Australian Competition and Consumer Commission

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# Australian Competition and Consumer Commission

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

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

The Australian Energy Regulator (AER) regulates energy markets and networks under national legislation and rules. The AER has an independent Board.

The ACCC and AER share staff, resources and facilities.

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

The ACCC is selective in the matters it investigates and the sectors that it engages with for education and market analysis. The ACCC’s role is to focus on those circumstances that will, or have the potential to harm the competitive process or result in widespread consumer detriment. The ACCC therefore exercises discretion to direct resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its compliance and enforcement priorities, as set out in the ACCC Compliance and Enforcement Policy.

The ACCC also annually updates its consumer product safety priorities so as to identify and address the risk of serious injury and death from safety hazards in consumer products.

The ACCC will continue to assess and review mergers via the informal clearance process to prevent structural changes that substantially lessen competition, and will continue to assess and make decisions about applications for authorisation and notification of certain anti-competitive conduct.

The ACCC is the national regulator of natural monopoly infrastructure services in communication, postal services and rail industries, and has specific regulatory roles in relation to bulk water and bulk wheat port facilities. The ACCC also has a role in enforcing industry-specific competition and market rules in some infrastructure-based markets, such as retail electricity. Fostering efficient infrastructure provision through industry‑specific regulation and access conditions — under the umbrella of the long term interest of consumers — is the major focus of the economic regulatory role.

The ACCC also monitors other sectors (such as major airports, container stevedoring petrol and communications) where there is limited competition or high consumer concern to provide information about the operation of the relevant markets.

In 2020-21 the ACCC will continue to focus on markets where additional measures and analysis are required to deliver efficient and competitive outcomes. This includes undertaking a number of inquiries, industry analysis and reporting activities covering a broad range of sectors, including gas and electricity, digital platforms, domestic aviation, agriculture, financial services, private health insurance and residential insurance in Northern Australia.

The ACCC will also focus on its role in relation to implementing and enforcing the Consumer Data Right.

The ACCC will continue to engage extensively with a wide range of stakeholders to achieve our purpose to make markets work for consumers, now and in the future, especially as we operate through the COVID-19 environment.

The AER exists so that energy consumers are better off, now and in the future. The AER regulates wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions mostly relate to energy markets in eastern and southern Australia. We place consumers at the heart of our work, and are focused on ensuring a secure, reliable and affordable energy future for Australia.

The AER’s objectives have been updated in 2020 and are designed to support the outcomes outlined by the COAG Energy Council’s Strategic Energy Plan: affordable energy and satisfied consumers; secure electricity and gas system; reliable and low emissions electricity and gas supply; effective development of open and competitive markets; and efficient and timely investment in networks.

The AER’s objectives, that is the steps we will take to achieve the outcomes, are:

* protect vulnerable consumers while enabling consumers to participate in energy markets;
* effectively regulate competitive markets through monitoring and reporting, enforcement and compliance;
* deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services; and
* use our expertise to inform debate about Australia’s energy future and support the energy transition.

### 1.2 Entity resource statement

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

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

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Australian Competition and Consumer Commission resource statement — Budget estimates for 2020-21 as at Budget October 2020**

|  |  |  |
| --- | --- | --- |
|  | *2019-20 Estimated actual $'000* | 2020-21 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *48,198* | 50,764 |
| Departmental appropriation (b) | *259,215* | 270,156 |
| s74 External Revenue (c) | *4,932* | 1,599 |
| Departmental capital budget (d) | *14,602* | 32,286 |
| Annual appropriations - other services - non-operating (e) |  |  |
| Prior year appropriations available | *11,100* | 1,100 |
| Equity injection (f) | *1,100* | 36,200 |
| Total departmental annual appropriations | *339,147* | 392,105 |
| ***Total departmental resourcing*** | ***339,147*** | **392,105** |
|  |  |  |
| Special appropriations (g) | *20* | 20 |
| **Total administered resourcing (h)** | ***20*** | **20** |
| **Total resourcing for ACCC** | ***339,167*** | **392,125** |
|  |  |  |
|  | *2019-20* | 2020-21 |
| **Average staffing level (number)** | *1,113* | 1,184 |

