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, consumer protection, 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 are founded on the principle 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. Competition is a positive force that promotes economic growth and job creation.

It falls to the ACCC to determine which competition, consumer, fair trading, and product safety matters it investigates, although it also receives directions on market studies and inquiries and industry monitoring from the Minister. The ACCC’s role is to focus on those matters that have the potential to harm the competitive process or result in widespread consumer detriment.

The ACCC directs its resources to matters that provide the greatest overall benefit for competition and consumers. Each year the ACCC reviews its competition, consumer protection and fair‑trading priorities, as set out in the ACCC Compliance and Enforcement Policy.

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

The ACCC will continue to assess and review mergers via the informal clearance process to prevent changes in market structures that would substantially lessen competition. It will also continue to assess conduct and agreements that may breach relevant competition laws but which should be authorised because there is expected to be a net public benefit.

The ACCC will continue to focus on its role in relation to implementing and enforcing the Consumer Data Right, which provides consumers with more access to and control of their personal data, to promote competition across the economy.

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. Promoting efficient infrastructure provision through industry‑specific regulation and access conditions is a major focus of the ACCC’s 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 to governments and the public about the operation of the relevant markets.

In 2022‑23 the ACCC will continue to focus on markets characterised by a lack of transparency or insufficient competition which inhibit efficient market outcomes. This includes undertaking 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 home, contents and strata insurance in northern Australia.

When undertaking all these key activities the ACCC will continue to engage extensively with a wide range of stakeholders to:

* achieve outcomes that enhance the welfare of all Australians; and
* minimise the regulatory burden for businesses without compromising its statutory responsibilities to promote competition and protect consumers.

The ACCC also seeks to contribute to the continuous improvement of regulatory frameworks to deliver on our purpose to, ‘make markets work for consumers, now and in the future’*.*

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.

In December 2020 the AER finalised and launched its Strategic Plan 2020‑2025. The outcomes sought are grounded in the former Council of Australian Government (COAG) Strategic Energy Plan. To achieve these outcomes the AER has four objectives:

* protect vulnerable consumers, while enabling consumers to participate in energy markets;
* effectively regulate competitive markets primarily through monitoring and reporting, and 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 entity for its operations and to deliver programs and services on behalf of the Government.

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

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

Information in this table is presented on a resourcing (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: ACCC resource statement – Budget estimates for 2022‑23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021‑22 Estimated actual $’000* | 2022‑23  Estimate  $’000 |
| **Departmental** |  |  |
| Annual appropriations – ordinary annual services (a) |  |  |
| Prior year appropriations available | *53,877* | 73,040 |
| Departmental appropriation (b)(c) | *286,646* | 286,876 |
| s74 External Revenue (d) | *3,763* | 3,410 |
| Departmental capital budget (e)(c) | *31,872* | 30,021 |
| Annual appropriations – other services – non‑operating (f) |  |  |
| Prior year appropriations available (b) | *24,128* | 24,128 |
| Equity injection | *1,100* | 14,000 |
| Total departmental annual appropriations | *401,386* | 431,475 |
| **Total departmental resourcing** | ***401,386*** | **431,475** |
| **Administered** |  |  |
| Special appropriations (g) | *20* | 20 |
| **Total administered resourcing** | ***20*** | **20** |
| **Total resourcing for the ACCC** | ***401,406*** | **431,495** |
|  |  |  |
|  | *2021‑22* | 2022‑23 |
| **Average staffing level (number)** | *1,245* | 1,287 |

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

|  |  |  |
| --- | --- | --- |
|  | *2021‑22 Estimated actual $’000* | 2022‑23 Estimate  $’000 |
| Payments made on behalf of the NCC  (as disclosed in the NCCs resource statement) | *1,731* | 1,762 |
| Receipts received from the NCC for the provision of services   (disclosed above in s74 External Revenue 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) 2022‑23.
2. Excludes departmental capital budget (DCB).
3. $2.5m will be received through the 2021‑22 Annual Appropriation Bill No.3 and will be recognised in a future PB statement but only after the Bill has received Royal Assent.
4. Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
5. 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’.
6. Appropriation Bill (No. 2) 2022‑23.
7. Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

