

Portfolio Additional Estimates Statements 2015-16

Treasury Portfolio

Explanations of Additional Estimates 2015-16

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ISBN 978-1-925220-81-0

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TREASURER

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2015-16 Additional Estimates for the Treasury Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan', written in a cursive style.

HON S. MORRISON MP

ABBREVIATIONS AND CONVENTIONS

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

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.

The Australian Capital Territory and the Northern Territory are referred to as 'the territories'. References to the 'states' or 'each state' includes the territories.

Enquiries

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

**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATE STATEMENTS**

USER GUIDE

The purpose of the 2015-16 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the Portfolio Budget Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programmes supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2015-16. 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 s.15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2015-16* 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 entities 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 entities in the portfolio.

Entity additional estimates statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section 1: Entity overview and resources

This section details the **changes** in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.

Section 2: Revisions to outcomes and planned performance

This section details **changes** to Government outcomes and/or **changes** to the planned performance of entity programmes.

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

PORTFOLIO OVERVIEW

There has been no significant change to the portfolio overview, portfolio responsibilities or entity outcomes from that included in the *Portfolio Budget Statements 2015-16* (pages 3-5).

As a result of the Administrative Arrangements Orders in September 2015, portfolio responsibility for the Clean Energy Finance Corporation was transferred to the Department of the Environment.

Additional estimates are being sought for the Department of the Treasury, the Australian Competition and Consumer Commission, 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 Bureau of Statistics, the Australian Office of Financial Management, the Australian Prudential Regulation Authority, the Commonwealth Grants Commission, 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.

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury Portfolio Structure and Outcomes (continued)



Portfolio resources

Table 1 shows those entities reporting in the PAES and the additional resources provided to the portfolio in the 2015-16 budget year, by entity.

Table 1: Portfolio Resources (2015-16 Additional Estimates)

	Appropriation Bill No. 3 (\$'000)	Appropriation Bill No. 4 (\$'000)	Special appropriation (\$'000)	Receipts (\$'000)	Total (\$'000)
Department of the Treasury					
Administered appropriations	1,400	-	-	-	1,400
Departmental appropriations	1,768	-	-	-	1,768
Total:	3,168	-	-	-	3,168
Australian Competition and Consumer Commission					
Administered appropriations	-	-	-	-	-
Departmental appropriations	2,524	11,596	-	-	14,120
Total:	2,524	11,596	-	-	14,120
Australian Securities and Investments Commission					
Administered appropriations	633	-	-	-	633
Departmental appropriations	-	3,508	-	-	3,508
Total:	633	3,508	-	-	4,141
Australian Taxation Office					
Administered appropriations	-	-	-	-	-
Departmental appropriations	46,226	74,025	-	-	120,251
Total:	46,226	74,025	-	-	120,251
Resources available within portfolio:					141,680

**ENTITY ADDITIONAL ESTIMATES
STATEMENTS**

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DEPARTMENT OF THE TREASURY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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 2015-16* (pages 16-18).

As a result of the Administrative Arrangements Orders in September 2015 the Northern Australian Infrastructure Incentive Facility was transferred from the Treasury to the Department of Industry, Innovation and Science. The Administrative Arrangements Orders also transferred responsibility for the administration of the Clean Energy Finance Corporation (CEFC) special account from the Treasury to the Department of the Environment.

The Treasury is seeking an additional \$1.8 million in departmental funding through Appropriation Bill (No. 3) 2015-16. This comprises an additional \$1.2 million for the Asian Infrastructure Investment Bank measure and \$0.7 million for the capability review of the Australian Securities and Investments Commission measure outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*. This additional funding is offset by a reduction of \$0.1 million relating to the Public Sector Superannuation Accumulation Plan administration fees as outlined in the *Mid-Year Economic and Fiscal Outlook 2014-15*.

The Treasury is seeking an additional \$1.4 million in administered funding through Appropriation Bill (No. 3) 2015-16 to provide additional services under the Australian Small Business Advisory Service (ASBAS) programme as outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Treasury at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 Budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

Table 1.1: Treasury resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	<i>2014-15</i>	2015-16	2015-16	2015-16
	<i>\$'000</i>	\$'000	\$'000	\$'000
Ordinary annual services(a)				
Departmental appropriation				
Prior year departmental appropriation(b)	56,814	62,240	-	62,240
Departmental appropriation(c)	178,140	163,653	1,768	165,421
s.74 Retained Revenue Receipts(d)	15,425	10,521	-	10,521
Total	250,379	236,414	1,768	238,182
Administered expenses				
Outcome 1	86,568	36,724	1,400	38,124
Total	86,568	36,724	1,400	38,124
Total ordinary annual services [A]	336,947	273,138	3,168	276,306
Other services(e)				
Administered expenses				
Departmental non-operating				
Equity injections	1,595	1,700	-	1,700
Total	1,595	1,700	-	1,700
Total other services [B]	1,595	1,700	-	1,700
Total available annual appropriations [A+B]	338,542	274,838	3,168	278,006
Special appropriations				
Special appropriations limited by criteria/entitlement				
Asian Development Bank (Additional Subscription) Act 2009	16,979	28,030	-	28,030
Asian Infrastructure Investment Bank Act 2015	-	-	201,128	201,128
Federal Financial Relations Act 2009	73,296,353	77,033,023	631,785	77,664,808
International Monetary Agreements Act 1947	54,453	1,994,862	83,959	2,078,821
PGPA Act 2013 - s.77 repayments	2,871	1,000	-	1,000
Total special appropriations [C]	73,370,656	79,056,915	916,872	79,973,787
Total appropriations excluding Special Accounts [A+B+C]	73,709,198	79,331,753	920,040	80,251,793
Special Accounts				
Opening balance(f)	870,846	2,921,446	(2,918,814)	2,632
Appropriation Receipts(g)	2,000,000	-	-	-
Non-appropriation receipts to Special Accounts	11,574,269	13,033,492	(308,907)	12,724,585
Total Special Accounts [D]	14,445,115	15,954,938	(3,227,721)	12,727,217

Table 1.1: Treasury resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016 (continued)

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Total resourcing [A+B+C+D]	88,154,313	95,286,691	(2,307,681)	92,979,010
Less appropriations drawn from annual or special appropriations above and credited to special accounts	2,000,000	-	-	-
Total net resourcing for the Treasury(g)	86,154,313	95,286,691	(2,307,681)	92,979,010

- (a) *Appropriation Act (No. 1) 2015-2016* and *Appropriation Bill (No. 3) 2015-2016*.
 (b) Estimated adjusted balance carried from previous year for annual appropriations.
 (c) Includes an amount of \$5.3m in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. The estimate as at Budget for 2015-16 incorporates the transfer of funding of \$1.0 million from the Treasury to the Department of Industry, Innovation and Science for the Northern Australia Infrastructure Incentive Facility.
 (d) Estimated retained revenue receipts under s.74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
 (e) *Appropriation Act (No. 2) 2015-2016* and *Appropriation Bill (No. 4) 2015-2016*.
 (f) Estimated opening balance for special accounts (less 'special public money' held in Services for Other Entities and Trust Moneys Special Accounts (SOETM)). For further information on special accounts refer to Table 3.1.1. The revised opening balance estimate for 2015-16 has been reduced to reflect the transfer of the CEFC special account to the Department of the Environment.
 (g) Total resourcing for the Treasury will be effected by s. 75 transfers of appropriations (refer to table 1.4 for further details).

Reader note: All figures are GST exclusive. These figures may not match figures in the cash flow statement.

Table 1.1: Treasury resource statement — Additional estimates for 2015-16 as at additional estimates February 2016 (continued)

Third party payments from and on behalf of other entities

	Estimate at Budget	Estimate at Additional Estimates
	2015-16 \$'000	2015-16 \$'000
Payments made on behalf of other entities (a)		
Finance (b)	68,182	-
Health (c)	239,678	46,891
Infrastructure and Regional Development	179,920	122,920
Social Services	107,716	158,510

- (a) These payments relate to National Partnership payments to the states.
 (b) As outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*, access to the DisabilityCare Australia Fund will be determined through negotiations between the Commonwealth and the states. The maximum amount of funding available to the states is set out in the *DisabilityCare Australia Fund Act 2013*.
 (c) The revision to estimates reflects the change in funding arrangements for health infrastructure projects, which will be funded from the COAG Reform Fund Special Account. This change was part of the *Medical Research Future Fund – establishment* measure as outlined in the Budget Paper No.2, *Budget Measures 2014-15*.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table is split into expense and capital measures, with the affected programme identified.

Table 1.2: Treasury 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
Asian Infrastructure Investment Bank					
Departmental expenses	1.1	1,188	1,181	949	958
Asset Recycling Initiative — redirection of funding					
Administered expenses	1.9	-	-	-	-
Assistance for Queensland Banana Growers — Panama disease Tropical Race 4					
Administered expenses	1.9	-	-	-	-
Capability Review of the Australian Securities and Investments Commission					
Departmental expenses	1.1	-	-	-	-
Disaster relief — additional funding					
Administered expenses	1.7	4,688	8,688	-	-
Financial Stability Fund — not proceeding					
Administered expenses	1.1	(168)	(600)	(1,074)	(1,583)
Health Services in Tasmania — additional funding					
Administered expenses	1.9	10,663	10,000	-	-
Indirect Tax Concession Scheme — diplomatic and consular concessions					
Administered expenses	1.4	-	-	-	-
Mental Health — streamlining					
Administered expenses	1.9	-	-	-	-
National Disability Insurance Scheme — transition to full scheme					
Administered expenses	1.9	(339,236)	(328,803)	(350,862)	(362,195)
National Immunisation Programme — new and amended listings					
Administered expenses	1.9	(3)	(20)	(51)	(68)
Next Generation Manufacturing Programme — additional funding					
Administered expenses	1.9	(10,000)	(10,000)	(9,124)	-
Our North, Our Future					
- business, trade and investment gateway					
Administered expenses	1.9	-	-	-	-
- road and rail infrastructure					
Administered expenses	1.9	-	-	-	-

Table 1.2: Treasury 2015-16 measures since Budget (continued)

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
South Australia - upgrading the last mile					
Administered expenses	1.9	-	-	-	-
Strengthening Australia's Foreign Investment Framework — continuation					
Administered expenses	1.9	-	-	-	-
Stronger Farmers, Stronger Economy – National Water Infrastructure Development Fund					
Administered expenses	1.9	-	-	-	-
– new drought management framework					
Administered expenses	1.9	-	-	-	-
– strengthening research, skills and management of natural resources					
Administered expenses	1.9	-	-	-	-
Public Sector Superannuation Accumulation Plan administration fees (a)					
Departmental expenses	1.1	(66)	(66)	(66)	(66)
Public Sector Savings - Enterprise Resource Planning Systems (b)					
Departmental expenses	1.1	-	-	(94)	(114)
Syrian and Iraqi Humanitarian Crisis					
Administered expenses	1.5/1.4	3,637	15,619	18,803	19,964
Tasmania — horticulture growth project					
Administered expenses	1.9	50	-	-	-
Tasmanian Forests — saving					
Administered expenses	1.9	-	-	-	-
Tasmanian Wilderness World Heritage Area — contribution					
Administered expenses	1.9	-	-	-	-
Total expense measures		(329,247)	(304,001)	(341,519)	(343,104)
Administered		(330,369)	(305,116)	(342,308)	(343,882)
Departmental		1,122	1,115	789	778
Capital measures					
Asian Infrastructure Investment Bank					
Administered	1.1	-	-	-	-
Total capital measures		-	-	-	-
Total		(329,247)	(304,001)	(341,519)	(343,104)

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Treasury at Additional Estimates, by outcome. Table 1.3 details the additional estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details additional estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (administered)					
Our North, Our Future - Business Trade and Investment Gateway (ASBAS) (a)					
	1.3	1,400	1,400	1,400	-
Net impact on estimates for Outcome 1 (administered)					
1,400 1,400 1,400 -					
Increase in estimates (departmental)					
Asian Infrastructure Investment Bank (a)					
	1.1	1,188	1,181	949	958
Capability Review of Australian Securities and Investments Commission (a)					
	1.1	646	-	-	-
Decrease in estimates (departmental)					
Public Sector Superannuation Accumulation Plan administration fees (b)					
	1.1	(66)	(66)	(66)	(66)
Public Sector Savings - Enterprise Resource Planning Systems (c)					
	1.1	-	-	(94)	(114)
Net impact on estimates for Outcome 1 (departmental)					
1,768 1,115 789 778					

(a) The Asian Infrastructure Investment Bank, ASBAS, and Capability Review of Australian Securities and Investments Commission measures were outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*.

