

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS 2010-11**

TREASURY PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2010-11

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The document must be attributed as the *Treasury Portfolio Additional Estimates Statements 2010-11*.



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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 2010-11 Additional Estimates for the Treasury portfolio.

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

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

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

Wayne Swan

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Mr Robert Ward in the Department of the Treasury on 02 6263 2111.

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

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

USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to government outcomes by agencies within the portfolio.

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

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2010-11. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2010-11* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio overview

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

Agency Additional Estimates Statements

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

Section 1: Agency overview and resources

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

Section 2: Revisions to outcomes and planned performance

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

Section 3: Explanatory tables and budgeted financial statements

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

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PORTFOLIO OVERVIEW

TREASURY PORTFOLIO OVERVIEW

There has been no significant change to the portfolio overview, portfolio responsibilities or agency outcomes from that included in the *Portfolio Budget Statements 2010-11* (pages 3-5).

Additional estimates are being sought for the Department of the Treasury, the Australian Securities and Investments Commission and the Productivity Commission. 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 Competition and Consumer Commission, the Australian Office of Financial Management, the Australian Prudential Regulation Authority, the Australian Taxation Office, the Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector-General of Taxation, the National Competition Council, the Office of the Auditing and Assurance Standards Board, the Office of the Australian Accounting Standards Board or the Royal Australian Mint.

Figure 1: Treasury portfolio structure and outcomes

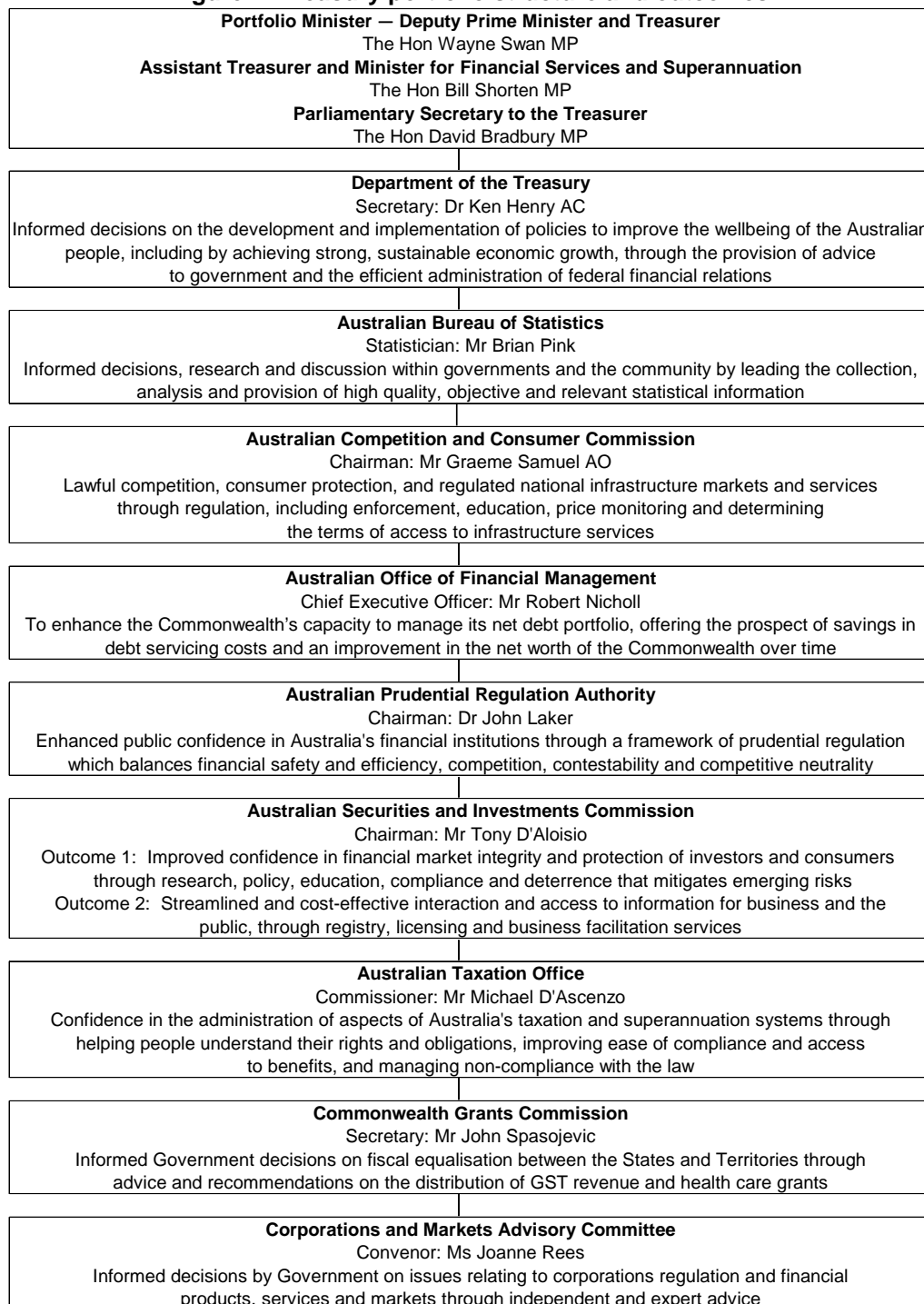
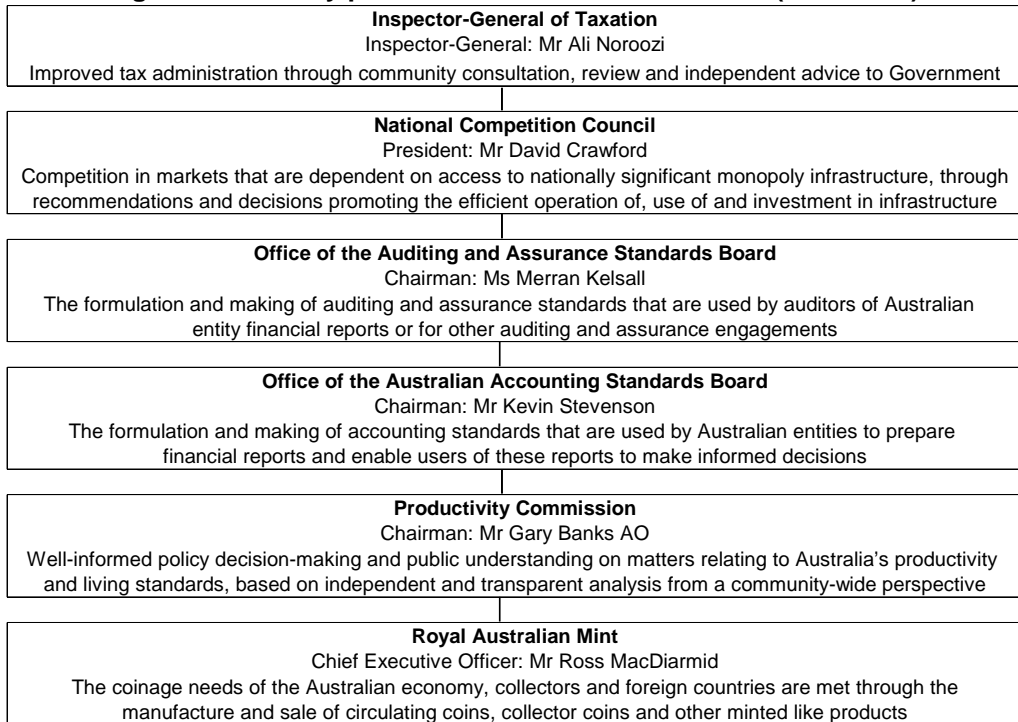


Figure 1: Treasury portfolio structure and outcomes (continued)



PORTFOLIO RESOURCES

Table 1 shows a summary of resources for those agencies that are seeking funding through Appropriation Bills (No. 3 and No. 4) 2010-11.