### 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: Entity 2022‑23 Budget measures

**Part 1: Measures announced since the 2021‑22 Mid‑Year Economic and Fiscal Outlook (MYEFO)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021‑22 $’000 | 2022‑23 $’000 | 2023‑24 $’000 | 2024‑25 $’000 | 2025‑26 $’000 |
| **Payment measures** |  |  |  |  |  |  |
| Commonwealth’s Deregulation Agenda (a) | 1.1 |  |  |  |  |  |
| Departmental payments |  | – | 1,750 | 3,514 | 3,527 | 1,770 |
| Digital Economy Strategy (a) | 1.1 |  |  |  |  |  |
| Departmental payments |  | – | 3,548 | 8,554 | 3,149 | 3,149 |
| Government Response to 2021 Regional Telecommunications Review | 1.1 |  |  |  |  |  |
| Departmental payments |  | – | 1,843 | – | – | – |
| **Total payment measures** |  | **‑** | **7,141** | **12,068** | **6,676** | **4,919** |

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

1. The financial implications for this measure include amounts previously provisioned in the Contingency Reserve in the 2021-22 MYEFO or earlier Budget updates.

## 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 measure 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](http://www.accc.gov.au/publications/corporateplanpriorities).  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: 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 |

#### 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 Administered and Departmental funding sources.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **Program 1.1: Australian Competition and Consumer Commission** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 212,569 | 208,393 | 189,752 | 182,484 | 172,139 |
| s74 External Revenue (a) | 2,985 | 2,585 | 1,285 | 1,285 | 1,285 |
| Expenses not requiring  appropriation in the Budget  year (b) | 16,880 | 22,166 | 23,624 | 22,637 | 22,141 |
| **Departmental total** | 232,434 | 233,144 | 214,661 | 206,406 | 195,565 |
| **Total expenses for program 1.1** | **232,434** | **233,144** | **214,661** | **206,406** | **195,565** |
|  |  |  |  |  |  |
| **Program 1.2: Australian Energy Regulator** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 76,286 | 78,483 | 64,390 | 64,894 | 65,337 |
| **Departmental total** | 76,286 | 78,483 | 64,390 | 64,894 | 65,337 |
| **Total expenses for program 1.2** | **76,286** | **78,483** | **64,390** | **64,894** | **65,337** |

Table 2. 1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 288,855 | 286,876 | 254,142 | 247,378 | 237,476 |
| s74 External Revenue (a) | 2,985 | 2,585 | 1,285 | 1,285 | 1,285 |
| Expenses not requiring  appropriation in the Budget  year (b) | 16,880 | 22,166 | 23,624 | 22,637 | 22,141 |
| **Departmental total** | 308,720 | 311,627 | 279,051 | 271,300 | 260,902 |
| **Total expenses for Outcome 1** | **308,720** | **311,627** | **279,051** | **271,300** | **260,902** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | 2021‑22 | 2022‑23 |  |  |  |
| **Average staffing level (number)** | 1,245 | 1,287 |  |  |  |