(b) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(c) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

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

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Decrease in estimates (departmental)					
Northern Australia Infrastructure Incentive Facility(a)					
	1.1	(1,000)	(1,500)	(2,000)	(2,000)
Adjustments to reflect movements in indices relating to prices and wages					
	1.1	-	-	(151)	(304)
Net impact on estimates for Outcome 1 (departmental)		(1,000)	(1,500)	(2,151)	(2,304)
Decrease in estimates (capital)					
Adjustments to reflect movements in indices relating to prices and wages					
	1.1	-	-	(5)	(11)
Net impact on estimates for Outcome 1 (capital)		-	-	(5)	(11)

(a) Relates to the transfer of funding from the Treasury to the Department of Industry, Innovation and Science for the Northern Australia Infrastructure Incentive Facility as a result of the Administrative Arrangements Orders of September 2015.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table detail the Additional Estimates sought for the Treasury through Appropriation Bill No.3. There were no Additional Estimates sought for Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
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					
Departmental items (a)	234,954	163,653	165,421	1,768	-
Administered items	86,568	36,724	38,124	1,400	
Total	321,522	200,377	203,545	3,168	-

(a) The estimate as at the *Budget 2015-16* incorporates the transfer of funding of \$1.0 million from the Treasury to the Department of Industry, Innovation and Science for the Northern Australia Infrastructure Incentive Facility.

Section 2: Revisions to outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

OUTCOME 1

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2015-16* (pages 25-26).

There has been no significant change to the programme objective, expenses, deliverables or key performance indicators for programme 1.2 (payments to international financial institutions) and programmes 1.4 to 1.9 that affect Appropriation Bills Nos. 3 and 4.

Programmes 1.4 to 1.9 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 76 to 85 of the *Mid-Year Economic and Fiscal Outlook 2015-16*.

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	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
Programme 1.1: Department of the Treasury		
Administered expenses		
Ordinary annual services (<i>Appropriation Act No. 1</i> and Bill No. 3)	28,382	3,230
Special appropriations	2,871	1,000
Expenses not requiring appropriation	100	-
Departmental expenses		
Departmental appropriation (a)	182,241	171,724
Special Accounts	1,840	1,803
Expenses not requiring appropriation in the Budget year (b)	9,969	8,217
Total for Programme 1.1	225,403	185,974
Program 1.3: Support for Markets		
Administered expenses		
Ordinary annual services (<i>Appropriation Act No. 1</i> and Bill No. 3)	6,941	17,394
Total for Programme 1.3	6,941	17,394
<hr/>		
Average Staffing Level (number)	2014-15 820	2015-16 839

(a) Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1* and Bill No. 3)' and 'Retained Revenue Receipts under s. 74 of the PGPA Act 2013'.

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

Programme Objective 1.1 – Department of the Treasury

There have been no significant changes to programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses have been updated to reflect new government measures taken and other changes to resourcing for the Treasury as outlined in Table 1.3 and Table 1.4.

Programme expenses 1.1

Table 2.2: Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Departmental expenses					
Departmental items	184,081	173,527	166,608	166,654	167,872
Expenses not requiring appropriation (a)	9,969	8,217	5,858	5,903	5,934
Total departmental expenses	194,050	181,744	172,466	172,557	173,806
Administered expenses					
Annual Appropriations					
Community Engagement	27,982	-	-	-	-
Foreign investment communications	-	2,692	-	-	-
Other	400	538	-	-	-
Expenses not requiring appropriation	100	-	-	-	-
PGPA s.77 - repayments	2,871	1,000	1,000	1,000	1,000
Total administered expenses	31,353	4,230	1,000	1,000	1,000
Total programme expenses	225,403	185,974	173,466	173,557	174,806

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

Programme Objective 1.3 – Support for markets and business

There has been no significant change to the programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses have been updated to reflect new government measures taken and other changes to resourcing for the Treasury as outlined in Table 1.3 and Table 1.4.

Programme expenses 1.3

Table 2.3: Programme expenses 1.3

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses					
Annual Appropriations					
Centre for International Finance & Regulation	1,000	-	-	-	-
Housing Loan Company Limited - payments in respect of insurance claims	-	675	675	-	-
Global Infrastructure Hub	3,400	7,700	6,800	6,800	3,400
Small Business Advisory Services	5,589	6,319	6,014	6,306	5,994
Small Business Support Line	639	1,300	-	-	-
Australian Small Business Advisory Service	-	1,400	1,400	1,400	-
Other (a)	(3,687)	-	-	-	-
Total programme expenses	6,941	17,394	14,889	14,506	9,394

(a) This relates to the winding down of the HIH Claims Support Scheme.

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

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 Treasury. The corresponding table in the *Portfolio Budget Statements 2015-16* is Table 3.1.2.

Table 3.1.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
COAG Reform Fund Special Account (A)						
2015-16	1	-	12,722,782	(12,722,782)	-	-
2014-15		-	11,521,643	(11,521,643)	-	-
Actuarial Services Special Account (D)						
2015-16	1	2,632	1,803	(1,803)	-	2,632
2014-15		2,446	2,026	(1,840)	-	2,632
CEFC Special Account (A)(a)						
2015-16	1	2,919,000	-	-	(2,919,000)	-
2014-15		868,400	2,050,600	-	-	2,919,000
Services for Other Entities and Trust Monies Special Account (A)						
2015-16	1	-	-	-	-	-
2014-15		-	1,996	(1,996)	-	-
Total special accounts						
2015-16 Budget Estimates		2,921,632	12,724,585	(12,724,585)	(2,919,000)	2,632
2014-15 Actual		870,846	13,576,265	(11,525,479)	-	2,921,632

(a) Reflects the transfer of the CEFC special account to the Department of the Environment.

(A) = Administered

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2015-16.

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

3.2.2 Budgeted financial statements

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	122,940	126,167	122,300	122,079	122,420
Suppliers	58,570	45,663	43,674	43,930	44,807
Grants	2,571	2,247	1,184	1,195	1,195
Depreciation and amortisation	9,667	7,667	5,308	5,353	5,384
Write-down and impairment of assets	277	-	-	-	-
Finance costs	25	-	-	-	-
Total expenses	194,050	181,744	172,466	172,557	173,806
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10,308	9,268	9,504	9,504	9,504
Other revenue	1,287	1,200	1,200	1,200	950
Total own-source revenue	11,595	10,468	10,704	10,704	10,454
Gains					
Sale of assets	9	-	-	-	-
Other	4,642	3,500	3,500	3,500	3,500
Total gains	4,651	3,500	3,500	3,500	3,500
Total own-source income	16,246	13,968	14,204	14,204	13,954
Net cost of (contribution by) services	177,804	167,776	158,262	158,353	159,852
Revenue from Government	172,767	160,109	152,954	153,000	154,468
Surplus/(deficit) attributable to the Australian Government	(5,037)	(7,667)	(5,308)	(5,353)	(5,384)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	976	-	-	-	-
Total other comprehensive income	976	-	-	-	-
Total comprehensive income/(loss)	(4,061)	(7,667)	(5,308)	(5,353)	(5,384)

Prepared on Australian Accounting Standards basis.

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations (a)	5,606	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (b)	9,667	7,667	5,308	5,353	5,384
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(4,061)	(7,667)	(5,308)	(5,353)	(5,384)

(a) Includes change in asset revaluation reserves of \$1.0 million in 2014-15.

(b) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget (DCB)) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,152	5,152	5,152	5,152	5,152
Trade and other receivables	60,141	62,141	64,141	66,141	68,141
Total financial assets	65,293	67,293	69,293	71,293	73,293
Non-financial assets					
Land and buildings	2,500	2,149	2,149	2,149	2,149
Property, plant and equipment	8,660	7,265	7,265	7,270	7,281
Intangibles	12,221	13,312	13,312	13,307	13,296
Other non-financial assets	3,365	3,365	3,365	3,365	3,365
Total non-financial assets	26,746	26,091	26,091	26,091	26,091
Total assets	92,039	93,384	95,384	97,384	99,384
LIABILITIES					
Payables					
Suppliers	1,289	1,289	1,289	1,289	1,289
Other payables	11,484	11,484	11,484	11,484	11,484
Total payables	12,773	12,773	12,773	12,773	12,773
Provisions					
Employee provisions	43,564	45,564	47,564	49,564	51,564
Other provisions	964	964	964	964	964
Total provisions	44,528	46,528	48,528	50,528	52,528
Total liabilities	57,301	59,301	61,301	63,301	65,301
Net assets	34,738	34,083	34,083	34,083	34,083

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual	2015-16 Revised budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY (a)					
Parent entity interest					
Contributed equity	51,526	58,538	63,846	69,199	74,583
Reserves	6,163	6,163	6,163	6,163	6,163
Retained surplus/ (accumulated deficit)	(22,951)	(30,618)	(35,926)	(41,279)	(46,663)
Total Equity	34,738	34,083	34,083	34,083	34,083

(a) Equity is the residual interest in assets after the deduction of liabilities
Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget Year 2015-16)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(22,951)	6,163	-	51,526	34,738
Adjusted opening balance	(22,951)	6,163	-	51,526	34,738
Comprehensive income					
Surplus/(deficit) for the period	(7,667)	-	-	-	(7,667)
Total comprehensive income	(7,667)	-	-	-	(7,667)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	1,700	1,700
Departmental Capital Budget (DCB)	-	-	-	5,312	5,312
Sub-total transactions with owners	-	-	-	7,012	7,012
Closing balance attributable to the Australian Government	(30,618)	6,163	-	58,538	34,083

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	173,848	159,652	150,812	150,858	152,305
Sale of goods and rendering of services	11,348	9,268	9,504	9,504	9,504
Other	6,335	650	650	650	400
Total cash received	191,531	169,570	160,966	161,012	162,209
Cash used					
Employees	126,741	124,021	119,876	119,652	119,987
Suppliers	57,450	43,302	39,906	40,165	41,027
Grants	2,571	2,247	1,184	1,195	1,195
Other	15	-	-	-	-
Total cash used	186,777	169,570	160,966	161,012	162,209
Net cash from/(used by) operating activities	4,754	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	21	-	-	-	-
Total cash received	21	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	7,246	7,012	5,308	5,353	5,384
Total cash used	7,246	7,012	5,308	5,353	5,384
Net cash from/(used by) investing activities	(7,225)	(7,012)	(5,308)	(5,353)	(5,384)
FINANCING ACTIVITIES					
Cash received					
Appropriations - equity injections	1,595	1,700	-	-	-
Appropriations - DCB	5,373	5,312	5,308	5,353	5,384
Total cash received	6,968	7,012	5,308	5,353	5,384
Net cash used by financing activities	6,968	7,012	5,308	5,353	5,384
Net increase/(decrease) in cash held	4,497	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	655	5,152	5,152	5,152	5,152
Cash and cash equivalents at the end of the reporting period	5,152	5,152	5,152	5,152	5,152

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	5,373	5,312	5,308	5,353	5,384
Equity injections - Act No. 2	-	1,700	-	-	-
Total new capital appropriations	5,373	7,012	5,308	5,353	5,384
Provided for:					
<i>Purchase of non-financial assets</i>	5,373	7,012	5,308	5,353	5,384
Total Items	5,373	7,012	5,308	5,353	5,384
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	1,595	1,700	-	-	-
Funded by capital appropriation - DCB	5,373	5,312	5,308	5,353	5,384
TOTAL AMOUNT SPENT	6,968	7,012	5,308	5,353	5,384
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	6,968	7,012	5,308	5,353	5,384
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	6,968	7,012	5,308	5,353	5,384

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (2015-16 Budget year)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	7,110	11,221	22,707	41,038
Accumulated depreciation/amortisation and impairment	(4,610)	(2,561)	(10,486)	(17,657)
Opening net book balance	2,500	8,660	12,221	23,381
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	1,700	1,700
By purchase - appropriation ordinary annual services	1,365	1,514	2,433	5,312
Total additions	1,365	1,514	4,133	7,012
Other movements				
Depreciation/amortisation expense	(1,716)	(2,909)	(3,042)	(7,667)
Total other movements	(1,716)	(2,909)	(3,042)	(7,667)
As at 30 June 2016				
Gross book value	8,475	12,735	26,840	48,050
Accumulated depreciation/amortisation and impairment	(6,326)	(5,470)	(13,528)	(25,324)
Closing net book balance	2,149	7,265	13,312	22,726