Table 1: Portfolio resources 2010-11

	Appropriation		Movements		Total
	Bill No. 3 \$'000	Bill No. 4 \$'000	Special \$'000	Receipts \$'000	\$'000
Department of the Treasury					
Administered appropriations	16,493	-	(1,464,464)	4,041,824	2,593,853
Departmental appropriations	1,086	-	-	-	1,086
Total:	17,579	-	(1,464,464)	4,041,824	2,594,939
Australian Securities and Investments Commission					
Administered appropriations	-	-	-	-	-
Departmental appropriations	2,000	-	-	28,663	30,663
Total:	2,000	-	-	28,663	30,663
Productivity Commission					
Administered appropriations	-	-	-	-	-
Departmental appropriations	2,643	-	-	-	2,643
Total:	2,643	-	-	-	2,643

**AGENCY ADDITIONAL ESTIMATES
STATEMENTS**

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Department of the Treasury (the Treasury) from that outlined in the *Portfolio Budget Statements 2010-11* (pages 15-17).

As a result of Administrative Arrangements Orders after the 2010 election, the sustainable population strategy function transferred from the Treasury to the Department of Sustainability, Environment, Water, Population and Communities.

The Treasury is seeking an additional \$1.1 million in departmental outputs through Appropriation Bill (No. 3) 2010-11. This relates to an additional \$0.9 million for the tax forum and \$0.3 million for the banking reform education and awareness campaign, offset by a saving of \$0.1 million for the termination of the Financial Reporting Panel.

The Treasury is also seeking an additional \$16.5 million in administered expenses through Appropriation Bill (No. 3) 2010-11. This relates to an additional \$9.9 million for the banking reform education and awareness campaign and \$6.6 million for the education tax refund information campaign. The education tax refund information campaign will be offset by redirecting funding from the Australian Taxation Office's Private Health Insurance and Superannuation media campaigns.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Department of the Treasury resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011

	Estimates at at Budget 2010-11 \$'000	Proposed Additional Estimates 2010-11 \$'000	=	Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Ordinary annual services					
Departmental					
Prior year departmental carried forward	75,433	-		75,433	-
Departmental appropriation	167,568	1,086	¹	168,654	145,931
Receipts from other sources (s31)	9,398	-		9,398	13,349
Total departmental	252,399	1,086		253,485	159,280
Administered expenses					
Outcome 1	31,285	16,493	²	47,778	30,675
Total administered expenses	31,285	16,493		47,778	30,675
Total ordinary annual services	A 283,684	17,579		301,263	189,955
Other services					
Departmental non-operating					
Equity injections	1,395	-		1,395	4,521
Previous years' outputs	-	-		-	1,800
Total	1,395	-		1,395	6,321
Administered non-operating					
Administered assets and liabilities					
Outcome 1	162,265	-		162,265	19,010
Total	162,265	-		162,265	19,010
Total other services	B 163,660	-		163,660	25,331
Total available annual appropriations (A + B)	447,344	17,579		464,923	215,286

Table 1.1: Department of the Treasury resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)

	Estimates at at Budget 2010-11 \$'000	Proposed Additional Estimates 2010-11 \$'000	Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Special appropriations				
<i>Federal Financial Relations Act 2009</i>	66,424,219	(1,469,254)	64,954,965	61,614,079
<i>International Monetary Agreements Act 1947</i>	312,599	3,223	315,822	34,466
<i>Car Dealership Financing Guarantee Appropriation Act 2009</i>	4,500	-	4,500	-
<i>Asian Development Bank (Additional Subscription) Act 2009</i>	17,120	1,567	18,687	-
<i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>	-	-	-	88,736
Total special appropriations	C 66,758,438	(1,464,464)	65,293,974	61,737,281
Total appropriations excluding special accounts (A+B+C)	67,205,782	(1,446,885)	65,758,897	61,952,567
Special accounts				
Opening balance	2,205	-	2,205	-
Appropriation receipts	-	-	-	-
Non-appropriation receipts to special accounts	17,871,957	4,041,824	21,913,781	26,324,449
Total special account	D 17,874,162	4,041,824	21,915,986	26,324,449
Total resourcing (A+B+C+D)	85,079,944	2,594,939	87,674,883	88,277,016
Less receipts from other sources credited to special accounts	1,629	-	1,629	1,927
Total net resourcing for the Treasury	85,078,315	2,594,939	87,673,254	88,275,089

- 1 Includes the transfer of \$0.938 million under section 32 of the *Financial Management and Accountability Act 1997* to the Department of Sustainability, Environment, Water, Population and Communities.
- 2 Appropriation Bill (No. 3) 2010-11.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2010-11 Budget.

Table 1.2: Agency Measures since Budget

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures					
A Tax Plan for the Future - Tax Forum(a)	1.1	926	-	-	-
Banking reform - education and awareness campaign(a)	1.1	10,158	4,841	-	-
Education Tax Refund - information campaign	1.1	6,612	-	-	-
Financial Reporting Panel - termination	1.1	(117)	(350)	(350)	(350)
Tax Reform Communications campaign advertising funding reduction	1.1	(20,300)	-	-	-
Drought Assistance - Exceptional Circumstances assistance for primary producers	1.10	4,169	2,092	-	-
Drought Assistance - Exceptional Circumstances assistance for small businesses	1.10	257	319	-	-
Flood Levee for Launceston	1.10	2,500	9,000	-	-
Local Government Reform Fund - reduction in funding	1.10	(2,000)	-	-	-
Local Government Reform Fund and Better Regions Program - redirection of funding	1.10	(800)	-	-	-
Nation Building - highway upgrades in Western Australia and Victoria	1.10	-	-	-	-
- Pacific Highway upgrade from Kempsey to Port Macquarie	1.10	4,000	13,000	18,000	-
Nation Building 2 - infrastructure projects	1.10	-	-	-	-
National location-based mobile phone emergency warning system	1.10	nfp	nfp	nfp	nfp
National Solar Schools Program - refinements	1.10	8,975	9,606	(17,540)	(10,738)
Regional Infrastructure Fund - additional funding	1.10	100,000	100,000	100,000	100,000
Royal Hobart Hospital - upfront contribution	1.10	100,000	-	-	-

Note: Details of these measures are in the *Mid-Year Economic and Fiscal Outlook 2010-11*.

