

Portfolio Additional Estimates Statements 2017-18

Treasury Portfolio

Explanations of Additional Estimates 2017-18

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Manager
Media Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: medialiaison@treasury.gov.au



TREASURER

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2017-18 Additional Estimates for the Treasury Portfolio.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Morrison'.

The Hon Scott Morrison MP

ABBREVIATIONS AND CONVENTIONS

The following notations may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Mr Robert Twomey, Chief Finance Officer in the Department of the Treasury on 02 6263 2111.

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

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

USER GUIDE

The purpose of the 2017-18 Portfolio Additional Estimates Statements (PAES), like that of the 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. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2017-2018. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2017-18* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

User guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio overview

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

Entity Additional Estimates Statements

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

Section 1: Entity overview and resources

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

Section 2: Revisions to outcomes and planned performance

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

Section 3: Special account flows and budgeted financial statements

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

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PORTFOLIO OVERVIEW

TREASURY PORTFOLIO OVERVIEW

Since the 2017-18 Budget, the structure of the Treasury portfolio has changed through the Administrative Arrangements Order (AAO) dated 20 December 2017. The AAO transferred the small business function to the Jobs and Innovation portfolio. Further details on the transfer of the small business function will be reported in the next budget statements. A revised Treasury portfolio structure reflecting these changes is presented on the following page.

Additional estimates are being sought for the Department of the Treasury, the Australian Competition and Consumer Commission, the Australian Securities and Investments Commission, the Australian Taxation Office and the Productivity Commission. Explanations of the additional estimates for these entities are detailed in their respective sections of the Portfolio Additional Estimates Statements.

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury portfolio structure and outcomes (continued)

<p align="center">Commonwealth Grants Commission</p> <p align="center">Secretary: Mr Michael Willcock</p> <p>Outcome 1: Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue and health care grants</p>
<p align="center">Financial Adviser Standards and Ethics Authority Limited</p> <p align="center">Chief Executive Officer: Dr Deen Sanders OAM</p> <p>Purpose: Establishing standards of conduct for advisers in the financial services sector, by setting mandatory educational and training requirements, developing and setting an industry exam, and creating a Code of Ethics that all advisers will be required to adhere to</p>
<p align="center">Inspector-General of Taxation</p> <p align="center">Inspector-General: Mr Ali Noroozi</p> <p>Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities</p>
<p align="center">National Competition Council</p> <p align="center">President: Ms Julie-Anne Schafer</p> <p>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</p>
<p align="center">Office of the Auditing and Assurance Standards Board</p> <p align="center">Chairman: Dr. Roger Simnett</p> <p>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</p>
<p align="center">Office of the Australian Accounting Standards Board</p> <p align="center">Chairman: Ms Kris Peach</p> <p>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</p>
<p align="center">Productivity Commission</p> <p align="center">Chairman: Mr Peter Harris</p> <p>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</p>
<p align="center">Reserve Bank of Australia</p> <p align="center">Governor: Philip Lowe</p> <p>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</p>
<p align="center">Royal Australian Mint</p> <p align="center">Chief Executive Officer: Mr Ross MacDiarmid</p> <p>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</p>

**ENTITY ADDITIONAL ESTIMATES
STATEMENTS**

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Department of the Treasury (the Treasury) from that outlined in the *Portfolio Budget Statements 2017-18* (page 11).

The small business function has been transferred to the Jobs and Innovation portfolio as per the Administrative Arrangements Orders (AAO) dated 20 December 2017 and will be reported in the next budget statements.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Treasury at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No.3 and No.4, Special Appropriation and Special Accounts.

Table 1.1: Department of the Treasury resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Departmental				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	47,326	46,878	-	46,878
Departmental appropriations 74 retained revenue receipts (c)	169,352	193,780	3,438	197,218
Departmental capital budget (d)	5,298	8,246	-	8,246
Annual appropriations - other services - non-operating (e)				
Equity injection	300	4,750	-	4,750
<i>Total departmental annual appropriations</i>	<i>240,045</i>	<i>266,358</i>	<i>3,438</i>	<i>269,796</i>
Special accounts (f)				
Opening balance	2,835	-	-	-
Non-appropriation receipts	221	-	-	-
<i>Total special accounts</i>	<i>3,056</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total departmental resourcing	243,101	266,358	3,438	269,796

Table 1.1: Department of the Treasury resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

	<i>Actual available appropriation</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	<i>Total estimate at Additional Estimates</i>
	<i>2016-17 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>
Administered				
Annual appropriations - ordinary annual services (a)				
Outcome 1	41,387	22,889	13,406	36,295
Annual appropriations - other services - non-operating (e)				
Administered assets and liabilities	60,000	60,000	-	60,000
<i>Total administered annual appropriations</i>	<i>101,387</i>	<i>82,889</i>	<i>13,406</i>	<i>96,295</i>
Special appropriations				
Asian Development Bank (Additional Subscription) Act 2009	22,218	24,359	-	24,359
Asian Infrastructure Investment Bank Act 2015	197,142	193,120	(6,776)	186,344
Federal Financial Relations Act 2009	81,403,179	85,649,822	663,160	86,312,982
International Monetary Arrangements Act 2015	10,523	395,917	(360,392)	35,525
Public Governance, Performance and Accountability Act 2013	-	1,000	-	1,000
<i>Total administered special appropriations (f)</i>	<i>81,633,062</i>	<i>86,264,218</i>	<i>295,992</i>	<i>86,560,210</i>
Special accounts (f)				
Appropriation receipts	12,366,257	12,145,904	33,603,911	45,749,815
Non-appropriation receipts to Special Accounts	90,252	792,187	501,999	1,294,186
<i>Total special account receipts</i>	<i>12,456,509</i>	<i>12,938,091</i>	<i>34,105,910</i>	<i>47,044,001</i>
Total administered resourcing	94,190,958	99,285,198	34,415,308	133,700,506
Total resourcing for the Treasury	94,434,059	99,551,556	34,418,746	133,970,302
			<i>2016-17</i>	<i>2017-18</i>
Average staffing level (number)			796	863

Table 1.1: Department of the Treasury resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	<i>2016-17 \$'000</i>	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Payments made on behalf of another entity (g)				
Finance	-	537,983	330,961	868,944
Infrastructure, Regional Development and Cities	68,496	71,000	2	71,002
Social Services	21,756	183,204	171,036	354,240

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

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

- (a) Appropriation Act (No. 1) 2017-2018 and Appropriation Bill (No. 3) 2017-2018.
- (b) Excludes \$1.073 million subject to administrative quarantine by the Department of Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Act (No.1) and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Act (No. 2) 2017-2018.
- (f) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special accounts see Table 3.1.
- (g) These payments relate to National Partnership payments to the States and Territories.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse - additional funding					
Departmental expenses	1.1	-	(13)	(29)	(34)
DisabilityCare Australia Fund - initial payments (a)					
Administered expenses	1.9	361,826	(16,510)	-	-
Disaster Relief					
Administered expenses	1.9	5,750	11,843	36,279	-
Fighting Cancer - National Bowel Cancer Screening Program - continuation of the participant follow-up function					
Administered expenses	1.9	-	7,989	8,911	9,121
GST on low value imported goods - 1 July 2018 start date					
Administered expenses	1.9	(60,000)	(30,000)	(20,000)	(20,000)
Heavy Vehicle Road Reform - next steps					
Administered expenses	1.9	-	-	-	(53,000)
Indirect Tax Concession Scheme - diplomatic and consular concessions					
Administered expenses	1.9
Infrastructure Investment Programme - Victorian Infrastructure Investments - additional funding					
Administered expenses	1.9	-	-	-	-
Improving Access to Medicines - National Immunisation Program - new and amended listings					
Administered expenses	1.9	(509)	(858)	(888)	(905)
Improving the integrity of GST on property transactions - transitional arrangements					
Administered expenses	1.9	-	(270,000)	120,000	80,000
Macquarie Park Transport Interchange					
Administered expenses	1.9	-	5,000	10,000	(60,000)
National Approach to Prescription Drug Misuse					
Administered expenses	1.9	-	-	-	-

Table 1.2: Entity 2017-18 measures since Budget (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Reducing Pressure on Housing Affordability - implementation of the National Housing Finance and Investment Corporation and additional measures					
Administered expenses	1.3/1.9	10,311	514	-	-
Departmental expenses	1.1	300	-	-	-
Rollout of National Disability Insurance Scheme in Western Australia - revised implementation arrangements					
Administered expenses	1.9	(115,921)	(253,587)	(457,977)	(1,115,681)
National Partnership Agreement on Financial Literacy					
Administered expenses	1.9	1,310	1,310	1,310	1,310
National System for Domestic Commercial Vessel Safety - transitional funding package					
Administered expenses	1.9	-	-	-	(20,931)
Pacific Labour Scheme					
Administered expenses	1.9	-	5,000	10,000	10,000
Red Imported Fire Ants Eradication Program					
Administered expenses	1.9	9,500	-	(1,000)	(1,000)
School Enrolment and Attendance Measure - cessation					
Administered expenses	1.9	(1,062)	(2,186)	(2,250)	(2,315)
Seasonal Worker Programme - improving take-up and streamlining administration					
Administered expenses	1.9	-	5,000	10,000	10,000
Small Business Digital Taskforce - establishment					
Administered expenses	1.9	-	-	-	-
Small Business Regulatory Reform Agenda – additional funding					
Administered expenses	1.9	(50,000)	50,000	-	-
Departmental expenses	1.1	1,919	1,826	-	-
Taking Action Now - Australian Financial Complaints Authority					
Departmental expenses	1.1	1,809	-	-	-
Treasury Portfolio - efficiencies (b)					
Departmental expenses	1.1	(590)	(570)	(509)	(478)
Total expense measures					
Administered		161,205	(486,485)	(285,615)	(1,163,401)
Departmental		3,438	1,243	(538)	(512)
Total		164,643	(485,242)	(286,153)	(1,163,913)

Prepared on a Government Financial Statistics (fiscal) basis.

(a) This measure includes a reduction in expenses of \$345.3 million in 2016-17.

(b) This measure was announced in the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2017-18* as a portfolio measure. For the full measure description and package details, refer to page 190 of *MYEFO 2017-18* under the Treasury portfolio.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for the Treasury at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget in Appropriation Bill No. 3.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Administered					
Annual appropriations					
Reducing Pressure on Housing Affordability - implementation of the National Housing Finance and Investment Corporation and additional measures	1.1	9,700	-	-	-
Movement of Funds					
Information Campaigns	1.1	3,352	-	-	-
Other Variations					
Australian Housing and Urban Research Institute funding	1.1	354	-	-	-
Net impact on appropriations for Outcome 1 (administered)		13,406	-	-	-
Outcome 1					
Departmental					
Annual appropriations					
Reducing Pressure on Housing Affordability - implementation of the National Housing Finance and Investment Corporation and additional measures	1.1	300	-	-	-
Small Business Regulatory Reform Agenda - additional funding	1.1	1,919	1,826	-	-
Taking Action Now - Australian Financial Complaints Authority	1.1	1,809	-	-	-
Treasury Portfolio - efficiencies	1.1	(590)	(570)	(509)	(478)
Change in Parameters					
Adjustments to reflect movements in indices relating to prices and wages					
Departmental appropriation	1.1	-	186	165	316
Departmental capital budget	1.1	-	8	5	10
Net impact on appropriations for Outcome 1 (departmental)		3,438	1,450	(339)	(152)
Total net impact on appropriations for Outcome 1		16,844	1,450	(339)	(152)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Treasury through *Appropriation Bill No. 3*.

Table 1.4: Appropriation Bill (No. 3) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Outcome 1 - Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations					
Departmental items	174,650	202,026	205,464	3,438	-
Administered items	41,387	22,889	36,295	13,406	-
Total	216,037	224,915	241,759	16,844	-

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.

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

Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.

	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Departmental expenses					
Departmental appropriation	166,117	192,443	188,040	166,235	159,493
s74 Retained revenue receipts (a)	10,492	12,423	12,423	12,423	11,023
Expenses not requiring appropriation in the Budget year (b)					
	14,750	10,061	10,092	10,134	9,952
Departmental total	191,359	214,927	210,555	188,792	180,468
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	9,652	21,710	-	-	-
Special appropriations: PGPA Act 2013 - s77 repayments	-	1,000	1,000	1,000	1,000
Administered total	9,652	22,710	1,000	1,000	1,000
Total expenses for program 1.1	201,011	237,637	211,555	189,792	181,468
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Small Business Advisory Services	7,254	7,706	5,994	6,292	5,974
Global Infrastructure Hub	6,800	6,800	3,400	-	-
Standards Australia - development of international blockchain standards	150	70	70	60	-
Housing Loans Insurance Company Limited - management of pre-transfer contract portfolio	8	9	9	9	9
Administered total	14,212	14,585	9,473	6,361	5,983
Total expenses for program 1.3	14,212	14,585	9,473	6,361	5,983

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and resources received free of charge.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Treasury.

Table 3.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Actuarial Services Special Account (D)						
2017-18	1	-	-	-	-	-
2016-17		2,835	221	-	(3,056)	-
COAG Reform Fund Special Account (A)						
2017-18	1	-	12,630,446	(12,630,446)	-	-
2016-17		-	12,456,509	(12,456,509)	-	-
Medicare Guarantee Fund Treasury Special Account (A)						
2017-18	1	-	34,413,555	(34,413,555)	-	-
2016-17		-	-	-	-	-
Total special accounts						
2017-18 Budget estimate		-	47,044,001	(47,044,001)	-	-
<i>Total special accounts</i>						
2016-17 actual		2,835	12,456,730	(12,456,509)	(3,056)	-

(A) = Administered
(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Treasury is budgeting for a break-even result, after non-appropriated expenses such as depreciation are removed, in 2016-17.