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)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	83,746,833	89,199,864	95,681,643	95,884,049	96,373,058
Interest	3,427	3,914	4,931	14,949	38,570
Suppliers	27,666	5,591	1,153	1,142	1,207
Foreign exchange	-	518,321	-	-	-
Other expenses	-	675	675	-	-
Total expenses administered on behalf of Government	83,777,926	89,728,365	95,688,402	95,900,140	96,412,835
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	726,299	747,234	724,867	702,020	690,550
Interest	3,166	4,251	8,065	12,556	19,116
Dividends	1,941,500	840,426	316,500	766,500	858,000
COAG revenue from government entities	993,379	328,323	2,856,949	2,458,246	2,023,467
Other revenue	154,189	4,371	4,500	4,600	4,700
Total non-taxation revenue	3,818,533	1,924,605	3,910,881	3,943,922	3,595,833
Total own-source revenue administered on behalf of Government	3,818,533	1,924,605	3,910,881	3,943,922	3,595,833
Gains					
Foreign exchange	36,629	-	26,744	45,321	33,370
Total gains administered on behalf of Government	36,629	-	26,744	45,321	33,370
Total own-source income administered on behalf of Government	3,855,162	1,924,605	3,937,625	3,989,243	3,629,203
Net cost of/(contribution by) services	79,922,764	87,803,760	91,750,777	91,910,897	92,783,632
Surplus/(Deficit)	(79,922,764)	(87,803,760)	(91,750,777)	(91,910,897)	(92,783,632)
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to profit or loss					
Changes in asset revaluation surplus	5,574,357	-	-	-	-
Total other comprehensive income	5,574,357	-	-	-	-
Total comprehensive income (loss)	(74,348,407)	(87,803,760)	(91,750,777)	(91,910,897)	(92,783,632)

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)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Advances and loans	810,822	954,862	985,765	959,392	822,115
Receivables	2,596,088	1,797,261	314,496	751,413	888,501
Investments	32,565,700	38,648,559	38,894,339	39,171,667	39,430,834
Total financial assets	35,972,610	41,400,682	40,194,600	40,882,472	41,141,450
Non-financial assets					
Other non-financial assets	410	-	-	-	-
Total non-financial assets	410	-	-	-	-
Total assets administered on behalf of Government	35,973,020	41,400,682	40,194,600	40,882,472	41,141,450
LIABILITIES					
Payables					
Grants	599,937	66,267	57,060	50,532	40,754
Other payables	5,642,592	5,650,229	5,669,473	5,705,483	5,730,232
Unearned income	77,019	55,008	37,968	24,611	12,698
Total payables	6,319,548	5,771,504	5,764,501	5,780,626	5,783,684
Interest bearing liabilities					
Loans	4,824,704	9,877,861	9,354,089	9,329,946	9,305,531
Total interest bearing liabilities	4,824,704	9,877,861	9,354,089	9,329,946	9,305,531
Provisions					
Provisions for grants	1,816,251	456,733	186,693	-	-
Total provisions	1,816,251	456,733	186,693	-	-
Total liabilities administered on behalf of Government	12,960,503	16,106,098	15,305,283	15,110,572	15,089,215
Net assets/(liabilities)	23,012,517	25,294,584	24,889,317	25,771,900	26,052,235

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	109,280	75,290	107,914	104,470	103,347
Interest	1,261	799	1,679	3,306	9,348
Dividends	675,255	1,616,963	1,782,208	316,500	709,000
COAG receipts from entities	16,628,197	15,963,622	19,899,717	20,629,756	2,023,465
Other	99,847	4,371	4,500	4,600	4,700
Total cash received	17,513,840	17,661,045	21,796,018	21,058,632	2,849,860
Cash used					
Grant payments	100,495,444	106,055,749	112,386,558	113,650,980	95,795,234
Interest paid	3,312	2,989	5,914	11,822	35,565
Other	29,325	6,266	1,828	1,142	1,207
Total cash used	100,528,081	106,065,004	112,394,300	113,663,944	95,832,006
Net cash from/(used by) operating activities	(83,014,241)	(88,403,959)	(90,598,282)	(92,605,312)	(92,982,146)
INVESTING ACTIVITIES					
Cash received					
Advances and loans	360,317	61,879	28,176	52,188	149,681
Other investing activities	748,795	-	-	-	-
Total cash received	1,109,112	61,879	28,176	52,188	149,681
Cash used					
Purchase of investments	27,295	2,140,890	725,185	226,423	227,998
Advances and loans	40,824	201,600	50,000	12,500	-
Total cash used	68,119	2,342,490	775,185	238,923	227,998
Net cash from/(used by) investing activities	1,040,993	(2,280,611)	(747,009)	(186,735)	(78,317)
Net increase/(decrease) in cash held	(81,973,248)	(90,684,570)	(91,345,291)	(92,792,047)	(93,060,463)
Cash and cash equivalents at beginning of reporting period	1,412	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	84,964,552	92,772,193	96,126,715	95,731,355	96,060,004
Cash to Official Public Account for:					
- Appropriations	(2,992,716)	(2,087,623)	(4,781,424)	(2,939,308)	(2,999,541)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of administered capital budget
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Special appropriations	68,082	2,304,990	725,125	226,423	227,998
Total new capital appropriations	68,082	2,304,990	725,125	226,423	227,998
<i>Provided for:</i>					
<i>International financial institutions</i>	68,082	2,304,990	725,125	226,423	227,998
Total Items	68,082	2,304,990	725,125	226,423	227,998

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Accounting policy

The Treasury's 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

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.

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 seeking an additional \$2.5 million in departmental outputs through Appropriation Bill (No. 3) 2015-16 and \$11.6 million in equity injections through Appropriation Bill (No. 4) 2015-16.

These relate to measures outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16* for the Agriculture New Policy Proposal *Stronger Farmers, Stronger Economy – a fairer go for farm business*, and the reappropriation of 2013-14 equity related to the ACCC's Litigation Contingency Fund.

Accordingly, whilst there has been no significant change to the strategic direction of the ACCC from that outlined in the *Portfolio Budget Statements 2015-16* (pages 89-91), an additional priority for 2015-16 is compliance with, and enforcement of, the *Competition and Consumer Act 2010* in the agriculture sector.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the ACCC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

Table 1.1: Australian Competition and Consumer Commission resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services (a)				
Departmental appropriation				
Prior year departmental appropriation (b)	12,833	21,582	-	21,582
Departmental appropriation (c)	169,459	164,815	2,524	167,339
s.74 Retained Revenue Receipts (d)	5,458	2,764	857	3,621
Total	187,750	189,161	3,381	192,542
Total ordinary annual services [A]	187,750	189,161	3,381	192,542
Other services (e)				
Departmental non-operating				
Prior year departmental appropriation (b)	12,592	14,296	-	14,296
Equity injections	2,700	1,300	11,596	12,896
Total	15,292	15,596	11,596	27,192
Total other services [B]	15,292	15,596	11,596	27,192
Total available annual appropriations	203,042	204,757	14,977	219,734
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Public Governance, Performance and Accountability Act 2013 - s.77 (f)</i>	12	20	11,000	11,020
Total special appropriations [C]	12	20	11,000	11,020
Total appropriations excluding Special Accounts	203,054	204,777	25,977	230,754
Total resourcing [A+B+C]	203,054	204,777	25,977	230,754
Total net resourcing for ACCC	203,054	204,777	25,977	230,754

Third party payments from and on behalf of other entities

	Estimate at Budget	Estimate at Additional Estimates
	2015-16 \$'000	2015-16 \$'000
Payments made on behalf of the National Competition Council (NCC)	1,740	1,740

- (a) Appropriation Act (No. 1) 2015-16 and Appropriation Bill (No. 3) 2015-16.
- (b) Estimated adjusted balance carried from previous year for annual appropriations.
- (c) Includes an amount of \$1.993m in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
- (d) Estimated retained revenue receipts under s.74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (e) *Appropriation Act (No. 2) 2015-16* and Appropriation Bill (No. 4) 2015-16.
- (f) Repayments not provided for under other appropriations.

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

Reader note: All figures are GST exclusive. These figures may not match figures in the cash flow statement.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table presents expense measures, with the affected programme identified.

Table 1.2: Entity 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
Stronger Farmers, Stronger Economy - A fairer go for farm businesses					
Departmental expenses(a)	1.1	2,591	2,737	3,025	3,054
Public Sector Superannuation Accumulation Plan administration fees					
Departmental expenses(b)	1.1	(56)	(56)	(56)	(56)
Departmental expenses(b)	1.2	(11)	(11)	(11)	(11)
Public Sector Savings - Enterprise Resouce Planning Systems					
Departmental expenses(c)	1.1	-	-	(75)	(91)
Departmental expenses(c)	1.2	-	-	(19)	(23)
Total measures		2,524	2,670	2,864	2,873

Prepared on a Government Financial Statistics (fiscal) basis.

- (a) This measure was included in the *Mid-Year Economic and Fiscal Outlook 2015-16*, and forms part of the Commonwealth Government's White Paper on Agricultural Competitiveness.
- (b) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.
- (c) This measure was announced in the 2015-16 Budget as a cross-portfolio measure and has not previously appeared in a portfolio statement.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the ACCC at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details Additional estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (departmental)					
Stronger Farmers, Stronger Economy - A fairer go for farm businesses					
Departmental expenses	1.1	2,591	2,737	3,025	3,054
Decrease in estimates (departmental)					
Public Sector Superannuation (a)					
Accumulation Plan administration fees					
Departmental expenses	1.1	(56)	(56)	(56)	(56)
Departmental expenses	1.2	(11)	(11)	(11)	(11)
Public Sector Savings - Enterprise Resource Planning Systems (b)					
Departmental expenses	1.1	-	-	(75)	(91)
Departmental expenses	1.2	-	-	(19)	(23)
Net impact on estimates for Outcome 1 (departmental)		2,524	2,670	2,864	2,873

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in the 2015-16 Budget as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis.

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

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (departmental)					
Movement of Funds - Equity	1.1	11,596	-	-	-
Decrease in estimates (departmental)					
Adjustment to reflect movement in indicies relating to prices and wages					
Departmental expenses	1.1	-	-	(130)	(261)
Departmental expenses	1.2	-	-	(33)	(66)
Departmental capital	1.1	-	-	(2)	(4)
Net impact on estimates for Outcome 1 (departmental)		11,596	-	(165)	(331)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the ACCC through Appropriation Bills Nos. 3 and 4.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	<i>2014-15 Available \$'000</i>	<i>2015-16 Budget \$'000</i>	<i>2015-16 Revised \$'000</i>	<i>Additional Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Departmental programmes					
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.	<i>169,459</i>	<i>164,815</i>	<i>167,339</i>	<i>2,524</i>	<i>-</i>
Total	<i>169,459</i>	<i>164,815</i>	<i>167,339</i>	<i>2,524</i>	<i>-</i>

Table 1.6: Appropriation Bill (No. 4) 2015-16

	<i>2014-15 Available \$'000</i>	<i>2015-16 Budget \$'000</i>	<i>2015-16 Revised \$'000</i>	<i>Additional Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Non-operating					
Equity injections	<i>2,700</i>	<i>1,300</i>	<i>12,896</i>	<i>11,596</i>	<i>-</i>
Total	<i>2,700</i>	<i>1,300</i>	<i>12,896</i>	<i>11,596</i>	<i>-</i>

Section 2: Revisions to outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The additional priority of compliance and enforcement of the *Competition and Consumer Act 2010* (CCA) in the agriculture sector will be achieved through increased engagement with the agriculture sector, increased investigations of possible breaches of the CCA and, as appropriate, enforcement action and outcomes. Accordingly, there is no change to the ACCC's outcome statement, objectives, outcome strategies and deliverables, and the performance information included in the Portfolio Budget Statements 2015-16 (pages 94-102) will require the ACCC to report on the additional work that the ACCC undertakes and the outcomes achieved.