Third party payments from and on behalf of the National Competition Council (NCC)

Third party payments from and on behalf of other entities

|  |  |  |
| --- | --- | --- |
|  | *2019-20 Estimated actual $'000* | 2020-21 Estimate  $'000 |
| Payments made on behalf of NCC   (as disclosed in the NCC's resource statement) | *1,700* | 1,701 |
| Receipts received from the NCC for the provision of services   (disclosed above in s74 Retained revenue receipts  section above) | *850* | 850 |

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

1. Appropriation Bill (No. 1) 2020-21.
2. Excludes departmental capital budget (DCB).
3. Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and*

*Accountability Act 2013* (PGPA Act).

1. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
2. Appropriation Bill (No. 2) 2020-21.
3. Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.
4. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

### 1.3 Budget measures

Budget measures in Part 1 relating to the ACCC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ACCC 2020-21 Budget measures

Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 | 2023-24 $'000 |
| **Receipt measures** |  |  |  |  |  |
| Treasury Portfolio — additional funding |  |  |  |  |  |
| Administered receipt | 1.1 | - | - | 7,379 | 19,985 |
| **Total receipt measures** |  | **-** | **-** | **7,379** | **19,985** |
| **Payment measures** |  |  |  |  |  |
| ACCC Inquiry into the Supply Chains   of Perishable Agricultural Goods |  |  |  |  |  |
| Departmental payment | 1.1 | 419 | - | - | - |
| JobMaker — Digital Business Plan |  |  |  |  |  |
| Departmental payment | 1.1 | 23,905 | - | - | - |
| Departmental payment | 1.2 | 625 | - | - | - |
| Treasury Portfolio — additional funding |  |  |  |  |  |
| Departmental payment | 1.1 | 20,589 | 27,260 | 34,451 | 34,239 |
| JobMaker Plan — Infrastructure   Investment — road safety   and upgrades |  |  |  |  |  |
| Departmental payment | 1.1 | 436 | - | - | - |
| **Total payment measures** |  | **45,974** | **27,260** | **34,451** | **34,239** |

Prepared on a Government Finance Statistics (fiscal) basis.

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

## Section 2: Outcomes and planned performance

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

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports - to provide a complete picture of an entity’s planned and actual performance.

The most recent corporate plan for the ACCC can be found at: <http://www.accc.gov.au/publications/corporate-plan-priorities>

The most recent annual performance statement can be found at: <http://www.accc.gov.au/annualreports>

### 2.1 Budgeted expenses and performance for Outcome 1

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

##### Budgeted expenses for Outcome 1

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

Table 2.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **Program 1.1: Australian Competition and Consumer Commission** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 191,754 | 205,769 | 187,445 | 175,060 | 174,044 |
| s74 External Revenue (a) | 4,930 | 1,599 | 1,335 | 575 | 1,372 |
| Expenses not requiring  appropriation in the Budget  year (b) | 40,242 | 11,305 | 10,039 | 9,816 | 9,242 |
| **Departmental total** | 236,926 | 218,673 | 198,819 | 185,451 | 184,658 |
| **Total expenses for program 1.1** | **236,926** | **218,673** | **198,819** | **185,451** | **184,658** |
|  |  |  |  |  |  |
| **Program 1.2: Australian Energy Regulator** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 67,461 | 64,387 | 63,289 | 63,325 | 63,570 |
| s74 External Revenue (a) | 2 | - | - | - | - |
| Expenses not requiring  appropriation in the Budget  year (b) | 1,269 | - | - | - | - |
| **Departmental total** | 68,732 | 64,387 | 63,289 | 63,325 | 63,570 |
| **Total expenses for program 1.2** | **68,732** | **64,387** | **63,289** | **63,325** | **63,570** |