(a) Measures that impact on Appropriation Bills No. 3 and No. 4 that were agreed after the Mid-Year Economic and Fiscal Outlook.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2010-11 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Outcome 1					
Increase in estimates (departmental)					
A Tax Plan for the Future -					
	Tax Forum	1.1	926	-	-
Banking reform - education and awareness campaign					
		1.1	277	804	-
Decrease in estimates (departmental)					
Financial Reporting Panel - termination					
		1.1	(117)	(350)	(350)
Net impact on estimates for Outcome 1 (departmental)					
			1,086	454	(350)
Increase in estimates (administered)					
Banking reform - education and awareness campaign					
		1.1	9,881	4,037	
Education Tax Refund - information campaign					
		1.1	6,612	-	-
Net impact on estimates for Outcome 1 (administered)					
			16,493	4,037	-

Note: These figures represent the fiscal balance impact.

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

The Treasury does not have any other variations since the 2010-11 Budget that affect Appropriation Bills No. 3 and No. 4.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for the Treasury through Appropriation Bill No. 3. The Treasury is not seeking funding through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2010-11

	2009-10 available \$'000	2010-11 budget \$'000	2010-11 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	163,090	167,568	168,654	1,203	(117)
Administered items	30,675	31,285	47,778	16,493	-
Total	193,765	198,853	216,432	17,696	(117)

Note: The 2010-11 budget figure for departmental items includes the transfer of \$0.938 million under section 32 of the *Financial Management and Accountability Act 1997* to the Department of Sustainability, Environment, Water, Population and Communities.

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2010-11* (pages 24-25).

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

Programs 1.4 to 1.10 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 61 to 126 of the *Mid-Year Economic and Fiscal Outlook 2010-11*.

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	2009-10 Actual \$'000	2010-11 Revised estimated resources \$'000
Program 1.1: Department of the Treasury		
Departmental resources		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	163,090	168,654
Equity injections (Appropriation Bill No. 2)	4,521	1,395
Previous years' outputs	1,800	-
Revenues from independent sources (s31)	13,349	9,398
Special accounts	1,927	1,629
Administered items		
Other Services (Appropriation Bills No. 1 and No. 3)	9,873	19,839
Total for Program 1.1	194,560	200,915
<hr/>		
Average staffing level (number)	2009-10 1,007	2010-11 1,013

Program 1.1: Department of the Treasury

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.2: Program resources

	2009-10	2010-11	2011-12	2012-13	2013-14
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental items:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	163,090	168,654	153,683	149,539	145,460
Equity injections	4,521	1,395	583	500	583
Previous years' outputs	1,800	-	-	-	-
Receipts from other sources (s31)	13,349	9,398	9,398	9,398	9,398
Special accounts	1,927	1,629	1,629	1,629	1,629
Administered items:					
Other Services (Appropriation Bills No. 1 and No. 3)	9,873	19,839	4,037	-	-
Total program resources	194,560	200,915	169,330	161,066	157,070

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 Treasury.

Table 3.1.1: Estimates of special account cash flows and balances

	Outcome	Opening balance 2010-11 2009-10 \$'000	Receipts		Payments 2010-11 2009-10 \$'000	Closing balance 2010-11 2009-10 \$'000
			Non- Appropriated 2010-11 2009-10 \$'000	Receipts Appropriated 2010-11 2009-10 \$'000		
Actuarial Services Special Account (D)	1	2,205 1,858	1,629 1,927	- -	1,629 1,580	2,205 2,205
COAG Reform Fund Special Account (A)	1	-	21,913,781 26,324,449	- -	21,913,781 26,324,449	- -
Financial System Stability Special Account (A)	1	-	-	-	-	-
Other Trust Moneys Account (D)	1	-	-	-	-	-
Services for other Governments and Non-agency Bodies Account (D)	1	-	-	-	-	-
Total special accounts 2010-11 Budget estimate		2,205	21,915,410	-	21,915,410	2,205
Total special accounts 2009-10 estimate actual		1,858	26,326,376	-	26,326,029	2,205

(A) Administered.

(D) Departmental.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting for a departmental breakeven operating result for 2010-11.

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

3.2.2 Budgeted financial statements

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	118,613	116,055	108,814	106,039	103,170
Supplier	48,315	50,647	47,187	45,753	44,445
Grants	2,986	2,420	1,080	1,080	1,080
Depreciation and amortisation	4,368	9,075	9,036	9,035	9,031
Net write-down and impairment	28	-	-	-	-
Net losses from sale	37	-	-	-	-
Finance costs	35	-	-	-	-
Total expenses	174,382	178,197	166,117	161,907	157,726
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	12,607	9,108	9,108	9,108	9,108
Other revenue	742	290	290	290	290
Total revenue	13,349	9,398	9,398	9,398	9,398
Gains					
Other gains	546	530	530	530	530
Total gains	546	530	530	530	530
Total own-source income	13,895	9,928	9,928	9,928	9,928
Net cost of (contribution by) services	160,487	168,269	156,189	151,979	147,798
Appropriation revenue	165,939	159,194	147,153	142,944	138,767
Surplus (deficit) attributable to the Australian Government	5,452	(9,075)	(9,036)	(9,035)	(9,031)
Note: Reconciliation of operating result attributable to the agency					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	5,452	(9,075)	(9,036)	(9,035)	(9,031)
Plus non-appropriated expenses depreciation and amortisation expenses	-	9,075	9,036	9,035	9,031
Operating result attributable to the Treasury	5,452	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,196	4,194	4,194	4,194	4,194
Trade and other receivables	77,254	76,256	78,256	80,256	82,256
Total financial assets	78,450	80,450	82,450	84,450	86,450
Non-financial assets					
Land and buildings	8,714	7,690	6,666	5,642	4,618
Infrastructure, plant and equipment	7,620	9,830	10,079	12,329	14,583
Intangibles	36,711	34,307	33,091	29,792	26,614
Other	1,799	1,799	1,799	1,799	1,799
Total non-financial assets	54,844	53,626	51,635	49,562	47,614
Total assets	133,294	134,076	134,085	134,012	134,064
LIABILITIES					
Interest bearing liabilities					
Leases	40	40	40	40	40
Total interest bearing liabilities	40	40	40	40	40
Provisions					
Employees	41,194	43,194	45,194	47,194	49,194
Total provisions	41,194	43,194	45,194	47,194	49,194
Payables					
Suppliers	1,662	1,662	1,662	1,662	1,662
Other	10,014	10,014	10,014	10,014	10,014
Total payables	11,676	11,676	11,676	11,676	11,676
Total liabilities	52,910	54,910	56,910	58,910	60,910
Net assets	80,384	79,166	77,175	75,102	73,154
EQUITY					
Parent entity interest					
Contributed equity	38,764	46,621	53,666	60,628	67,711
Reserves	5,246	5,246	5,246	5,246	5,246
Retained surpluses or accumulated deficits	36,374	27,299	18,263	9,228	197
Total parent entity interest	80,384	79,166	77,175	75,102	73,154
Current assets	80,249	82,249	84,249	86,249	88,249
Non-current assets	53,045	51,827	49,836	47,763	45,815
Current liabilities	43,089	44,696	46,288	47,863	49,421
Non-current liabilities	9,821	10,214	10,622	11,047	11,489