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

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	123,782	139,311	142,525	130,252	131,614
Suppliers	55,429	68,305	60,688	51,156	41,652
Grants	1,245	1,958	1,958	1,958	1,958
Depreciation and amortisation	10,360	5,353	5,384	5,426	5,244
Finance costs	11	-	-	-	-
Losses from asset sales	532	-	-	-	-
Total expenses	191,359	214,927	210,555	188,792	180,468
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9,419	11,414	11,414	11,414	10,014
Rental income	-	237	237	237	237
Other revenue	1,073	772	772	772	772
Total own-source revenue	10,492	12,423	12,423	12,423	11,023
Gains					
Sale of assets	43	-	-	-	-
Other gains	3,272	4,133	4,133	4,133	4,133
Total gains	3,315	4,133	4,133	4,133	4,133
Total own-source income	13,807	16,556	16,556	16,556	15,156
Net cost of / (contribution by) services	(177,552)	(198,371)	(193,999)	(172,236)	(165,312)
Revenue from Government	170,496	193,018	188,615	166,810	160,068
Surplus/(deficit) attributable to the Australian Government	(7,056)	(5,353)	(5,384)	(5,426)	(5,244)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	228	-	-	-	-
Total other comprehensive income	228	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(6,828)	(5,353)	(5,384)	(5,426)	(5,244)

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	3,532	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	10,360	5,353	5,384	5,426	5,244
Total comprehensive income/(loss) - as per the statement of comprehensive income	(6,828)	(5,353)	(5,384)	(5,426)	(5,244)

(a) From 2010-11, the government introduced net cash appropriation arrangements where *Appropriation Act No. 1* or *Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1* or *Bill No. 3* equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,250	1,250	1,250	1,250	1,250
Trade and other receivables	56,504	56,415	55,301	55,740	55,592
Other financial assets	15	15	15	15	15
Total financial assets	57,769	57,680	56,566	57,005	56,857
Non-financial assets					
Land and buildings	16,159	16,122	16,062	15,988	16,369
Property, plant and equipment	7,851	14,090	15,673	15,646	14,343
Intangibles	9,804	11,244	12,741	12,638	13,569
Other non-financial assets	5,631	5,631	5,631	5,631	5,631
Total non-financial assets	39,445	47,087	50,107	49,903	49,912
Total assets	97,214	104,767	106,673	106,908	106,769
LIABILITIES					
Payables					
Suppliers	9,981	9,981	9,981	9,981	9,981
Other payables	2,629	3,104	3,579	6,627	10,104
Total payables	12,610	13,085	13,560	16,608	20,085
Provisions					
Employee provisions	46,705	46,140	44,552	41,943	38,318
Other provisions	3,440	3,440	3,440	3,440	3,440
Total provisions	50,145	49,580	47,992	45,383	41,758
Total liabilities	62,755	62,665	61,552	61,991	61,843
Net assets	34,459	42,102	45,121	44,917	44,926
EQUITY(a)					
Parent entity interest					
Contributed equity	64,136	77,132	85,536	90,758	96,011
Reserves	12,414	12,414	12,416	12,416	12,416
Retained surplus / (accumulated deficit)	(42,091)	(47,444)	(52,831)	(58,257)	(63,501)
Total parent entity interest	34,459	42,102	45,121	44,917	44,926
Total Equity	34,459	42,102	45,121	44,917	44,926

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

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017-18)

	Retained earnings	Asset revaluation reserve	Contributed equity / capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	(42,091)	12,414	64,136	34,459
Adjusted opening balance	(42,091)	12,414	64,136	34,459
Comprehensive income				
Surplus/(deficit) for the period	(5,353)	-	-	(5,353)
Total comprehensive income	(5,353)	-	-	(5,353)
Transactions with owners				
Distributions to owners				
Equity Injection - Appropriation	-	-	4,750	4,750
Departmental Capital Budget (DCB)	-	-	8,246	8,246
Sub-total transactions with owners	-	-	12,996	12,996
Estimated closing balance as at 30 June 2018	(47,444)	12,414	77,132	42,102
Closing balance attributable to the Australian Government	(47,444)	12,414	77,132	42,102

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	183,993	193,107	189,729	166,371	160,216
Sale of goods and rendering of services	6,304	11,651	11,651	11,651	10,251
Net GST received	4,791	-	-	-	-
Other	518	772	772	772	772
Total cash received	195,606	205,530	202,152	178,794	171,239
Cash used					
Employees	123,496	139,400	143,639	129,813	131,762
Suppliers	44,544	64,172	56,555	47,023	37,519
Net GST paid	4,920	-	-	-	-
s74 Retained Revenue Receipts transferred to OPA	17,769	-	-	-	-
Other	1,245	1,958	1,958	1,958	1,958
Total cash used	191,974	205,530	202,152	178,794	171,239
Net cash from / (used by) operating activities	3,632	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	50	-	-	-	-
Total cash received	50	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	10,806	12,996	8,404	5,222	5,253
Total cash used	10,806	12,996	8,404	5,222	5,253
Net cash from / (used by) investing activities	(10,756)	(12,996)	(8,404)	(5,222)	(5,253)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	5,598	12,996	8,404	5,222	5,253
Total cash received	5,598	12,996	8,404	5,222	5,253
Net cash from / (used by) financing activities	5,598	12,996	8,404	5,222	5,253
Net increase/(decrease) in cash held	(1,526)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,776	1,250	1,250	1,250	1,250
Cash and cash equivalents at the end of the reporting period	1,250	1,250	1,250	1,250	1,250

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016-17 Actual	2017-18 Revised budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 and Bill 3 (DCB)	5,298	8,246	8,404	5,222	5,253
Equity injections - Act No. 2 and Bill 4	300	4,750	-	-	-
Total new capital appropriations	5,598	12,996	8,404	5,222	5,253
Provided for:					
Purchase of non-financial assets	5,298	12,996	8,404	5,222	5,253
Total Items	5,298	12,996	8,404	5,222	5,253
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	300	4,750	-	-	-
Funded by capital appropriation - DCB (b)	5,298	8,246	8,404	5,222	5,253
TOTAL AMOUNT SPENT	5,598	12,996	8,404	5,222	5,253
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,598	12,996	8,404	5,222	5,253
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	5,598	12,996	8,404	5,222	5,253

(a) Includes both current and prior Bill No. 4 and prior Act No. 2/4/6 appropriations.

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

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2017-18 Budget year)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	16,159	7,851	28,580	52,590
Accumulated depreciation/amortisation and impairment	-	-	(18,776)	(18,776)
Opening net book balance	16,159	7,851	9,804	33,814
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	1,351	7,763	3,882	12,996
Total additions	1,351	7,763	3,882	12,996
Other movements				
Depreciation/amortisation expense	(1,388)	(1,523)	(2,442)	(5,353)
Total other movements	(1,388)	(1,523)	(2,442)	(5,353)
As at 30 June 2018				
Gross book value	17,510	15,614	32,463	65,587
Accumulated depreciation/amortisation and impairment	(1,388)	(1,524)	(21,219)	(24,131)
Closing net book balance	16,122	14,090	11,244	41,456

(a) "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through *Appropriation Act (No. 2) 2017-2018* and *Bill (No. 4) 2017-2018*, including Collection Development Acquisition Budgets (CDABs).

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	94,258,724	99,018,982	103,184,255	101,635,632	103,978,571
Payments to the Medicare Guarantee Fund	-	34,413,555	35,520,429	37,135,622	38,406,562
Interest	15,252	37,560	53,206	70,774	89,025
Suppliers	8,557	21,173	1,286	1,131	1,170
Foreign exchange	211,174	199,665	5,577	139,430	171,707
Total expenses administered on behalf of Government	94,493,707	133,690,935	138,764,753	138,982,589	142,647,035
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	696,216	638,482	605,834	475,038	476,999
Interest	3,454	10,169	13,038	14,571	15,019
Dividends	1,343,500	398,500	882,000	1,097,000	1,305,000
COAG revenue from government entities	89,358	1,294,186	3,412,974	1,514,108	1,121,594
Other revenue	99,141	94,100	94,650	94,900	94,900
Total non-taxation revenue	2,231,669	2,435,437	5,008,496	3,195,617	3,013,512
Total own-source revenue administered on behalf of Government	2,231,669	2,435,437	5,008,496	3,195,617	3,013,512
Gains					
Foreign exchange	-	136,060	1,957	345,694	424,735
Total gains administered on behalf of Government	-	136,060	1,957	345,694	424,735
Total own-source income administered on behalf of Government	2,231,669	2,571,497	5,010,453	3,541,311	3,438,247

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June) (continued)

	2016-17 Actual \$'000	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Net cost of/ (contribution by) services	92,262,038	131,119,438	133,754,300	135,441,278	139,208,788
Surplus/(Deficit)	(92,262,038)	(131,119,438)	(133,754,300)	(135,441,278)	(139,208,788)
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to profit or loss					
Changes in asset revaluation surplus	(2,170,851)	-	-	-	-
Total other comprehensive income	(2,170,851)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(94,432,889)	(131,119,438)	(133,754,300)	(135,441,278)	(139,208,788)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Advances and loans	732,052	581,536	558,240	472,986	339,135
Receivables	1,327,323	368,774	903,250	1,115,574	1,321,192
Investments	35,212,886	35,198,054	35,378,455	35,917,533	36,344,019
Total financial assets	37,272,261	36,148,364	36,839,945	37,506,093	38,004,346
Non-financial assets					
Other non-financial assets	381	381	381	381	381
Total non-financial assets	381	381	381	381	381
Total assets administered on behalf of Government	37,272,642	36,148,745	36,840,326	37,506,474	38,004,727
LIABILITIES					
Payables					
Grants	793,657	70,908	46,063	47,855	46,999
Other payables	5,579,567	5,501,297	5,502,066	5,644,377	5,818,641
Unearned income	26,455	13,041	6,601	3,942	1,518
Total payables	6,399,679	5,585,246	5,554,730	5,696,174	5,867,158
Interest bearing liabilities					
Loans	9,626,864	9,600,821	9,575,970	9,552,197	9,553,948
Total interest bearing liabilities	9,626,864	9,600,821	9,575,970	9,552,197	9,553,948
Provisions					
Provision for grants	704,917	830,315	432,653	-	-
Total provisions	704,917	830,315	432,653	-	-
Total liabilities administered on behalf of Government	16,731,460	16,016,382	15,563,353	15,248,371	15,421,106
Net assets/(liabilities)	20,541,182	20,132,363	21,276,973	22,258,103	22,583,621

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	14,131	7,790	6,798	2,934	2,672
Interest	1,840	8,580	12,823	14,464	14,676
Dividends	3,279,319	1,343,500	341,000	882,000	1,097,000
COAG receipts from entities	18,229,307	19,465,696	3,412,973	1,514,106	1,121,592
Other	100,820	94,100	94,650	94,900	94,900
Total cash received	21,625,417	20,919,666	3,868,244	2,508,404	2,330,840
Cash used					
Grant payments	112,031,191	117,131,062	103,007,517	101,594,239	103,505,025
Payments to the Medicare Guarantee Fund	-	34,413,555	35,520,429	37,135,622	38,406,562
Interest paid	10,523	35,525	50,480	67,893	86,468
Other	9,559	21,173	1,286	1,131	1,170
Total cash used	112,051,273	151,601,315	138,579,712	138,798,885	141,999,225
Net cash from/ (used by) operating activities	(90,425,856)	(130,681,649)	(134,711,468)	(136,290,481)	(139,668,385)
INVESTING ACTIVITIES					
Cash received					
Advances and loans	25,538	211,653	68,238	85,230	134,079
IMF maintenance of value activities	112,929	55,604	-	-	-
Total cash received	138,467	267,257	68,238	85,230	134,079
Cash used					
Purchase of investments	219,360	210,703	210,828	217,156	-
Advances and loans	-	60,000	44,850	-	-
Total cash used	219,360	270,703	255,678	217,156	-
Net cash from/ (used by) investing activities	(80,893)	(3,446)	(187,440)	(131,926)	134,079
Net increase/ (decrease) in cash held	(90,506,749)	(130,685,095)	(134,898,908)	(136,422,407)	(139,534,306)

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	2016-17 Actual \$'000	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	94,131,747	133,700,506	138,835,389	139,016,041	141,999,225
Cash to Official Public Account for:					
- Appropriations	(3,624,998)	(3,015,411)	(3,936,481)	(2,593,634)	(2,464,919)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.11: Schedule of administered capital budget (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered assets and liabilities	-	60,000	44,850	-	-
Special appropriations	219,360	210,703	210,828	217,156	-
Total new capital appropriations	219,360	270,703	255,678	217,156	-
<i>Provided for:</i>					
<i>James Hardie asbestos compensation fund - loan to NSW Government</i>	-	60,000	44,850	-	-
<i>International financial institutions</i>	219,360	210,703	210,828	217,156	-
Total items	219,360	270,703	255,678	217,156	-

Prepared on Australian Accounting Standards basis.

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

There has been no significant change to the strategic direction of the Australian Competition and Consumer Commission (ACCC) from that outlined in the *Portfolio Budget Statements 2017-18* (pages 77-80).

The ACCC is seeking an additional \$8.6 million in departmental funding through Appropriation Bill (No.3) 2017-18, and \$10 million in equity injection for Appropriation Bill (No.4) 2017-18.

Appropriation Bill (No.3) 2017-18 items were announced in the *Mid-Year Economic Fiscal Outlook 2017-18*, and comprises the following:

- \$7.5 million funding for the *Australian Energy Regulator – additional funding measure*.
- \$1.7 million funding for the *Broadcasting and Content Reform Package – additional funding measure*.
- \$0.6 million savings for the ACCC's share of Treasury Portfolio efficiencies.