Table 2.1 Budgeted expenses 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.	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
Programme 1.1: Australian Competition and Consumer Commission		
Departmental expenses		
Departmental appropriation(a)	134,363	137,219
Expenses not requiring appropriation in the Budget year(b)	5,870	6,276
Total for Programme 1.1	140,233	143,495
Program 1.2: Australian Energy Regulator		
Departmental expenses		
Departmental appropriation(a)	36,299	33,567
Total for Programme 1.2	36,299	33,567
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation(a)	170,662	170,786
Expenses not requiring appropriation in the Budget year(b)	5,870	6,276
Total expenses for Outcome 1	176,532	177,062
	2014-15	2015-16
Average staffing level (number)	716	739

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)' and 'Retained Revenue Receipts under s.74 of the PGPA Act 2013'.

(b) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme objective 1.1: Australian Competition and Consumer Commission

Other than the additional priority focus in the agricultural sector, there is no change to programme objectives, deliverables or key performance indicators for the ACCC from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	134,363	137,219	134,278	133,811	134,572
Expenses not requiring appropriation in the Budget year(a)	5,870	6,276	6,379	5,659	5,075
Total programme expenses	140,233	143,495	140,657	139,470	139,647

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme objective 1.2: Australian Energy Regulator

There has been no change to programme objectives, deliverables or key performance indicators for the Australian Energy Regulator from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses 1.2

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	36,299	33,567	33,009	33,184	33,374
Total programme expenses	36,299	33,567	33,009	33,184	33,374

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

Estimates of special account flows

There has been no change to the estimates of special account flows and balances from that included in the *Portfolio Budget Statements 2015-16* (page 103).

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The ACCC is budgeting for a departmental breakeven operating result for 2015-16 after adjusting for non-appropriated expenses of depreciation and amortisation.

3.2.2 Budgeted financial statements

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June.

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	97,372	101,110	97,700	96,542	96,512
Suppliers	72,470	69,708	69,600	70,461	71,428
Depreciation and amortisation	5,779	6,185	6,288	5,568	4,984
Finance costs	88	59	78	83	97
Write-down and impairment of assets	673	-	-	-	-
Other expenses	150	-	-	-	-
Total expenses	176,532	177,062	173,666	172,654	173,021
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,189	4,437	1,250	1,250	1,250
Rental income	-	1,003	1,003	1,003	1,003
Other revenue	1,432	-	-	-	-
Total own-source revenue	2,621	5,440	2,253	2,253	2,253
Gains					
Other	91	91	91	91	91
Total gains	91	91	91	91	91
Total own-source income	2,712	5,531	2,344	2,344	2,344
Net cost of (contribution by) services	173,820	171,531	171,322	170,310	170,677
Revenue from Government	167,446	165,346	165,034	164,742	165,693
Surplus/(deficit) attributable to the Australian Government	(6,374)	(6,185)	(6,288)	(5,568)	(4,984)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	247	-	-	-	-
Total other comprehensive income	247	-	-	-	-
Total comprehensive income/(loss)	(6,127)	(6,185)	(6,288)	(5,568)	(4,984)

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(6,127)	(6,185)	(6,288)	(5,568)	(4,984)
less depreciation/amortisation expenses previously funded through revenue appropriations(a)					
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(6,127)	(6,185)	(6,288)	(5,568)	(4,984)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental capital budget statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,083	2,000	2,000	2,000	2,000
Trade and other receivables	36,576	30,600	31,225	23,301	22,434
Total financial assets	37,659	32,600	33,225	25,301	24,434
Non-financial assets					
Land and buildings	12,643	10,031	7,389	11,040	9,889
Property, plant and equipment	5,020	4,696	4,614	4,191	3,514
Intangibles	3,839	3,383	2,410	2,522	1,986
Inventories	-	-	-	-	-
Other non-financial assets	1,039	999	997	1,010	1,024
Total non-financial assets	22,541	19,109	15,410	18,763	16,413
Total assets	60,200	51,709	48,635	44,064	40,847
LIABILITIES					
Payables					
Suppliers	8,644	8,377	8,455	8,650	8,860
Other payables	16,389	10,368	11,601	10,446	9,163
Total payables	25,033	18,745	20,056	19,096	18,023
Provisions					
Employee provisions	26,178	27,193	26,311	26,015	26,033
Other provisions	5,906	5,580	5,274	4,419	4,121
Total provisions	32,084	32,773	31,585	30,434	30,154
Liabilities included in disposal groups held for sale					
Total liabilities	57,117	51,518	51,641	49,530	48,177
Net assets	3,083	191	(3,006)	(5,466)	(7,330)
EQUITY*					
Parent entity interest					
Contributed equity	68,331	71,624	74,715	77,823	80,943
Reserves	3,967	3,967	3,967	3,967	3,967
Retained surplus/(accumulated deficit)	(69,215)	(75,400)	(81,688)	(87,256)	(92,240)
Total parent entity interest	3,083	191	(3,006)	(5,466)	(7,330)
Total equity	3,083	191	(3,006)	(5,466)	(7,330)

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

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(69,215)	3,967	-	68,331	3,083
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(69,215)	3,967	-	68,331	3,083
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(6,185)	-	-	-	(6,185)
Total comprehensive income	(6,185)	-	-	-	(6,185)
of which:					
Attributable to the Australian Government	(6,185)	-	-	-	(6,185)
Transactions with owners					
Distributions to owners					
Returns of capital:					
Other				(11,596)	(11,596)
Contributions by owners					
Equity Injection - Appropriation	-	-	-	12,896	12,896
Departmental Capital Budget (DCB)	-	-	-	1,993	1,993
Sub-total transactions with owners	-	-	-	3,293	3,293
Transfers between equity components					-
Estimated closing balance as at 30 June 2016	(75,400)	3,967	-	71,624	191
Closing balance attributable to the Australian Government	(75,400)	3,967	-	71,624	191

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	165,238	174,943	166,848	175,103	168,999
Sale of goods and rendering of services	1,621	3,621	2,438	2,438	2,438
Net GST received	6,456	6,857	6,934	7,652	7,120
Other	3,804	-	-	-	-
Total cash received	177,119	185,421	176,220	185,193	178,557
Cash used					
Employees	94,685	103,353	98,207	96,849	96,494
Suppliers	77,515	78,030	76,075	80,106	80,125
s.74 Retained Revenue Receipts transferred to OPA	5,458	3,621	2,438	2,438	2,438
Other	150	-	-	-	-
Total cash used	177,808	185,004	176,720	179,393	179,057
Net cash from/(used by) operating activities	(689)	417	(500)	5,800	(500)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	3,178	2,793	2,591	8,908	2,620
Total cash used	3,178	2,793	2,591	8,908	2,620
Net cash from/(used by) investing activities	(3,178)	(2,793)	(2,591)	(8,908)	(2,620)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	3,009	3,293	3,091	3,108	3,120
Total cash received	3,009	3,293	3,091	3,108	3,120
Net cash used by financing activities	3,009	3,293	3,091	3,108	3,120
Net increase/(decrease) in cash held	(858)	917	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,941	1,083	2,000	2,000	2,000
Cash and cash equivalents at the end of the reporting period	1,083	2,000	2,000	2,000	2,000

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	2,013	1,993	1,991	2,008	2,020
Equity injections - Act No. 2	2,700	12,896	1,100	1,100	1,100
Total new capital appropriations	4,713	14,889	3,091	3,108	3,120
Provided for:					
<i>Purchase of non-financial assets</i>	3,713	2,793	2,591	2,608	2,620
<i>Other Items</i>	1,000	12,096	500	500	500
Total items	4,713	14,889	3,091	3,108	3,120
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,868	800	600	600	600
Funded by capital appropriation - DCB (b)	2,013	1,993	1,991	2,008	2,020
Funded internally from departmental resources (c)	-	-	-	6,300	-
TOTAL AMOUNT SPENT	3,881	2,793	2,591	8,908	2,620
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,178	2,793	2,591	8,908	2,620
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	3,178	2,793	2,591	8,908	2,620

(a) Includes both current and prior Act 3 and Bills 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 current and prior year Act (No. 1) and Bills 3/5 appropriations (excluding amounts from the DCB).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (2015-16 Budget year)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	12,643	5,020	12,851	30,514
Accumulated depreciation/amortisation and impairment	-	-	(9,012)	(9,012)
Opening net book balance	12,643	5,020	3,839	21,502
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity(a)	30	-	770	800
By purchase - appropriation ordinary annual services(b)	-	1,392	601	1,993
Total additions	30	1,392	1,371	2,793
Other movements				
Depreciation/amortisation expense	(2,642)	(1,716)	(1,827)	(6,185)
Total other movements	(2,642)	(1,716)	(1,827)	(6,185)
As at 30 June 2016				
Gross book value	12,673	6,412	14,222	33,307
Accumulated depreciation/amortisation and impairment	(2,642)	(1,716)	(10,839)	(15,197)
Closing net book balance	10,031	4,696	3,383	18,110

- (a) 'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No.2) 2015-16 and Bill (No.4) 2015-16, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Act (No.1) 2015-16 and Bill (No.3) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

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)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write-down and impairment of assets	2,262	-	-	-	-
Other expenses	11,000	-	-	-	-
Total expenses administered on behalf of Government	13,262	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	34,050	40,000	40,000	40,000	40,000
Other revenue	-	-	-	-	-
Total non-taxation revenue	34,050	40,000	40,000	40,000	40,000
Total own-source revenue administered on behalf of Government	34,050	40,000	40,000	40,000	40,000
Total own-source income administered on behalf of Government	34,050	40,000	40,000	40,000	40,000
Net cost of/(contribution by) services	(20,788)	(40,000)	(40,000)	(40,000)	(40,000)

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)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	5,252	5,252	5,252	5,252	5,252
Total financial assets	5,252	5,252	5,252	5,252	5,252
Total assets administered on behalf of Government	5,252	5,252	5,252	5,252	5,252
LIABILITIES					
Payables					
Other payables	11,000	-	-	-	-
Total payables	11,000	-	-	-	-
Total liabilities administered on behalf of Government	11,000	-	-	-	-
Net assets/(liabilities)	(5,748)	5,252	5,252	5,252	5,252

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	32,581	40,000	40,000	40,000	40,000
Other	240	11,000	-	-	-
Total cash received	32,821	51,000	40,000	40,000	40,000
Cash used					
Other	32,830	51,000	40,000	40,000	40,000
Total cash used	32,830	51,000	40,000	40,000	40,000
Net cash from/(used by) operating activities	(9)	-	-	-	-
Net increase/(decrease) in cash held	(9)	-	-	-	-
Cash and cash equivalents at beginning of reporting period	9	-	-	-	-
Cash and cash equivalents at end of reporting period	-	-	-	-	-

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

Entity assets, liabilities, revenues and expenses are those items that are controlled by the ACCC that are used by the ACCC in producing its programme 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 programme; and
- employee, supplier and depreciation expenses incurred in providing entity programme.

Administered items are those items incurred in providing programmes 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 entity programmes.

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 programme, 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;
- making good leased premises and lease incentives;
- onerous lease for the Nishi building in New Acton, Canberra; and
- unpaid expenses and unearned revenue as at balance date.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: ASIC overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Australian Securities and Investments Commission (ASIC) from that outlined in the Treasury *Portfolio Budget Statements 2015-16* (pages 163-164).

ASIC is seeking an additional net \$1.5m in equity injection for the Enhanced Public Register of Financial Advisors – Establishment and an additional net \$2.008m for the measure *Growing jobs in small business – streamlining business registration* through Appropriation Bill (No. 4) 2015-16. ASIC is also seeking an additional \$0.663m for *Corporations Act 2001* unclaimed monies interest through Appropriation Bill (No. 3) 2015-16. Details of these measures appear in the *Mid-Year Economic and Fiscal Outlook 2015-16*.

