

# AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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# AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

The Australian Energy Regulator (AER) is Australia's national energy market regulator. The AER has an independent Board.

The ACCC and AER share staffing, resources and facilities.

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

As Australia's peak consumer protection and competition agency, the ACCC has a number of enduring compliance and enforcement priorities: cartel conduct; agreements that substantially lessen competition, including secondary boycotts; the misuse of market power; and product safety issues which have the potential to cause serious harm to consumers.

This year the ACCC is prioritising compliance and enforcement work in the following areas:

- competition and consumer issues in the agriculture sector;
- competition and consumer issues in the health and medical sectors, including consumer protection issues arising from health claims by large businesses and the ACCC's 2015 report to the Senate on the private health insurance industry;
- cartel conduct impacting on government procurement;
- ensuring small businesses receive the protections of:
  - industry codes of conduct, including the Franchising Code, the Food and Grocery Code and the revised Horticulture Code, and

- new legislative provisions extending unfair contract term protections to small businesses.
- the effectiveness of action taken by suppliers to recall unsafe consumer products;
- consumer guarantees, with a focus on representations made by large retailers about express and extended warranties;
- consumer issues arising in relation to new car retailing, including responses by retailers and manufacturers to consumer guarantee claims;
- in conjunction with other agencies and partners, disruption of scams, particularly those that rely on building deceptive relationships and which cause severe and widespread consumer or small business detriment; and
- consumer protection issues impacting on vulnerable and disadvantaged consumers with a particular focus on older consumers and consumers who are newly arrived in Australia.

The ACCC uses priority factors to direct resources to the investigation and resolution of matters that provide the greatest overall benefit for competition and consumers.

The ACCC will continue to assess and review mergers to prevent structural changes that substantially lessen competition with a particular focus on concentrated markets and proposed acquisitions arising through privatisation of public sector assets.

The ACCC will continue to assess and make decisions about applications for authorisation and notification of certain anti-competitive conduct evaluating if such arrangements or conduct may result in a net public benefit and warrant exemption from the CCA.

The ACCC is the national regulator of natural monopoly infrastructure facilities in communication, bulk water, post and transport industries (energy sector regulation is undertaken by the AER). Fostering efficient infrastructure provision through industry-specific regulation and access conditions – under the umbrella of the long term interest of end users – is the major focus of the economic regulatory role. Access conditions that promote competition in upstream and downstream markets can increase the efficiency and productivity of the overall economy.

The ACCC economic regulation priorities for 2016-17 include:

- undertaking access, pricing and regulatory coverage assessments across key infrastructure sectors;

- promoting competition and efficiency in sectors undergoing major reform and/or transitioning to new market structures, including communications and water markets;
- enforcing and promoting compliance with industry-specific compliance regimes in telecommunications and water;
- assessing the implications of emerging competition issues in communications markets;
- advocating for appropriate regulation of monopoly infrastructure, including in areas where there are efficiency concerns independent of competition concerns; and
- undertaking price monitoring and reporting activities across different sectors, including petrol, airports, stevedoring and communications.

The AER has a diverse work program that is informed by the requirements of the energy market laws and rules. The AER's priorities and work program are guided by the energy laws' objective of promoting efficient investment in, and operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security.

For 2016-17, the AER's focus will include:

- Delivering network regulation to promote efficient investment in energy network services that customers value, including through:
  - setting the revenues of significant electricity networks and gas pipelines in Australia
  - appropriately considering recent decisions of the Australian Competition Tribunal
  - overseeing tariff reforms that will deliver prices better reflecting the costs of supplying electricity to consumers
  - developing ring fencing guidelines to enable effective introduction of new technologies and services, by providing clear guidance on their regulatory treatment
  - preparing for the extension of national electricity and gas network regulation to Western Australia
- Promoting consumer confidence in retail energy markets by:

- providing clear and useful information about energy business performance, customer rights and protections
- actively promoting industry compliance with regulatory obligations and taking appropriate enforcement action
- applying flexible and adaptable regulatory processes that accommodate innovative products and services while maintaining appropriate consumer protections
- helping consumers make good choices through its price comparator website Energy Made Easy.
- Promoting efficient wholesale energy markets by:
  - promoting compliance with the gas and electricity market rules and taking enforcement action where necessary
  - monitoring wholesale gas and electricity markets, including for market manipulation in spot gas markets
  - preparing for a new role on monitoring and reporting on the effectiveness of competition in the National Electricity Market.