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 measure for Outcome 1

| 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 | | |
| --- | --- | --- |
| **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. | | |
| **Key Activities** | The ACCC achieves Outcome 1 by using its resources to undertake the following key activities to achieve its seven strategic objectives:   1. Address anti‑competitive conduct and promote competition   Initiate compliance and enforcement actions to address harm to consumers and businesses resulting from anti‑competitive conduct;  Make decisions on authorisation, notification and certification trademark applications in the public interest; and  Undertake market studies and inquiries to contribute to improved market outcomes.   1. Prevent anti‑competitive mergers   Assess mergers to prevent changes in market structures that substantially lessen competition.   1. Improve market outcomes by reducing information asymmetries through Consumer Data Right   Facilitate the enabling technology solutions for Consumer Data Right;  Support Consumer Date Right participants. including testing and on‑boarding;  Accredit Consumer Data Right data recipients; and  Promote compliance with and enforce the Consumer Data Right rules and standards.   1. Protect consumers from misleading and deceptive conduct and promote fair trading   Initiate compliance and enforcement actions to address harm to consumers and small businesses resulting from non‑compliance with the Australian Consumer Law and industry codes;  Empower small businesses by increasing awareness of their rights under the Australian Consumer Law and industry codes; and  Empower consumers by increasing awareness of their rights under the Australian Consumer Law and alerting them to the risk of scams.   1. Protect consumers from unsafe products   Identify safety hazards in consumer products and prioritise the risks that may result in serious injury and death; and  Address the highest priority risks of serious injury and death arising from safety hazards in consumer products through regulation, education, compliance and enforcement actions.   1. Regulate monopoly infrastructure and monitor concentrated markets in the long‑term interests of consumers   Formulate regulatory decisions that promote the long‑term interests of end‑users and consumers;  Provide industry monitoring reports to government in relation to highly concentrated or emerging markets; and  Improve the efficient operation of markets by enforcing industry‑specific competition and market rules.   1. Improve our own systems, capabilities and ways of working   Support our people to develop and meet their full potential; and facilitate a diverse, respectful and inclusive culture;  Modernise our ICT and improve the reliability, flexibility and security of our business and data systems;  Adapt our ways of working to allow resources to be used flexibly to meet changing priorities and to adopt innovative practises commensurate with the level of risk; and  Further develop our standing as a world‑class independent regulator through external engagement and internal collaboration to support robust and transparent decision making that is responsive to complex challenges and demands. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021‑22 | 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 small business Infocentre contacts served.  Number of Infocentre contacts served (includes Infocentre contacts served and webforms received).  Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation, ports and stevedoring sectors). | Expect to achieve target of 6+  Expect to exceed target of 80%  Expect to achieve target of 100%  Expect to achieve target of 40+  Expect to exceed target of 8 000  Will exceed target of 200 000  Expect to exceed target of *22* |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures (a)** | **Planned Performance Results** |
| Budget Year 2022‑23 | 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 and industry codes enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions).  Number of small business Infocentre contacts served.  Number of monitoring reports (covering electricity, gas, communications, rail, petrol, aviation, ports, and stevedoring sectors). | Target is 6+  Target is [80% to 95%]  Target is 100%  Target is 40+  Target is 7,000  Target is 30 |
| Forward Estimates  2023‑24‑and beyond | As per 2022‑23 |  |

The above program is linked to the Department of Health (Program 1.8 – Health Protection, Emergency Response and Regulation) and the Department of Industry, Science, Energy and Resources (Program 1.2 – Growing innovative and competitive businesses, industries and regions and Program 3.1 – Supporting reliable, secure and affordable energy).

Table 2.2: Performance measure for Outcome 1 (continued)

| 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 | | |
| --- | --- | --- |
| **Program 1.2 – Australian Energy Regulator**  The AER exists so that energy consumers are better off, now and in the future.  We focus on ensuring a secure, reliable and affordable energy future for Australia. We regulate wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions relate mostly to energy markets in eastern and southern Australia. | | |
| **Key Activities** | The AER achieves Outcome 1 by:   * Consumer protection: enabling consumers to make informed choices about their energy supplier, including through 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 administering a retailer of last resort scheme if a retailer fails. * 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. We also provide a price comparison website – Energy Made Easy – to help consumers find the best energy offers for their needs. * 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 quality of engagement with customers, projected demand, age of infrastructure, operating and financial costs, and network reliability and safety standards.   Policy and advocacy: advocating for policy changes and improvements to energy laws and rules that protect and promote the interests of energy consumers. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021‑22 | Proportion of stakeholder survey respondents that agree with the statements:   * + - * 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 plan search on Energy Made Easy (EME).  Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information.  Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information[[1]](#footnote-2).  Percentage of market reports published within agreed/statutory timeframes:   * Weekly Wholesale Markets; * Quarterly Retail & Wholesale Market Performance; * Annual Retail Markets; * Annual Retail Compliance; * Annual State of the Energy Market; * Biennial Wholesale Electricity Market; and * High Price Events.   Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes. | N/A – survey for 2021‑22 not yet undertaken  N/A – survey for 2021‑22 not yet undertaken  Expect to achieve target of ≥ 2020‑21 result  Expect to achieve target of 100%  Expect full year result to be between 60‑80%, (target is 100%).  Expect to achieve target of 100%, except for Weekly Wholesale Markets reports (which are not a statutory requirement)  Expect to achieve target of 100% |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year  2022‑23 | Proportion of stakeholder survey respondents that agree with the statements:   * + - * The AER supports and protects energy consumers, particularly those in vulnerable circumstances; and       * The AER demonstrates a sound knowledge and understanding of energy consumers.   Number of people completing their plan search on Energy Made Easy (EME).  Percentage of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information.  Percentage of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information[[2]](#footnote-3).  Percentage of market reports published within agreed/statutory timeframes.  Percentage of revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes. | Target is ≥ 2021‑22 result  Target is ≥ 2021‑22 result  Target is ≥ 2021‑22 result  Target is 100%  Target is 100%  Target is 100%  Target is 100 % |
| Forward Estimates  2023‑24 and beyond | As per 2022‑23 |  |