**Table 2.1: Budgeted expenses for Outcome 1 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 259,215 | 270,156 | 250,734 | 238,385 | 237,614 |
| s74 External Revenue (a) | 4,932 | 1,599 | 1,335 | 575 | 1,372 |
| Expenses not requiring  appropriation in the Budget  year (b) | 41,511 | 11,305 | 10,039 | 9,816 | 9,242 |
| **Departmental total** | 305,658 | 283,060 | 262,108 | 248,776 | 248,228 |
| **Total expenses for Outcome 1** | **305,658** | **283,060** | **262,108** | **248,776** | **248,228** |
|  |  |  |  |  |  |
|  | 2019-20 | 2020-21 |  |  |  |
| **Average staffing level (number)** | 1,113 | 1,184 |  |  |  |

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and Litigation Contingency Fund payments funded from equity

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

|  |  |
| --- | --- |
| Outcome 1 – Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services. | |
| **Program 1.1 – Australian Competition and Consumer Commission**  To achieve compliance with the *Competition and Consumer Act 2010* and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians. | |
| **Delivery** | The ACCC achieves Outcome 1 by:   1. Maintaining and promoting competition through:  * delivering outcomes to address harm to consumers and businesses resulting from anti-competitive conduct focusing in particular on the ACCC’s identified priorities * assessing mergers to prevent structural changes that substantially lessen competition * making decisions on authorisation, notification and certification trademark applications in the public interest, and * reliably supporting the operation of the Consumer Data Right for banking and delivering change program to expand the Consumer Data Right.  1. Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business through:  * delivering outcomes to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and Industry Codes * enhancing the effectiveness of the ACCC’s compliance and enforcement initiatives through partnerships; * identifying and addressing the risk of serious injury and death from safety hazards in consumer products; * supporting a vibrant small business sector; and * empowering consumers by increasing their awareness of their rights under the Australian Consumer Law.  1. Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure through:  * delivering network regulation that promotes competition in the long-term interests of end-users; * providing industry monitoring reports to Government in relation to highly concentrated, newly deregulated or emerging markets; and * improving the efficient operation of markets by enforcing industry-specific competition and market rules.  1. Undertaking market studies and inquiries to support competition, consumer and regulatory outcomes to:  * develop a sophisticated understanding of how well competition and markets are working in particular sectors, and * provide advice on a broad range of competition and consumer issues. |

|  |  |  |
| --- | --- | --- |
| Performance information | | |
| Year | Performance criteria (a) | 2019-20 Actual Achievement / 2020-21 Targets |
| 2019-20 | Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)  Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment  Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)  Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)  Number of initial and in depth investigations of emerging product safety hazards  Number of small business Infocentre contacts served  Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)  Number of major regulatory decisions  Number of annual monitoring reports  Number of reports on monitoring of unleaded petroleum products  Number of reports on broadband markets  Number of completed markets studies and inquiries | 6  89%  100%  50  12  12 143  312 773  1  7  6  10  3 |
| 2020-21 | Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)  Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment  Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding)  Number of Australian Consumer Law enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)  Number of initial and in depth investigations of emerging product safety hazards  Number of small business Infocentre contacts served  Number of Infocentre contacts served (includes Infocentre contacts served and web forms received)  Number of major regulatory decisions  Number of annual monitoring reports  Number of reports on monitoring of unleaded petroleum products  Number of reports on broadband markets  Number of completed markets studies and inquiries | 4 - 6  80%  100%  35  10  12 000  200 000  5  6  6  10  3 |

|  |  |  |
| --- | --- | --- |
| Performance information | | |
| **Year** | **Performance criteria (a)** | **2019-20 Actual Achievement / 2020-21 Targets** |
| **Purpose** | The ACCC enforces the CCA and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.  The ACCC’s purpose is to make markets work for consumers, now and in the future. | |

The above program is linked to the Department of Health (Program 5.1 – Protect the Health and Safety of the Community through Regulation) and the Department of Industry, Science, Energy and Resources (Program 1.2 – Growing Business Investment and Improving Business Capability and Program 3.1 - Energy).