More broadly the AER will also be focussing on supporting the COAG Energy Council through strong participation in energy policy development processes and the provision of clear and targeted advice.

The ACCC and AER work directly and indirectly to achieve a shared outcome, outlined in section 2.1. Both will use strategic communication and undertake an active program of managed partnerships with other organisations to deliver outcomes that impact favourably on competition and consumer welfare.

## **1.2 ENTITY RESOURCE STATEMENT**

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

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

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

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

**Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2016-17 as at Budget May 2016**

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	21,582	10,860
Departmental appropriation	167,339	174,355
s74 retained revenue receipts (b)	3,780	3,947
Departmental capital budget (c)	1,993	1,987
Annual appropriations - other services - non-operating (d)		
Prior year appropriations available	2,700	14,296
Equity injection	12,896	1,400
<i>Total departmental annual appropriations</i>	<i>210,290</i>	<i>206,845</i>
<b>Total departmental resourcing</b>	<b>210,290</b>	<b>206,845</b>
<b>Administered</b>		
Special appropriations (e)	11,020	20
<i>Total administered special appropriations</i>	<i>11,020</i>	<i>20</i>
<b>Total administered resourcing</b>	<b>11,020</b>	<b>20</b>
<b>Total resourcing for the ACCC</b>	<b>221,310</b>	<b>206,865</b>
	2015-16	2016-17
<b>Average staffing level (number)</b>	739	739

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

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'000
Payments made on behalf of the NCC (as disclosed in the respective entity's resource statement)	1,740	1,727
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	3,780	3,947

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

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

(a) Appropriation Bill (No.1) 2016-17.

(b) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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

(d) Appropriation Bill (No.2) 2016-17.

(e) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Entity 2016-17 Budget measures**

**Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook**

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Expense measures</b>						
Australian Energy Regulator - additional funding						
Departmental expenses	1.2	-	7,950	-	-	-
Country of Origin Labelling — information and compliance (a)						
Departmental expenses	1.1	-	400	400	1,490	1,190
<b>Total expense measures</b>		-	<b>8,350</b>	<b>400</b>	<b>1,490</b>	<b>1,190</b>
<b>Capital measures</b>						
International Trade Agreements — government procurement reforms						
Departmental capital	1.1	-	300	-	-	-
<b>Total capital measures</b>		-	<b>300</b>	-	-	-

(a) The lead entity for measure titled "Country of Origin Labelling - information and compliance" is the Department of Industry, Innovation and Science. The full measure description and package details appear in *Budget Paper No.2* under the Industry, Innovation and Science portfolio.

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative represent a decrease in funds and a positive represent an increase in funds.



## Section 2: Outcomes and planned performance

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

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

### **Note:**

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced Commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