The above program is linked to the Department of Industry, Science, Energy and Resources (Program 3.1 – Supporting reliable, secure and affordable energy).

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022‑23 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

The entity resource statement is prepared on a cash basis and provides a view of cash/appropriations resources available to the ACCC whilst the financial statements are prepared on an accrual basis.

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

Total appropriation revenue for 2022‑23 is estimated to be $286.9 million. This has increased from $281.7 million as reported in the 2021‑22 Portfolio Additional Estimates Statements (PAES). The total capital budget for 2022‑23, which exists to cover the purchase of non‑financial assets, is estimated to be $30.6m. This has increased from $27.8m as reported in the 2021‑22 PAES. The increases in operating and capital funding are primarily due to the new budget measures reported under Table 1.2.

The ACCC also received an increase in its 2022‑23 equity injection of $12.9 million to supplement the Litigation Contingency Fund (LCF). This has been reported under Table 3.5 as ‘Equity Injections – Bill 2’.

The primary financial asset relates to receivables, and are used to fund the ACCC’s capital program, employee entitlements, creditors and to provide working capital.

Non‑financial assets represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset. Buildings largely represent the recognition of the ACCC’s long‑term office accommodation leases under *AASB 16‑Leases.*

Provisions and payables include:

* employee entitlements arising from services rendered by employees. The liability includes unpaid annual leave and long service leave;
* long‑term office accommodation lease liabilities under *AASB16 – Leases;* and
* unpaid expenses as at balance date.

3.2. Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 175,711 | 178,052 | 161,738 | 157,288 | 154,952 |
| Suppliers | 103,648 | 101,231 | 83,279 | 79,582 | 71,284 |
| Depreciation and amortisation (a) | 28,821 | 31,599 | 33,559 | 33,823 | 33,952 |
| Finance costs | 540 | 745 | 475 | 607 | 714 |
| **Total expenses** | **308,720** | **311,627** | **279,051** | **271,300** | **260,902** |
| **LESS:** |  |  |  |  |  |
| **OWN‑SOURCE INCOME** |  |  |  |  |  |
| **Own‑source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 2,927 | 2,536 | 1,246 | 1,256 | 1,256 |
| Sublease interest income | 58 | 49 | 39 | 29 | 29 |
| **Total own‑source revenue** | **2,985** | **2,585** | **1,285** | **1,285** | **1,285** |
| **Gains** |  |  |  |  |  |
| Other | 115 | 115 | 115 | 115 | 115 |
| **Total gains** | **115** | **115** | **115** | **115** | **115** |
| **Total own‑source income** | **3,100** | **2,700** | **1,400** | **1,400** | **1,400** |
| **Net (cost of)/contribution by  services** | **(305,620)** | **(308,927)** | **(277,651)** | **(269,900)** | **(259,502)** |
| Revenue from Government | 288,855 | 286,876 | 254,142 | 247,378 | 237,476 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(16,765)** | **(22,051)** | **(23,509)** | **(22,522)** | **(22,026)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **Total comprehensive income/(loss)  – as per statement of  Comprehensive Income** | **(16,765)** | **(22,051)** | **(23,509)** | **(22,522)** | **(22,026)** |
| plus: depreciation/amortisation of assets  funded through appropriations  (departmental capital budget funding  and/or equity injections) (a) | 16,104 | 21,443 | 23,590 | 24,062 | 24,233 |
| plus: depreciation/amortisation  expenses for ROU assets (b) | 12,717 | 10,156 | 9,969 | 9,761 | 9,719 |
| less: lease principal repayments (b) | 12,834 | 10,373 | 10,925 | 11,301 | 11,926 |
| **Net Cash Operating Surplus/ (Deficit)** | **(778)** | **(825)** | **(875)** | **‑** | **‑** |