Appropriation Bill (No.4) 2017-18 involves \$10 million in funding to replenish the ACCC's Litigation Contingency Fund.

The ACCC is also seeking additional funding of \$5.3 million in 2018-19 and \$2.8 million in 2019-20 to optimise the Australian Energy Regulator's (AER) Energy Made Easy website. This was outlined under the *Powering Forward – Delivering More Affordable, Reliable and Sustainable Energy* measure in the *Mid-Year Economic Fiscal Outlook 2017-18*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the ACCC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: ACCC resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Departmental				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available	16,575	19,258	-	19,258
Departmental appropriations 74 retained revenue receipts (b)	173,359	189,341	8,610	197,951
Departmental capital budget (c)	1,987	1,968	-	1,968
Annual appropriations - other services - non-operating (d)				
Prior year appropriations available (e)	15,596	9,578	-	9,578
Equity injection	1,400	1,100	10,000	11,100
<i>Total departmental annual appropriations</i>	<i>211,966</i>	<i>225,198</i>	<i>18,610</i>	<i>243,808</i>
Total departmental resourcing	211,966	225,198	18,610	243,808
Administered				
Special appropriations (f)	20	20	-	-
<i>Total administered special appropriations</i>	<i>20</i>	<i>20</i>	<i>-</i>	<i>-</i>
Total administered resourcing	20	20	-	-
Total resourcing for the ACCC	211,986	225,218	18,610	243,808
			<i>Actual 2016-17</i>	<i>2017-18</i>
Average staffing level (number)			772	868

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

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Payments made on behalf of the NCC	1,727	1,992	-	-
Receipts received from the NCC for the provision of services (disclosed above in s74 Retained revenue receipts section above)	775	850	-	-

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

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement. The above does not include Other Trust Monies - refer Table 3.1 for these details.

- (a) Appropriation Act (No. 1) 2017-2018 and Appropriation Bill (No. 3) 2017-2018.
- (b) Estimated retained revenue receipts under section 74 of the Public Governance, Performance and Accountability (PGPA) Act 2013.
- (c) Departmental capital budgets are not separately identified in Appropriation Act (No.1) and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contributed equity' in Table 3.5.
- (d) Appropriation Act (No. 2) 2017-2018 and Appropriation Bill (No. 4) 2017-2018.
- (e) Excludes \$11.6m subject to administrative quarantine by Finance or withheld under section 51 of the PGPA Act 2013.
- (f) Relates to repayments not provided for under other appropriations through section 77 of the PGPA Act.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Australian Energy Regulator - additional funding					
Departmental expenses	1.2	7,474	19,946	19,942	20,057
Broadcasting and Content Reform Package - additional funding					
Departmental expenses	1.1	1,712	4,447	-	-
Powering Forward - Delivering More Affordable, Reliable and Sustainable Energy					
Departmental expenses	1.2	-	5,318	2,755	-
Royal Commission into Trade Union Governance and Corruption - additional funding for investigations					
Departmental expenses	1.1	-	1,000	-	-
Treasury Portfolio - efficiencies					
Departmental expenses (a)	1.1	(437)	(371)	(363)	(354)
Departmental expenses (a)	1.2	(139)	(148)	(147)	(140)
Total expense measures					
Departmental		8,610	30,192	22,187	19,563
Total		8,610	30,192	22,187	19,563

Prepared on a Government Financial Statistics (fiscal) basis.

(a) The lead entity for measure Treasury Portfolio - efficiencies is Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for the ACCC at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget in *Appropriation Bills Nos. 3 and 4*.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Departmental					
Annual appropriations					
Australian Energy Regulator - additional funding	1.1	7,474	19,946	19,942	20,057
Broadcasting and Content Reform Package - additional funding	1.1	1,712	4,447	-	-
Powering Forward - Delivering More Affordable, Reliable and Sustainable Energy	1.1	-	5,318	2,755	-
Royal Commission into Trade Union Governance and Corruption - additional funding for investigations	1.1	-	1,000	-	-
Treasury Portfolio - efficiencies (a)	1.1	(437)	(371)	(363)	(354)
Treasury Portfolio - efficiencies (a)	1.2	(139)	(148)	(147)	(140)
Changes in Parameters					
Departmental appropriation adjustments to reflect movements in indices relating to prices and wages					
	1.1	-	136	133	261
Departmental appropriation adjustments to reflect movements in indices relating to prices and wages					
	1.2	-	51	51	103
Departmental capital adjustments to reflect movements in indices relating to prices and wages					
	1.1	-	2	2	4
Other Variations					
Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse — additional funding	1.1	-	(12)	(26)	(35)
Litigation Contingency Fund	1.1	10,000	-	-	-
Net impact on appropriations for Outcome 1 (departmental)		18,610	30,369	22,347	19,896

Prepared on a Government Financial Statistics (fiscal) basis.

(a) The lead entity for measure Treasury Portfolio - efficiencies is Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.4: Appropriation Bill (No. 3) 2017-18

	<i>2016-17 Available \$'000</i>	<i>2017-18 Budget \$'000</i>	<i>2017-18 Revised \$'000</i>	<i>Additional Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Departmental 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	175,346	191,309	199,919	8,610	-
Total departmental	175,346	191,309	199,919	8,610	-

Table 1.5: Appropriation Bill (No. 4) 2017-18

	<i>2016-17 Available \$'000</i>	<i>2017-18 Budget \$'000</i>	<i>2017-18 Revised \$'000</i>	<i>Additional Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Non-operating					
Equity injections					
Litigation Contingency Fund	1,400	1,100	11,100	10,000	-
Total non-operating	1,400	1,100	11,100	10,000	-

Section 2: Revisions to outcomes and planned performance

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 Administered and Departmental funding sources.

Table 2.1 Budgeted expenses for Outcome 1

Outcome 1: Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services					
	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Australian Competition and Consumer Commission					
Departmental expenses					
Departmental appropriation	132,595	150,269	143,447	134,949	132,164
s 74 Retained revenue receipts (a)	4,178	3,953	2,253	2,253	2,253
Expenses not requiring appropriation in the Budget year (b)	6,209	5,569	5,386	4,651	4,378
Departmental total	142,982	159,791	151,086	141,853	138,795
Total expenses for program 1.1	142,982	159,791	151,086	141,853	138,795
Program 1.2: Australian Energy Regulator					
Departmental expenses					
Departmental appropriation	40,764	47,682	57,362	54,826	52,400
Expenses not requiring appropriation in the Budget year (b)	1,059	-	-	-	-
Departmental total	41,823	47,682	57,362	54,826	52,400
Total expenses for program 1.2	41,823	47,682	57,362	54,826	52,400
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	173,359	197,951	200,809	189,775	184,564
s 74 Retained revenue receipts (a)	4,178	3,953	2,253	2,253	2,253
Expenses not requiring appropriation in the Budget year (b)	7,268	5,569	5,386	4,651	4,378
Departmental total	184,805	207,473	208,448	196,679	191,195
Total expenses for Outcome 1	184,805	207,473	208,448	196,679	191,195
	2016-17	2017-18			
Average staffing level (number)	772	868			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(b) 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 2.1.2: Performance criteria for Outcome 1

The new budget measures do not significantly change the ACCC's outcome statement, purposes or delivery mechanisms, and the performance criteria included in the *Portfolio Budget Statements 2017-18* (pages 87–90) will require the ACCC and AER to report on the additional work that the ACCC and AER undertake and the outcomes achieved.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by the ACCC.

Table 3.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Services for Other Entities and Trust Moneys Account (A)	1					
2017-18		54	-	-	-	54
2016-17		54	20	(20)	-	54
Total special accounts						
2017-18 Budget estimate		54	-	-	-	54
<i>Total special accounts</i>						
<i>2016-17 actual</i>		54	20	(20)	-	54

(A) = Administered

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The ACCC is budgeting for a departmental break even operating result for 2017-18 after adjusting for non-appropriated expenses of depreciation and amortisation.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	102,979	116,763	115,482	111,728	109,408
Suppliers	67,440	85,189	87,625	80,361	77,468
Depreciation and amortisation	5,372	5,475	5,292	4,557	4,284
Finance costs	45	46	49	33	35
Losses from asset sales	14	-	-	-	-
Other expenses	8,955	-	-	-	-
Total expenses	184,805	207,473	208,448	196,679	191,195
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,208	3,953	2,253	2,253	2,253
Other revenue	2,876	-	-	-	-
Total own-source revenue	4,084	3,953	2,253	2,253	2,253
Gains					
Other gains	94	94	94	94	94
Total gains	94	94	94	94	94
Total own-source income	4,178	4,047	2,347	2,347	2,347
Net cost of / (contribution by) services	(180,627)	(203,426)	(206,101)	(194,332)	(188,848)
Revenue from Government	173,359	197,951	200,809	189,775	184,564
Surplus/(deficit) attributable to the Australian Government	(7,268)	(5,475)	(5,292)	(4,557)	(4,284)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(7,268)	(5,475)	(5,292)	(4,557)	(4,284)

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(1,896)	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	5,372	5,475	5,292	4,557	4,284
Total comprehensive income/(loss) - as per the statement of comprehensive income	(7,268)	(5,475)	(5,292)	(4,557)	(4,284)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Act No. 1* or *Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1* or *Bill No. 3* equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,616	1,616	1,616	1,616	1,616
Trade and other receivables	30,929	38,097	35,312	32,471	30,538
Total financial assets	32,545	39,713	36,928	34,087	32,154
Non-financial assets					
Land and buildings	9,433	13,528	11,336	9,463	7,710
Property, plant and equipment	3,109	2,994	2,764	3,372	4,077
Intangibles	3,267	2,680	2,367	1,635	970
Other non-financial assets	2,572	2,572	2,572	2,572	2,572
Total non-financial assets	18,381	21,774	19,039	17,042	15,329
Total assets	50,926	61,487	55,967	51,129	47,483
LIABILITIES					
Payables					
Suppliers	8,128	7,384	7,515	7,512	7,656
Other payables	11,241	18,157	16,168	13,906	11,722
Total payables	19,369	25,541	23,683	21,418	19,378
Provisions					
Employee provisions	30,129	28,728	27,652	26,926	26,883
Other provisions	9,918	8,115	7,764	7,414	7,064
Total provisions	40,047	36,843	35,416	34,340	33,947
Total liabilities	59,416	62,384	59,099	55,758	53,325
Net assets	(8,490)	(897)	(3,132)	(4,629)	(5,842)
EQUITY(a)					
Parent entity interest					
Contributed equity	75,011	88,079	91,136	94,196	97,267
Reserves	4,086	4,086	4,086	4,086	4,086
Retained surplus / (accumulated deficit)	(87,587)	(93,062)	(98,354)	(102,911)	(107,195)
Total parent entity interest	(8,490)	(897)	(3,132)	(4,629)	(5,842)
Total Equity	(8,490)	(897)	(3,132)	(4,629)	(5,842)

(a) Equity is the residual interest in assets after the deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017-18)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity / capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	(87,587)	4,086	-	75,011	(8,490)
Adjusted opening balance	(87,587)	4,086	-	75,011	(8,490)
Comprehensive income					
Surplus/(deficit) for the period	(5,475)	-	-	-	(5,475)
Total comprehensive income	(5,475)	-	-	-	(5,475)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	11,100	11,100
Departmental Capital Budget (DCB)	-	-	-	1,968	1,968
Sub-total transactions with owners	-	-	-	13,068	13,068
Estimated closing balance as at 30 June 2018	(93,062)	4,086	-	88,079	(897)
Closing balance attributable to the Australian Government	(93,062)	4,086	-	88,079	(897)

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	175,547	190,783	203,594	192,616	186,497
Sale of goods and rendering of services	1,516	3,953	2,253	2,253	2,253
Net GST received	6,238	7,865	8,115	7,505	7,313
Other	2,341	-	-	-	-
Total cash received	185,642	202,601	213,962	202,374	196,063
Cash used					
Employees	102,473	118,164	116,558	112,454	109,451
Suppliers	76,571	80,772	89,789	82,915	79,799
Net GST paid	-	7,865	8,115	7,505	7,313
s74 Retained Revenue Receipts transferred to OPA	4,871	-	-	-	-
Other	8,418	-	-	-	-
Total cash used	192,333	206,801	214,462	202,874	196,563
Net cash from / (used by) operating activities	(6,691)	(4,200)	(500)	(500)	(500)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	2,387	8,868	2,557	2,560	2,571
Total cash used	2,387	8,868	2,557	2,560	2,571
Net cash from / (used by) investing activities	(2,387)	(8,868)	(2,557)	(2,560)	(2,571)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,405	13,068	3,057	3,060	3,071
Total cash received	9,405	13,068	3,057	3,060	3,071
Net cash from / (used by) financing activities	9,405	13,068	3,057	3,060	3,071
Net increase/(decrease) in cash held	327	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,289	1,616	1,616	1,616	1,616
Cash and cash equivalents at the end of the reporting period	1,616	1,616	1,616	1,616	1,616

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 and Bill 3 (DCB)	1,987	1,968	1,957	1,960	1,971
Equity injections - Act No. 2 and Bill 4	1,400	11,100	1,100	1,100	1,100
Total new capital appropriations	3,387	13,068	3,057	3,060	3,071
Provided for:					
Purchase of non-financial assets	2,887	2,568	2,557	2,560	2,571
Other Items	500	10,500	500	500	500
Total Items	3,387	13,068	3,057	3,060	3,071
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	900	600	600	600	600
Funded by capital appropriation - DCB (b)	1,987	1,968	1,957	1,960	1,971
Funded internally from departmental resources (c)	-	6,300	-	-	-
TOTAL AMOUNT SPENT	2,887	8,868	2,557	2,560	2,571
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,887	8,868	2,557	2,560	2,571
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	2,887	8,868	2,557	2,560	2,571

(a) Includes both current and prior Bill No. 4 and prior Act No. 2/4/6 appropriations and special capital appropriations.