### **2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1**

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

#### **Budgeted expenses for Outcome 1**

Table 2.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 1.1: Australian Competition and Consumer Commission</b>					
Departmental expenses					
Departmental appropriation	131,779	131,600	131,286	133,158	130,718
Section 74 Retained revenue receipts (a)	5,695	3,698	3,953	2,253	2,253
Expenses not requiring appropriation in the Budget year (b)	6,030	5,691	5,476	5,326	5,292
<b>Departmental total</b>	<b>143,504</b>	<b>140,989</b>	<b>140,715</b>	<b>140,737</b>	<b>138,263</b>
<b>Total expenses for program 1.1</b>	<b>143,504</b>	<b>140,989</b>	<b>140,715</b>	<b>140,737</b>	<b>138,263</b>
<b>Program 1.2: Australian Energy Regulator</b>					
Departmental expenses					
Departmental appropriation	33,567	40,768	33,030	33,225	33,457
<b>Departmental total</b>	<b>33,567</b>	<b>40,768</b>	<b>33,030</b>	<b>33,225</b>	<b>33,457</b>
<b>Total expenses for program 1.2</b>	<b>33,567</b>	<b>40,768</b>	<b>33,030</b>	<b>33,225</b>	<b>33,457</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation	165,346	172,368	164,316	166,383	164,175
Section 74 Retained revenue receipts (a)	5,695	3,698	3,953	2,253	2,253
Expenses not requiring appropriation in the Budget year (b)	6,030	5,691	5,476	5,326	5,292
<b>Departmental total</b>	<b>177,071</b>	<b>181,757</b>	<b>173,745</b>	<b>173,962</b>	<b>171,720</b>
<b>Total expenses for Outcome 1</b>	<b>177,071</b>	<b>181,757</b>	<b>173,745</b>	<b>173,962</b>	<b>171,720</b>
	2015-16	2016-17			
<b>Average staffing level (number)</b>	739	739			

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

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

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

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

The tables below detail the performance criteria for each program associated with Outcome 1. The tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

<p><b>Outcome 1</b></p> <p>Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services</p>
<p><b>Program 1.1 – Australian Competition and Consumer Commission</b></p> <p>To achieve compliance with the <i>Competition and Consumer Act 2010</i> and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.</p>

<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Maintaining and promoting competition</li> <li>• Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business</li> <li>• Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets<sup>(a)</sup></b>
2015-16	Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted)	8
	Percentage of merger matters considered that were finalised by pre-assessment	80%
	Percentage of authorisation applications assessed within statutory timeframes	100%
	Number of ACL enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued)	40
	Number of detailed assessments of emerging product safety hazards	40
	Number of small business Infocentre contacts served	12,000
	Number of Infocentre contacts served	150,000
	Number of major regulatory decisions	3
	Number of annual monitoring reports	4
	Number of reports on monitoring of unleaded petroleum products	4
2016-17	Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted)	8
	Percentage of merger matters considered that were finalised by pre-assessment	80%
	Percentage of authorisation applications assessed within statutory timeframes	100%
	Number of ACL enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued)	40
	Number of detailed assessments of emerging product safety hazards	40
	Number of small business Infocentre contacts served	12,000
	Number of Infocentre contacts served	150,000
	Number of major regulatory decisions	3
	Number of annual monitoring reports	4
	Number of reports on monitoring of unleaded petroleum products	4

Year	Performance criteria	Targets <sup>(a)</sup>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	Competitive markets increase the prosperity and welfare of Australian consumers. The ACCC's role is to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians. This means the ACCC will take action where this improves consumer welfare, protects competition or stops conduct that is anti-competitive or harmful to consumers, and promotes the proper functioning of Australian markets.	

(a) Information under 'Targets' for 2015-16 is anticipated result

The above program is linked to the Department of Health (Program 5.1 – Primary Care Financing Quality and Access) and Department of Industry, Innovation and Science (Program 2 – Growing Business Investment and Improving Business Capability).

<b>Program 1.2 – Australian Energy Regulator</b>		
The AER's priorities and work program are guided by the objectives of the national energy legislation. The common objective through the legislation is to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of end users of energy with respect to price, quality, safety, reliability and security of supply.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing effective network regulation</li> <li>• Building consumer confidence in retail energy markets</li> <li>• Supporting efficient wholesale energy markets</li> </ul>	
<b>Performance information</b>		
Year	Performance criteria	Targets <sup>(a)</sup>
2015-16	Number of revenue reset determinations for electricity networks and gas pipelines and distribution networks completed	11
	Number of annual reports on compliance in, and performance of, retail energy markets	2
	Number of targeted reviews of compliance with the national energy rules	4
2016-17	Number of completed revenue decisions for electricity networks and gas pipelines <sup>(b)</sup>	3
	Number of annual reports on compliance in, and performance of, retail energy markets	2
	Number of targeted reviews of compliance with the national energy rules	4
2017-18	Number of completed revenue decisions for electricity networks and gas pipelines <sup>(b)</sup>	10
	Number of annual reports on compliance in, and performance of, retail energy markets	2
	Number of targeted reviews of compliance with the national energy rules	4