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	14,034	9,108	9,108	9,108	9,108
Appropriations	164,749	160,192	145,153	140,944	136,767
Other	7,131	290	290	290	290
Total cash received	185,914	169,590	154,551	150,342	146,165
Cash used					
Employees	115,487	114,055	106,814	104,039	101,170
Suppliers	52,399	50,117	46,657	45,223	43,915
Grants	2,986	2,420	1,080	1,080	1,080
Borrowing costs	36	-	-	-	-
Total cash used	170,908	166,592	154,551	150,342	146,165
Net cash from or (used by) operating activities	15,006	2,998	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	9	-	-	-	-
Total cash received	9	-	-	-	-
Cash used					
Purchase of property, plant and equipment	19,514	7,857	7,045	6,962	7,083
Total cash used	19,514	7,857	7,045	6,962	7,083
Net cash from or (used by) investing activities	(19,505)	(7,857)	(7,045)	(6,962)	(7,083)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,521	7,857	7,045	6,962	7,083
Total cash received	4,521	7,857	7,045	6,962	7,083
Cash used					
Repayment of borrowings	193	-	-	-	-
Total cash used	193	-	-	-	-
Net cash from or (used by) financing activities	4,328	7,857	7,045	6,962	7,083
Net increase or (decrease) in cash held	(171)	2,998	-	-	-
Cash at the beginning of the reporting period	1,367	1,196	4,194	4,194	4,194
Cash at the end of the reporting period	1,196	4,194	4,194	4,194	4,194

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2010-11)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	36,374	5,246	-	38,764	80,384
Adjusted opening balance	36,374	5,246	-	38,764	80,384
Comprehensive income					
Surplus (deficit) for the period	(9,075)	-	-	-	(9,075)
Total comprehensive income recognised directly in equity	(9,075)	-	-	-	(9,075)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	7,857	7,857
Sub-total transactions with owners	-	-	-	7,857	7,857
Estimated closing balance as at 30 June 2011	27,299	5,246	-	46,621	79,166

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	-	6,462	6,531	6,595	6,693
Total equity injections	4,521	1,395	583	500	583
Previous year's outputs	1,800	-	-	-	-
Total capital appropriations	6,321	7,857	7,114	7,095	7,276
Represented by:					
Purchase of non-financial assets	4,521	7,857	7,114	7,095	7,276
Other	1,800	-	-	-	-
Total represented by	6,321	7,857	7,114	7,095	7,276
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - DCB	-	6,462	6,531	6,595	6,693
Funded by capital appropriations	4,521	1,395	583	500	583
Funded internally from departmental resources	14,993	-	-	-	-
TOTAL	19,514	7,857	7,114	7,095	7,276

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2010-11)

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2010				
Gross book value	18,600	13,796	40,311	72,707
less Accumulated depreciation/ amortisation	9,886	6,176	3,600	19,662
Opening net book balance	8,714	7,620	36,711	53,045
Asset movements				
Additions	500	4,000	3,357	7,857
less Depreciation/amortisation expense	1,524	1,790	5,761	9,075
Total asset movements	2,024	5,790	9,118	16,932
As at 30 June 2011				
Gross book value	19,100	17,796	43,668	80,564
less Accumulated depreciation/ amortisation	11,410	7,966	9,361	28,737
Closing net book balance	7,690	9,830	34,307	51,827

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	1,930,987	1,949,969	1,739,889	1,446,933	1,228,587
Interest	2,236	3,274	6,094	8,966	11,740
Dividends	5,976,709	-	-	-	-
COAG Receipts from government agencies	3,639,933	3,403,188	2,733,779	2,599,955	1,346,468
Other sources of non-taxation revenues	191,232	54,235	18,100	2,500	2,500
Foreign exchange gains	790,861	151,765	5,425	11,097	11,097
Total non-taxation	12,531,958	5,562,431	4,503,287	4,069,451	2,600,392
Total income administered on behalf of Government	12,531,958	5,562,431	4,503,287	4,069,451	2,600,392
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	87,974,215	87,781,355	83,343,515	87,672,046	89,616,326
Interest	11,413	16,341	16,318	16,309	16,309
Other	14,818	20,514	4,712	675	675
Total expenses administered on behalf of Government	88,000,446	87,818,210	83,364,545	87,689,030	89,633,310

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	4,063	4,063	4,063	4,063	4,063
Loans	-	13,249	65,527	120,479	175,205
Receivables	5,326,422	2,491,822	1,432,746	766,120	294,186
Investments	17,963,607	17,718,662	17,747,020	17,811,074	17,875,128
Total financial assets	23,294,092	20,227,796	19,249,356	18,701,736	18,348,582
Non-financial assets					
Other	545,346	-	-	-	-
Total non-financial assets	545,346	-	-	-	-
Total assets administered on behalf of Government	23,839,438	20,227,796	19,249,356	18,701,736	18,348,582
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	4,882,893	3,872,955	3,678,724	3,704,266	3,729,808
Other debt	5,470,847	5,084,385	5,051,067	5,051,067	5,051,067
Total interest bearing liabilities	10,353,740	8,957,340	8,729,791	8,755,333	8,780,875
Provisions					
Other provisions	30,540	28,275	15,567	11,323	11,323
Total provisions	30,540	28,275	15,567	11,323	11,323
Payables					
Grants	395,306	93,425	86,402	85,266	80,909
Other payables	3,322,908	2,326,351	1,363,556	709,110	272,292
Total payables	3,718,214	2,419,776	1,449,958	794,376	353,201
Total liabilities administered on behalf of Government	14,102,494	11,405,391	10,195,316	9,561,032	9,145,399

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	1,333,504	1,299,723	1,082,381	766,010	565,546
Interest	2,388	2,824	3,726	4,014	4,014
Dividends	5,226,709	750,000	-	-	-
COAG receipts from government agencies	11,068,030	10,344,250	10,213,596	10,671,725	10,062,102
Other	174,115	54,235	18,100	2,500	2,500
Total cash received	17,804,746	12,451,032	11,317,803	11,444,249	10,634,162
Cash used					
Grant payments	95,293,444	93,809,823	90,145,883	95,051,849	97,638,160
Interest paid	9,949	15,822	16,336	16,309	16,309
Other	5,520	31,980	17,420	4,919	675
Total cash used	95,308,913	93,857,625	90,179,639	95,073,077	97,655,144
Net cash from or (used by) operating activities	(77,504,167)	(81,406,593)	(78,861,836)	(83,628,828)	(87,020,982)
INVESTING ACTIVITIES					
Cash received					
IMF SDR allocation	4,845,258	-	-	-	-
IMF MOV	-	401,962	-	-	-
Total cash received	4,845,258	401,962	-	-	-
Cash used					
Purchase of equity instruments	-	318,687	181,057	27,415	27,415
Loans advances	-	13,000	50,000	50,000	47,000
Other	-	4,922	-	-	-
Total cash used	-	336,609	231,057	77,415	74,415
Net cash from or (used by) investing activities	4,845,258	65,353	(231,057)	(77,415)	(74,415)
Net increase or (decrease) in cash held	(72,658,909)	(81,341,240)	(79,092,893)	(83,706,243)	(87,095,397)
Cash at beginning of reporting period	8,230	4,063	4,063	4,063	4,063
Cash from Official Public Account - appropriations	88,068,580	87,253,157	82,930,864	87,078,707	89,013,910
Cash to Official Public Account	15,413,838	5,911,917	3,837,971	3,372,464	1,918,513
Cash at end of reporting period	4,063	4,063	4,063	4,063	4,063