1.2 ASIC RESOURCE STATEMENT

The ASIC Resource Statement details the resourcing for ASIC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 Budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

Table 1.1: ASIC resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services(a)				
Departmental appropriation				
Prior year departmental appropriation(b)	-	91,049	-	91,049
Departmental appropriation(c)	340,058	330,761	-	330,761
s.74 Retained Revenue Receipts(d)	6,109	2,147	-	2,147
Total	346,167	423,957	-	423,957
Administered expenses				
Outcome 1 - Assetless Administration fund	3,571	3,580	-	3,580
Outcome 1 - Ordinary annual services	3,072	2,515	-	2,515
Outcome 1 - Corporations Unclaimed Money interest	-	699	633	1,332
Total	6,643	6,794	633	7,427
Total ordinary annual services [A]	352,810	430,751	633	431,384
Administered expenses				
Departmental non-operating				
Equity injections	9,365	1,793	3,508	5,301
Total	9,365	1,793	3,508	5,301
Total other services [B]	9,365	1,793	3,508	5,301
Total available annual appropriations	362,175	432,544	4,141	436,685
Special appropriations				
Special appropriations limited by amount				
<i>Banking Act 1959</i>	117,093	65,670	10,057	75,727
<i>Life Insurance Act 1995</i>	10,342	6,438	2,249	8,687
<i>Public Governance, Performance and Accountability Act 2013</i>	30,028	37,948	(7,132)	30,816
Total special appropriations [C]	157,463	110,056	5,174	115,230
Total appropriations excluding Special Accounts	519,638	542,600	9,315	551,915
Special Accounts				
Opening balance(e)	-	64,029	-	64,029
Appropriation Receipts(f)	27,000	26,920	-	26,920
Non-appropriation receipts to Special Accounts	1,000	1,000	-	1,000
Total Special Account [D]	28,000	91,949	-	91,949
Total resourcing [A+B+C+D]	547,638	634,549	9,315	643,864
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual or special appropriations	(27,000)	(26,920)	-	(26,920)
Total net resourcing for ASIC	520,638	607,629	9,315	616,944

(a) *Appropriation Act (No. 1) 2015-16* and Appropriation Bill (No. 3) 2015-16.

(b) Estimated adjusted balance carried from previous year for annual appropriations.

(c) Includes an amount of \$19.131m in 2015-16 for the departmental capital budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

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

(e) Estimated opening balance for special accounts (less 'Special Public Money' held in a Services for Other Entities and Trust Moneys Special Accounts (SOETM)). For further information on Special Accounts see Table 3.1.1.

(f) Appropriation receipts from other entities credited to ASIC Special Accounts.

Reader note: All figures are GST exclusive.

1.3 ASIC MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table presents expense measures, with the affected programme identified.

Table 1.2: ASIC 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (if applicable)					
Public Sector Superannuation Accumulation					
Plan administration fees (a)	1.1				
Departmental expenses		(181)	(181)	(181)	(181)
Total		(181)	(181)	(181)	(181)
Public Sector Savings — Enterprise					
Resource Planning System (b)	1.1				
Departmental expenses		-	-	(187)	(228)
Total		-	-	(187)	(228)
Total expense measures					
Departmental		(181)	(181)	(368)	(409)
Total		(181)	(181)	(368)	(409)

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for ASIC at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Decrease in estimates (departmental)					
Public Sector Superannuation Accumulation Plan administration fees (a)					
	1.1	(181)	(181)	(181)	(181)
Public Sector Savings — Enterprise Resource Planning System (b)					
	1.1	-	-	(187)	(228)
Net impact on estimates for Outcome 1 (departmental)		(181)	(181)	(368)	(409)
(a) This measure was announced in the <i>Mid-Year Economic and Fiscal Outlook 2014-15</i> as a cross portfolio measure and has not previously appeared in a portfolio statement.					
(b) This measure was announced in <i>Budget 2015-16</i> as a cross-portfolio measure and has not previously appeared in a portfolio statement.					

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

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (administered)					
Revise Corps Act unclaimed money interest estimates					
	1.1	633	-	-	-
Net impact on estimates for Outcome 1 (administered)		633	-	-	-
Increase in estimates (departmental)					
Growing Jobs and Small Business — streamlining business registration					
	1.1	1,500	-	-	-
Enhanced Public Register of Financial Advisers — establishment					
	1.1	2,008	550	-	-
Net impact on estimates for Outcome 1 (departmental)		3,508	550	-	-

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for ASIC through Appropriation Bills Nos. 3 and 4.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Administered items					
Outcome 1: Improve confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.	7,891	6,794	7,427	633	-
Total administered	7,891	6,794	7,427	633	-
Total administered and departmental	7,891	6,794	7,427	633	-

Table 1.6: Appropriation Bill (No. 4) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	11,978	1,793	5,301	3,508	-
Total other services	11,978	1,793	5,301	3,508	-

Section 2: Revisions to ASIC outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for ASIC from that included in the *Portfolio Budget Statements 2015-16* (page 168).

Table 2.1 Budgeted expenses for Outcome 1

	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
Outcome 1: Improve confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.		
Programme 1.1: Australian Securities and Investments Commission		
Administered expenses		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	5,318	6,095
Expenses not requiring appropriation in the budget year	45,343	46,921
Departmental expenses		
Departmental appropriation(a)	312,918	311,530
Expenses not requiring appropriation in the Budget year(b)	28,254	27,250
Total for Programme 1.1	391,833	391,796
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts		
Administered expenses		
Companies unclaimed monies - s. 77 of the PGPA Act	18,159	28,835
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	938	1,332
Other services (Appropriation Act No. 2 and Bill No. 4)		
Special appropriations		
<i>Banking Act 1959</i> - Banking Unclaimed Moneys	112,687	5,607
<i>Life Insurance Act 1995</i> - Life Unclaimed Moneys	8,460	612
Total for Programme 1.2	140,244	36,386
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	6,256	7,427
Expenses not requiring appropriation in the budget year	45,343	46,921
Special appropriations	121,147	6,219
Companies unclaimed monies - s. 77 of the PGPA Act	18,159	28,835
Departmental expenses		
Departmental appropriation(a)	312,918	311,530
Expenses not requiring appropriation in the Budget year(b)	28,254	27,250
Total expenses for Outcome 1	532,077	428,182
	2014-15	2015-16
Average staffing level (number)	1,573	1,569

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)'.
 (b) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme Objective 1.1 Australian Securities and Investments Commission

There has been no change to the programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses:					
Administered item	5,318	6,095	4,176	4,242	4,273
Expenses not requiring appropriation	45,343	46,921	47,495	45,377	48,667
Annual departmental expenses:					
Departmental item	312,918	311,530	307,599	308,414	310,399
Expenses not requiring appropriation in the Budget year(a)	28,254	27,250	34,967	28,664	18,727
Total programme expenses	391,833	391,796	394,237	386,697	382,066

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

Programme Objective 1.2 *Banking Act 1959, Life Insurance Act 1995*, unclaimed monies and special accounts

There has been no change to the programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses 1.2

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses:					
Special Appropriations:					
<i>Special Appropriations:</i>	121,147	6,219	8,740	3,802	3,249
Ordinary annual services	938	1,332	5,736	5,736	5,816
s. 77 of the PGPA Act	18,159	28,835	29,346	29,838	30,526
Total programme expenses	140,244	36,386	43,822	39,376	39,591

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC. The corresponding table in the 2015-16 Portfolio Budget Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
ASIC Deregistered Companies (D)						
2015-16	1	1,902	1,000	(1,000)	-	1,902
<i>2014-15</i>		<i>1,546</i>	<i>397</i>	<i>(41)</i>	-	<i>1,902</i>
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)						
2015-16	1	11	-	-	-	11
<i>2014-15</i>		<i>11</i>	-	-	-	<i>11</i>
ASIC Security Deposits Special Account (D)						
2015-16	1	454	-	-	-	454
<i>2014-15</i>		<i>445</i>	<i>9</i>	-	-	<i>454</i>
Enforcement Special Account (D)						
2015-16	1	62,127	-	26,920	-	89,047
<i>2014-15</i>		<i>51,900</i>	<i>428</i>	<i>27,000</i>	<i>(17,201)</i>	<i>62,127</i>
Total special accounts						
2015-16 Budget estimate		64,494	1,000	25,920	-	91,414
<i>2014-15 actual</i>		<i>53,902</i>	<i>834</i>	<i>26,959</i>	<i>(17,201)</i>	<i>64,494</i>

(A) = Administered

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

ASIC is currently budgeting for a breakeven operating result for 2015-16 and for the remainder of the forward estimates.

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

Total revenue and expenses (excluding depreciation) are estimated to be \$314.9 million for 2015-16. The expenditure will be used to fund activities that contribute towards achieving the outcome and programme objectives outlined in Section 2.

Budgeted departmental balance sheet (as at 30 June)

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 2015-16 is \$91.7 million.

The 2015-16 equity position reflects the cumulative effect of capital injections of \$5.3 million received during 2015-16.

Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

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

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

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 capital budget statement (for the period ended 30 June)

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 (2015-16 Budget year)

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

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

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* (Corporations Act) and ASIC's responsibilities in administering unclaimed monies under the *Banking Act 1959* (Banking Act), the *Life Insurance Act 1995* (Life Insurance Act) and s.77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Other non-taxation revenue represents the amount of fees and charges budgeted to be levied under the *Corporations Act 2001* and estimated receipts of unclaimed monies under the Banking Act, the Life Insurance Act and the Corporations Act.

Expenses represent budgeted payments of unclaimed monies, refund of overpaid fees and charges levied under the Corporations Act, bad debt expense, administered advertising expenses and grant payments to registered insolvency practitioners to investigate breaches of directors' duties and fraudulent conduct.

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

The amount shown for receivables in 2015-16 and in the forward estimates is the estimated amount of fees and charges under the Corporations Act remaining unpaid at 30 June.

The amounts shown in other payables for 2015-16 and the forward estimates represent the estimated amount of refunds relating to the overpayments of annual review and other fees under the Corporations Act, estimated claims payable under the Banking Act and the Life Insurance Act and companies unclaimed monies under s.77 of the PGPA Act.

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

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: Departmental comprehensive income statement (showing net cost of services)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	213,071	212,187	213,776	214,211	215,986
Suppliers	100,239	98,843	93,323	93,703	93,909
Depreciation and amortisation	41,373	40,148	34,967	28,664	18,727
Finance costs	(568)	500	500	500	504
Write-down and impairment of assets	176	-	-	-	-
Total expenses	354,291	351,678	342,566	337,078	329,126
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,609	2,208	3,657	3,698	3,662
Other revenue	2,881	865	865	865	865
Total own-source revenue	4,490	3,073	4,522	4,563	4,527
Gains					
Sale of assets					
Other	353	330	330	330	330
Total gains	353	330	330	330	330
Total own-source income	4,843	3,403	4,852	4,893	4,857
Net cost of (contribution by) services	349,448	348,275	337,714	332,185	324,269
Revenue from Government	311,942	311,480	306,100	306,874	308,895
Surplus/(deficit) attributable to the Australian Government	(37,506)	(36,795)	(31,614)	(25,311)	(15,374)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(37,506)	(36,795)	(31,614)	(25,311)	(15,374)

Prepared on Australian Accounting Standards basis

Table 3.2.1: Departmental comprehensive income statement (showing net cost of services) (continued)

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	3,867	3,353	3,353	3,353	3,353
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	41,373	40,148	34,967	28,664	18,727
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(37,506)	(36,795)	(31,614)	(25,311)	(15,374)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental capital budget statement.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	9,232	9,232	9,232	9,232	9,232
Trade and other receivables	94,885	99,214	96,697	93,955	93,955
Total financial assets	104,117	108,446	105,929	103,187	103,187
Non-financial assets					
Land and buildings	36,207	30,502	29,661	37,704	45,151
Property, plant and equipment	22,855	19,346	17,138	16,544	17,884
Intangibles	92,780	84,253	80,905	67,258	63,737
Other non-financial assets	9,931	10,032	10,032	10,032	10,032
Total non-financial assets	161,773	144,133	137,736	131,538	136,804
Assets held for sale					
Total assets	265,890	252,579	243,665	234,725	239,991
LIABILITIES					
Payables					
Suppliers	24,869	25,393	25,393	25,393	25,393
Other payables	43,381	39,400	34,382	28,287	24,934
Total payables	68,250	64,793	59,775	53,680	50,327
Provisions					
Employee provisions	77,690	80,369	80,369	80,369	80,369
Other provisions	15,855	15,685	15,832	13,943	13,439
Total provisions	93,545	96,054	96,201	94,312	93,808
Liabilities included in disposal groups held for sale					
Total liabilities	161,795	160,847	155,976	147,992	144,135
Net assets	104,095	91,732	87,689	86,733	95,856
EQUITY*					
Parent entity interest					
Contributed equity	289,874	314,306	341,877	366,232	390,729
Reserves	6,365	6,365	6,365	6,365	6,365
Retained surplus/(accumulated deficit)	(192,144)	(228,939)	(260,553)	(285,864)	(301,238)
Total parent entity interest	104,095	91,732	87,689	86,733	95,856
Total Equity	104,095	91,732	87,689	86,733	95,856