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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 2,078 | 2,078 | 2,078 | 2,078 | 2,078 |
| Trade and other receivables | 97,168 | 108,533 | 98,570 | 96,836 | 95,755 |
| ***Total financial assets*** | ***99,246*** | ***110,611*** | ***100,648*** | ***98,914*** | ***97,833*** |
| **Non‑financial assets** |  |  |  |  |  |
| Land and buildings | 85,871 | 87,402 | 75,932 | 64,778 | 53,430 |
| Property, plant and equipment | 3,604 | 5,087 | 5,714 | 5,180 | 4,700 |
| Intangibles | 51,928 | 61,747 | 57,529 | 45,360 | 33,266 |
| Other non‑financial assets | 2,280 | 2,280 | 2,280 | 2,280 | 2,280 |
| ***Total non‑financial assets*** | ***143,683*** | ***156,516*** | ***141,455*** | ***117,598*** | ***93,676*** |
| **Total assets** | **242,929** | **267,127** | **242,103** | **216,512** | **191,509** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 23,163 | 21,953 | 17,542 | 16,697 | 15,116 |
| Other payables | 6,299 | 6,299 | 6,299 | 6,299 | 6,299 |
| ***Total payables*** | ***29,462*** | ***28,252*** | ***23,841*** | ***22,996*** | ***21,415*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 78,676 | 82,114 | 71,586 | 60,285 | 48,359 |
| ***Total interest‑bearing liabilities*** | ***78,676*** | ***82,114*** | ***71,586*** | ***60,285*** | ***48,359*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 54,822 | 54,822 | 49,645 | 48,256 | 48,256 |
| Other provisions | 162 | 162 | 162 | 162 | 162 |
| ***Total provisions*** | ***54,984*** | ***54,984*** | ***49,807*** | ***48,418*** | ***48,418*** |
| **Total liabilities** | **163,122** | **165,350** | **145,234** | **131,699** | **118,192** |
| **Net assets** | **79,807** | **101,777** | **96,869** | **84,813** | **73,317** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 216,743 | 260,764 | 279,365 | 289,831 | 300,361 |
| Reserves | 4,561 | 4,561 | 4,561 | 4,561 | 4,561 |
| Retained surplus (accumulated  deficit) | (141,497) | (163,548) | (187,057) | (209,579) | (231,605) |
| ***Total parent entity interest*** | ***79,807*** | ***101,777*** | ***96,869*** | ***84,813*** | ***73,317*** |
| **Total equity** | **79,807** | **101,777** | **96,869** | **84,813** | **73,317** |

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 2022‑23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $’000 | Asset revaluation reserve $’000 | Contributed equity/ capital $’000 | Total equity   $’000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from  previous period | (141,497) | 4,561 | 216,743 | 79,807 |
| ***Adjusted opening balance*** | ***(141,497)*** | ***4,561*** | ***216,743*** | ***79,807*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (22,051) | ‑ | ‑ | (22,051) |
| ***Total comprehensive income*** | ***(22,051)*** | ***‑*** | ***‑*** | ***(22,051)*** |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection – Appropriation | ‑ | ‑ | 14,000 | 14,000 |
| Departmental Capital Budget (DCB) | ‑ | ‑ | 30,021 | 30,021 |
| ***Sub‑total transactions with  owners*** | ***‑*** | ***‑*** | ***44,021*** | ***44,021*** |
| **Estimated closing balance as at  30 June 2023** | **(163,548)** | **4,561** | **260,764** | **101,777** |
| **Closing balance attributable to  the Australian Government** | **(163,548)** | **4,561** | **260,764** | **101,777** |