<b>Year</b>	<b>Performance criteria</b>	<b>Targets<sup>(a)</sup></b>
2018-19	Number of completed revenue decisions for electricity networks and gas pipelines <sup>(b)</sup>	9
	Number of annual reports on compliance in, and performance of, retail energy markets	2
	Number of targeted reviews of compliance with the national energy rules	4
2019-20	Number of completed revenue decisions for electricity networks and gas pipelines <sup>(b)</sup>	7
	Number of annual reports on compliance in, and performance of, retail energy markets	2
	Number of targeted reviews of compliance with the national energy rules	4
<b>Purposes</b>	The AER regulates energy markets and networks under national legislation and rules, which aim to promote efficient investment in, and operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security of supply.	

(a) Information under 'Targets' for 2015-16 is anticipated result.

(b) Updated to make it consistent with terminology used in our other reporting.

The above program is linked to the Department of Industry, Innovation and Science (Program 2 – Growing Business Investment and Improving Business Capability).

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

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

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

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

##### **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 Comprehensive income statement**

The ACCC received approval for a \$7.0 million operating loss for 2015-16 due to unforeseen litigation expenses. It is budgeting to break-even for 2016-17 and each of the forward estimates.

##### **Operating revenues**

Total appropriation revenue for 2016-17 is estimated to be \$172.4 million. This has increased from \$165.3 million as reported in the 2015-16 Portfolio Additional Estimates Statements. The increase is due to additional funding received for new policy proposals for Country of Origin Labelling and Australian Energy Regulator – expanded functions. Refer to Table 1.2 for funding details.

##### **Operating expenses**

Total expenses in 2016-17 are estimated to be \$181.8 million. This is a decrease of \$2.3 million from the 2015-16 estimated actual.

##### **Departmental Balance Sheet**

##### **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.

### **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.
- Rent straight-lining adjustments and lease incentives.
- Makegood liability for leased accommodation.
- Onerous lease for the Nishi building in New Acton, Canberra.
- Unpaid expenses as at balance date.

### 3.1.3 Budgeted financial statements tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	101,217	97,749	97,052	96,148	95,160
Suppliers	76,856	78,330	71,228	72,489	71,260
Depreciation and amortisation	5,939	5,600	5,385	5,235	5,201
Finance costs	59	78	80	90	99
<b>Total expenses</b>	<b>184,071</b>	<b>181,757</b>	<b>173,745</b>	<b>173,962</b>	<b>171,720</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	5,695	3,698	3,953	2,253	2,253
<b>Total own-source revenue</b>	<b>5,695</b>	<b>3,698</b>	<b>3,953</b>	<b>2,253</b>	<b>2,253</b>
<b>Gains</b>					
Other	91	91	91	91	91
<b>Total gains</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
<b>Total own-source income</b>	<b>5,786</b>	<b>3,789</b>	<b>4,044</b>	<b>2,344</b>	<b>2,344</b>
<b>Net (cost of)/contribution by services</b>	<b>(178,285)</b>	<b>(177,968)</b>	<b>(169,701)</b>	<b>(171,618)</b>	<b>(169,376)</b>
Revenue from Government	165,346	172,368	164,316	166,383	164,175
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(12,939)</b>	<b>(5,600)</b>	<b>(5,385)</b>	<b>(5,235)</b>	<b>(5,201)</b>
<b>Total comprehensive income/(loss)</b>	<b>(12,939)</b>	<b>(5,600)</b>	<b>(5,385)</b>	<b>(5,235)</b>	<b>(5,201)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(12,939)</b>	<b>(5,600)</b>	<b>(5,385)</b>	<b>(5,235)</b>	<b>(5,201)</b>

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

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>(7,000)</b>	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	5,939	5,600	5,385	5,235	5,201
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(12,939)</b>	<b>(5,600)</b>	<b>(5,385)</b>	<b>(5,235)</b>	<b>(5,201)</b>

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

Prepared on Australian Accounting Standards basis.