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(192,144)	6,365		289,874	104,095
Adjusted opening balance	(192,144)	6,365	-	289,874	104,095
Comprehensive income					
Other comprehensive income					-
Surplus/(deficit) for the period	(36,795)				(36,795)
Total comprehensive income	(36,795)	-	-	-	(36,795)
Transactions with owners					
Contributions by owners					
Equity Injection					-
Equity Injection - Appropriation				5,301	5,301
Departmental Capital Budget (DCB)				19,131	19,131
Other					-
Restructuring					-
Sub-total transactions with owners	-	-	-	24,432	24,432
Transfers between equity components					-
Estimated closing balance as at 30 June 2016	(228,939)	6,365	-	314,306	91,732
Closing balance attributable to the Australian Government	(228,939)	6,365	-	314,306	91,732

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (as at 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	324,215	310,027	308,617	309,616	308,895
Sale of goods and rendering of services	3,322	2,208	3,657	3,698	3,662
Net GST received	13,062	12,501	12,188	13,972	12,577
Other	2,787	865	865	865	865
Total cash received	343,386	325,601	325,327	328,151	325,999
Cash used					
Employees	215,403	209,508	213,776	214,211	215,986
Suppliers	117,030	102,145	98,084	99,541	94,587
Borrowing costs	-	12,500	12,188	13,972	12,577
Other	6,109	597	280	2,316	3,353
Total cash used	338,542	324,750	324,328	330,040	326,503
Net cash from/(used by) operating activities	4,844	851	999	(1,889)	(504)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	36,435	22,407	28,570	22,466	23,993
Total cash used	36,435	22,407	28,570	22,466	23,993
Net cash from/(used by) investing activities	(36,435)	(22,407)	(28,570)	(22,466)	(23,993)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	25,694	21,556	27,571	24,355	24,497
Total cash received	25,694	21,556	27,571	24,355	24,497
Net cash used by financing activities	25,694	21,556	27,571	24,355	24,497
Net increase/(decrease) in cash held	(5,897)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	15,129	9,232	9,232	9,232	9,232
Cash and cash equivalents at the end of the reporting period	9,232	9,232	9,232	9,232	9,232

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	15,215	19,131	24,142	24,355	24,497
Equity injections - Act No. 2	11,978	5,301	3,429	-	-
Total new capital appropriations	27,193	24,432	27,571	24,355	24,497
Provided for:					
Purchase of non-financial assets	26,943	23,762	27,218	22,466	23,993
Annual finance lease costs	250	670	353	1,889	504
Other Items					
Total Items	27,193	24,432	27,571	24,355	24,497
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations(a)	12,966	3,946	4,781	-	-
Funded by capital appropriation - DCB(b)	14,965	18,461	23,789	22,466	23,993
TOTAL AMOUNT SPENT	27,931	22,407	28,570	22,466	23,993
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	27,931	22,407	28,570	22,466	23,993
less additions by creditors / borrowings plus borrowing/finance costs					
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	27,931	22,407	28,570	22,466	23,993

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

(b) Includes both current and prior Act 2 and Bills 4-6 appropriations and special capital appropriations

(c) Does not include annual finance lease costs. Includes purchase from current and previous years' departmental capital budgets (DCBs).

Table 3.2.6: Statement of asset movements (2015-16 Budget year)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	73,213	58,038	270,127	401,378
Accumulated depreciation/amortisation and impairment	(37,006)	(35,183)	(177,347)	(249,536)
Opening net book balance	36,207	22,855	92,780	151,842
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity(a)	924	2,760	18,723	22,407
Total additions	924	2,760	18,723	22,407
Other movements				
Depreciation/amortisation expense	(6,629)	(6,269)	(27,250)	(40,148)
Total other movements	(6,629)	(6,269)	(27,250)	(40,148)
As at 30 June 2016				
Gross book value	74,137	60,798	288,850	423,785
Accumulated depreciation/amortisation and impairment	(43,635)	(41,452)	(204,597)	(289,684)
Closing net book balance	30,502	19,346	84,253	134,101

(a) 'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No. 2) and Bill (No. 4) 2015-16, including CDABs.

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)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	2,250	2,515	578	586	590
Grants	3,068	3,580	3,598	3,656	3,678
Interest expense	3,925	4,361	3,498	3,325	3,171
Write-down and impairment of assets	45,343	46,921	47,495	45,377	48,667
Other expenses	136,319	32,025	31,812	31,809	32,152
Total expenses administered on behalf of Government	190,905	89,402	86,981	84,753	88,258
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Fees and fines	823,579	867,702	897,033	923,017	951,377
Total taxation revenue	823,579	867,702	897,033	923,017	951,377
Non-taxation revenue					
Sale of goods and rendering of services	209,371	42,421	43,016	44,091	45,193
Total non-taxation revenue	209,371	42,421	43,016	44,091	45,193
Total own-source revenue administered on behalf of Government	1,032,950	910,123	940,049	967,108	996,570
Total own-source income administered on behalf of Government	1,032,950	910,123	940,049	967,108	996,570
Net cost of/(contribution by) services	(842,045)	(820,721)	(853,068)	(882,355)	(908,312)
Surplus/(deficit)	842,045	820,721	853,068	882,355	908,312
Total comprehensive income (loss)	842,045	820,721	853,068	882,355	908,312

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)

	2014-15 Actual	2015-16 Revised budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,157	2,464	2,464	2,464	2,464
Taxation receivables	76	76	76	76	76
Trade and other receivables	123,840	141,583	148,940	155,098	156,526
Total financial assets	126,073	144,123	151,480	157,638	159,066
Total assets administered on behalf of Government	126,073	144,123	151,480	157,638	159,066
LIABILITIES					
Payables					
Suppliers	19,921	19,921	19,921	19,921	19,921
Other payables	417,688	337,819	306,021	284,998	270,809
Total payables	437,609	357,740	325,942	304,919	290,730
Total liabilities administered on behalf of Government	437,609	357,740	325,942	304,919	290,730
Net assets/(liabilities)	(311,536)	(213,617)	(174,462)	(147,281)	(131,664)

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual	2015-16 Revised budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	976,011	845,457	885,197	915,574	948,515
Net GST received	589	328	331	331	-
Total cash received	976,600	845,785	885,528	915,905	948,515
Cash used					
Grants	2,902	3,580	3,598	3,656	3,714
Suppliers	-	2,515	578	586	590
Net GST paid	-	328	331	331	-
Other	161,776	116,255	67,108	56,157	49,512
Total cash used	164,678	122,678	71,615	60,730	53,816
Net cash from/(used by) operating activities	811,922	723,107	813,913	855,175	894,699
Net increase/(decrease) in cash held	811,922	723,107	813,913	855,175	894,699
Cash and cash equivalents at beginning of reporting period	3,876	2,157	2,464	2,464	2,464
Cash from Official Public Account for:					
- Appropriations	172,508	132,657	81,284	70,399	63,816
Cash to Official Public Account for:					
- Appropriations	(986,149)	(855,457)	(895,197)	(925,574)	(958,515)
Cash and cash equivalents at end of reporting period	2,157	2,464	2,464	2,464	2,464

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 entity 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 entity or authority that are controlled by the entity. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by the entity in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an entity 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 Australian 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 programmes 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 comprehensive income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

Depreciation and amortisation

Computer equipment and plant and equipment is depreciated using the straight-line method. 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.

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 fees and charges, and collections of unclaimed monies under the Banking Act, the Life Insurance Act and the Corporations Act.

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 Act 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 unclaimed monies, Life Insurance Act unclaimed monies and Corporations Act unclaimed monies is transferred to the OPA when received.

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AUSTRALIAN TAXATION OFFICE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Australian Taxation Office (ATO) from that outlined in the *Portfolio Budget Statements 2015-16* (page 191).

The ATO is seeking an additional \$46.2 million in departmental funding through Appropriation Bill (No. 3) 2015-16. This relates to an additional \$36.0 million for the following measures as outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*:

- Enhanced Welfare Payment Integrity – non-employment income data matching (\$0.7 million);
- Reducing red tape – improvements to data and analytics infrastructure of the Australian Taxation Office (\$9.5 million); and
- Tax administration – Single Touch Payroll Reporting (\$25.8 million).

This funding also includes the Growing Jobs and Small Business - streamlining business registration measure (\$5.9 million) outlined in Budget Paper No. 2, *Budget Measures 2015-16* and an adjustment to reflect movement of funds (\$5.5 million), offset by a reduction of \$1.2 million relating to the Public Sector Superannuation Accumulation Plan administration fees outlined in the *Mid-Year Economic and Fiscal Outlook 2014-15*.

The ATO is also seeking an additional \$74.0 million as an equity injection through Appropriation Bill (No. 4) 2015-16. This relates to an additional \$72.5 million for the following measures as outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*:

- Higher Education Loan Programme – strengthened compliance (\$1.6 million);
- Reducing red tape – improvements to data and analytics infrastructure of the Australian Taxation Office (\$11.4 million); and
- Tax administration – Single Touch Payroll Reporting (\$59.5 million).

This funding also includes the Growing Jobs and Small Business - streamlining business registration measure (\$2.4 million) outlined in Budget Paper No. 2, *Budget Measures 2015-16* and an adjustment to reflect the re-appropriation of \$0.9 million from prior year's appropriation before it is repealed. The funding is offset by a reduction of \$1.8 million of prior year's appropriation.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Australian Taxation Office at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 Budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

Table 1.1: Australian Taxation Office Resource Statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services(a)				
Departmental appropriation				
Prior year departmental appropriation(b)		416,816		416,816
Departmental appropriation(c)	3,352,116	3,258,560	46,226	3,304,786
s.74 Retained Revenue Receipts(d)	118,282	133,133	(27,389)	105,744
Total	3,470,398	3,808,509	18,837	3,827,346
Administered expenses				
Outcome 1	284	611	-	611
Total	284	611	-	611
Total ordinary annual services [A]	3,470,682	3,809,120	18,837	3,827,957
Other services(e)				
Departmental non-operating				
Equity injections	23,223	68,461	74,025	142,486
Total	23,223	68,461	74,025	142,486
Total other services [B]	23,223	68,461	74,025	142,486
Total available annual appropriations	3,493,905	3,877,581	92,862	3,970,443

Table 1.1: Australian Taxation Office Resource Statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016 (continued)

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Public Governance, Performance and Accountability Act 2013 - s.77(f)</i>	93,088	100,000	-	100,000
<i>Product Grants and Benefits Administration Act 2000 -</i>				
Cleaner fuel grants	4,113	-	6,000	6,000
Product stewardship for oil	48,893	62,000	1,000	63,000
<i>Superannuation Guarantee (Administration) Act 1992</i>	434,987	481,000	(117,000)	364,000
<i>Taxation Administration Act 1953 - s.16 (Non-refund items)(g)</i>	10,100,625	10,734,404	300,924	11,035,328
Total special appropriations [C]	10,681,706	11,377,404	190,924	11,568,328
Total appropriations excluding Special Accounts	14,175,611	15,254,985	283,786	15,538,771
Special Accounts				
Opening balance	114,088	114,087	(4,289)	109,798
Appropriation Receipts	49,501	75,512	19,200	94,712
Non-appropriation receipts to Special Accounts	1,714,378	3,032,000	(408,000)	2,624,000
Total Special Account [D]	1,877,967	3,221,599	(393,089)	2,828,510
Total resourcing [A+B+C+D]	16,053,578	18,476,584	(109,303)	18,367,281
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(49,501)	(75,512)	(19,200)	(94,712)
Total net resourcing for ATO	16,004,077	18,401,072	(128,503)	18,272,569

- (a) *Appropriation Act (No. 1) 2015-16* and Appropriation Bill (No. 3) 2015-16.
 (b) Estimated adjusted balance carried from previous year for annual appropriations.
 (c) Includes an amount of \$115.1m in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details).
 (d) Estimated retained revenue receipts under s.74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
 (e) *Appropriation Act (No. 2) 2015-16* and Appropriation Bill (No. 4) 2015-16.
 (f) Section 77 of the *Public Governance, Performance and Accountability Act 2013* is used for repayments not provided for in any other appropriation. Amounts received on or before 30 June 2014 were repaid under s.28 of the *Financial Management and Accountability Act 1997*.
 (g) These figures relate to administered expenses such as fuel tax credits, research and development tax incentives, and Australian Screen Production Incentive. Tax refunds for 2014-15 were \$89.2 billion including \$165.7 million made on behalf of the ATO by the Department of Immigration and Border Protection (DIBP). Estimated tax refund items for 2015-16 are \$98.9 billion including \$190 million made on behalf of the ATO by the DIBP.