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

(c) Includes assets funded by a lease incentive from a new accommodation lease.

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2017-18 Budget year)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	14,877	5,791	13,500	34,168
Accumulated depreciation/amortisation and impairment	(5,444)	(2,682)	(10,233)	(18,359)
Opening net book balance	9,433	3,109	3,267	15,809
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	600	600
By purchase - appropriation ordinary annual services (b)	168	1,370	430	1,968
By purchase - other (c)	6,300	-	-	6,300
Total additions	6,468	1,370	1,030	8,868
Other movements				
Depreciation/amortisation expense	(2,373)	(1,485)	(1,617)	(5,475)
Disposals	-	-	-	-
Total other movements	(2,373)	(1,485)	(1,617)	(5,475)
As at 30 June 2018				
Gross book value	21,345	7,161	14,530	43,036
Accumulated depreciation/amortisation and impairment	(7,817)	(4,167)	(11,850)	(23,834)
Closing net book balance	13,528	2,994	2,680	19,202

(a) "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through *Appropriation Act (No.2) 2017-2018* and *Bill (No.4) 2017-2018*, including CDABs.

(b) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No.1) 2017-18* and *Bill (No.3) 2017-2018* for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Includes assets funded by a lease incentive from a new accommodation lease.

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write-down and impairment of assets	7,364	-	-	-	-
Total expenses administered on behalf of Government	7,364	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	46,699	40,000	40,000	40,000	40,000
Total non-taxation revenue	46,699	40,000	40,000	40,000	40,000
Total own-source revenue administered on behalf of Government	46,699	40,000	40,000	40,000	40,000
Total own-source income administered on behalf of Government	46,699	40,000	40,000	40,000	40,000
Net cost of/(contribution by) services	(39,335)	(40,000)	(40,000)	(40,000)	(40,000)
Surplus/(deficit)	39,335	40,000	40,000	40,000	40,000

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1	1	1	1	1
Trade and other receivables	6,848	6,848	6,848	6,848	6,848
Total financial assets	6,849	6,849	6,849	6,849	6,849
Total assets administered on behalf of Government	6,849	6,849	6,849	6,849	6,849
Net assets/(liabilities)	6,849	6,849	6,849	6,849	6,849

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	40,169	40,000	40,000	40,000	40,000
Total cash received	40,169	40,000	40,000	40,000	40,000
Net cash from / (used by) operating activities	40,169	40,000	40,000	40,000	40,000
Total cash received	40,169	40,000	40,000	40,000	40,000
Net increase/(decrease) in cash held	40,169	40,000	40,000	40,000	40,000
Cash and cash equivalents at beginning of reporting period	1	1	1	1	1
- Transfers to other entities (Finance - Whole-of-Government)	40,169	40,000	40,000	40,000	40,000
Total cash to Official Public Account	40,169	40,000	40,000	40,000	40,000
Cash and cash equivalents at end of reporting period	1	1	1	1	1

Prepared on Australian Accounting Standards basis.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Australian Securities and Investments Commission (ASIC) from that outlined in the *Portfolio Budget Statements 2017-18* (pages 147-148).

ASIC is seeking an additional net \$0.85m for National Business Simplification Initiative - modernising business registers and an additional net \$1.086m for Taking Action Now - Australian Financial Complaints Authority. ASIC is also seeking an additional net \$5.882m for Royal Commission into misconduct in the banking, superannuation and financial services entities.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for ASIC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: ASIC resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	<i>Total estimate at Additional Estimates</i>
	<i>2016-17 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>
Departmental				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	-	114,285	-	114,285
Departmental appropriations 74 retained revenue receipts (c)	341,641	340,223	7,818	348,041
Departmental capital budget (d)	24,095	20,868	-	20,868
Annual appropriations - other services - non-operating (e)				
Equity injection	29,449	22,185	-	22,185
<i>Total departmental annual appropriations</i>	<i>402,423</i>	<i>504,759</i>	<i>7,818</i>	<i>512,577</i>
<i>Total departmental special appropriations (f)</i>				
Special accounts (f)				
Opening balance	46,957	37,046	-	37,046
Appropriation receipts (g)	28,308	27,279	-	27,279
Non-appropriation receipts	858	1,000	-	1,000
<i>Total special accounts</i>	<i>76,123</i>	<i>65,325</i>	<i>-</i>	<i>65,325</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>39,077</i>	<i>27,279</i>	<i>-</i>	<i>27,279</i>
Total departmental resourcing	439,469	542,805	7,818	550,623

Table 1.1: ASIC resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Administered				
Annual appropriations - ordinary annual services (a)				
Outcome 1	5,863	7,302	-	7,302
<i>Total administered annual appropriations</i>	5,863	7,302	-	7,302
Special appropriations				
Banking Act 1959	42,866	35,598	(1,247)	34,351
Life Insurance Act 1995	6,418	4,264	97	4,361
Public Governance, Performance and Accountability Act 2013	31,795	34,094	-	34,094
Corporations Act 2001	10,000	10,000	-	10,000
<i>Total administered special appropriations (f)</i>	91,079	83,956	(1,150)	82,806
Total administered resourcing	96,942	91,258	(1,150)	90,108
Total resourcing for ASIC	536,411	634,063	6,668	640,731

	<i>Actual 2016-17</i>	2017-18
Average staffing level (number)	1,692	1,749

- (a) Appropriation Act (No. 1) 2017-2018 and Appropriation Bill (No. 3) 2017-2018.
- (b) Excludes \$3.922m subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Act (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'.
- (e) Appropriation Act (No. 2) 2017-2018.
- (f) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special accounts see Table 3.1.
- (g) Amounts credited to the special account(s) from ASIC's annual and special appropriations.

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

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

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Assetless Administration Fund to Curb Illegal Phoenix Activity - additional funding	1.1				
Administered expenses		-	1,045	1,046	1,053
Total		-	1,045	1,046	1,053
National Business Simplification Initiative - modernising business registers	1.1				
Departmental expenses		850	-	-	-
Total		850	-	-	-
Taking Action Now - Australian Financial Complaints Authority	1.1				
Departmental expenses		1,086	4,938	3,436	-
Total		1,086	4,938	3,436	-
Taking Action Now - Professional Standards Reform	1.1				
Departmental expenses		-	-	-	-
Total		-	-	-	-
Royal Commission into misconduct in the banking, superannuation and financial services entities (a)	1.1				
Departmental expenses		5,882	-	-	-
Total		5,882	-	-	-
Total expense measures					
Administered		-	1,045	1,046	1,053
Departmental		7,818	4,938	3,436	-
Total		7,818	5,983	4,482	1,053

Prepared on a Government Financial Statistics (fiscal) basis

(a) Measure relates to a decision made post MYEFO.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for ASIC at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget in *Appropriation Bills Nos. 3 and 4*.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Administered					
Annual appropriations					
Assetless Administration Fund to Curb Illegal Phoenix Activity - additional funding	1.1	-	1,045	1,046	1,053
Changes in Parameters					
(net increase)	1.1	-	5	5	8
Net impact on appropriations for Outcome 1 (administered)					
		-	1,050	1,051	1,061
Departmental					
Annual appropriations					
National Business Simplification Initiative - modernising business registers	1.1	850	-	-	-
Taking Action Now - Australian Financial Complaints Authority	1.1	1,086	4,938	3,436	-
Taking Action Now - Professional Standards Reform	1.1	-	-	-	-
Royal Commission into misconduct in the banking, superannuation and financial services entities (a)	1.1	5,882	-	-	-
Changes in Parameters					
(net increase)	1.1	-	325	318	628
Special appropriations (including Special Accounts)					
Changes in Parameters					
(net increase)	1.1	-	26	26	52
Net impact on appropriations for Outcome 1 (departmental)					
		7,818	5,289	3,780	680
Total net impact on appropriations for Outcome 1					
		7,818	6,339	4,831	1,741

Prepared on a Government Financial Statistics (fiscal) basis
(a) Measure relates to a decision made post MYEFO.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.4: Appropriation Bill (No. 3) 2017-18

	<i>2016-17 Available \$'000</i>	<i>2017-18 Budget \$'000</i>	<i>2017-18 Revised \$'000</i>	<i>Additional Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Departmental programs					
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.	361,761	361,091	368,909	7,818	-
Total departmental	361,761	361,091	368,909	7,818	-

Table 1.5: Appropriation Bill (No. 4) 2017-18

	<i>2016-17 Available \$'000</i>	<i>2017-18 Budget \$'000</i>	<i>2017-18 Revised \$'000</i>	<i>Additional Estimates \$'000</i>	<i>Reduced Estimates \$'000</i>
Non-operating					
Equity injections					
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.	29,449	22,185	22,185	-	-
Total non-operating	29,449	22,185	22,185	-	-

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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.

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

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.

	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	3,699	4,157	5,182	5,184	5,215
Expenses not requiring appropriation in the Budget year (b)	52,993	50,812	56,907	59,267	61,308
Administered total	56,692	54,969	62,089	64,451	66,523
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (a)	348,851	353,246	340,201	333,889	325,570
Expenses not requiring appropriation in the Budget year (b)	43,609	38,795	36,414	31,507	24,498
Departmental total	392,460	392,041	376,615	365,396	350,068
Total expenses for program 1.1	449,152	447,010	438,704	429,847	416,591

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts					
Administered expenses					
Companies unclaimed monies - section 77 of the PGPA ACT	38,606	41,669	32,900	31,909	31,621
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,158	3,145	3,474	3,771	4,032
Special appropriations					
<i>Banking Act 1959 - Banking Unclaimed Moneys</i>	829	7,722	7,107	46,828	47,353
<i>Life Insurance Act 1995 - Life Unclaimed Moneys</i>	1,085	3,835	1,382	4,597	4,573
Administered total	41,678	56,371	44,863	87,105	87,579
Total expenses for program 1.2	41,678	56,371	44,863	87,105	87,579

Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	4,857	7,302	8,656	8,955	9,247
Special appropriations	1,914	11,557	8,489	51,425	51,926
Companies unclaimed monies - section 77 of the PGPA ACT	38,606	41,669	32,900	31,909	31,621
Special accounts					
Payments to corporate entities					
Expenses not requiring appropriation in the Budget year (b)	52,993	50,812	56,907	59,267	61,308
Administered total	98,370	111,340	106,952	151,556	154,102
Departmental expenses					
Departmental appropriation	348,851	353,246	340,201	333,889	325,570
Expenses not requiring appropriation in the Budget year (b)	43,609	38,795	36,414	31,507	24,498
Departmental total	392,460	392,041	376,615	365,396	350,068
Total expenses for Outcome 1	490,830	503,381	483,567	516,952	504,170

	2016-17	2017-18
Average staffing level (number)	1,692	1,749

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

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

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC.

Table 3.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
ASIC Deregistered Companies (D)						
2017-18	1	3,504	1,000	(1,000)	-	3,504
2016-17		2,289	1,527	(312)	-	3,504
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)						
2017-18	1	11	-	-	-	11
2016-17		11	-	-	-	11
ASIC Security Deposits (D)						
2017-18	1	467	-	-	-	467
2016-17		462	5	-	-	467
Enforcement Special Account (D)						
2017-18	1	33,064	26,279	(26,279)	-	33,064
2016-17		44,195	27,634	(38,765)	-	33,064
Total special accounts						
2017-18 Budget estimate		37,046	27,279	(27,279)	-	37,046
<i>Total special accounts</i>						
2016-17 actual		46,957	29,166	(39,077)	-	37,046

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

ASIC's budgeted Departmental financial statements have changed since the publication of the *Portfolio Budget Statements 2017-2018* as a result of the measures identified in Section 1.3, and variations in Section 1.4.