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Administered assets and liabilities	19,010	15,265	62,708	54,244	47,000
Special appropriations	98	318,687	181,057	27,415	27,415
Total capital appropriations	19,108	333,952	243,765	81,659	74,415
Represented by:					
Other	19,108	333,952	243,765	81,659	74,415
Total represented by	19,108	333,952	243,765	81,659	74,415

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

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

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

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

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

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

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Securities and Investments Commission (ASIC) from that outlined in the *Portfolio Budget Statements 2010-11* (pages 153-154).

ASIC is seeking an additional \$2 million in appropriations through Appropriation Bill (No. 3) 2010-11 for the helping our kids understand finances measure. Details of this measure appear on page 209 of the *Mid-Year Economic and Fiscal Outlook 2010-11*.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011

	Estimate as at Budget ⁺ 2010-11 \$'000	Proposed additional estimates 2010-11 \$'000	Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Ordinary annual services				
Departmental appropriation				
Prior year departmental appropriation	65,563	-	65,563	103,016
Departmental appropriation	338,756	2,000 ¹	340,756	344,529
Receipts from other sources (s31)	5,934	28,663	34,597	10,119
Total	410,253	30,663	440,916	457,664
Administered expenses				
Outcome 1 - Assetless Administration fund	3,450	-	3,450	3,094
Total	3,450	-	3,450	3,094
Total ordinary annual services	A 413,703	30,663	444,366	460,758
Other services				
Departmental non-operating Equity injections	34,141	-	34,141	8,412
Total other services	B 34,141	-	34,141	8,412
Total available annual appropriations (A+B)	447,844	30,663	478,507	469,170
Special appropriations				
Banking Act 1959	31,102	-	31,102	28,024
Life Insurance Act 1995	5,471	-	5,471	3,716
Total special appropriations	C 36,573	-	36,573	31,740
Total appropriations excluding special accounts (A+B+C)	484,417	30,663	515,080	500,910

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)

	Estimate as at Budget 2010-11 \$'000	Proposed additional estimates 2010-11 \$'000	Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Special accounts				
Opening balance	28,567	-	28,567	42,983
Appropriation receipts	30,000	-	30,000	30,000
Non-appropriation receipts to special accounts	51,000	-	51,000	86,180
Total special account	109,567	-	109,567	159,163
Total resourcing (A+B+C+D)	593,984	30,663	624,647	660,073
Less receipts from other sources and credited to special accounts	30,000	-	30,000	30,000
Total net resourcing for ASIC	563,984	30,663	594,647	630,073

1 Appropriation Bill (No. 3) 2010-11.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2010-11 Budget.

Table 1.2: Agency measures since Budget

Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures				
Fairer, Simpler Banking	1.1, 1.2	-	-	-
Helping Our Kids Understand Finances	1.1, 1.2	2,000	4,000	4,000

Note: Only measures included in the Mid-Year Economic and Fiscal Outlook or that impact on Appropriation Bills No. 3 and No. 4 are included.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2010-11 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since the 2010-11 Budget

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Outcome 1					
Increase in estimates (departmental)					
Fairer, Simpler Banking	1.1, 1.2	-	-	-	-
Helping Our Kids Understand Finances	1.1, 1.2	2,000	4,000	4,000	-
Net impact on estimates for outcome 1 (departmental)		2,000	4,000	4,000	-

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

ASIC does not have any other variations since the 2010-11 Budget that affect additional estimates.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for ASIC through Appropriation Bill No. 3. ASIC is not seeking funding through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2010-11

	2009-10 available \$'000	2010-11 budget \$'000	2010-11 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL PROGRAMS					
Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education compliance and deterrence that mitigates emerging risks	246,476	249,409	251,409	2,000	-
Outcome 2: Streamlined and cost effective interaction and access to information for business and the public, through registry, licensing and business facilitation services	93,053	89,347	89,347	-	-
Total	339,529	338,756	340,756	2,000	-

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategies for ASIC from that included in the *Portfolio Budget Statements 2010-11* (pages 157 and 162).

OUTCOME 1

Outcome 1 Strategy

There has been no change to the outcome strategy for Outcome 1 from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
Program 1.1: Research, policy, compliance, education and information initiatives		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	118,111	93,501
Revenues from independent sources (s31)	3,625	11,721
Total for Program 1.1	121,736	105,222
Program 1.2: Enforcement/deterrence		
Administered expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,130	3,450
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	170,668	135,108
Revenues from independent sources (s31)	5,239	16,936
Total for Program 1.2	179,037	155,494
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,130	3,450
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	288,779	228,609
Revenues from independent sources (s31)	8,864	28,657
Total resources for Outcome 1	300,773	260,716
	2009-10	2010-11
Average staffing level (number)	1,506	1,465

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

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.2: Program 1.1 expenses

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	118,111	93,501	91,085	97,964	93,776
Revenues from independent sources (s31)	3,625	11,721	1,718	1,718	1,732
Total program expenses	121,736	105,222	92,803	99,682	95,508

Program 1.2: Enforcement / deterrence

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.3: Program 1.2 expenses

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	170,668	135,108	131,616	141,557	135,505
Revenues from independent sources (s31)	5,239	16,936	2,482	2,482	2,503
Annual administered expenses:					
Other services (Appropriation Bills No. 1 and No. 3)	3,130	3,450	3,496	3,592	3,596
Total program expenses	179,037	155,494	137,594	147,631	141,604

OUTCOME 2

Outcome 2 Strategy

There has been no change to the outcome strategy for Outcome 2 from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.4: Budgeted expenses and resources for Outcome 2

Outcome 2: Streamlined and cost-effective interaction and access to information for business and the public, through registry, licensing and business facilitation services	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
Program 2.1: Legal infrastructure for companies and financial services providers		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	81,450	89,347
Revenues from independent sources (s31)	2,500	5,940
Total for Program 2.1	83,950	95,287
Program 2.2: Banking Act and Life Insurance Act, unclaimed moneys and special accounts		
Administered items		
Special appropriations		
<i>Banking Act 1959</i> - Banking Unclaimed Moneys	28,024	31,102
<i>Life Insurance Act 1995</i> - Life Unclaimed Moneys	3,716	5,471
Special accounts		
ASIC Deregistered Companies Trust Moneys Special Account	58	1,740
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account	8,523	13,721
ASIC Security Deposits Special Account	-	383
Companies and Unclaimed Moneys Special Account	64,778	50,000
Enforcement Special Account	57,219	36,508
Other Trust Moneys Account	18	-
Total for Program 2.2	162,336	138,925
Outcome 2 totals by appropriation type		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	81,450	89,347
Revenues from independent sources (s31)	2,500	5,940
Administered expenses		
Special appropriations	31,740	36,573
Special accounts	130,596	102,352
Total resources for Outcome 2	246,286	234,212
	2009-10	2010-11
Average staffing level (number)	425	413

Program 2.1: Legal infrastructure for companies and financial services providers

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.5: Program 2.1 expenses

	2009-10	2010-11	2011-12	2012-13	2013-14
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	81,450	89,347	85,098	79,398	82,273
Revenues from independent sources (s31)	2,500	5,940	-	-	-
Total program expenses	83,950	95,287	85,098	79,398	82,273

Program 2.2: Banking Act and Life Insurance Act, unclaimed moneys and special accounts

There has been no change to the program objective, expenses, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

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 ASIC.