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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,000	2,000	2,000	2,000	2,000
Trade and other receivables	24,937	22,768	21,106	19,575	18,034
<b>Total financial assets</b>	<b>26,937</b>	<b>24,768</b>	<b>23,106</b>	<b>21,575</b>	<b>20,034</b>
<b>Non-financial assets</b>					
Land and buildings	10,004	7,786	11,440	9,533	7,707
Property, plant and equipment	4,601	4,623	4,420	3,985	3,876
Intangibles	3,751	3,234	3,304	3,029	2,395
Other non-financial assets	959	967	980	999	981
<b>Total non-financial assets</b>	<b>19,315</b>	<b>16,610</b>	<b>20,144</b>	<b>17,546</b>	<b>14,959</b>
<b>Total assets</b>	<b>46,252</b>	<b>41,378</b>	<b>43,250</b>	<b>39,121</b>	<b>34,993</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	8,892	8,131	8,326	8,573	8,512
Other payables	10,487	9,957	15,429	13,924	12,490
<b>Total payables</b>	<b>19,379</b>	<b>18,088</b>	<b>23,755</b>	<b>22,497</b>	<b>21,002</b>
<b>Provisions</b>					
Employee provisions	27,856	26,792	26,376	25,927	25,660
Other provisions	5,580	5,274	4,174	3,869	3,572
<b>Total provisions</b>	<b>33,436</b>	<b>32,066</b>	<b>30,550</b>	<b>29,796</b>	<b>29,232</b>
<b>Total liabilities</b>	<b>52,815</b>	<b>50,154</b>	<b>54,305</b>	<b>52,293</b>	<b>50,234</b>
<b>Net assets</b>	<b>(6,563)</b>	<b>(8,776)</b>	<b>(11,055)</b>	<b>(13,172)</b>	<b>(15,241)</b>
<b>EQUITY*</b>					
Contributed equity	71,624	75,011	78,117	81,235	84,367
Reserves	3,967	3,967	3,967	3,967	3,967
Retained surplus (accumulated deficit)	(82,154)	(87,754)	(93,139)	(98,374)	(103,575)
<b>Total equity</b>	<b>(6,563)</b>	<b>(8,776)</b>	<b>(11,055)</b>	<b>(13,172)</b>	<b>(15,241)</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2016</b>				
Balance carried forward from previous period	(82,154)	3,967	71,624	(6,563)
<b>Opening balance</b>	<b>(82,154)</b>	<b>3,967</b>	<b>71,624</b>	<b>(6,563)</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(5,600)	-	-	(5,600)
<b>Total comprehensive income</b>	<b>(5,600)</b>	<b>-</b>	<b>-</b>	<b>(5,600)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection - Appropriation	-	-	1,400	1,400
Departmental capital budget (DCB)	-	-	1,987	1,987
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>3,387</b>	<b>3,387</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>(87,754)</b>	<b>3,967</b>	<b>75,011</b>	<b>(8,776)</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(87,754)</b>	<b>3,967</b>	<b>75,011</b>	<b>(8,776)</b>