Departmental Financial Statements

The Comprehensive Income Statement (Table 3.2) sets out the application of funding to ordinary operating expenses. Revenue from Government for 2017-18 has increased by \$7.818 million since the *Portfolio Budget Statements 2017-2018* reflecting additional appropriation for the National Business Simplification Initiative - modernising business registers; for Taking Action Now - Australian Financial Complaints Authority and for the Royal Commission into misconduct in the banking, superannuation and financial services entities.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	214,535	226,569	234,677	237,636	235,057
Suppliers	133,082	126,177	105,020	90,577	89,684
Depreciation and amortisation	43,609	38,795	36,414	31,507	24,498
Finance costs	149	500	504	5,676	829
Write-down and impairment of assets	925	-	-	-	-
Losses from asset sales	160	-	-	-	-
Total expenses	392,460	392,041	376,615	365,396	350,068
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,004	3,698	3,662	3,720	3,720
Other revenue	4,897	4,500	4,500	4,500	4,500
Total own-source revenue	6,901	8,198	8,162	8,220	8,220
Gains					
Other gains	360	360	360	360	360
Total gains	360	360	360	360	360
Total own-source income	7,261	8,558	8,522	8,580	8,580
Net cost of / (contribution by) services	(385,199)	(383,483)	(368,093)	(356,816)	(341,488)
Revenue from Government	341,641	348,041	335,032	326,372	319,247
Surplus/(deficit) attributable to the Australian Government	(43,558)	(35,442)	(33,061)	(30,444)	(22,241)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/ (loss) attributable to the Australian Government	(43,558)	(35,442)	(33,061)	(30,444)	(22,241)

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	51	3,353	3,353	1,063	2,257
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	43,609	38,795	36,414	31,507	24,498
Total comprehensive income/(loss) - as per the statement of comprehensive income	(43,558)	(35,442)	(33,061)	(30,444)	(22,241)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Act No. 1 or Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1 or Bill No. 3* equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	37,199	37,199	37,199	37,199	37,199
Trade and other receivables	123,171	119,041	109,289	109,289	109,289
Total financial assets	160,370	156,240	146,488	146,488	146,488
Non-financial assets					
Land and buildings	33,667	31,262	30,406	31,438	30,946
Property, plant and equipment	24,764	19,524	15,326	13,133	12,256
Intangibles	78,246	89,695	93,823	84,237	82,005
Other non-financial assets	16,573	16,573	16,573	16,573	16,573
Total non-financial assets	153,250	157,054	156,128	145,381	141,780
Total assets	313,620	313,294	302,616	291,869	288,268
LIABILITIES					
Payables					
Suppliers	47,521	45,571	45,571	45,571	45,571
Other payables	36,649	31,173	27,820	26,757	24,500
Total payables	84,170	76,744	73,391	72,328	70,071
Provisions					
Employee provisions	69,039	70,417	70,417	70,417	70,417
Other provisions	13,620	11,731	11,227	11,227	11,227
Total provisions	82,659	82,148	81,644	81,644	81,644
Total liabilities	166,829	158,892	155,035	153,972	151,715
Net assets	146,791	154,402	147,581	137,897	136,553
EQUITY (a)					
Parent entity interest					
Contributed equity	364,970	408,023	434,263	455,023	475,920
Reserves	17,137	17,137	17,137	17,137	17,137
Retained surplus / (Accumulated deficit)	(235,316)	(270,758)	(303,819)	(334,263)	(356,504)
Total parent entity interest	146,791	154,402	147,581	137,897	136,553
Total Equity	146,791	154,402	147,581	137,897	136,553

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

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017-18)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity / capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	(235,316)	17,137	-	364,970	146,791
Adjusted opening balance	(235,316)	17,137	-	364,970	146,791
Comprehensive income					
Surplus/(deficit) for the period	(35,442)	-	-	-	(35,442)
Total comprehensive income	(35,442)	-	-	-	(35,442)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	22,185	22,185
Departmental Capital Budget (DCB)	-	-	-	20,868	20,868
Sub-total transactions with owners	-	-	-	43,053	43,053
Transfers between equity components					-
Estimated closing balance as at 30 June 2018	(270,758)	17,137	-	408,023	154,402
Closing balance attributable to the Australian Government	(270,758)	17,137	-	408,023	154,402

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations					
Receipts from Government	306,930	352,218	344,784	326,372	319,247
Sale of goods and rendering of services	2,189	3,698	3,662	3,720	3,720
Net GST received	13,432	-	-	-	-
Other	3,829	4,500	4,500	4,500	4,500
Total cash received	326,380	360,416	352,946	334,592	327,467
Cash used					
Employees	202,136	226,569	234,677	237,636	235,057
Suppliers	140,763	130,232	105,668	95,893	90,153
Other	7,238	4,069	3,353	1,063	2,257
Total cash used	350,137	360,870	343,698	334,592	327,467
Net cash from / (used by) operating activities	(23,757)	(454)	9,248	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	35,410	42,599	35,488	20,760	20,897
Total cash used	35,410	42,599	35,488	20,760	20,897
Net cash from / (used by) investing activities	(35,410)	(42,599)	(35,488)	(20,760)	(20,897)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	50,665	43,053	26,240	20,760	20,897
Total cash received	50,665	43,053	26,240	20,760	20,897
Net cash from / (used by) financing activities	50,665	43,053	26,240	20,760	20,897
Net increase/(decrease) in cash held	(8,502)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	45,701	37,199	37,199	37,199	37,199
Cash and cash equivalents at the end of the reporting period	37,199	37,199	37,199	37,199	37,199

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 and Bill 3 (DCB)	24,095	20,868	20,741	20,760	20,897
Equity injections - Act No. 2 and Bill 4	29,449	22,185	5,499	-	-
Total new capital appropriations	53,544	43,053	26,240	20,760	20,897
Provided for:					
Purchase of non-financial assets	53,191	41,164	25,736	15,084	20,068
Other Items	353	1,889	504	5,676	829
Total Items	53,544	43,053	26,240	20,760	20,897
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	19,614	22,185	5,499	-	-
Funded by capital appropriation - DCB (b)	23,742	18,979	20,237	20,760	20,897
Funded internally from departmental resources (c)	-	1,435	9,752	-	-
TOTAL AMOUNT SPENT	43,356	42,599	35,488	20,760	20,897
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	43,356	42,599	35,488	20,760	20,897
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	43,356	42,599	35,488	20,760	20,897

(a) Includes both current and prior Bill No. 4 and prior Act No. 2/4/6 appropriations and special capital appropriations.

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

(c) Includes the following sources of funding:

- current bill No. 3 and prior year act No. 1/3/5 appropriations (excluding amounts from the DCB); and
- internally developed assets.

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2017-18 Budget year)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	90,385	61,204	307,121	458,710
Accumulated depreciation/ amortisation and impairment	(56,718)	(36,440)	(228,875)	(322,033)
Opening net book balance	33,667	24,764	78,246	136,677
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	5,900	600	36,099	42,599
Total additions	5,900	600	36,099	42,599
Other movements				
Depreciation/amortisation expense	(8,305)	(5,840)	(24,650)	(38,795)
Total other movements	(8,305)	(5,840)	(24,650)	(38,795)
As at 30 June 2018				
Gross book value	96,285	61,804	343,220	501,309
Accumulated depreciation/amortisation and impairment	(65,023)	(42,280)	(253,525)	(360,828)
Closing net book balance	31,262	19,524	89,695	140,481

(a) "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No.2) 2017-2018 and Bill (No.4) 2017-2018, including CDABs.

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	545	574	572	571	575
Grants	3,154	3,583	4,610	4,613	4,640
Finance costs	3,744	5,684	5,720	6,027	6,596
Write-down and impairment of assets	52,993	50,812	56,907	59,267	61,308
Other expenses	37,936	50,687	39,143	81,078	80,983
Total expenses administered on behalf of Government	98,372	111,340	106,952	151,556	154,102
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	-	766,784	837,070	864,764	894,348
Total taxation revenue	-	766,784	837,070	864,764	894,348
Non-taxation revenue					
Fees and fines	920,241	185,723	188,678	193,754	198,589
Other fees from regulatory services	77,464	66,500	51,693	115,216	115,500
Other revenue	-	-	232,373	231,069	243,439
Total non-taxation revenue	997,705	252,223	472,744	540,039	557,528
Total own-source revenue administered on behalf of Government	997,705	1,019,007	1,309,814	1,404,803	1,451,876
Total own-source income administered on behalf of Government	997,705	1,019,007	1,309,814	1,404,803	1,451,876
Net cost of/(contribution by) services	(899,333)	(907,667)	(1,202,862)	(1,253,247)	(1,297,774)
Surplus/(deficit)	899,333	907,667	1,202,862	1,253,247	1,297,774
Total comprehensive income (loss) attributable to the Australian Government	899,333	907,667	1,202,862	1,253,247	1,297,774

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,782	2,517	2,517	2,615	2,565
Taxation receivables	212	212	212	212	212
Trade and other receivables	135,775	140,002	182,566	215,099	226,402
Total financial assets	137,769	142,731	185,295	217,926	229,179
Total assets administered on behalf of Government	137,769	142,731	185,295	217,926	229,179
LIABILITIES					
Payables					
Suppliers	25,416	20,396	20,896	21,396	21,896
Other payables	352,793	333,213	315,686	336,843	343,943
Total payables	378,209	353,609	336,582	358,239	365,839
Total liabilities administered on behalf of Government	378,209	353,609	336,582	358,239	365,839
Net assets/(liabilities)	(240,440)	(210,878)	(151,287)	(140,313)	(136,660)

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	939,480	128,496	111,082	175,044	175,345
Taxes	-	766,784	837,070	864,764	894,348
Net GST received	103	-	-	-	-
Other	2,975	63,668	262,691	273,695	310,072
Total cash received	942,558	958,948	1,210,843	1,313,503	1,379,765
Cash used					
Grants	3,154	3,583	4,610	4,613	4,640
Suppliers	3,420	574	572	571	575
Borrowing costs	3,744	5,684	5,720	6,027	6,596
Other	76,873	70,267	56,670	59,921	73,883
Total cash used	87,191	80,108	67,572	71,132	85,694
Net cash from / (used by) operating activities	855,367	878,840	1,143,271	1,242,371	1,294,071
Net increase/(decrease) in cash held	855,367	878,840	1,143,271	1,242,371	1,294,071
Cash and cash equivalents at beginning of reporting period	2,065	1,782	2,517	2,517	2,615
Cash from Official Public Account for:					
- Appropriations	92,929	90,108	77,572	81,132	95,694
Total cash from Official Public Account	92,929	90,108	77,572	81,132	95,694
Cash to Official Public Account for:					
- Appropriations	(948,580)	(968,213)	(1,220,843)	(1,323,405)	(1,389,815)
Total cash to Official Public Account	(948,580)	(968,213)	(1,220,843)	(1,323,405)	(1,389,815)
Cash and cash equivalents at end of reporting period	1,781	2,517	2,517	2,615	2,565

Prepared on Australian Accounting Standards basis.

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Australian Taxation Office (ATO) from that outlined in the Portfolio Budget Statements 2017-18 (page 175).

The ATO is not seeking additional departmental funding through Appropriation Bill (No.3) 2017-18. That said, a number of measures impacting the ATO in 2017-18 were outlined in the Mid-Year Economic and Fiscal Outlook 2017-18:

- *National Business Simplification Initiative - modernising business registers* (\$1.2 million);
- *Superannuation Guarantee Integrity Package* (\$9.1 million);
- *Treasury Portfolio – efficiencies* (a reduction of \$9.7 million);
- *VET Student Loans - separation from the Higher Education Loan Program* (\$0.5 million);
- Appropriation relating to three elements of the Budget 2015-16 measure *Digital Transformation Agenda - Stage One and establishment of the Digital Transformation Office* has been transferred to the Department of Industry, Innovation and Science (a reduction of \$1.6 million).

The ATO is seeking an additional \$0.4 million as an equity injection through Appropriation Bill (No. 4) 2017-18 relating to *VET Student Loans - separation from the Higher Education Loan Program* as outlined in the *Mid-Year Economic and Fiscal Outlook 2017-18*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the ATO at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: Australian Taxation Office resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Departmental				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)		361,420		361,420
Departmental appropriations 74 retained revenue receipts (c)	3,197,797	3,199,703	(16,143)	3,183,560
Departmental capital budget (d)	111,619	112,589	15,600	128,189
Annual appropriations - other services - non-operating				
Prior year appropriations available (b)	-	58,299	-	58,299
Equity injection (e)	-	27,496	394	27,890
<i>Total departmental annual appropriations</i>	<i>3,464,058</i>	<i>3,887,801</i>	<i>(13,831)</i>	<i>3,873,970</i>
Special accounts (f)				-
Opening balance	5,446	3,999	80	4,079
Appropriation receipts (g)	14,676	14,431	-	14,431
<i>Total special accounts</i>	<i>20,122</i>	<i>18,430</i>	<i>80</i>	<i>18,510</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>20,122</i>	<i>18,430</i>	<i>80</i>	<i>18,510</i>
Total departmental resourcing	3,464,058	3,887,801	(13,831)	3,873,970

Table 1.1: Australian Taxation Office resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

	<i>Actual available appropriation</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	<i>Total estimate at Additional Estimates</i>
	<i>2016-17 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>	<i>2017-18 \$'000</i>
Administered				
Annual appropriations - ordinary annual services (a)				
Outcome 1	611	5,876	(4,838)	1,038
<i>Total administered annual appropriations</i>	<i>611</i>	<i>5,876</i>	<i>(4,838)</i>	<i>1,038</i>
Special appropriations				
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>	98,317	100,000	-	100,000
<i>Product Grants and Benefits Administration Act 2000 - Cleaner fuel grants</i>	946	-	-	-
Product stewardship for oil	71,293	77,000	6,000	83,000
<i>Superannuation Guarantee (Administration) Act 1992</i>	306,644	317,000	44,000	361,000
<i>Taxation Administration Act 1953 - section 16 (Non-refund items) (h)</i>	10,607,316	11,249,973	218,897	11,468,870
<i>Total administered special appropriations (f)</i>	<i>11,084,516</i>	<i>11,743,973</i>	<i>268,897</i>	<i>12,012,870</i>
Special accounts (f)				
Opening balance	146,257	191,691	(29,591)	162,100
Appropriation receipts (i)	48,312	27,900	100	28,000
Non-appropriation receipts	4,349,115	6,004,000	(284,000)	5,720,000
<i>Total special account receipts</i>	<i>4,543,684</i>	<i>6,223,591</i>	<i>(313,491)</i>	<i>5,910,100</i>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(48,312)</i>	<i>(27,900)</i>	<i>(100)</i>	<i>(28,000)</i>
Total administered resourcing	15,580,499	17,945,540	(49,532)	17,896,008
Total resourcing for ATO	19,044,557	21,833,341	(63,363)	21,769,978
			<i>Actual 2016-17</i>	<i>2017-18</i>
Average staffing level (number)			17,905	18,317

Table 1.1: Australian Taxation Office resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)	11,693	1,201	862	2,063
Payments made to other entities for the provision of services (disclosed above)	161,584	150,656	(8,050)	142,606
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	105,093	111,519	(7,388)	104,131
Payments made to corporate entities within the Portfolio				
Reserve Bank Australia	87,292	94,153	(7,254)	86,899

(a) *Appropriation Act (No. 1) 2017-18.*

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

(c) Estimated retained revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in Appropriation Act (No.1) and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) *Appropriation Act (No. 2) and Appropriation Bill (No. 4) 2017-18.*

(f) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special accounts, see Table 3.1.

