

Portfolio Budget Statements 2022–23 Budget Related Paper No. 1.13

Treasury Portfolio

Budget Initiatives and Explanations of Appropriations Specified by Outcomes and Programs by Entity

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TREASURER
PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate Australian Senate Parliament House CANBERRA ACT 2600

Speaker House of Representatives Parliament House CANBERRA ACT 2600

Dear Mr President Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2022-23 Budget for the Treasury portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

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

Yours sincerely

The Hon Josh Frydenberg MP

Abbreviations and conventions

The following notation may be used:

NEC/nec not elsewhere classified

nil nil

.. not zero, but rounded to zero

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nfp not for publication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 Ms Tarnya Gersbach, Chief Finance Officer in the Department of the Treasury on (02) 6263 3807.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

User Guide To The Portfolio Budget Statements

User guide

The purpose of the 2022-23 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2022-23 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2022-23 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the Acts Interpretation Act 1901.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth Performance Framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Commonwealth Performance Framework Key components of relevant publications Portfolio Budget Statements (March) Corporate Plan Portfolio based (August) Entity based Supports Annual Appropriations. Informs Primary planning document of a Senators and Members of Parliament of Commonwealth entity. the proposed allocation of other resources Sets out the **purposes** of the entity, the to government outcomes and activities it will undertake to achieve its programs. purposes and the results it expects to Provides links to relevant programs achieve over a minimum four year period. undertaken by other Commonwealth Describes the environment in which the entities. entity operates, the capability it requires Provides high level performance to undertake activities and a discussion information for current, ongoing programs, particularly a forecast of performance Explains how the entity's performance for the current year. will be measured and assessed. Provides detailed prospective performance information for proposed new budget measures that require a new program or significantly change an existing program. Annual Performance Statement (October following year) Entity based Included in the Commonwealth entity's Annual Report. Focuses on recent performance. Reports on the actual performance results for the year against the forecasts made in the corporate plan and Portfolio Budget Statements, and provides other performance information relevant to the entity. Provides an analysis of the factors that contributed to the entity's performance results.

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Treasury Portfolio overview

Minister(s) and portfolio responsibilities

The Treasury portfolio undertakes a range of activities aimed at achieving strong sustainable economic growth for the good of Australians. This entails the advice to portfolio Ministers as well as the effective implementation and administration of policies that fall within the portfolio Ministers' responsibilities.

The Treasury portfolio comprises 16 entities in the general government sector.

The **Department of the Treasury** is the Australian Government's lead economic adviser. Treasury provides advice to Government and implements policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

The **Australian Bureau of Statistics** is Australia's national statistical agency. It provides trusted official statistics on a wide range of economic, social, population and environmental matters of importance to Australia.

The **Australian Competition and Consumer Commission** is an independent statutory authority which administers the *Competition and Consumer Act 2010* and a range of additional legislation (including national energy legislation and rules through the Australian Energy Regulator), promoting competition, fair trading, consumer protection and regulating national infrastructure for the benefit of all Australians.

The **Australian Office of Financial Management** is responsible for the management of Australian Government debt and financial assets.

The **Australian Prudential Regulation Authority** is the financial supervisor responsible for the prudential regulation of the banking, other deposit taking, insurance and superannuation industries.

The **Australian Securities and Investments Commission** (ASIC) is Australia's corporate, markets, financial services and credit regulator. It is responsible for consumer protection and market integrity. As part of its remit, ASIC also regulates investment management and superannuation, insurance, deposit taking, financial reporting, auditors and insolvency practitioners. ASIC promotes investor and consumer trust and confidence, fair and efficient markets.

The **Australian Taxation Office** is the Australian Government's principal revenue collection agency and administers Australia's tax system and significant aspects of Australia's superannuation system. It administers legislation governing tax, superannuation and the Australian Business Register and supports the delivery of government benefits to the community.

The **Commonwealth Grants Commission** provides advice to the Australian Government on the equitable distribution of GST revenue to State and Territory governments.

The **Inspector-General of Taxation** seeks to improve the administration of the tax laws for the benefit of all taxpayers.

The **National Competition Council** is an independent advisory body for all Australian governments that advises and makes recommendations under the National Access Regime and recommendations and decisions in relation to natural gas pipelines.