##### Table 2.2: Performance criteria for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
| **Program 1.2 - Australian Energy Regulator**  The AER’s priorities and work program are guided by the objectives of national energy legislation and rules and the five core outcomes for the energy system established by the COAG Energy Council’s Strategic Plan. The common objective through the legislation is to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of end users of energy with respect to price, quality, safety, reliability and security. | | |
| **Delivery** | The AER achieves Outcome 1 by:   * Wholesale energy market regulation: monitoring, investigating and enforcing compliance with national energy legislation and rules in wholesale electricity and gas markets. We monitor participant bidding and rebidding, market dispatch and prices, network constraints and outages, demand forecasts and forecasts of production and capacity. We also report on market activity. * Energy networks regulation: regulating electricity networks and natural gas pipelines by setting the maximum amount of revenue they can earn, with reference to factors including projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards. * Retail energy market regulation: regulating retail electricity and gas markets in jurisdictions that have commenced the National Energy Retail Law: Tasmania (for electricity customers only), the Australian Capital Territory, South Australia, New South Wales and Queensland. * Consumer protection: empowering consumers to make informed choices about their energy supplier, including through a price comparison website, Energy Made Easy, setting the Default Market Offer to protect consumers from high prices and encourage participation in the market, approving retailer policies to assist customers facing financial hardship, and operating a retailer of last resort scheme if a retailer fails. * Policy and advocacy: advocating for improvements to energy laws across participating jurisdictions, as well as positive changes to the behaviour of energy businesses and consumers. This includes simplifying the retail market regulatory framework to encourage effective competition and reduce cost to serve. | |
| **Performance information** | | |
| Year | Performance criteria (a) | 2019-20 Actual Achievement /  2020-21 Targets |
| 2019-20 | Number of completed revenue decisions for electricity networks and gas pipelines  Number of annual benchmarking reports on electricity networks  Percentage of disputes resolved within legislated timeframes, including on network access and connections, and regulatory investment tests  Number of electricity distribution annual pricing (tariff) proposals and annual gas tariff variations approved  Number of annual reports on compliance in, and performance of, retail energy markets  Percentage of retail authorisation and exemptions applications to sell energy assessed within 12 weeks of receiving all relevant information  Percentage of new retailer hardship policies approved within 12 weeks of receiving the submitted policy  Percentage of offers published on the AER’s Energy Made Easy price comparator website within two business days of receipt from retailers | 5  2  n/a  (zero disputes)  21  2  50%  100%  100% |
| **Performance information** | | |
| Year | Performance criteria (a) | 2019-20 Actual Achievement /  2020-21 Targets |
|  | Percentage of reports on wholesale electricity market high price events and significant price variations in spot gas markets activity published within statutory timeframes  Number of reports on effective competition in the wholesale electricity market | 100%  3 |
| 2020-21 | *Proportion of survey respondents that Strongly Agree / Agree with the statements:*   * + - * *The AER equips consumers to participate effectively, and protects those who are unable to safeguard their own interests*      * + - * *The AER supports and protects energy consumers, particularly those in vulnerable circumstances*       * *The AER demonstrates a sound knowledge and understanding of energy consumers*   Number of people completing their search on Energy Made Easy (EME)  Percent of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information  Percent of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information (c)  All market reports published within agreed/statutory timeframes:   * Weekly Wholesale Markets * Quarterly Retail & Wholesale Market Performance * Annual Retail Compliance * Annual State of the Energy Market * Biennial Wholesale Electricity Market * High Price Events.   Revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes  Number of completed revenue decisions for electricity networks and gas pipelines | > 2018 stakeholder survey (51%)  > 2018 stakeholder survey (60%)  > 2018 stakeholder survey (71%)  > 2019-20 figure (666,573)  100%  100%  100%  100%  8 |
| 2021-22 and beyond | As per 2020-21, with further measures to be designed. |  |
| **Purposes** (b) | The AER exists so that energy consumers are better off, now and in the future.  The AER is striving to be a high high-performing regulator that is independent, open and accountable; builds trust in Australia’s energy system; takes considered risks; ensures the regime is fit for purpose; and engages actively with stakeholders. | |

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics.*

(b) Refers to updated purpose in the *ACCC and AER 2020-21 Corporate Plan*.

