 |
| Indirect tax | 68,034,457 | 69,790,000 | 73,220,000 | 76,330,000 | 78,340,000 |
| Other taxes, fees and fines | 613,988 | 448,000 | 466,000 | 484,000 | 502,000 |
| Total taxation | 270,037,639 | 259,548,000 | 276,576,000 | 303,704,000 | 325,362,000 |
| Non-taxation | | | | | |
| Other sources of non-taxation revenues | - | 26,000 | 26,000 | 26,000 | 26,000 |
| Total non-taxation | - | 26,000 | 26,000 | 26,000 | 26,000 |
| Total revenues administered on behalf of Government | 270,037,639 | 259,574,000 | 276,602,000 | 303,730,000 | 325,388,000 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Subsidies | 5,831,402 | 5,920,000 | 6,408,000 | 6,617,000 | 6,065,000 |
| Personal benefits | 9,682,370 | 2,019,000 | 1,927,000 | 1,972,000 | 2,217,000 |
| Suppliers | - | 18,723 | 4,604 | 2,469 | 21 |
| Write down and impairment of assets | 5,859,551 | 5,790,000 | 5,335,000 | 5,615,000 | 5,935,000 |
| Finance costs | 431,217 | 330,000 | 330,000 | 330,000 | 330,000 |
| Other | 193,999 | 229,000 | 238,000 | 247,000 | 257,000 |
| Total expenses administered on behalf of Government | 21,998,539 | 14,306,723 | 14,242,604 | 14,783,469 | 14,804,021 |

Prepared on Australian Accounting Standards basis. Also refer note in Section 3.2.3 on recognition of taxation revenue and items recognised as reductions to taxation revenue.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 210,752 | 210,752 | 210,752 | 210,752 | 210,752 |
| Receivables | 16,532,237 | 18,072,237 | 20,339,237 | 22,275,237 | 24,002,237 |
| Accrued revenues | 8,749,034 | 8,889,034 | 9,389,034 | 9,984,034 | 10,509,034 |
| Total financial assets | 25,492,023 | 27,172,023 | 29,939,023 | 32,470,023 | 34,722,023 |
| Total assets administered on behalf of Government | 25,492,023 | 27,172,023 | 29,939,023 | 32,470,023 | 34,722,023 |
| LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Provisions | | | | | |
| Taxation refunds provided | 1,308,982 | 1,378,982 | 1,443,982 | 1,488,982 | 1,538,982 |
| Other provisions | 422,509 | 433,509 | 425,509 | 426,509 | 428,509 |
| Total provisions | 1,731,491 | 1,812,491 | 1,869,491 | 1,915,491 | 1,967,491 |
| Payables | | | | | |
| Subsidies | 1,340,949 | 1,459,949 | 1,813,949 | 2,124,949 | 2,227,949 |
| Personal benefits payable | 3,186,779 | 2,273,029 | 2,285,029 | 2,322,029 | 2,565,029 |
| Other payables | 619,788 | 619,788 | 619,788 | 619,788 | 619,788 |
| Total payables | 5,147,516 | 4,352,766 | 4,718,766 | 5,066,766 | 5,412,766 |
| Total liabilities administered on behalf of Government | 6,879,007 | 6,165,257 | 6,588,257 | 6,982,257 | 7,380,257 |

Prepared on Australian Accounting Standards basis. Also refer note in Section 3.2.3 on recognition of taxation revenue and items recognised as reductions to taxation revenue.