Prepared on Australian Accounting Standards basis

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 299,736 | 306,185 | 277,767 | 260,753 | 249,437 |
| Sale of goods and rendering of  services | 3,763 | 3,410 | 2,160 | 1,285 | 1,285 |
| Net GST received | 14,526 | 13,864 | 11,002 | 9,856 | 9,095 |
| Other | ‑ | ‑ | ‑ | ‑ | ‑ |
| ***Total cash received*** | ***318,025*** | ***323,459*** | ***290,929*** | ***271,894*** | ***259,817*** |
| **Cash used** |  |  |  |  |  |
| Employees | 171,788 | 178,052 | 166,915 | 158,677 | 154,952 |
| Suppliers | 99,800 | 102,952 | 88,321 | 80,183 | 72,621 |
| Net GST paid | 14,825 | 14,123 | 11,131 | 9,985 | 9,224 |
| s74 External Revenue  transferred to the OPA | 18,289 | 17,274 | 13,162 | 11,141 | 10,380 |
| Interest payments on lease liability | 489 | 685 | 475 | 607 | 714 |
| ***Total cash used*** | ***305,191*** | ***313,086*** | ***280,004*** | ***260,593*** | ***247,891*** |
| **Net cash from/(used by)  operating activities** | **12,834** | **10,373** | **10,925** | **11,301** | **11,926** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 32,772 | 30,621 | 18,101 | 9,966 | 10,030 |
| ***Total cash used*** | ***32,772*** | ***30,621*** | ***18,101*** | ***9,966*** | ***10,030*** |
| **Net cash from/(used by)  investing activities** | **(32,772)** | **(30,621)** | **(18,101)** | **(9,966)** | **(10,030)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 32,772 | 30,621 | 18,101 | 9,966 | 10,030 |
| ***Total cash received*** | ***32,772*** | ***30,621*** | ***18,101*** | ***9,966*** | ***10,030*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 12,834 | 10,373 | 10,925 | 11,301 | 11,926 |
| ***Total cash used*** | ***12,834*** | ***10,373*** | ***10,925*** | ***11,301*** | ***11,926*** |
| **Net cash from/(used by)  financing activities** | **19,938** | **20,248** | **7,176** | **(1,335)** | **(1,896)** |
| **Net increase/(decrease) in cash  held** | **‑** | **‑** | ‑ | ‑ | ‑ |
| Cash and cash equivalents at the  beginning of the reporting period | 2,078 | 2,078 | 2,078 | 2,078 | 2,078 |
| **Cash and cash equivalents at  the end of the reporting period** | **2,078** | **2,078** | **2,078** | **2,078** | **2,078** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget – Bill 1 (DCB) | 32,172 | 30,021 | 17,501 | 9,366 | 9,430 |
| Equity injections – Bill 2 | 1,100 | 14,000 | 1,100 | 1,100 | 1,100 |
| **Total new capital appropriations** | **33,272** | **44,021** | **18,601** | **10,466** | **10,530** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non‑financial assets* | *32,772* | *30,621* | *18,101* | *9,966* | *10,030* |
| *Other Items* | *500* | *13,400* | *500* | *500* | *500* |
| ***Total items*** | ***33,272*** | ***44,021*** | ***18,601*** | ***10,466*** | ***10,530*** |
| **PURCHASE OF NON‑FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 600 | 600 | 600 | 600 | 600 |
| Funded by capital appropriation ‑  DCB (b) | 32,172 | 30,021 | 17,501 | 9,366 | 9,430 |
| **TOTAL** | **32,772** | **30,621** | **18,101** | **9,966** | **10,030** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 32,772 | 30,621 | 18,101 | 9,966 | 10,030 |
| **Total cash used to acquire assets** | **32,772** | **30,621** | **18,101** | **9,966** | **10,030** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes purchases from current and previous years’ Departmental capital budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022‑23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $’000 | Other property, plant and equipment $’000 | Computer software and intangibles $’000 | Total    $’000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | 23,853 | 5,146 | 76,294 | 105,293 |
| Gross book value – ROU assets | 96,858 | ‑ | ‑ | 96,858 |
| Accumulated depreciation/ amortisation and impairment | (3,132) | (1,542) | (24,366) | (29,040) |
| Accumulated depreciation/amortisation and impairment – ROU assets | (31,708) | ‑ | ‑ | (31,708) |