Table 3.1.1: Estimates of special account flows

		Opening balance 2010-11 2009-10	Receipts non- appropriated 2010-11 2009-10	Receipts appropriated 2010-11 2009-10	Payments 2010-11 2009-10	Closing balance 2010-11 2009-10
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for other Governments and Non-agency Bodies Account (D)	1	-	-	-	-	-
ASIC Deregistered Companies Trust Moneys Special Account (D)	2	740 698	1,000 100	- -	1,740 58	- 740
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)	2	13,721 87	- 22,157	- -	13,721 8,523	- 13,721
ASIC Security Deposits Special Account (D)	2	383 383	- -	- -	383 -	- 383
Companies and Unclaimed Moneys Special Account (A)	2	7,215 8,902	50,000 63,091	- -	50,000 64,778	7,215 7,215
Enforcement Special Account (D)	2	6,508 32,912	- 815	30,000 30,000	36,508 57,219	- 6,508
Other Trust Moneys Account (D)	2	- 1	- 17	- -	- 18	- -
Total special accounts 2010-11 Budget estimate		28,567	51,000	30,000	102,352	7,215
Total special accounts 2009-10 actual		42,983	86,180	30,000	130,596	28,567

(A) Administered.
(D) Departmental.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted departmental Comprehensive income statement

ASIC is currently budgeting for a break-even operating result for 2010-11 and for the remainder of the forward estimates.

Total expenses are estimated to be \$396.4 million for 2010-11. The expenditure will be used to fund activities that contribute towards achieving the outcome and program objectives outlined in Section 2.

Budgeted departmental balance sheet

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

ASIC's budgeted equity (or net asset position) for 2010-11 is \$131.7 million.

The 2010-11 equity position reflects the cumulative effect of capital injections of \$56.9 million received during 2010-11.

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

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

Departmental capital budget statement

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

Statement of Asset Movements — Departmental

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

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The schedule of budgeted income and expenses administered on behalf of government shows the revenue and expenses associated with the collection of revenue under the *Corporations Act 2001* and ASIC's responsibilities in administering unclaimed moneys under the *Banking Act 1959* and the *Life Insurance Act 1995*.

Other non-taxation revenue represents the amount of fees and charges budgeted to be levied under the *Corporations Act 2001* and estimated receipts of unclaimed moneys under the *Banking Act 1959* and the *Life Insurance Act 1995*.

Expenses represent budgeted payments of unclaimed moneys, refund of overpaid fees and charges levied under the *Corporations Act 2001*, bad debt expense and payments to registered insolvency practitioners to investigate breaches of directors' duties and fraudulent conduct.

Schedule of budgeted assets and liabilities administered on behalf of government

The amount shown for receivables in 2010-11 and in the forward estimates is the estimated amount of fees and charges under the *Corporations Act 2001* remaining unpaid at 30 June.

The amounts shown in other payables for 2010-11 and the forward estimates represent the estimated amount of refunds relating to the over payments of annual review and other fees under the *Corporations Act 2001*.

Schedule of budgeted administered cash flows

Budgeted administered cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

3.2.2 Budgeted financial statements

Departmental financial statements

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	208,232	217,254	180,035	185,867	181,332
Supplier	147,259	134,120	130,482	135,770	132,940
Depreciation and amortisation	27,865	44,544	46,926	46,400	43,318
Finance costs	488	500	500	500	500
Other	2,726	-	-	-	-
Total expenses	386,570	396,418	357,943	368,537	358,090
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	3,734	3,362	3,394	3,429	3,365
Other revenue	7,630	31,710	978	943	1,007
Total revenue	11,364	35,072	4,372	4,372	4,372
Total own-source income	11,364	35,072	4,372	4,372	4,372
Net cost of (contribution by) services	375,206	361,346	353,571	364,165	353,718
Appropriation revenue	370,229	319,092	308,935	320,055	312,690
Surplus (deficit) attributable to the Australian Government	(4,977)	(42,254)	(44,636)	(44,110)	(41,028)
Note: Reconciliation of operating result attributable to the agency					
	2009-10	2010-11	2011-12	2012-13	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating result attributable to the Australian Government	(4,977)	(42,254)	(44,636)	(44,110)	(41,028)
Plus non-appropriated expenses depreciation and amortisation expenses	-	42,254	44,636	44,110	41,028
Operating result attributable to ASIC	(4,977)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	189	277	1,536	1,776	2,930
Trade and other receivables	72,046	58,796	56,399	55,523	50,214
Total financial assets	72,235	59,073	57,935	57,299	53,144
Non-financial assets					
Land and buildings	68,072	76,674	68,543	62,217	55,971
Infrastructure, plant and equipment	23,893	21,579	20,083	23,947	26,509
Intangibles	82,611	93,221	83,921	68,257	57,145
Other	8,271	8,133	8,167	8,167	8,167
Total non-financial assets	182,847	199,607	180,714	162,588	147,792
Total assets	255,082	258,680	238,649	219,887	200,936
LIABILITIES					
Provisions					
Employees	50,071	49,053	49,557	49,557	49,557
Other	10,918	11,418	11,918	12,418	12,918
Total provisions	60,989	60,471	61,475	61,975	62,475
Payables					
Suppliers	22,436	21,469	21,708	21,708	18,189
Other	54,664	45,060	40,423	36,997	33,571
Total payables	77,100	66,529	62,131	58,705	51,760
Total liabilities	138,089	127,000	123,606	120,680	114,235
Net assets	116,993	131,680	115,043	99,207	86,701
EQUITY					
Contributed equity	84,626	141,567	169,566	197,840	226,362
Reserves	6,473	6,473	6,473	6,473	6,473
Retained surpluses or accumulated deficits	25,894	(16,360)	(60,996)	(105,106)	(146,134)
Total equity	116,993	131,680	115,043	99,207	86,701
Current assets	80,506	67,206	66,102	65,466	61,311
Non-current assets	174,576	191,474	172,547	154,421	139,625
Current liabilities	67,326	59,916	60,057	58,466	54,645
Non-current liabilities	70,763	67,084	63,549	62,214	59,590