(c) Timescale in measure amended due to significant increase in number of applications.

The above program is linked to the Department of Industry, Science, Energy and Resources (Program 3.1 - Energy).

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

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

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

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

Total appropriation revenue for 2020-21 is estimated to be $270.2 million. This has increased from $238.6 million as reported in the *Portfolio Additional Estimates* *Statements 2019-20*. The increase is due to additional funding received from new budget measures. Refer to Table 1.2 and the July 2020 Economic and Fiscal Update (<https://budget.gov.au/2020-efu/economic-fiscal-update.htm>) for further details.

The ACCC also received an increase in its 2020-21 equity injection of $35.1 million to supplement the Litigation Contingency Fund (LCF). This has been reported under Table 3.5 as ‘Equity Injections – Bill 2’.

On 23 August 2018, legislation passed (<https://www.accc.gov.au/media-release/consumer-law-penalties-set-to-increase>) to increase maximum financial penalties under the Australian Consumer Law (ACL). As a result, Tables 3.7 and 3.9 have been updated to align with the expected increase in ‘Fines and costs’ (2020-21: $40.0 million increase; 2021-22: $64.0 million increase; 2022-23: $73.3 million increase; and 2023-24: $77.5 million increase). This update is in addition to the administered receipt measure reported under Table 1.2.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 160,436 | 157,842 | 151,294 | 142,064 | 141,709 |
| Suppliers | 126,656 | 100,855 | 86,808 | 82,422 | 82,483 |
| Depreciation and amortisation (a) | 17,704 | 23,419 | 23,195 | 23,375 | 23,341 |
| Finance costs | 844 | 944 | 811 | 915 | 695 |
| Other expenses | 18 | - | - | - | - |
| **Total expenses** | **305,658** | **283,060** | **262,108** | **248,776** | **248,228** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 1,279 | 1,532 | 1,277 | 526 | 1,333 |
| Rental income | 193 | - | - | - | - |
| Sublease interest income | 84 | 67 | 58 | 49 | 39 |
| Other revenue | 3,261 | - | - | - | - |
| **Total own-source revenue** | **4,817** | **1,599** | **1,335** | **575** | **1,372** |
| **Gains** |  |  |  |  |  |
| Other | 115 | 94 | 94 | 94 | 94 |
| **Total gains** | **115** | **94** | **94** | **94** | **94** |
| **Total own-source income** | **4,932** | **1,693** | **1,429** | **669** | **1,466** |
| **Net (cost of)/contribution by  services** | **(300,726)** | **(281,367)** | **(260,679)** | **(248,107)** | **(246,762)** |
| Revenue from Government | 259,215 | 270,156 | 250,734 | 238,385 | 237,614 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(41,511)** | **(11,211)** | **(9,945)** | **(9,722)** | **(9,148)** |

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

Note: Impact of net cash appropriation arrangements

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 | 2023-24 $'000 |
| **Total comprehensive income/(loss)  excluding depreciation/  amortisation expenses previously  funded through revenue  appropriations, depreciation on   ROU, principal repayments on   leased assets** | **(36,676)** | **(732)** | **(778)** | **(825)** | **(875)** |
| less: Depreciation/amortisation  expenses previously funded through  revenue appropriations (a) | 6,010 | 10,427 | 9,967 | 9,370 | 9,355 |
| less: depreciation/amortisation expenses   for ROU assets (b) | 11,694 | 12,992 | 13,228 | 14,005 | 13,986 |
| add: Principal repayments on leased   assets (b) | 12,869 | 12,940 | 14,028 | 14,478 | 15,068 |
| **Total comprehensive income/(loss)  - as per the statement of  comprehensive income** | **(41,511)** | **(11,211)** | **(9,945)** | **(9,722)** | **(9,148)** |

Prepared on Australian Accounting Standards basis.