Reader note: All figures are GST exclusive.

Table 1.1: Australian Taxation Office resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016 (continued)

Third party payments from and on behalf of other entities

	Estimate at Budget 2015-16 \$'000	Estimate at Additional Estimates 2015-16 \$'000
Payments made on behalf of other entities		
(disclosed in the respective Entity Resource Statement)		
Attorney-General's Department	-	-
Australian Bureau of Statistics	-	500
Australian Crime Commission	-	144
Australian Federal Police	-	615
Australian Securities and Investments Commission	-	-
Australian Transaction Reports and Analysis Centre	-	6
Department of Education and Training	-	990
Department of Human Services	-	-
Department of the Prime Minister and Cabinet	-	467
Department of the Treasury	-	4,119
Total payments made on behalf of other entities	-	6,841
Receipts received from other entities for the provision of services		
(disclosed above in s.74 Retained Revenue Receipts section above)		
Attorney-General's Department	-	-
Australian Bureau of Statistics	-	500
Australian Crime Commission	6	205
Australian Federal Police	323	615
Australian Securities and Investments Commission	-	-
Australian Transaction Reports and Analysis Centre	424	483
Department of Education and Training	-	990
Department of Finance	-	-
Department of Foreign Affairs and Trade	1,500	964
Department of Human Services	3,869	5,948
Department of Immigration and Border Protection	2	2
Department of Infrastructure and Regional Development	778	1,513
Department of Social Services	602	602
Department of the Prime Minister and Cabinet	-	1,482
Department of the Treasury	-	73
Inspector-General of Taxation	-	-
Parliamentary Budget Office	-	-
Reserve Bank of Australia	111,312	77,904
Total s.74 relevant entity receipts received for the provision of services	118,816	91,281

Table 1.1: Australian Taxation Office resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016 (continued)

	Estimate at Budget 2015-16 \$'000	Estimate at Additional Estimates 2015-16 \$'000
Payments made to other entities for the provision of services (disclosed above)		
Attorney-General's Department	13,959	16,251
Australian Bureau of Statistics	-	2
Australian Crime Commission	-	2,916
Australian Electoral Commission	-	6
Australian Federal Police	-	4,400
Australian Financial Security Authority	478	1,248
Australian National Audit Office	-	149
Australian Postal Corporation	91,828	47,145
Australian Prudential Regulation Authority	230	-
Australian Public Service Commission	1,356	1,326
Australian Securities and Investments Commission	1,202	1,972
Australian Transaction Reports and Analysis Centre	-	1,593
Comcare	4,500	4,500
Commonwealth Director of Public Prosecutions	3,500	9,658
ComSuper	4,286	4,327
CrimTrac Agency	162	257
Department of Communications	33,650	-
Department of Defence	196	325
Department of Employment and Training	-	-
Department of Finance	11,772	9,844
Department of Foreign Affairs and Trade	-	25
Department of Human Services	6,482	14,518
Department of Immigration and Border Protection	55,233	55,550
Department of Industry, Innovation & Science	947	947
Department of Parliamentary Services	-	7
Department of the Prime Minister and Cabinet	-	33,663
Department of the Treasury	-	1,066
Office of Parliamentary Counsel	-	29
Total payments made to other entities for the provision of services	229,781	211,724
Payments made to corporate entities within the Portfolio		
Reserve Bank of Australia		
Departmental annual appropriation	121,527	87,937

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table is split into expense and capital measures, with the affected programme identified.

Table 1.2: Entity 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
Enhanced Welfare Payment Integrity - non-employment income data matching					
Departmental expenses	1.1	734	50	50	-
Freeze Road User Charge Collections					
Administered expenses	1.10	-	39,000	79,000	-
Higher Education Loan Programme - strengthened compliance					
Administered expenses	1.1	-	-	48	96
Departmental expenses	1.1	-	-	944	812
National Innovation and Science Agenda - tax incentives for angel investors					
Departmental expenses	1.1	-	1,001	1,111	1,303
Public Sector Superannuation Accumulation Plan - administration fees (a)					
Departmental expenses	1.1	(1,230)	(1,230)	(1,230)	(1,230)
Public Sector Savings - Enterprise Resource Planning Systems (b)					
Departmental expenses	1.1	-	-	(1,874)	(2,277)
Reducing red tape - improvements to data and analytics infrastructure of the Australian Taxation Office					
Departmental expenses	1.1	9,514	12,697	13,872	13,616
Tax administration - Single Touch Payroll Reporting					
Administered expenses	1.1	-	248	5,248	75
Departmental expenses	1.1	25,821	27,837	18,291	18,075

Table 1.2: Entity 2015-16 measures since Budget (continued)

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Tax compliance - improving compliance through third party reporting and data matching - delayed start					
Departmental expenses	1.1	-	(5,304)	(2,833)	8,136
Taxation treatment of biodiesel – extension of phase-in for new arrangement					
Administered expenses	1.10	-	(500)	(1,000)	(2,000)
Total expense measures					
Administered		-	38,748	83,296	(1,829)
Departmental		34,839	35,051	28,331	38,435
Total		34,839	73,799	111,627	36,606
Capital measures					
Higher Education Loan Programme - strengthened compliance					
Departmental capital	1.1	1,637	3	-	-
Reducing red tape - improvements to data and analytics infrastructure of the Australian Taxation Office					
Departmental expenses	1.1	11,385	843	-	-
National Innovation and Science Agenda - tax incentives for angel investors					
Departmental capital	1.1	-	2,140	-	-
Tax administration - Single Touch Payroll Reporting					
Departmental expenses	1.1	59,524	19,946	12,671	1,286
Total capital measures					
Departmental		72,546	22,932	12,671	1,286
Total		72,546	22,932	12,671	1,286

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in the *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Australian Taxation Office at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (departmental)					
Enhanced Welfare Payment Integrity - non-employment income data	1.1	734	50	50	-
Higher Education Loan Programme - strengthened compliance	1.1	-	-	944	812
National Innovation and Science Agenda - tax incentives for angel investors	1.1	-	1,001	1,111	1,303
Reducing red tape - improvements to data and analytics infrastructure of the Australian Taxation Office	1.1	9,514	12,697	13,872	13,616
Tax administration - Single Touch Payroll Reporting	1.1	25,821	27,837	18,291	18,075
Decrease in estimates (departmental)					
Public Sector Superannuation Accumulation Plan - administration fees (a)	1.1	(1,230)	(1,230)	(1,230)	(1,230)
Public Sector Savings - Enterprise Resource Planning Systems (b)	1.1	-	-	(1,874)	(2,277)
Net impact on estimates for Outcome 1 (Departmental)		34,839	40,355	31,164	30,299
Increase in estimates (capital)					
Higher Education Loan Programme - strengthened compliance	1.1	1,637	3	-	-
National Innovation and Science Agenda - tax incentives for angel investors	1.1	-	2,140	-	-
Reducing red tape - improvements to data and analytics infrastructure of the Australian Taxation Office	1.1	11,385	843	-	-
Tax administration - Single Touch Payroll Reporting	1.1	59,524	19,946	12,671	1,286
Net impact on estimates for Outcome 1 (capital)		72,546	22,932	12,671	1,286

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in the *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

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

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Adjustment to reflect movement in indices relating to prices and wages	1.1	-	-	(2,912)	(5,631)
Net impact on estimates for Outcome 1 (departmental)		-	-	(2,912)	(5,631)
Increase in estimates (capital)					
Adjustment to reflect movement of funds	1.1	5,490	-	-	-
Adjustment to reflect the re-appropriation of prior year's appropriation before being repealed	1.1	880	-	-	-
Decrease in estimates (capital)					
Adjustment to reflect movement in indices relating to prices and wages	1.1	-	-	(113)	(228)
Adjustment to reflect the reduction of prior year's appropriation	1.1	(1,800)	-	-	-
Net impact on estimates for Outcome 1 (capital)		4,570	-	(113)	(228)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Australian Taxation Office through Appropriation Bills Nos. 3 and 4.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programmes					
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.	3,352,116	3,258,560	3,304,786	46,226	-
Total departmental	3,352,116	3,258,560	3,304,786	46,226	-

2014–15 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation - Movement of Funds to 2015-16.

Table 1.6: Appropriation Bill (No. 4) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	23,223	68,461	142,486	74,025	-
Total non-operating	23,223	68,461	142,486	74,025	-

2014–15 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation.

Section 2: Revisions to outcomes and planned performance

2.1 OUTCOME AND PERFORMANCE INFORMATION

There has been no change to the ATO's outcome or outcome strategy from that included in the *Portfolio Budget Statements 2015-16* (page 197).

There has been no change to the programme objective, expenses, deliverables or key performance indicators for programmes 1.2 to 1.24 that affect Appropriation Bills Nos. 3 and 4.

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	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
Programme 1.1: Australian Taxation Office		
Departmental expenses		
Departmental appropriation(a)	3,158,983	3,112,738
Expenses not requiring appropriation in the budget year(b)	90,972	189,240
Total for Programme 1.1	3,249,955	3,301,978
	2014-15	2015-16
Average Staffing Level (number)	18,435	18,497

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)' and 'Retained Revenue Receipts under s.74 of the PGPA Act 2013'.

(b) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme objective 1.1 Australian Taxation Office

There has been no change to the programme objective, deliverables or key performance indicators included in the *Portfolio Budget Statements 2015-16*.

Table 2.2: Programme expenses 1.1 Australian Taxation Office

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	3,158,983	3,112,738	3,051,670	2,921,529	2,837,082
Expenses not requiring appropriation in the Budget year	90,972	189,240	190,728	192,226	193,739
Total programme expenses	3,249,955	3,301,978	3,242,398	3,113,755	3,030,821

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 specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the ATO. The corresponding table in the *Portfolio Budget Statements 2015-16* is Table 3.1.1.

Table 3.1.1: Estimates of special account flows and balances

	Outcome	Opening balance	Receipts	Payments	Adjustments	Closing balance
		\$'000	\$'000	\$'000	\$'000	\$'000
Excise Security Deposits (A)						
2015-16	1	356	-	-	-	356
2014-15		355	1	-	-	356
Services for Other Entities and Trust Moneys Special Account (A)						
2015-16	1	2,292	10,000	10,000	-	2,292
2014-15		2,596	1,371	1,675	-	2,292
Superannuation Clearing House Special Account (A)						
2015-16	1	28,762	2,614,000	2,629,000	-	13,762
2014-15		20,005	1,708,825	1,700,068	-	28,762
Superannuation Holding Accounts Special Account (A)						
2015-16	1	72,098	79,900	13,700	-	138,298
2014-15		74,583	27,101	29,586	-	72,098
Services for Other Entities and Trust Moneys Special Account (D)						
2015-16	1	-	-	-	-	-
2014-15		-	570	570	-	-
Australian Charities and Not-for-profits Commission Special Account (D)						
2015-16	1	6,290	14,812	16,686	-	4,416
2014-15		5,341	15,398	14,449	-	6,290
Valuation Services Special Account (D)						
2015-16	1	-	-	-	-	-
2014-15		11,209	10,611	21,820	-	-
Total special accounts						
2015-16 Budget estimate		109,798	2,718,712	2,669,386	-	159,124
2014-15 actual		114,089	1,763,877	1,768,168	-	109,798

(A) Administered
(D) Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

The ATO is budgeting for a balanced budget in 2015-16.

The budgeted departmental comprehensive income statement also reflects changes arising from measures since Budget as outlined in Table 1.2.

Budgeted departmental balance sheet

The ATO's assets are predominantly non-financial assets.

The ATO's liabilities continue to be predominantly employee entitlements.