(g) Amounts credited to the special account from the ATO's Departmental annual appropriations.

(h) These figures relate to administered expenses such as fuel tax credits, research and development tax incentives, and Australian Screen Production Incentive. Tax refunds for 2016-17 were \$91.4 billion including \$202.3 million made on behalf of the ATO by the Department of Home Affairs (DHA). Estimated tax refund items for 2017-18 are \$109.6 billion including \$265.0 million made on behalf of the ATO by the DHA.

(i) Amounts credited to the special account from ATO's Administered annual and special appropriations. Prepared on a resourcing (that is, appropriations available) basis.

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

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse - additional funding (a)					
Departmental expenses	1.1	-	(209)	(467)	(605)
Deductible Gift Recipient Reform - strengthening governance and integrity and reducing complexity					
Departmental expenses	1.1	-	92	357	447
Departmental expenses	1.4	-	2,038	531	2,231
Heavy Vehicle Road Reform - next steps					
Administered expenses	1.7	-	26,000	27,000	-
Higher Education Reforms - revised implementation					
Departmental expenses	1.1	-	234	96	37
Junior Minerals Exploration Incentive Scheme - establishment					
Administered expenses	1.6	15,000	25,000	30,000	30,000
National Business Simplification Initiative - modernising business registers					
Departmental expenses	1.1	1,220	-	-	-
Philanthropy - managing the risks of overseas philanthropy					
Departmental expenses	1.4	-	666	212	213
Superannuation Guarantee Integrity Package - modernising payroll and superannuation fund reporting					
Departmental expenses	1.1	6,981	17,977	13,834	14,781
Superannuation Guarantee Integrity Package - more effective collection of Superannuation Guarantee liabilities					
Departmental expenses	1.1	548	2,148	2,109	2,690
Superannuation Guarantee Integrity Package - reversal of 2014-15 MYEFO measure <i>Superannuation - Superannuation Guarantee Charge</i>					
Administered expenses	1.14	27,700	28,400	29,400	30,500
Superannuation Guarantee Integrity Package - Superannuation Guarantee Compliance Taskforce					
Departmental expenses	1.1	1,603	5,835	9,595	3,862
Treasury Portfolio - efficiencies (b)					
Departmental expenses	1.1	(9,219)	(8,734)	(8,381)	(7,643)
Departmental expenses	1.2	(45)	(45)	(44)	(44)
Departmental expenses	1.3	(431)	(423)	(423)	(426)
Departmental expenses	1.4	(43)	(51)	(45)	(51)

Table 1.2: Entity 2017-18 measures since Budget (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
VET Student Loans - separation from the Higher Education Loan Program					
Departmental expenses	1.1	475	441	127	62
Total expense measures					
Administered		42,700	79,400	86,400	60,500
Departmental		1,089	19,969	17,501	15,554
Total		43,789	99,369	103,901	76,054
Capital measures					
Higher Education Reforms - revised implementation					
Departmental capital	1.1	-	133	72	-
Superannuation Guarantee Integrity Package - modernising payroll and superannuation fund reporting					
Departmental capital	1.1	-	10,306	-	-
VET Student Loans - separation from the Higher Education Loan Program					
Departmental capital	1.1	394	445	-	-
Total capital measures					
Departmental		394	10,884	72	-
Total		394	10,884	72	-

(a) The lead entity for measure Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse - additional funding is the Department of Social Services. The full measure description and package details appear in MYEFO under the Social Services portfolio.

(b) The lead entity for measure Treasury Portfolio - efficiencies is Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio.

Prepared on a Government Financial Statistics (fiscal) basis.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for the Australian Taxation Office at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Administered					
Annual appropriations					
Heavy Vehicle Road Reform - next steps					
Administered expenses	1.7	-	26,000	27,000	-
Junior Minerals Exploration Incentive Scheme - establishment					
Administered expenses	1.6	15,000	25,000	30,000	30,000
Superannuation Guarantee Integrity Package - reversal of 2014-15 MYEFO measure <i>Superannuation - Superannuation Guarantee Charge</i>					
Administered expenses	1.14	27,700	28,400	29,400	30,500
Movement of Funds					
Tax administration - Single Touch Payroll Reporting (a)					
Administered expenses	1.1	(4,838)	4,838	-	-
Net impact on appropriations for Outcome 1 (administered)		37,862	84,238	86,400	60,500

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget (continued)

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Departmental					
Annual appropriations					
Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse — additional funding (b)					
Departmental appropriation	1.1	-	(209)	(467)	(605)
Deductible Gift Recipient Reform - strengthening governance and integrity and reducing complexity					
Departmental expenses	1.1	-	92	357	447
Departmental expenses	1.4	-	2,038	531	2,231
Digital Transformation Agenda - Stage One and establishment of the Digital Transformation Office (c)					
Departmental appropriation	1.1	(1,632)	(1,054)	-	-
Higher Education Reforms - revised implementation					
Departmental expenses	1.1	-	234	96	37
Equity injection	1.1	-	133	72	-
National Business Simplification Initiative — modernising business registers					
Departmental expenses	1.1	1,220	-	-	-
Philanthropy - managing the risks of overseas philanthropy					
Departmental expenses	1.4	-	666	212	213
Superannuation Guarantee Integrity Package - modernising payroll and superannuation fund reporting					
Departmental expenses	1.1	6,981	17,977	13,834	14,781
Equity injection	1.1	-	10,306	-	-
Superannuation Guarantee Integrity Package - more effective collection of Superannuation Guarantee liabilities					
Departmental expenses	1.1	548	2,148	2,109	2,690
Superannuation Guarantee Integrity Package - Superannuation Guarantee Compliance Taskforce					
Departmental expenses	1.1	1,603	5,835	9,595	3,862
Treasury Portfolio - efficiencies (d)					
Departmental expenses	1.1	(9,219)	(8,734)	(8,381)	(7,643)
Departmental expenses	1.2	(45)	(45)	(44)	(44)
Departmental expenses	1.3	(431)	(423)	(423)	(426)
Departmental expenses	1.4	(43)	(51)	(45)	(51)

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget (continued)

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
VET Student Loans - separation from the Higher Education Loan Program					
Departmental expenses	1.1	475	441	127	62
Equity injection	1.1	394	445	-	-
Movement of Funds					
Appropriation Reclassification from operating budget to departmental capital budget					
Departmental appropriation	1.1	(15,600)	-	-	-
Departmental capital budget	1.1	15,600	-	-	-
Changes in Parameters					
Adjustment to reflect movement in indices relating to prices and wages					
Departmental appropriation	1.1	-	3,001	2,853	5,309
Departmental capital budget	1.1	-	111	111	223
Net impact on appropriations for Outcome 1 (departmental)		(149)	32,911	20,537	21,086
Total net impact on appropriations for Outcome 1		37,713	117,149	106,937	81,586

- (a) This measure was announced in *MYEFO 2015-16*.
- (b) The lead entity for measure Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse - additional funding is the Department of Social Services. The full measure description and package details appear in MYEFO under the Social Services portfolio.
- (c) This measure was announced in *Budget 2015-16* and reflects amounts returned to consolidated revenue.
- (d) The lead entity for measure Treasury Portfolio - efficiencies is Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Australian Taxation Office through *Appropriation Bill No. 4*.

Table 1.4: Appropriation Bill (No. 4) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	54,790	27,496	27,890	394	-
Total non-operating	54,790	27,496	27,890	394	-
Total other services	54,790	27,496	27,890	394	-

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Confidence in the administration of aspects of Australia’s taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.

Linked programs

Australian Financial Security Authority
<p>Program 1.1 – Personal Insolvency and Trustee Services</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Financial Security Authority exchanges information with the ATO and administers the bankruptcy notices and payment arrangements to support this service.</p>
Australian Prudential Regulation Authority
<p>Program 1.1 – Australian Prudential Regulation Authority</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Prudential Regulation Authority (APRA) exchanges information with the ATO on superannuation matters. APRA also contributes to the governance and management of the Standard Business Reporting program.</p>
Australian Securities and Investments Commission
<p>Program 1.1 – Australian Securities and Investment Commission</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Securities and Investments Commission (ASIC) exchanges information with the ATO in relation to self-managed superannuation fund auditor registration, and financial crime intelligence. ASIC contributes to the management and governance of Standard Business Reporting program.</p>

<p>Australian Transaction Reports and Analysis Centre</p>
<p>Program 1.1 – AUSTRAC</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Australian Transaction Reports and Analysis Centre (AUSTRAC) exchanges information with the ATO and delivers financial crime intelligence that assist key stakeholder agencies to make operational and intelligence decisions.</p>
<p>Department of Education and Training</p>
<p>Program 2.4 – Higher Education Loan Program</p> <p>Program 2.8 – Building Skills and Capacity</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Education and Training exchanges information with the ATO in relation to the Higher Education Loans Program and Trade Support Loans.</p>
<p>Department of Health</p>
<p>Program 4.1 – Medical Benefits</p> <p>Program 4.4 – Private Health Insurance</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Health (DoH) contributes to the administrative arrangements for the Government’s Private Health Insurance Rebate. DoH also works with the ATO to deliver the Multi-agency Data Integration Project.</p>
<p>Department of Human Services</p>
<p>Program 1.1 – Services to the Community – Social Security and Welfare</p> <p>Program 1.2 – Services to the Community – Health</p> <p>Program 1.3 – Child Support</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Human Services supports individuals, families and communities to achieve greater self-sufficiency by providing administration and payments services on behalf of the ATO.</p>

<p>Department of Home Affairs</p>
<p>Program 3.1 – Border-Revenue Collection</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Home Affairs exchanges information with the ATO and collects border revenue for the Tourist Refund Scheme, Excise Equivalent Goods, Goods and Services Tax, Luxury Car Tax and Wine Equalisation Tax on behalf of the ATO.</p>
<p>Department of Industry, Innovation and Science</p>
<p>Program 1 – Supporting Science and Commercialisation</p> <p>Program 2 – Growing Business Investment and Improving Business Capability</p> <p>Program 3 – Program Support</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of Industry, Innovation and Science work together with the ATO to enable the growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.</p>
<p>Department of the Environment and Energy</p>
<p>Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of the Environment and Energy (DoEE) shares information with the ATO to confirm trees meet certain conditions when a taxpayer claims a deduction under the Carbon Sink Forest measure.</p>
<p>Department of the Treasury</p>
<p>Program 1.1 – Department of the Treasury</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>Department of the Treasury (Treasury) contributes to the administration of the National Tax Equivalent Regime. Treasury also exchanges information and provides advice to the ATO relating to foreign investment proposals.</p>

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 2.1.1 Budgeted expenses for Outcome 1

	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	250	1,038	5,436	354	-
Administered total	250	1,038	5,436	354	-
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (a)	3,020,736	3,010,913	2,892,661	2,742,647	2,539,638
Expenses not requiring appropriation in the Budget year (b)	129,008	114,612	119,782	122,641	123,919
	201,388	176,791	171,253	165,892	160,701
Departmental total	3,351,132	3,302,316	3,183,696	3,031,180	2,824,258
Total expenses for program 1.1	3,351,382	3,303,354	3,189,132	3,031,534	2,824,258
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	16,967	14,984	14,907	14,636	14,722
Departmental total	16,967	14,984	14,907	14,636	14,722
Total expenses for program 1.2	16,967	14,984	14,907	14,636	14,722
Program 1.3: Australian Business Register					
Departmental expenses					
Departmental appropriation	143,431	143,275	140,577	140,684	141,505
Departmental total	143,431	143,275	140,577	140,684	141,505
Total expenses for program 1.3	143,431	143,275	140,577	140,684	141,505
Program 1.4: Australian Charities and Not-for-profits					
Departmental expenses					
Special accounts <i>Australian Charities and Not-for-profits Commission Special Account</i>	16,663	14,388	17,008	15,062	16,841
Departmental total	16,663	14,388	17,008	15,062	16,841
Total expenses for program 1.4	16,663	14,388	17,008	15,062	16,841

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

Program 1.5: Australian Screen Production Incentive					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act</i>					
1953 - section 16					
(Non-refund items)	314,961	448,730	309,000	276,000	276,000
Administered Total	314,961	448,730	309,000	276,000	276,000
Total expenses for program 1.5	314,961	448,730	309,000	276,000	276,000
Program 1.6: Exploration Development Incentive					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act</i>					
1953 - section 16					
(Non-refund items)	2,000	15,000	25,000	30,000	30,000
Administered Total	2,000	15,000	25,000	30,000	30,000
Total expenses for program 1.6	2,000	15,000	25,000	30,000	30,000
Program 1.7: Fuel Tax Credits Scheme					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act</i>					
1953 - section 16					
(Non-refund items)	6,266,279	6,609,600	6,873,300	7,190,600	7,559,800
Administered Total	6,266,279	6,609,600	6,873,300	7,190,600	7,559,800
Total expenses for program 1.7	6,266,279	6,609,600	6,873,300	7,190,600	7,559,800
Program 1.8 National Rental Affordability Scheme					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act</i>					
1953 - section 16					
(Non-refund items)	180,055	227,140	225,272	224,992	222,828
Administered Total	180,055	227,140	225,272	224,992	222,828
Total expenses for program 1.8	180,055	227,140	225,272	224,992	222,828
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special appropriations					
<i>Product Grants and Benefits</i>					
<i>Administration Act 2000 -</i>					
<i>product stewardship (oil)</i>					
<i>benefits</i>	72,363	83,000	89,000	90,000	91,000
Administered Total	72,363	83,000	89,000	90,000	91,000
Total expenses for program 1.9	72,363	83,000	89,000	90,000	91,000