1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
2. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 1,164 | 1,164 | 1,164 | 1,164 | 1,164 |
| Trade and other receivables | 63,842 | 80,031 | 76,470 | 72,563 | 72,188 |
| ***Total financial assets*** | ***65,006*** | ***81,195*** | ***77,634*** | ***73,727*** | ***73,352*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 79,808 | 82,878 | 69,843 | 78,010 | 61,558 |
| Property, plant and equipment | 3,177 | 6,196 | 5,440 | 7,370 | 9,075 |
| Intangibles | 19,451 | 38,856 | 40,237 | 44,005 | 47,860 |
| Other non-financial assets | 1,627 | 1,627 | 1,627 | 1,627 | 1,627 |
| ***Total non-financial assets*** | ***104,063*** | ***129,557*** | ***117,147*** | ***131,012*** | ***120,120*** |
| **Total assets** | **169,069** | **210,752** | **194,781** | **204,739** | **193,472** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 17,309 | 17,163 | 16,989 | 16,432 | 16,432 |
| Other payables | 3,658 | 7,714 | 4,848 | 4,848 | 4,848 |
| ***Total payables*** | ***20,967*** | ***24,877*** | ***21,837*** | ***21,280*** | ***21,280*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 75,076 | 78,163 | 64,631 | 75,038 | 59,970 |
| ***Total interest bearing liabilities*** | ***75,076*** | ***78,163*** | ***64,631*** | ***75,038*** | ***59,970*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 48,227 | 47,089 | 47,188 | 44,163 | 44,163 |
| Other provisions | 25,824 | 4,373 | 4,031 | 4,031 | 4,031 |
| ***Total provisions*** | ***74,051*** | ***51,462*** | ***51,219*** | ***48,194*** | ***48,194*** |
| **Total liabilities** | **170,094** | **154,502** | **137,687** | **144,512** | **129,444** |
| **Net assets** | **(1,025)** | **56,250** | **57,094** | **60,227** | **64,028** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 114,985 | 183,471 | 194,260 | 207,115 | 220,064 |
| Reserves | 4,198 | 4,198 | 4,198 | 4,198 | 4,198 |
| Retained surplus (accumulated  deficit) | (120,208) | (131,419) | (141,364) | (151,086) | (160,234) |
| **Total equity** | **(1,025)** | **56,250** | **57,094** | **60,227** | **64,028** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity —

summary of movement (Budget year 2020-21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Other reserves  $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from  previous period | (120,208) | 4,198 | - | 114,985 | (1,025) |
| ***Adjusted opening balance*** | ***(120,208)*** | ***4,198*** | ***-*** | ***114,985*** | ***(1,025)*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (11,211) | - | - | - | (11,211) |
| ***Total comprehensive income*** | ***(11,211)*** | ***-*** | ***-*** | ***-*** | ***(11,211)*** |
| **Transactions with owners** |  |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity injection - Appropriation | - | - | - | 36,200 | 36,200 |
| Departmental Capital Budget (DCB) | - | - | - | 32,286 | 32,286 |
| ***Sub-total transactions with  owners*** | ***-*** | ***-*** | ***-*** | ***68,486*** | ***68,486*** |
| **Estimated closing balance as at  30 June 2021** | **(131,419)** | **4,198** | **-** | **183,471** | **56,250** |
| **Closing balance attributable to  the Australian Government** | **(131,419)** | **4,198** | **-** | **183,471** | **56,250** |