The National Housing Finance and Investment Corporation's objective is to improve housing outcomes by operating an affordable housing bond aggregator to provide loans to registered community housing providers financed by the issue of bonds on the commercial market; and a National Housing Infrastructure Facility to provide loans, grants and investments to overcome impediments to the provision of housing that is due to the lack of necessary infrastructure. It also administers the First Home Loan Deposit Scheme to support first home buyers and single parents to access the housing market sooner and undertakes research into housing supply, demand and affordability in Australia.

The Office of the Auditing and Assurance Standards Board's objective is to develop, issue and maintain in the public interest, principle-based, independent auditing and assurance standards for all sectors of the Australian economy that meet user needs, contribute to the development of international auditing and assurance standards and assist in maintaining confidence in the Australian economy, including its capital markets.

The Office of the Australian Accounting Standards Board's role is to develop, issue and maintain principle-based independent financial reporting standards for all sectors of the Australian economy that meet user needs, contribute to the development of international accounting standards and assist in maintaining confidence in the Australian economy, including its capital markets.

The **Productivity Commission** is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians.

The **Royal Australian Mint** manufactures and sells circulating coins to meet the coinage needs of the Australian economy, and collector coins and other minted products for Australia and foreign countries.

The **National Housing Finance and Investment Corporation** do not appear in the Portfolio Budget Statements as they are not directly appropriated by government. The **Australian Reinsurance Pool Corporation** and the **Reserve Bank of Australia** do not appear in the Portfolio Budget Statements as they are not part of the general government sector.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Treasury portfolio structure and outcomes

Portfolio Minister - Treasurer

The Hon Josh Frydenberg MP

Assistant Treasurer, Minister for Housing and Minister for Homelessness, Social and Community Housing

The Hon Michael Sukkar MP

Minister for Superannuation, Financial Services and the Digital Economy Minister for Women's Economic Security

Senator the Hon Jane Hume

Minister for Employment, Workforce, Skills, Small and Family Business

The Hon Stuart Robert MP

Department of the Treasury

Portfolio Secretary: Dr Steven Kennedy PSM

Outcome 1: Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury's functions

Australian Bureau of Statistics

Australian Statistician: Dr David Gruen AO

Outcome 1: Decisions on important matters made by governments, business and the broader community are informed by objective, relevant and trusted official statistics produced through the collection and integration of data, its analysis, and the provision of statistical information

Australian Competition and Consumer Commission

Chair: Ms Gina Cass-Gottlieb

Outcome 1: Enhanced welfare of Australians through enforcing laws that promote competition and protect consumers, as well as taking other regulatory and related actions including monitoring and market analysis, public education, determining the terms of access to infrastructure services, and discharging regulatory responsibilities governing energy markets and networks

Australian Office of Financial Management

Chief Executive Officer: Mr Rob Nicholl

Outcome 1: The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government

Australian Prudential Regulation Authority

Chair: Mr Wayne Byres

Outcome 1: Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia

Australian Reinsurance Pool Corporation

Chief Executive Officer: Dr Christopher Wallace

Purpose: To protect Australia from economic losses cause by terrorism catastrophe

Australian Securities and Investments Commission

Chair: Mr Joseph Longo

Outcome 1: Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems

Figure 1: Treasury portfolio structure and outcomes (continued)

Australian Taxation Office

Commissioner: Mr Chris Jordan AO

Outcome 1: Confidence in the administration of aspects of Australia's taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services

Commonwealth Grants Commission

Secretary: Mr Jonathan Rollings

Outcome 1: Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue

Inspector-General of Taxation

Inspector-General of Taxation: Ms Karen Payne

Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities

National Competition Council

President: Ms Julie-Anne Schafer

Outcome 1: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure

National Housing Finance and Investment Corporation

Chair: Mr Adrian Harrington

Outcome 1: Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector, as well as for critical infrastructure that increases housing supply

Office of the Auditing and Assurance Standards Board

Chair: Mr Bill Edge

Outcome 1: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements

Office of the Australian Accounting Standards Board

Chair: Dr Keith Kendall

Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions

Productivity Commission

Chair: Mr Michael Brennan

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

Figure 1: Treasury portfolio structure and outcomes (continued)

Reserve Bank of Australia

Governor: Mr Philip Lowe

Purpose: In its role as Australia's central bank, the Reserve Bank of Australia determines and implements monetary policy, fosters financial stability, undertakes a range of activities in financial markets, acts as a banker to the Australian Government, issues Australia's banknotes and has policy, supervisory and operational roles in the payments system

Royal Australian Mint

Chief Executive Officer: Mr Leigh Gordon AO CSM

Outcome 1: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products