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

Program 1.10: Research and Development Tax Incentive					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	2,607,188	2,800,000	3,020,000	3,220,000	3,442,000
Administered Total	2,607,188	2,800,000	3,020,000	3,220,000	3,442,000
Total expenses for program 1.10	2,607,188	2,800,000	3,020,000	3,220,000	3,442,000
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	731,067	793,000	792,000	787,000	780,000
Administered Total	731,067	793,000	792,000	787,000	780,000
Total expenses for program 1.11	731,067	793,000	792,000	787,000	780,000
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	245,186	246,400	253,000	258,000	259,000
Administered Total	245,186	246,400	253,000	258,000	259,000
Total expenses for program 1.12	245,186	246,400	253,000	258,000	259,000
Program 1.13: Superannuation Co-Contribution Scheme					
Administered expenses					
Special appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	123,260	150,000	149,000	148,000	145,000
Administered Total	123,260	150,000	149,000	148,000	145,000
Total expenses for program 1.13	123,260	150,000	149,000	148,000	145,000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special appropriations					
<i>Superannuation Guarantee (Administration) Act 1992</i>	281,721	361,000	356,000	368,000	383,000
Administered Total	281,721	361,000	356,000	368,000	383,000
Total expenses for program 1.14	281,721	361,000	356,000	368,000	383,000

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

Program 1.15: Targeted assistance through the taxation system					
Administered expenses					
Special appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - section 16</i>					
<i>(Non-refund items)</i>					
	32,205	7,000	8,000	8,000	8,000
Administered Total	32,205	7,000	8,000	8,000	8,000
Total expenses for program 1.15	32,205	7,000	8,000	8,000	8,000
Program 1.16: Interest on Overpayment and Early payments for tax					
Administered expenses					
Special appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - section 16</i>					
<i>(Non-refund items)</i>					
	162,401	165,000	165,000	165,000	165,000
Administered Total	162,401	165,000	165,000	165,000	165,000
Total expenses for program 1.16	162,401	165,000	165,000	165,000	165,000
Program 1.17: Bad and Doubtful Debts, Provisions and Remissions					
Administered expenses					
Expenses not requiring appropriation in Budget year (b)					
	6,788,354	8,020,000	7,642,000	8,057,000	8,108,000
Administered Total	6,788,354	8,020,000	7,642,000	8,057,000	8,108,000
Total expenses for program 1.17	6,788,354	8,020,000	7,642,000	8,057,000	8,108,000
Program 1.18: Other Administered					
Administered expenses					
Special appropriations					
<i>Product Grants and Benefits</i>					
<i>Administration Act 2000 - cleaner fuel grants</i>					
	946	-	-	-	-
<i>Taxation Administration</i>					
<i>Act 1953 - section 16</i>					
<i>(Non-refund items)</i>					
	9,488	7,000	7,000	7,000	7,000
Administered Total	10,434	7,000	7,000	7,000	7,000
Total expenses for program 1.18	10,434	7,000	7,000	7,000	7,000

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	250	1,038	5,436	354	-
Special appropriations	11,029,120	11,912,870	12,271,572	12,772,592	13,368,628
Expenses not requiring appropriation in the Budget year (b)	6,788,354	8,020,000	7,642,000	8,057,000	8,108,000
Administered total	17,817,724	19,933,908	19,919,008	20,829,946	21,476,628
Departmental expenses					
Departmental appropriation	3,181,134	3,169,172	3,048,145	2,897,967	2,695,865
Special accounts	16,663	14,388	17,008	15,062	16,841
Sections 74 Retained revenue receipts (a)	129,008	114,612	119,782	122,641	123,919
Expenses not requiring appropriation in the Budget year (b)	201,388	176,791	171,253	165,892	160,701
Departmental total	3,528,193	3,474,963	3,356,188	3,201,562	2,997,326
Total expenses for Outcome 1	21,345,917	23,408,871	23,275,196	24,031,508	24,473,954
Movement of administered funds between years (c)					
Outcome 1:					
Program 1.1: Australian Taxation Office	-	(4,838)	4,838	-	-
Total movement of administered funds	-	(4,838)	4,838	-	-
Average staffing level (number)					
	2016-17 17,905	2017-18 18,317			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

(c) Figures displayed as a negative (-) represent a decrease in funds.

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

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Australian Taxation Office.

Table 3.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Excise Security Deposits (A)						
2017-18	1	-	-	-	-	-
2016-17		266	-	(266)	-	-
Services for Other Entities and Trust Monies Special (A)						
2017-18	1	2,172	5,000	(5,000)	-	2,172
2016-17		2,114	1,018	(960)	-	2,172
Superannuation Clearing House Special Account (A)						
2017-18	1	65,566	5,720,000	(5,703,000)	-	82,566
2016-17		52,595	4,349,115	(4,336,144)	-	65,566
Superannuation Holding Account Special (A)						
2017-18	1	96,534	28,000	(12,900)	-	111,634
2016-17		93,396	48,312	(45,174)	-	96,534
Australian Charities and Not-for-Profits Commission Special Account (D)						
2017-18		4,079	14,431	(14,631)	-	3,879
2016-17		5,446	14,676	(16,043)	-	4,079
Services for Other Entities and Trust Monies Special Account (D)						
2017-18		-	-	-	-	-
2016-17		-	208	(208)	-	-
Total special accounts						
2017-18 Budget estimate		168,351	5,767,431	(5,735,531)	-	200,251
<i>Total special accounts</i>						
2016-17 actual		153,817	4,413,329	(4,398,795)	-	168,351

(A) = Administered
(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	1,858,411	1,850,664	1,847,885	1,834,585	1,834,321
Suppliers	1,466,854	1,450,508	1,340,050	1,204,085	1,005,304
Depreciation and amortisation	192,011	173,791	168,253	162,892	157,701
Finance costs	1,226	-	-	-	-
Write-down and impairment of assets	2,273	-	-	-	-
Other expenses	7,418	-	-	-	-
Total expenses	3,528,193	3,474,963	3,356,188	3,201,562	2,997,326
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	107,188	90,592	93,199	95,437	97,825
Rental income	21,820	24,020	26,583	27,204	26,094
Other revenue	3,532	3,000	3,000	3,000	3,000
Total own-source revenue	132,540	117,612	122,782	125,641	126,919
Gains					
Other gains	21,501	-	-	-	-
Total gains	21,501	-	-	-	-
Total own-source income	154,041	117,612	122,782	125,641	126,919
Net cost of / (contribution by) services	(3,374,152)	(3,357,351)	(3,233,406)	(3,075,921)	(2,870,407)
Revenue from Government	3,197,797	3,183,560	3,065,153	2,913,029	2,712,706
Surplus/(deficit) attributable to the Australian Government	(176,355)	(173,791)	(168,253)	(162,892)	(157,701)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(23)	-	-	-	-
Total other comprehensive income	(23)	-	-	-	-
Total comprehensive income/ (loss) attributable to the Australian Government	(176,378)	(173,791)	(168,253)	(162,892)	(157,701)

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/ (loss) excluding depreciation/amortisation expenses previously funded through revenue	15,633	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	192,011	173,791	168,253	162,892	157,701
Total comprehensive income/ (loss) - as per the statement of comprehensive income	(176,378)	(173,791)	(168,253)	(162,892)	(157,701)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Act No. 1 or Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1 or Bill No. 3* equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	23,115	23,115	23,115	23,115	23,115
Trade and other receivables	431,755	403,638	439,211	461,179	474,938
Total financial assets	454,870	426,753	462,326	484,294	498,053
Non-financial assets					
Land and buildings	211,310	206,697	256,454	274,040	293,509
Property, plant and equipment	85,389	65,422	56,611	48,248	40,319
Intangibles	497,714	535,182	456,523	403,025	352,896
Other non-financial assets	89,367	93,861	88,488	84,208	82,482
Total non-financial assets	883,780	901,162	858,076	809,521	769,206
Total assets	1,338,650	1,327,915	1,320,402	1,293,815	1,267,259
LIABILITIES					
Payables					
Suppliers	280,755	280,757	279,269	278,000	278,352
Employees	17,948	18,453	18,431	33,730	41,430
Other payables	107,755	91,866	91,379	90,963	91,079
Total payables	406,458	391,076	389,079	402,693	410,861
Provisions					
Employee provisions	629,701	653,559	688,301	695,181	702,130
Other provisions	30,550	29,550	27,005	24,199	21,115
Total provisions	660,251	683,109	715,306	719,380	723,245
Total liabilities	1,066,709	1,074,185	1,104,385	1,122,073	1,134,106
Net assets	271,941	253,730	216,017	171,742	133,153

Table 3.3: Budgeted departmental balance sheet (as at 30 June) (continued)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EQUITY					
Parent entity interest					
Contributed equity	1,453,370	1,609,450	1,739,990	1,858,607	1,977,719
Reserves	115,519	115,518	115,518	115,518	115,518
Retained surplus / (accumulated deficit)	(1,296,948)	(1,471,238)	(1,639,491)	(1,802,383)	(1,960,084)
Total parent entity interest	271,941	253,730	216,017	171,742	133,153
Total Equity	271,941	253,730	216,017	171,742	133,153

Prepared on Australian Accounting Standards basis.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017-18)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity / capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	(1,296,948)	115,519	1,453,370	271,941
Opening balance adjustments	(499)	(1)	1	(499)
Adjusted opening balance	(1,297,447)	115,518	1,453,371	271,442
Comprehensive income				
Surplus/(deficit) for the period	(173,791)	-	-	(173,791)
Total comprehensive income	(173,791)	-	-	(173,791)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	27,890	27,890
Departmental Capital Budget (DCB)	-	-	128,189	128,189
Total transactions with owners	-	-	156,079	156,079
Closing balance attributable to the Australian Government	(1,471,238)	115,518	1,609,450	253,730

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,217,314	3,160,617	3,026,526	2,888,224	2,695,016
Receipts from Government	115,560	114,612	119,934	122,771	123,883
Receipts transferred from OPA	293,392	-	-	-	-
Net GST received	151,187	136,126	123,954	110,074	92,879
Other	20	-	-	-	-
Total cash received	3,777,473	3,411,355	3,270,414	3,121,069	2,911,778
Cash used					
Employees	1,845,849	1,826,300	1,813,165	1,812,406	1,819,672
Suppliers	1,630,409	1,585,055	1,457,249	1,308,663	1,092,106
s74 Retained Revenue Receipts transferred to OPA	304,578	-	-	-	-
Borrowing costs	943	-	-	-	-
Total cash used	3,781,779	3,411,355	3,270,414	3,121,069	2,911,778
Net cash from / (used by) operating activities	(4,306)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
Total cash received	1	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	177,903	205,520	130,540	118,617	119,112
Total cash used	177,903	205,520	130,540	118,617	119,112
Net cash from / (used by) investing activities	(177,902)	(205,520)	(130,540)	(118,617)	(119,112)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	153,298	205,520	130,540	118,617	119,112
Total cash received	153,298	205,520	130,540	118,617	119,112
Cash used					
Other	15,365	-	-	-	-
Total cash used	15,365	-	-	-	-
Net cash from / (used by) financing activities	137,933	205,520	130,540	118,617	119,112
Net increase/(decrease) in cash held	(44,275)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	67,390	23,115	23,115	23,115	23,115
Cash and cash equivalents at the end of the reporting period	23,115	23,115	23,115	23,115	23,115

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 and Bill 3 (DCB)	111,619	128,189	112,322	112,407	113,064
Equity injections - Act No. 2 and Bill 4	54,790	27,890	18,218	6,210	6,048
Total new capital appropriations	166,409	156,079	130,540	118,617	119,112
Provided for:					
Purchase of non-financial assets	166,409	156,079	130,540	118,617	119,112
Total Items	166,409	156,079	130,540	118,617	119,112
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	59,105	67,007	18,218	6,210	6,048
Funded by capital appropriation - DCB	104,571	140,036	112,322	112,407	113,064
TOTAL AMOUNT SPENT	163,676	207,043	130,540	118,617	119,112
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	163,676	207,043	130,540	118,617	119,112
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	163,676	207,043	130,540	118,617	119,112

(a) Includes both current and prior Bill No. 4 and prior Act No. 2/4/6 appropriations and special capital appropriations.