Prepared on Australian Accounting Standards basis

Table 3.4: Budgeted departmental statement of cash flows

(for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 274,770 | 279,114 | 264,896 | 251,480 | 247,614 |
| Sale of goods and rendering of  services | 1,223 | 2,331 | 2,113 | 1,400 | 2,247 |
| Net GST received | 10,022 | 9,170 | 8,910 | 8,513 | 8,000 |
| Other | 3,965 | 185 | 185 | - | - |
| ***Total cash received*** | ***289,980*** | ***290,800*** | ***276,104*** | ***261,393*** | ***257,861*** |
| **Cash used** |  |  |  |  |  |
| Employees | 151,004 | 157,740 | 151,593 | 145,089 | 141,709 |
| Suppliers | 91,268 | 103,378 | 88,952 | 82,945 | 82,389 |
| Net GST paid | 10,892 | 9,355 | 9,095 | 8,513 | 8,000 |
| s74 External Revenue  transferred to the OPA | 25,193 | 11,879 | 11,379 | 10,013 | 10,000 |
| Other | 15,223 | 17,108 | 1,557 | 855 | 695 |
| ***Total cash used*** | ***293,580*** | ***299,460*** | ***262,576*** | ***247,415*** | ***242,793*** |
| **Net cash from/(used by)  operating activities** | **(3,600)** | **(8,660)** | **13,528** | **13,978** | **15,068** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Other | 2,194 | - | - | - | - |
| ***Total cash received*** | ***2,194*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 19,018 | 32,886 | 10,289 | 12,355 | 12,449 |
| Other | 224 | - | - | - | - |
| ***Total cash used*** | ***19,242*** | ***32,886*** | ***10,289*** | ***12,355*** | ***12,449*** |
| **Net cash from/(used by)  investing activities** | **(17,048)** | **(32,886)** | **(10,289)** | **(12,355)** | **(12,449)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 32,282 | 54,486 | 10,789 | 12,855 | 12,449 |
| Other | 743 | - | - | - | - |
| ***Total cash received*** | ***33,025*** | ***54,486*** | ***10,789*** | ***12,855*** | ***12,449*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 12,869 | 12,940 | 14,028 | 14,478 | 15,068 |
| ***Total cash used*** | ***12,869*** | ***12,940*** | ***14,028*** | ***14,478*** | ***15,068*** |
| **Net cash from/(used by)  financing activities** | **20,156** | **41,546** | **(3,239)** | **(1,623)** | **(2,619)** |
| **Net increase/(decrease) in cash  held** | **(492)** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 1,656 | 1,164 | 1,164 | 1,164 | 1,164 |
| **Cash and cash equivalents at  the end of the reporting period** | 1,164 | 1,164 | 1,164 | 1,164 | 1,164 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 14,602 | 32,286 | 9,689 | 11,755 | 11,849 |
| Equity injections - Bill 2 (a) | 1,100 | 36,200 | 1,100 | 1,100 | 1,100 |
| **Total new capital appropriations** | **15,702** | **68,486** | **10,789** | **12,855** | **12,949** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *15,202* | *32,886* | *10,289* | *12,355* | *12,449* |
| *Other Items* | *500* | *35,600* | *500* | *500* | *500* |
| ***Total items*** | ***15,702*** | ***68,486*** | ***10,789*** | ***12,855*** | ***12,949*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 600 | 600 | 600 | 600 | 600 |
| Funded by capital appropriation -  DCB (b) | 14,602 | 32,286 | 9,689 | 11,755 | 11,849 |
| **TOTAL** | **15,202** | **32,886** | **10,289** | **12,355** | **12,449** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 15,202 | 32,886 | 10,289 | 12,355 | 12,449 |
| **Total cash used to acquire assets** | **15,202** | **32,886** | **10,289** | **12,355** | **12,449** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2020-21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2020** |  |  |  |  |
| Gross book value | 23,581 | 6,324 | 25,536 | 55,441 |
| Gross book value - ROU assets | 73,062 | - | - | 73,062 |
| Accumulated depreciation/ amortisation and impairment | (5,141) | (3,147) | (6,085) | (14,373) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (11,694) | - | - | (11,694) |