3.2.2 Budgeted financial statements

Departmental financial statements

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	2,024,395	1,918,089	1,902,937	1,832,094	1,795,089
Suppliers	1,209,486	1,378,856	1,324,502	1,259,506	1,210,686
Depreciation and amortisation	163,830	182,662	184,150	185,648	187,161
Finance costs	981	-	-	-	-
Write-down and impairment of assets	2,735	-	-	-	-
Losses from asset sales	2	-	-	-	-
Other expenses	1,482	-	-	-	-
Total expenses	3,402,911	3,479,607	3,411,589	3,277,248	3,192,936
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	96,740	100,709	92,295	96,235	99,271
Other revenue	4,532	3,528	3,528	3,528	3,528
Total own-source revenue	101,272	104,237	95,823	99,763	102,799
Gains					
Sale of assets					
Other	2,053	3,050	3,050	3,050	3,050
Total gains	2,053	3,050	3,050	3,050	3,050
Total own-source income	103,325	107,287	98,873	102,813	105,849
Net cost of (contribution by) services	3,299,586	3,372,320	3,312,716	3,174,435	3,087,087
Revenue from Government	3,215,199	3,189,658	3,128,566	2,988,787	2,899,926
Surplus/(deficit) attributable to the Australian Government	(84,387)	(182,662)	(184,150)	(185,648)	(187,161)
OTHER COMPREHENSIVE INCOME					
Revaluation of restoration obligations provision	(490)	-	-	-	-
Changes in asset revaluation surplus	8,102	-	-	-	-
Total other comprehensive income	7,612	-	-	-	-
Total comprehensive income/(loss)	(76,775)	(182,662)	(184,150)	(185,648)	(187,161)

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	87,055	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations(a)	163,830	182,662	184,150	185,648	187,161
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(76,775)	(182,662)	(184,150)	(185,648)	(187,161)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	46,087	46,087	46,087	46,087	46,087
Trade and other receivables	413,911	279,703	303,474	292,353	288,499
Total financial assets	459,998	325,790	349,561	338,440	334,586
Non-financial assets					
Land and buildings	215,645	229,437	238,807	263,976	290,365
Property, plant and equipment	55,195	60,423	68,154	65,810	63,389
Intangibles	472,741	525,648	479,551	413,449	325,551
Other non-financial assets	109,726	105,635	101,328	97,562	95,364
Total non-financial assets	853,307	921,143	887,840	840,797	774,669
Total assets	1,313,305	1,246,933	1,237,401	1,179,237	1,109,255
LIABILITIES					
Payables					
Suppliers	228,099	227,149	225,236	224,643	225,360
Employees	71,815	13,181	21,628	21,113	20,646
Other payables	3,158	3,158	3,132	3,124	3,134
Total payables	303,072	243,488	249,996	248,880	249,140
Interest bearing liabilities					
Leases	113,581	99,004	87,175	75,797	64,419
Total interest bearing liabilities	113,581	99,004	87,175	75,797	64,419
Provisions					
Employee provisions	659,721	593,734	615,533	621,685	627,899
Other provisions	16,535	15,359	14,427	13,391	12,243
Total provisions	676,256	609,093	629,960	635,076	640,142
Total liabilities	1,092,909	951,585	967,131	959,753	953,701
Net assets	220,396	295,348	270,270	219,484	155,554

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	1,086,245	1,343,859	1,502,931	1,637,793	1,761,024
Reserves	109,165	109,165	109,165	109,165	109,165
Retained surplus/(accumulated deficit)	(975,014)	(1,157,676)	(1,341,826)	(1,527,474)	(1,714,635)
Total parent entity interest	220,396	295,348	270,270	219,484	155,554
Total Equity	220,396	295,348	270,270	219,484	155,554

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(975,014)	109,165	1,086,245	220,396
Adjusted opening balance	(975,014)	109,165	1,086,245	220,396
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(182,662)			(182,662)
Total comprehensive income	(182,662)	-	-	(182,662)
of which:				
Attributable to the Australian Government	(182,662)			(182,662)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation			142,486	142,486
Departmental Capital Budget (DCB)			115,128	115,128
Sub-total transactions with owners	-	-	257,614	257,614
Estimated closing balance as at 30 June 2016	(1,157,676)	109,165	1,343,859	295,348
Closing balance attributable to the Australian Government	(1,157,676)	109,165	1,343,859	295,348

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,273,566	3,324,300	3,103,342	2,997,585	2,902,219
Sale of goods and rendering of services	95,315	105,744	97,052	101,091	104,181
Interest	21	-	-	-	-
Net GST received	115,636	121,492	120,204	113,523	108,454
Cash from the OPA	223,645	233,784	231,814	231,203	231,941
Other	6	-	-	-	-
Total cash received	3,708,189	3,785,320	3,552,412	3,443,402	3,346,795
Cash used					
Employees	2,146,322	2,040,975	1,872,547	1,825,780	1,788,769
Suppliers	1,326,997	1,513,586	1,451,969	1,378,910	1,326,085
Cash to the OPA	232,759	233,784	231,814	231,203	231,941
Total cash used	3,706,078	3,788,345	3,556,330	3,435,893	3,346,795
Net cash from/(used by) operating activities	2,111	(3,025)	(3,918)	7,509	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	8	-	-	-	-
Total cash received	8	-	-	-	-
Cash used					
Purchase of property, plant and equipment	37,583	56,047	56,289	61,716	63,176
Purchase of intangibles - computer software	115,380	198,542	98,865	80,655	60,055
Total cash used	152,963	254,589	155,154	142,371	123,231
Net cash from/(used by) investing activities	(152,955)	(254,589)	(155,154)	(142,371)	(123,231)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	152,963	257,614	159,072	134,862	123,231
Total cash received	152,963	257,614	159,072	134,862	123,231
Cash used					
Dividends paid	510	-	-	-	-
Total cash used	510	-	-	-	-
Net cash used by financing activities	152,453	257,614	159,072	134,862	123,231
Net increase/(decrease) in cash held	1,609	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	44,478	46,087	46,087	46,087	46,087
Cash and cash equivalents at the end of the reporting period	46,087	46,087	46,087	46,087	46,087

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	133,795	115,128	109,889	114,886	115,897
Equity injections - Act No. 2	26,537	142,486	49,183	19,976	7,334
Total new capital appropriations	160,332	257,614	159,072	134,862	123,231
Provided for:					
<i>Purchase of non-financial assets</i>	160,332	257,614	159,072	134,862	123,231
<i>Other Items</i>	-	-	-	-	-
Total Items	160,332	257,614	159,072	134,862	123,231
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations(a)	21,315	139,461	45,265	27,485	7,334
Funded by capital appropriation - DCB(b)	128,539	115,128	109,889	114,886	115,897
Funded internally from departmental resources(c)	-	-	-	-	-
TOTAL AMOUNT SPENT	149,854	254,589	155,154	142,371	123,231
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	149,854	254,589	155,154	142,371	123,231
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	149,854	254,589	155,154	142,371	123,231

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

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

(c) Includes the following sources of funding:

- current and prior year Act (No. 1) and Bills 3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 Retained revenue receipts; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements (2015-16 Budget year) —
Departmental**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	217,487	91,319	1,179,695	1,488,501
Accumulated depreciation/amortisation and impairment	(1,842)	(36,124)	(706,954)	(744,920)
Opening net book balance	215,645	55,195	472,741	743,581
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity(a)	431	-	139,030	139,461
By purchase - appropriation ordinary annual services(b)	39,556	16,060	59,512	115,128
By purchase - other	-	-	-	-
Total additions	39,987	16,060	198,542	254,589
Other movements				
Depreciation/amortisation expense	(26,195)	(10,832)	(145,635)	(182,662)
Total other movements	(26,195)	(10,832)	(145,635)	(182,662)
As at 30 June 2016				
Gross book value	257,474	107,379	1,378,237	1,743,090
Accumulated depreciation/amortisation and impairment	(28,037)	(46,956)	(852,589)	(927,582)
Closing net book balance	229,437	60,423	525,648	815,508

- (a) 'Appropriation equity' refers to equity injections provided through *Appropriation Act (No.2) 2015-16* and Bill (No.4) 2015-16.
- (b) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Act (No.1) 2015-16* and Bill (No.3) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

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)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	181	611	5,303	8,797	272
Subsidies	9,472,449	9,685,928	10,086,246	10,552,435	11,119,988
Personal benefits	1,164,287	1,121,400	1,097,400	384,000	393,000
Finance costs	222,537	275,000	275,000	275,000	275,000
Write-down and impairment of assets	5,330,176	6,916,408	7,118,000	7,714,000	8,419,000
Other expenses	351,693	386,000	373,000	347,000	340,000
Total expenses administered on behalf of Government	16,541,323	18,385,347	18,954,949	19,281,232	20,547,260
LESS: OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	259,171,506	274,609,537	291,414,085	311,986,545	335,122,030
Indirect tax	81,517,012	82,553,000	86,620,000	90,850,000	95,430,000
Other taxes	915,295	982,019	1,051,155	1,070,900	1,136,200
Total taxation revenue	341,603,813	358,144,556	379,085,240	403,907,445	431,688,230
Non-taxation revenue					
Other revenue	404,810	573,500	579,000	369,000	369,000
Total non-taxation revenue	404,810	573,500	579,000	369,000	369,000
Total own-source revenue administered on behalf of Government	342,008,623	358,718,056	379,664,240	404,276,445	432,057,230
Net cost of/(contribution by) services	(325,467,300)	(340,332,709)	(360,709,291)	(384,995,213)	(411,509,970)
Surplus/(Deficit)	325,467,300	340,332,709	360,709,291	384,995,213	411,509,970

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)

	2014-15 Actual	2015-16 Revised budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	314,859	314,859	314,859	314,859	314,859
Taxation receivables	17,511,796	17,746,924	18,364,009	19,201,554	20,352,584
Accrued revenues	12,711,279	13,376,279	14,071,279	14,766,279	15,581,279
Total financial assets	30,537,934	31,438,062	32,750,147	34,282,692	36,248,722
Total assets administered on behalf of Government	30,537,934	31,438,062	32,750,147	34,282,692	36,248,722
LIABILITIES					
Provisions					
Taxation refunds provided	2,251,926	2,251,926	2,251,926	2,251,926	2,251,926
Other provisions	873,274	1,076,274	1,190,274	1,046,274	934,274
Total provisions	3,125,200	3,328,200	3,442,200	3,298,200	3,186,200
Payables					
Subsidies	4,093,190	4,553,479	4,889,636	5,178,625	5,497,378
Personal benefits	1,278,974	1,258,424	1,239,874	527,274	450,574
Other payables	837,372	903,572	925,772	937,872	929,272
Total payables	6,209,536	6,715,475	7,055,282	6,643,771	6,877,224
Total liabilities administered on behalf of Government	9,334,736	10,043,675	10,497,482	9,941,971	10,063,424
Net assets/(liabilities)	21,203,198	21,394,387	22,252,665	24,340,721	26,185,298

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual	2015-16 Revised budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	336,197,246	349,940,001	370,205,000	394,175,000	420,830,000
Other	1,070,909	1,393,419	1,297,255	868,100	868,800
Total cash received	337,268,155	351,333,420	371,502,255	395,043,100	421,698,800
Cash used					
Borrowing costs	220,374	275,000	275,000	275,000	275,000
Subsidies paid	8,864,918	9,225,639	9,750,089	10,263,446	10,801,235
Personal benefits	1,205,409	1,141,950	1,115,950	1,096,600	469,700
Suppliers	409	611	5,303	8,797	272
Other	401,288	548,700	504,900	492,100	487,200
Total cash used	10,692,398	11,191,900	11,651,242	12,135,943	12,033,407
Net cash from/(used by) operating activities	326,575,757	340,141,520	359,851,013	382,907,157	409,665,393

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	10,692,398	11,191,900	11,651,242	12,135,943	12,033,407
Total cash received	10,692,398	11,191,900	11,651,242	12,135,943	12,033,407
Cash used					
Cash to Official Public Account	337,396,374	351,333,420	371,502,255	395,043,100	421,698,800
Total cash used	337,396,374	351,333,420	371,502,255	395,043,100	421,698,800
Net cash from/(used by) financing activities	(326,703,976)	(340,141,520)	(359,851,013)	(382,907,157)	(409,665,393)
Net increase/(decrease) in cash held	(128,219)	-	-	-	-
Cash and cash equivalents at beginning of reporting period	443,078	581,639	581,639	581,639	581,639
Cash and cash equivalents at end of reporting period	314,859	581,639	581,639	581,639	581,639

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Basis of accounting

The ATO's 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 guidance for the preparation of financial statements.

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

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 GST administration costs are reported in the annual GST Administration Performance Report.

Notes to the administered statements

The administered financial statements at Tables 3.2.7 to 3.2.9 have been prepared on the basis of Australian Accounting Standards and Department of Finance guidance for the preparation of financial statements.

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. This methodology, known as the Economic Transaction Method (ETM), relies on the estimation of probable flows of taxes from transactions which have occurred in the economy, but have not yet been 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 accounting standards permit an alternative approach known as 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, superannuation funds, superannuation surcharge and the minerals resource rent tax (repealed September 2014) 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.