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	180,886	178,565	170,286	170,352	168,154
Sale of goods and rendering of services	3,780	3,947	4,269	2,442	2,488
Net GST received	7,250	6,608	7,272	6,942	6,823
<b>Total cash received</b>	<b>191,916</b>	<b>189,120</b>	<b>181,827</b>	<b>179,736</b>	<b>177,465</b>
<b>Cash used</b>					
Employees	105,768	101,275	100,333	99,445	98,245
Suppliers	81,951	84,398	77,725	78,349	77,232
s74 Retained revenue receipts transferred to OPA	3,780	3,947	4,269	2,442	2,488
<b>Total cash used</b>	<b>191,499</b>	<b>189,620</b>	<b>182,327</b>	<b>180,236</b>	<b>177,965</b>
<b>Net cash from/(used by) operating activities</b>	<b>417</b>	<b>(500)</b>	<b>(500)</b>	<b>(500)</b>	<b>(500)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	6,300	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>6,300</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	2,793	2,887	8,906	2,618	2,632
<b>Total cash used</b>	<b>2,793</b>	<b>2,887</b>	<b>8,906</b>	<b>2,618</b>	<b>2,632</b>
<b>Net cash from/(used by) investing activities</b>	<b>(2,793)</b>	<b>(2,887)</b>	<b>(2,606)</b>	<b>(2,618)</b>	<b>(2,632)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	3,293	3,387	3,106	3,118	3,132
<b>Total cash received</b>	<b>3,293</b>	<b>3,387</b>	<b>3,106</b>	<b>3,118</b>	<b>3,132</b>
<b>Net cash from/(used by) financing activities</b>	<b>3,293</b>	<b>3,387</b>	<b>3,106</b>	<b>3,118</b>	<b>3,132</b>
<b>Net increase/(decrease) in cash held</b>	<b>917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,083	2,000	2,000	2,000	2,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,993	1,987	2,006	2,018	2,032
Equity injections - Bill 2	12,896	1,400	1,100	1,100	1,100
<b>Total new capital appropriations</b>	<b>14,889</b>	<b>3,387</b>	<b>3,106</b>	<b>3,118</b>	<b>3,132</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	2,793	2,887	2,606	2,618	2,632
<i>Other Items</i>	12,096	500	500	500	500
<b>Total items</b>	<b>14,889</b>	<b>3,387</b>	<b>3,106</b>	<b>3,118</b>	<b>3,132</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	800	900	600	600	600
Funded by capital appropriation - DCB (b)	1,993	1,987	2,006	2,018	2,032
Funded internally from departmental resources (c)	-	-	6,300	-	-
<b>TOTAL</b>	<b>2,793</b>	<b>2,887</b>	<b>8,906</b>	<b>2,618</b>	<b>2,632</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	2,793	2,887	8,906	2,618	2,632
<b>Total cash used to acquire assets</b>	<b>2,793</b>	<b>2,887</b>	<b>8,906</b>	<b>2,618</b>	<b>2,632</b>

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

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

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- section 74 Retained revenue receipts; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2016-17)**

	Land and Buildings \$'000	Property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2016</b>				
Gross book value	12,643	6,152	14,512	33,307
Accumulated depreciation/amortisation and impairment	(2,639)	(1,551)	(10,761)	(14,951)
<b>Opening net book balance</b>	<b>10,004</b>	<b>4,601</b>	<b>3,751</b>	<b>18,356</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (a)	-	-	900	900
By purchase - appropriation ordinary annual services (b)	-	1,600	387	1,987
<b>Total additions</b>	<b>-</b>	<b>1,600</b>	<b>1,287</b>	<b>2,887</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(2,218)	(1,578)	(1,804)	(5,600)
<b>Total other movements</b>	<b>(2,218)</b>	<b>(1,578)</b>	<b>(1,804)</b>	<b>(5,600)</b>
<b>As at 30 June 2017</b>				
Gross book value	12,643	7,752	15,799	36,194
Accumulated depreciation/ amortisation and impairment	(4,857)	(3,129)	(12,565)	(20,551)
<b>Closing net book balance</b>	<b>7,786</b>	<b>4,623</b>	<b>3,234</b>	<b>15,643</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2016-17, including Collection Development Acquisition Budgets.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Fees and fines	40,000	40,000	40,000	40,000	40,000
<b>Total non-taxation revenue</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Net cost of/(contribution by) services</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>
<b>Suplus/(deficit)</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	5,252	5,252	5,252	5,252	5,252
<b>Total financial assets</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>
<b>Total assets administered on behalf of Government</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>
<b>Net assets/(liabilities)</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>	<b>5,252</b>

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Fees	40,000	40,000	40,000	40,000	40,000
<b>Total cash received</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Cash used</b>					
Other	(11,000)	-	-	-	-
<b>Total cash used</b>	<b>(11,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) operating activities</b>	<b>29,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Net increase/(decrease) in cash held</b>	<b>29,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Transfers from other entities (Finance - Whole of Government)	11,000	-	-	-	-
<b>Total cash from Official Public Account</b>	<b>11,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
<b>Total cash to Official Public Account</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,000)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.