| **Opening net book balance** | **85,871** | **3,604** | **51,928** | **141,403** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase – appropriation equity (a) | ‑ | ‑ | 600 | 600 |
| By purchase – appropriation ordinary annual services (b) | 785 | 3,363 | 25,873 | 30,021 |
| By purchase – appropriation equity ‑  ROU assets | 13,811 | ‑ | ‑ | 13,811 |
| **Total additions** | **14,596** | **3,363** | **26,473** | **44,432** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (2,909) | (1,880) | (16,654) | (21,443) |
| Depreciation/amortisation on   ROU assets | (10,156) | ‑ | ‑ | (10,156) |
| **Total other movements** | **(13,065)** | **(1,880)** | **(16,654)** | **(31,599)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | 24,638 | 8,509 | 102,767 | 135,914 |
| Gross book value – ROU assets | 110,669 | ‑ | ‑ | 110,669 |
| Accumulated depreciation/  amortisation and impairment | (6,041) | (3,422) | (41,020) | (50,483) |
| Accumulated depreciation/amortisation and impairment – ROU assets | (41,864) | ‑ | ‑ | (41,864) |
| **Closing net book balance** | **87,402** | **5,087** | **61,747** | **154,236** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022‑23, including CDABs.
2. ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2022‑23 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **OWN‑SOURCE INCOME** |  |  |  |  |  |
| **Own‑source revenue** |  |  |  |  |  |
| **Non‑taxation revenue** |  |  |  |  |  |
| Fines and costs | 104,028 | 120,724 | 137,498 | 137,478 | 137,478 |
| ***Total non‑taxation revenue*** | ***104,028*** | ***120,724*** | ***137,498*** | ***137,478*** | ***137,478*** |
| **Total own‑source revenue  administered on behalf of  Government** | **104,028** | **120,724** | **137,498** | **137,478** | **137,478** |
| **Total own‑sourced income  administered on behalf of  Government** | **104,028** | **120,724** | **137,498** | **137,478** | **137,478** |
| **Net (cost of)/contribution by  services** | **104,028** | **120,724** | **137,498** | **137,478** | **137,478** |
| **Surplus/(deficit)** | **104,028** | **120,724** | **137,498** | **137,478** | **137,478** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Trade and other receivables | 46,014 | 46,014 | 46,014 | 46,014 | 46,014 |
| ***Total financial assets*** | ***46,014*** | ***46,014*** | ***46,014*** | ***46,014*** | ***46,014*** |
| **Total assets administered on  behalf of Government** | **46,014** | **46,014** | **46,014** | **46,014** | **46,014** |
| **Net assets/(liabilities)** | **46,014** | ***46,014*** | **46,014** | **46,014** | **46,014** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021‑22 Estimated actual $’000 | 2022‑23 Budget  $’000 | 2023‑24 Forward estimate $’000 | 2024‑25 Forward estimate $’000 | 2025‑26 Forward estimate $’000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Fines and costs | 104,028 | 120,724 | 137,498 | 137,478 | 137,478 |
| ***Total cash received*** | ***104,028*** | ***120,724*** | ***137,498*** | ***137,478*** | ***137,478*** |
| **Net cash from/(used by)  operating activities** | **104,028** | **120,724** | **137,498** | **137,478** | **137,478** |
| ***Net increase/(decrease) in cash  held*** | ***104,028*** | ***120,724*** | ***137,498*** | ***137,478*** | ***137,478*** |
| Cash and cash equivalents at  beginning of reporting period | ‑ | ‑ | ‑ | ‑ | ‑ |
| Cash to Official Public Account for: |  |  |  |  |  |
| ‑ Transfers to other entities   (Finance – Whole of  Government) | (104,028) | (120,724) | (137,498) | (137,478) | (137,478) |
| *Total cash to Official Public Account* | *(104,028)* | *(120,724)* | *(137,498)* | *(137,478)* | *(137,478)* |
| **Cash and cash equivalents at  end of reporting period** | **‑** | **‑** | **‑** | **‑** | **‑** |

Prepared on Australian Accounting Standards basis.

1. Noting that the 16 week service standard may not be met for complex applications that have greater due diligence requirements. [↑](#footnote-ref-2)
2. Noting that the 16 week service standard may not be met for complex applications that have greater due diligence requirements. [↑](#footnote-ref-3)