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	3,475	3,059	3,091	3,429	3,365
Appropriations	414,444	326,241	310,499	320,495	316,863
GST received	20,067	13,403	13,373	12,555	12,924
Other	7,459	31,538	806	771	835
Total cash received	445,445	374,241	327,769	337,250	333,987
Cash used					
Employees	199,310	218,272	179,531	185,867	181,332
Suppliers	163,006	137,977	133,606	138,588	138,577
GST paid	15,461	13,403	13,373	12,555	12,924
Borrowing costs	-	-	-	-	-
Total cash used	377,777	369,652	326,510	337,010	332,833
Net cash from or (used by) operating activities	67,668	4,589	1,259	240	1,154
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	78,841	61,442	27,999	28,274	28,522
Total cash used	78,841	61,442	27,999	28,274	28,522
Net cash from or (used by) investing activities	(78,841)	(61,442)	(27,999)	(28,274)	(28,522)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	8,412	56,941	27,999	28,274	28,522
Total cash received	8,412	56,941	27,999	28,274	28,522
Net cash from or (used by) financing activities	8,412	56,941	27,999	28,274	28,522
Net increase or (decrease) in cash held	(2,761)	88	1,259	240	1,154
Cash at the beginning of the reporting period	2,950	189	277	1,536	1,776
Cash at the end of the reporting period	189	277	1,536	1,776	2,930

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2010-11)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	25,894	6,473	-	84,626	116,993
Adjusted opening balance	25,894	6,473	-	84,626	116,993
Comprehensive income					
Surplus (deficit) for the period	(42,254)	-	-	-	(42,254)
Transactions with owners					
Appropriation (equity injection)	-	-	-	34,141	34,141
Appropriation (departmental capital budget)	-	-	-	22,800	22,800
Subtotal transactions	-	-	-	56,941	56,941
Estimated closing balance as at 30 June 2011	(16,360)	6,473	-	141,567	131,680

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,412	34,141	-	-	-
Capital Budget - Bill 1 (DCB)	-	22,800	27,999	28,274	28,522
Total capital appropriations	8,412	56,941	27,999	28,274	28,522
Represented by:					
Purchase of non-financial assets	8,412	56,941	27,999	28,274	28,522
Total represented by	8,412	56,941	27,999	28,274	28,522
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	8,412	34,141	-	-	-
Funded internally from departmental resources	99,085	4,501	-	-	-
Funded by capital appropriations - Departmental Capital Budget	-	22,800	27,999	28,274	28,522
TOTAL	107,497	61,442	27,999	28,274	28,522

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2010				
Gross book value	86,473	44,769	110,402	241,644
less Accumulated depreciation/amortisation	18,401	20,876	27,791	67,068
Opening net book balance	68,072	23,893	82,611	174,576
Asset movements				
Additions	19,963	6,140	35,339	61,442
less Depreciation/amortisation expense	11,361	8,454	24,729	44,544
Total asset movements	8,602	(2,314)	10,610	16,898
As at 30 June 2011				
Gross book value	103,936	48,909	141,241	294,086
less Accumulated depreciation/amortisation	27,262	27,330	48,020	102,612
Closing net book balance	76,674	21,579	93,221	191,474

Prepared on Australian Accounting Standards basis.

Schedule of administered activity

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation					
Other sources of non-taxation revenues	639,878	692,906	745,602	774,606	788,288
Total revenues administered on behalf of Government	639,878	692,906	745,602	774,606	788,288
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	3,130	3,450	3,496	3,592	3,596
Write down and impairment of assets	33,137	30,777	30,020	30,387	30,759
Other	31,740	36,573	39,511	42,687	46,122
Total expenses administered on behalf of Government	68,007	70,800	73,027	76,666	80,477

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,017	4,587	4,587	4,587	4,587
Receivables	86,946	88,441	89,574	93,229	96,849
Total assets administered on behalf of Government	89,963	93,028	94,161	97,816	101,436
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants payable	985	985	985	985	985
Other payables	6,841	7,000	7,000	7,000	7,000
Total liabilities administered on behalf of Government	7,826	7,985	7,985	7,985	7,985

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	607,550	660,327	714,637	740,545	753,909
Net GST received	341	319	549	330	330
Total cash received	607,891	660,646	715,186	740,875	754,239
Cash used					
Grants	3,493	3,769	4,045	3,922	3,926
Other	31,740	36,107	39,699	42,668	46,122
Total cash used	35,233	39,876	43,744	46,590	50,048
Net cash from or (used by) operating activities	572,658	620,770	671,442	694,285	704,191
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	40,854	47,023	49,007	52,279	55,718
Total cash received	40,854	47,023	49,007	52,279	55,718
Cash used					
Cash to Official Public Account	613,567	666,223	720,449	746,564	759,909
Total cash used	613,567	666,223	720,449	746,564	759,909
Net cash from or (used by) financing activities	(572,713)	(619,200)	(671,442)	(694,285)	(704,191)
Net increase or (decrease) in cash held	(55)	1,570	-	-	-
Cash at beginning of reporting period	3,072	3,017	4,587	4,587	4,587
Cash at end of reporting period	3,017	4,587	4,587	4,587	4,587

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Basis of accounting

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

Budgeted agency financial statements

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

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

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

Appropriations in the accrual budgeting framework

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

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

Departmental

Asset valuation

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

Asset recognition threshold

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

Leases

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

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

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

Depreciation and amortisation

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

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

Receivables

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

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

Provisions and payables

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

Administered

Schedule of budgeted revenues and expenses administered on behalf of government

Revenues

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

Write down and impairment of assets

Write down and impairment of assets represents waivers and write-offs of corporations law fees.

Schedule of budgeted assets and liabilities administered on behalf of government

Financial assets

The financial assets include corporations law debt invoiced and still outstanding at year-end.

Schedule of budgeted administered cash flows

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

PRODUCTIVITY COMMISSION

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PRODUCTIVITY COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Productivity Commission from that outlined in the *Portfolio Budget Statements 2010-11* (pages 327-328).

The Productivity Commission is seeking an additional \$2.6 million in departmental outputs through Appropriation Bill (No.3) 2010-11 for the study into emission reduction policies in key economies measure. Further details are available in the joint media release between the Deputy Prime Minister and Treasurer, the Assistant Treasurer, and the Minister for Climate Change and Energy Efficiency of 15 November 2010.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Productivity Commission resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011

	Estimates at at Budget 2010-11 \$'000	Proposed Additional Estimates 2010-11 \$'000	Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Ordinary annual services				
Departmental				
Prior year departmental carried forward	7,529	-	7,529	-
Departmental appropriation	38,781	2,643 ¹	41,424	34,388
Receipts from other sources (s31)	10	-	10	10
Total ordinary annual services	A 46,320	2,643	48,963	34,398
Other services				
Departmental non-operating				
Previous years' outputs	-	-	-	868
Total other services	B -	-	-	868
Total net resourcing for Productivity Commission (A + B)	46,320	2,643	48,963	35,266

¹ Appropriation Bill (No. 3) 2010-11

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2010-11 Budget.