| **Opening net book balance** | **79,808** | **3,177** | **19,451** | **102,436** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 600 | 600 |
| By purchase - appropriation  ordinary annual services (b) | 4,075 | 4,711 | 23,500 | 32,286 |
| By purchase - other - ROU assets | 16,027 | - | - | 16,027 |
| **Total additions** | **20,102** | **4,711** | **24,100** | **48,913** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (4,040) | (1,692) | (4,695) | (10,427) |
| Depreciation/amortisation on   ROU assets | (12,992) | - | - | (12,992) |
| **Total other movements** | **(17,032)** | **(1,692)** | **(4,695)** | **(23,419)** |
| **As at 30 June 2021** |  |  |  |  |
| Gross book value | 27,656 | 11,035 | 49,636 | 88,327 |
| Gross book value - ROU assets | 89,089 | - | - | 89,089 |
| Accumulated depreciation/  amortisation and impairment | (9,181) | (4,839) | (10,780) | (24,800) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (24,686) | - | - | (24,686) |
| **Closing net book balance** | **82,878** | **6,196** | **38,856** | **127,930** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.
2. ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2020‑21.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Impairment and repayment of fees   and fines | 26,445 | - | - | - | - |
| **Total expenses administered on   behalf of Government** | **26,445** | ***-*** | ***-*** | ***-*** | ***-*** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| **Non-taxation revenue** |  |  |  |  |  |
| Fines and costs | 203,769 | 80,000 | 104,028 | 120,724 | 137,498 |
| Other revenue | 2 | ~~-~~ | ~~-~~ | ~~-~~ | ~~-~~ |
| ***Total non-taxation revenue*** | ***203,771*** | ***80,000*** | ***104,028*** | ***120,724*** | ***137,498*** |
| **Total own-source revenue  administered on behalf of  Government** | **203,771** | **80,000** | **104,028** | **120,724** | **137,498** |
| **Total own-sourced income  administered on behalf of  Government** | **203,771** | **80,000** | **104,028** | **120,724** | **137,498** |
| **Net (cost of)/contribution by  services** | **(177,326)** | **(80,000)** | **(104,028)** | **(120,724)** | **(137,498)** |
| **Surplus/(deficit)** | **177,326** | **80,000** | **104,028** | **120,724** | **137,498** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 500 | 500 | 500 | 500 | 500 |
| Trade and other receivables | 37,553 | 37,553 | 37,553 | 37,553 | 37,553 |
| ***Total financial assets*** | ***38,053*** | ***38,053*** | ***38,053*** | ***38,053*** | ***38,053*** |
| **Total assets administered on  behalf of Government** | **38,053** | **38,053** | **38,053** | **38,053** | **38,053** |
| **Net assets/(liabilities)** | **38,053** | **38,053** | **38,053** | **38,053** | **38,053** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019-20 Estimated actual $'000 | 2020-21 Budget  $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 | 2023-24 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Fines and costs | 162,743 | 80,000 | 104,028 | 120,724 | 137,498 |
| ***Total cash received*** | ***162,743*** | ***80,000*** | ***104,028*** | ***120,724*** | ***137,498*** |
| **Net cash from/(used by)  operating activities** | **162,743** | **80,000** | **104,028** | **120,724** | **137,498** |
| ***Net increase/(decrease) in cash  held*** | ***162,743*** | ***80,000*** | ***104,028*** | ***120,724*** | ***137,498*** |
| Cash and cash equivalents at  beginning of reporting period | - | 500 | 500 | 500 | 500 |
| Cash to Official Public Account for: |  |  |  |  |  |
| - Transfers to other entities   (Finance - Whole of  Government) | (162,243) | (80,000) | (104,028) | (120,724) | (137,498) |
| *Total cash to Official Public Account* | *(162,243)* | *(80,000)* | *(104,028)* | *(120,724)* | *(137,498)* |
| **Cash and cash equivalents at  end of reporting period** | **500** | **500** | **500** | **500** | **500** |

Prepared on Australian Accounting Standards basis.