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

| | Actual 2008-09 \$'000 | Revised budget 2009-10 \$'000 | Forward estimate 2010-11 \$'000 | Forward estimate 2011-12 \$'000 | Forward estimate 2012-13 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Taxes | 264,654,113 | 252,148,000 | 268,539,000 | 295,603,000 | 317,225,000 |
| Other | - | 26,000 | 26,000 | 26,000 | 26,000 |
| Total cash received | 264,654,113 | 252,174,000 | 268,565,000 | 295,629,000 | 317,251,000 |
| Cash used | | | | | |
| Borrowing costs | 415,235 | 330,000 | 330,000 | 330,000 | 330,000 |
| Subsidies paid | 5,693,449 | 5,801,000 | 6,054,000 | 6,306,000 | 5,962,000 |
| Personal benefits | 11,074,023 | 2,932,750 | 1,915,000 | 1,935,000 | 1,974,000 |
| Payments to suppliers | - | 18,723 | 4,604 | 2,469 | 21 |
| Other | 299,933 | 218,000 | 246,000 | 246,000 | 255,000 |
| Total cash used | 17,482,640 | 9,300,473 | 8,549,604 | 8,819,469 | 8,521,021 |
| Net cash from or (used by) operating activities | 247,171,473 | 242,873,527 | 260,015,396 | 286,809,531 | 308,729,979 |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Cash from Official Public Account | 15,008,551 | 9,300,473 | 8,549,604 | 8,819,469 | 8,521,021 |
| Total cash received | 15,008,551 | 9,300,473 | 8,549,604 | 8,819,469 | 8,521,021 |
| Cash used | | | | | |
| Cash to Official Public Account | 262,237,290 | 252,174,000 | 268,565,000 | 295,629,000 | 317,251,000 |
| Total cash used | 262,237,290 | 252,174,000 | 268,565,000 | 295,629,000 | 317,251,000 |
| Net cash from or (used by) financing activities | (247,228,739) | (242,873,527) | (260,015,396) | (286,809,531) | (308,729,979) |
| Net increase or (decrease) in cash held | (57,266) | - | - | - | - |
| Cash at beginning of reporting period | 268,018 | 210,752 | 210,752 | 210,752 | 210,752 |
| Cash at end of reporting period | 210,752 | 210,752 | 210,752 | 210,752 | 210,752 |

Prepared on Australian Accounting Standards basis.

3.2.3 Notes to the financial statements

Basis of accounting

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

Notes to the departmental statements

The departmental financial statements, included in Tables 3.2.1 to 3.2.6 have been prepared on the basis of Australian Accounting Standards and Department of Finance and Deregulation guidance for the preparation of financial statements.

The budget statements and estimated forward years have been prepared to reflect the following matters.

Australian Valuation Office

The ATO's budget statements are consolidated to include the financial operations of the Australian Valuation Office.

Cost of administering goods and services tax

Departmental statements include the estimated costs of administering the goods and services tax (GST) pursuant to the ‘intergovernmental agreement on the reform of Commonwealth-State Financial Relations’. The GST revenue is collected on behalf of the States and Territories which agree to compensate the Australian Government for the agreed GST administration costs.

The recovery of GST administration costs are reported under the Treasury.

Notes to the administered statements

The administered financial statements included in Tables 3.2.7 to 3.2.9 have been prepared on the basis of Australian Accounting Standards.

The standards require that taxation revenues are recognised on an accrual basis when the following conditions apply:

- the taxpayer or the taxpayer group can be identified in a reliable manner;
- the amount of tax or other statutory charge is payable by the taxpayer or taxpayer group under legislative provisions; and
- the amount of the tax or statutory charge payable by the taxpayer or taxpayer group can be reliably measured, and it is probable that the amount will be collected.

The amount of taxation revenue recognised takes account of legislative steps, discretion to be exercised and any refunds and/or credit amendments to which the taxpayers may become entitled.

Recognition of taxation revenue

Taxation revenue is recognised when the Government, through the application of legislation by the ATO and other relevant activities, gains control over the future economic benefits that flow from taxes and other statutory charges – the Economic Transaction Method (ETM). This methodology relies on the estimation of the probable flows of taxes from transactions which have occurred in the economy, but not yet reported, and are likely to be reported, to the ATO through an assessment or disclosure.

However in circumstances when there is an ‘inability to reliably measure tax revenues when the underlying transactions or events occur’, the standards permit an alternative approach – the Taxation Liability Method (TLM). Under this basis, taxation revenue is recognised at the earlier of when an assessment of a tax liability is made or payment is received by the ATO. This recognition policy means that taxation revenue is generally measured at a later time than would be the case if it were measured under the ETM method.

In accordance with the above revenue recognition approach, the ATO uses ETM as the basis for revenue recognition, except for income tax for individuals, companies and superannuation funds and superannuation surcharge which are recognised on a TLM basis.

Items recognised as reductions to taxation revenue

The following items are recognised as reductions (increases) to taxation revenue and not as an expense:

- refunds of revenue; and
- increase (decrease) in movement of provision for credit amendments.