Table 1.2: Agency measures since Budget

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures					
Study into emission reduction policies in key economies	1.1	2,643	-	-	-

Note: This measure was announced after the *Mid-Year Economic and Fiscal Outlook 2010-11*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2010-11 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Outcome 1					
Increase in estimates (departmental)					
Study into emission reduction policies in key economies	1.1	2,643	-	-	-
Net impact on estimates for Outcome 1 (departmental)					
		2,643	-	-	-

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

The Productivity Commission does not have any other variations since the 2010-11 Budget that affect Appropriation Bills No. 3 and No. 4.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.5: Appropriation Bill (No. 3) 2010-11

	2009-10 available \$'000	2010-11 budget \$'000	2010-11 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL PROGRAMS					
Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community wide perspective	34,388	38,781	41,424	2,643	-
Total	34,388	38,781	41,424	2,643	-

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Productivity Commission from that included in the *Portfolio Budget Statements 2010-11* (page 330).

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective.	2009-10	2010-11
	Actual	Revised estimated resources
	\$'000	\$'000
Program 1.1: Productivity Commission		
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	34,388	37,279
Revenues from independent sources (s31)	617	10
Expenses not requiring appropriation in the Budget year	35	968
less Revenue to be carried forward	1,323	-
Total for Program 1.1	33,717	38,257
	2009-10	2010-11
Average staffing level (number)	188	194

Program 1.1: Productivity Commission

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.2: Program resources

	2009-10	2010-11	2011-12	2012-13	2013-14
	Actuals	Budget	Forward	Forward	Forward
	\$'000	\$'000	year 1	year 2	year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Annual departmental expenses:					
Departmental items	33,717	38,257	35,282	35,554	35,785
Total departmental expenses	33,717	38,257	35,282	35,554	35,785

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

There has been no change to special account flows that affect Appropriation Bills No. 3 and No. 4.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Productivity Commission is budgeting for a departmental breakeven operating result for 2010-11 after adjusting for non-appropriated expenses of depreciation and amortisation.

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

3.2.2 Budgeted financial statements

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	25,206	26,698	25,353	25,386	25,383
Supplier	7,440	10,591	8,994	9,233	9,467
Depreciation and amortisation	1,033	935	935	935	935
Finance costs	31	33	-	-	-
Net losses from sale	7	-	-	-	-
Total expenses	33,717	38,257	35,282	35,554	35,785
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	617	10	10	10	10
Total revenue	617	10	10	10	10
Gains					
Other gains	35	33	33	33	33
Total gains	35	33	33	33	33
Total own-source income	652	43	43	43	43
Net cost of (contribution by) services	33,065	38,214	35,239	35,511	35,742
Appropriation revenue	34,388	37,279	34,304	34,576	34,807
Surplus (deficit) attributable to the Australian Government	1,323	(935)	(935)	(935)	(935)
Note: Reconciliation of operating result attributable to the agency					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	1,323	(935)	(935)	(935)	(935)
Plus non-appropriated expenses depreciation and amortisation expenses	-	935	935	935	935
Operating result attributable to the Productivity Commission	1,323	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	415	420	420	420	420
Trade and other receivables	9,901	9,511	9,661	9,811	9,811
Total financial assets	10,316	9,931	10,081	10,231	10,231
Non-financial assets					
Land and buildings	2,972	6,315	6,065	5,473	4,786
Infrastructure, plant and equipment	666	544	228	230	341
Intangibles	101	90	74	84	83
Other	522	522	522	522	522
Total non-financial assets	4,261	7,471	6,889	6,309	5,732
Total assets	14,577	17,402	16,970	16,540	15,963
LIABILITIES					
Provisions					
Employees	9,555	9,609	9,759	9,909	9,909
Total provisions	9,555	9,609	9,759	9,909	9,909
Payables					
Suppliers	371	371	371	371	371
Other	439	-	-	-	-
Total payables	810	371	371	371	371
Total liabilities	10,365	9,980	10,130	10,280	10,280
Net assets	4,212	7,422	6,840	6,260	5,683
EQUITY					
Parent entity interest					
Contributed equity	(2,341)	1,804	2,157	2,512	2,870
Reserves	2,154	2,154	2,154	2,154	2,154
Retained surpluses or accumulated deficits	4,399	3,464	2,529	1,594	659
Total parent entity interest	4,212	7,422	6,840	6,260	5,683
Current assets	10,838	10,453	10,603	10,753	10,753
Non-current assets	3,739	6,949	6,367	5,787	5,210
Current liabilities	9,545	9,148	9,285	9,422	9,409
Non-current liabilities	820	832	845	858	871

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	789	10	10	10	10
Appropriations	31,488	37,669	34,154	34,426	34,807
Other	716	-	-	-	-
Total cash received	32,993	37,679	34,164	34,436	34,817
Cash used					
Employees	23,915	26,545	25,203	25,236	25,383
Suppliers	8,266	11,129	8,961	9,200	9,434
Grants	-	-	-	-	-
Borrowing costs	515	-	-	-	-
Total cash used	32,696	37,674	34,164	34,436	34,817
Net cash from or (used by) operating activities	297	5	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	106	4,145	353	355	358
Total cash used	106	4,145	353	355	358
Net cash from or (used by) investing activities	(106)	(4,145)	(353)	(355)	(358)
FINANCING ACTIVITIES					
Cash received					
Appropriations - DCB	-	4,145	353	355	358
Total cash received	-	4,145	353	355	358
Net cash from or (used by) financing activities	-	4,145	353	355	358
Net increase or (decrease) in cash held	191	5	-	-	-
Cash at the beginning of the reporting period	224	415	420	420	420
Cash at the end of the reporting period	415	420	420	420	420

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2010-11)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	4,399	2,154	-	(2,341)	4,212
Adjusted opening balance	4,399	2,154	-	(2,341)	4,212
Comprehensive income					
Surplus (deficit) for the period	(935)	-	-	-	(935)
Total comprehensive income recognised directly in equity	(935)	-	-	-	(935)
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (departmental capital budget)	-	-	-	4,145	4,145
Sub-total transactions with owners	(935)	-	-	4,145	4,145
Estimated closing balance as at 30 June 2011	3,463	2,154	-	1,804	7,422

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	4,145	353	355	358
Previous year's outputs	868	-	-	-	-
Total capital appropriations	868	4,145	353	355	358
Represented by:					
Purchase of non-financial assets	-	4,145	353	355	358
Other	868	-	-	-	-
Total represented by	868	4,145	353	355	358
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - DCB	-	4,145	353	355	358
Funded internally from departmental resources	106	-	-	-	-
TOTAL	106	4,145	353	355	358

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2010-11)

	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010				
Gross book value	2,972	666	544	4,182
less Accumulated depreciation/ amortisation			443	443
Opening net book balance	2,972	666	101	3,739
Asset movements				
Additions	3,935	205	5	4,145
less Depreciation/amortisation expense	592	327	16	935
Total asset movements	3,343	(122)	(11)	3,210
As at 30 June 2011				
Gross book value	6,907	871	549	8,327
less Accumulated depreciation/ amortisation	592	327	459	1,378
Closing net book balance	6,315	544	90	6,949

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

The Productivity Commission’s budgeted statements are prepared on an accrual basis in accordance with:

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

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