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

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2017-18 Budget year)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	243,538	82,519	1,436,055	1,762,112
Accumulated depreciation/amortisation and impairment	(32,225)	(17,499)	(938,339)	(988,063)
Opening net book balance	211,313	65,020	497,716	774,049
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	7,956	4,754	54,297	67,007
By purchase - appropriation ordinary annual services	14,200	10,172	115,664	140,036
Total additions	22,156	14,926	169,961	207,043
Other movements				
Depreciation/amortisation expense	(26,772)	(14,524)	(132,495)	(173,791)
Total other movements	(26,772)	(14,524)	(132,495)	(173,791)
As at 30 June 2018				
Gross book value	265,694	97,445	1,606,016	1,969,155
Accumulated depreciation/amortisation and impairment	(58,997)	(32,023)	(1,070,834)	(1,161,854)
Closing net book balance	206,697	65,422	535,182	807,301

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	250	1,038	5,436	354	-
Subsidies	9,452,882	10,190,470	10,548,572	11,038,592	11,628,628
Personal benefits	1,099,919	1,189,400	1,194,000	1,193,000	1,184,000
Finance costs	162,401	165,000	165,000	165,000	165,000
Write-down and impairment of assets	6,788,354	8,020,000	7,642,000	8,057,000	8,108,000
Other expenses	313,926	368,000	364,000	376,000	391,000
Total expenses administered on behalf of Government	17,817,732	19,933,908	19,919,008	20,829,946	21,476,628
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income tax	281,684,485	308,559,899	323,941,876	348,515,176	370,450,042
Indirect tax	86,145,807	89,510,000	93,140,000	97,060,000	102,220,000
Other taxes	1,009,368	2,686,000	2,845,900	2,960,100	3,091,200
Total taxation revenue	368,839,660	400,755,899	419,927,776	448,535,276	475,761,242
Non-taxation revenue					
Other revenue	536,252	300,000	305,000	305,000	300,000
Total non-taxation revenue	536,252	300,000	305,000	305,000	300,000
Total own-source revenue administered on behalf of Government	369,375,912	401,055,899	420,232,776	448,840,276	476,061,242
Total own-source income administered on behalf of Government	369,375,912	401,055,899	420,232,776	448,840,276	476,061,242
Net cost of/(contribution by) services	(351,558,180)	(381,121,991)	(400,313,768)	(428,010,330)	(454,584,614)
Surplus/(deficit) before income tax	351,558,180	381,121,991	400,313,768	428,010,330	454,584,614
Surplus/(deficit) after income tax	351,558,180	381,121,991	400,313,768	428,010,330	454,584,614
Total comprehensive income (loss) attributable to the Australian Government	351,558,180	381,121,991	400,313,768	428,010,330	454,584,614

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	438,708	438,708	438,708	438,708	438,708
Total financial assets	438,708	438,708	438,708	438,708	438,708
Non-financial assets					
Taxation receivables	21,074,842	23,945,657	25,711,687	27,425,717	28,533,717
Accrued revenues	13,974,197	14,509,197	15,079,197	15,314,197	16,069,197
Total non-financial assets	35,049,039	38,454,854	40,790,884	42,739,914	44,602,914
Total assets administered on behalf of Government	35,487,747	38,893,562	41,229,592	43,178,622	45,041,622
LIABILITIES					
Payables					
Subsidies	34,689	34,689	34,689	34,689	34,689
Personal benefits	1,214,545	1,248,945	1,251,945	1,256,945	1,254,945
Other payables	1,325,482	1,340,582	1,334,682	1,329,182	1,332,982
Total payables	2,574,716	2,624,216	2,621,316	2,620,816	2,622,616
Provisions					
Taxation refunds provided for	1,592,807	1,142,807	1,142,807	1,142,807	1,142,807
Other provisions	5,712,458	5,834,892	6,015,991	6,265,611	6,571,847
Total provisions	7,305,265	6,977,699	7,158,798	7,408,418	7,714,654
Total liabilities administered on behalf of Government	9,879,981	9,601,915	9,780,114	10,029,234	10,337,270
Net assets/(liabilities)	25,607,766	29,291,647	31,449,478	33,149,388	34,704,352

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	359,034,921	388,478,084	409,576,846	438,162,146	465,413,042
Other	604,707	698,000	693,000	706,700	739,500
Total cash received	359,639,628	389,176,084	410,269,846	438,868,846	466,152,542
Cash used					
Subsidies paid	9,334,375	10,003,036	10,345,473	10,786,972	11,343,392
Personal benefits	1,191,904	1,155,000	1,191,000	1,188,000	1,186,000
Suppliers	247	1,038	5,436	354	-
Borrowing costs	170,720	165,000	165,000	165,000	165,000
Other	(146,786)	413,900	407,000	418,100	428,500
Total cash used	10,550,460	11,737,974	12,113,909	12,558,426	13,122,892
Net cash from / (used by) operating activities	349,089,168	377,438,110	398,155,937	426,310,420	453,029,650
Net increase/(decrease) in cash held	349,089,168	377,438,110	398,155,937	426,310,420	453,029,650
Cash and cash equivalents at beginning of reporting period	393,828	438,708	438,708	438,708	438,708
Cash from Official Public Account for:					
- Appropriations	11,084,546	11,729,912	12,100,909	12,546,326	13,111,392
- Special Accounts	45,174	12,900	13,000	12,100	11,500
Total cash from Official Public Account	11,129,720	11,742,812	12,113,909	12,558,426	13,122,892
Cash to Official Public Account for:					
- Appropriations	(360,125,696)	(389,152,922)	(410,249,846)	(438,852,146)	(466,136,042)
- Special Accounts	(48,312)	(28,000)	(20,000)	(16,700)	(16,500)
Total cash to Official Public Account	(360,174,008)	(389,180,922)	(410,269,846)	(438,868,846)	(466,152,542)
Cash and cash equivalents at end of reporting period	438,708	438,708	438,708	438,708	438,708

Prepared on Australian Accounting Standards basis.

PRODUCTIVITY COMMISSION

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PRODUCTIVITY COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Productivity Commission (the Commission) from that outlined in the *Portfolio Budget Statements 2017-18* (pages 307-308).

The Commission is seeking an additional \$0.074 million in departmental funding through *Appropriation Bill (No. 3) 2017-18*. This comprises an additional \$0.178 million which is offset by savings of \$0.104 million.

The additional \$0.178 million relates to transfer of funding from the Department of Communications and the Arts as part of the reassignment of an office lease at 4 National Circuit, Canberra.

The savings of \$0.104 million relates to *Treasury Portfolio – efficiencies*, announced at *Mid-Year Economic Fiscal Outlook 2017-18* (Appendix A page 190).

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Commission at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017 18 Budget year, including variations through Appropriation Bills No. 3.

Table 1.1: Productivity Commission resource statement — Additional Estimates for 2017-18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Departmental				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	28,506	26,279	3,283	29,562
Departmental appropriations 74 retained revenue receipts (c)	33,388	34,230	74	34,304
Departmental capital budget (d)	952	272	98	370
Departmental capital budget (d)	838	830	-	830
<i>Total departmental annual appropriations</i>	<i>63,684</i>	<i>61,611</i>	<i>3,455</i>	<i>65,066</i>
Total departmental resourcing	63,684	61,611	3,455	65,066
Total resourcing for Productivity Commission	63,684	61,611	3,455	65,066
			<i>Actual 2016-17</i>	<i>2017-18</i>
Average staffing level (number)			<i>167</i>	<i>174</i>

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

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

- (a) Appropriation Act (No. 1) 2017-2018 and Appropriation Bill (No. 3) 2017-2018.
- (b) Excludes \$0.015m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013*.
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Act (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'.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Treasury Portfolio - efficiencies (a)	1.1				
Departmental expenses		(104)	(102)	(102)	(101)
Review of Collection Models for GST on Low Value Imported Goods	1.1				
Departmental expenses		-	-	-	-
Total		(104)	(102)	(102)	(101)

Prepared on a Government Financial Statistics (fiscal) basis.

- (a) The lead entity for measure Treasury Portfolio - efficiencies is Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table detail the changes to the resourcing for the Commission at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget in *Appropriation Bill Nos. 3*.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Departmental					
Annual appropriations					
Treasury Portfolio - efficiencies (a)	1.1	(104)	(102)	(102)	(101)
Changes in Parameters					
(net decrease)	1.1	-	-	(34)	(34)
Other Variations					
Transfer of reassignment of lease	1.1	178	185	191	198
Total net impact on appropriations for Outcome 1					
		74	83	55	63

(a) The lead entity for measure Treasury Portfolio - efficiencies is Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table detail the Additional Estimates sought for the Commission through *Appropriation Bill No. 3*.

Table 1.4: Appropriation Bill (No. 3) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programs					
Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective.	34,226	35,060	35,134	74	-
Total departmental	34,226	35,060	35,134	74	-

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

There has been no change to the outcome or outcome strategy for the Commission from that included in the *Portfolio Budget Statements 2017-18* (page 313).

Budgeted expenses for Outcome 1

Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia’s productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

	2016-17 Actual expenses \$'000	2017-18 Revised estimated expenses \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Productivity Commission					
Departmental expenses					
Departmental appropriations	30,956	34,304	33,541	33,517	33,658
Section 74 Retained revenue receipts (a)	952	370	9	10	10
Expenses not requiring appropriation in the Budget year (b)	1,198	1,103	1,100	1,100	1,100
Departmental total	33,106	35,777	34,650	34,627	34,768
Total expenses for Outcome 1	33,106	35,777	34,650	34,627	34,768
	2016-17	2017-18			
Average staffing level (number)	167	174			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

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

Performance criteria for Outcome 1

There has been no significant change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2017-18*.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

The Commission does not have any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Commission is budgeting for a breakeven result in 2017-18.

3.2.2 Budgeted financial statements

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	25,624	27,848	27,220	27,224	27,342
Suppliers	6,291	6,864	6,369	6,342	6,365
Depreciation and amortisation	1,148	1,053	1,050	1,050	1,050
Finance costs	37	12	11	11	11
Losses from asset sales	6	-	-	-	-
Total expenses	33,106	35,777	34,650	34,627	34,768
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	952	370	9	10	10
Total own-source revenue	952	370	9	10	10
Gains					
Other gains	50	50	50	50	50
Total gains	50	50	50	50	50
Total own-source income	1,002	420	59	60	60
Net cost of / (contribution by) services	(32,104)	(35,357)	(34,591)	(34,567)	(34,708)
Revenue from Government	33,388	34,304	33,541	33,517	33,658
Surplus/(deficit) attributable to the Australian Government	1,284	(1,053)	(1,050)	(1,050)	(1,050)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	1,284	(1,053)	(1,050)	(1,050)	(1,050)

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

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	2,432	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,148	1,053	1,050	1,050	1,050
Total comprehensive income/(loss) - as per the statement of comprehensive income	1,284	(1,053)	(1,050)	(1,050)	(1,050)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Act No. 1* or *Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1* or *Bill No. 3* equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	428	428	428	428	428
Trade and other receivables	29,260	29,361	29,994	30,087	27,717
Total financial assets	29,688	29,789	30,422	30,515	28,145
Non-financial assets					
Land and buildings	3,875	3,075	2,275	1,475	2,427
Property, plant and equipment	1,096	1,263	1,254	1,674	2,144
Intangibles	142	109	79	69	59
Other non-financial assets	541	541	541	541	541
Total non-financial assets	5,654	4,988	4,149	3,759	5,171
Total assets	35,342	34,777	34,571	34,274	33,316
LIABILITIES					
Payables					
Suppliers	229	229	229	229	229
Other payables	2,038	1,616	1,403	1,101	749
Total payables	2,267	1,845	1,632	1,330	978
Provisions					
Employee provisions	11,600	11,668	11,888	12,108	12,328
Other provisions	569	581	592	603	-
Total provisions	12,169	12,249	12,480	12,711	12,328
Total liabilities	14,436	14,094	14,112	14,041	13,306
Net assets	20,906	20,683	20,459	20,233	20,010

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EQUITY(a)					
Parent entity interest					
Contributed equity	6,800	7,630	8,456	9,280	10,107
Reserves	1,593	1,593	1,593	1,593	1,593
Retained surplus / (accumulated deficit)	12,513	11,460	10,410	9,360	8,310
Total parent entity interest	20,906	20,683	20,459	20,233	20,010
Total Equity	20,906	20,683	20,459	20,233	20,010

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget Year 2017-18)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity / capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	12,513	1,593	-	6,800	20,906
Adjusted opening balance	12,513	1,593	-	6,800	20,906
Comprehensive income					
Surplus/(deficit) for the period	(1,053)	-	-	-	(1,053)
Total comprehensive income	(1,053)	-	-	-	(1,053)
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	830	830
Sub-total transactions with owners	-	-	-	830	830
Closing balance attributable to the Australian Government	11,460	1,593	-	7,630	20,683

Prepared on Australian Accounting Standards basis.

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	31,665	34,646	33,523	33,588	34,393
Sale of goods and rendering of services	1,411	370	9	10	10
Net GST received	950	-	-	-	-
Total cash received	34,026	35,016	33,532	33,598	34,403
Cash used					
Employees	25,298	27,780	27,000	27,004	27,122
Suppliers	8,664	7,236	6,532	6,594	7,281
Total cash used	33,962	35,016	33,532	33,598	34,403
Net cash from / (used by) operating activities	64	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	1,576	387	211	660	2,462
Total cash used	1,576	387	211	660	2,462
Net cash from / (used by) investing activities	(1,576)	(387)	(211)	(660)	(2,462)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,576	387	211	660	2,462
Total cash received	1,576	387	211	660	2,462
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from / (used by) financing activities	1,576	387	211	660	2,462
Net increase/(decrease) in cash held	64	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	364	428	428	428	428
Cash and cash equivalents at the end of the reporting period	428	428	428	428	428

Prepared on Australian Accounting Standards basis.

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 and Bill 3 (DCB)	838	830	826	824	827
Total new capital appropriations	838	830	826	824	827
Provided for:					
Purchase of non-financial assets	838	387	211	660	827
Other Items	-	443	615	164	-
Total Items	838	830	826	824	827
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,576	387	211	660	2,462
TOTAL AMOUNT SPENT	1,576	387	211	660	2,462
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,576	387	211	660	2,462
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	1,576	387	211	660	2,462

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (2017-18 Budget year)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	3,875	1,096	901	5,872
Accumulated depreciation/amortisation and impairment	-	-	(759)	(759)
Opening net book balance	3,875	1,096	142	5,113
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	367	20	387
Total additions	-	367	20	387
Other movements				
Depreciation/amortisation expense	(800)	(200)	(53)	(1,053)
Total other movements	(800)	(200)	(53)	(1,053)
As at 30 June 2018				
Gross book value	3,875	1,463	921	6,259
Accumulated depreciation/amortisation and impairment	(800)	(200)	(812)	(1,812)
Closing net book balance	3,075	1,263	109	4,447

(a) "Appropriation ordinary annual services" refers to funding provided through Appropriation Act (No.1) 2017-18 and Bill (No.3) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.