

# AUSTRALIAN TAXATION OFFICE

|   |           |
|---|-----------|
| <b>Section 1: Entity overview and resources</b> .....                         | <b>63</b> |
| 1.1 Strategic direction .....   | 63        |
| 1.2 Entity resource statement.....  | 63        |
| 1.3 Entity measures table .....   | 66        |
| 1.4 Additional estimates and variations .....                                 | 68        |
| 1.5 Breakdown of additional estimates by appropriation bill .....             | 69        |
| <b>Section 2: Revisions to entity resources and planned performance</b> ..... | <b>71</b> |
| 2.1 Resources and performance information .....                               | 71        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> .....  | <b>74</b> |
| 3.1 Explanatory tables .....  | 74        |
| 3.2 Budgeted financial statements .....                                       | 75        |



# AUSTRALIAN TAXATION OFFICE

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Taxation Office (ATO) from that outlined in the *Portfolio Budget Statements 2014-15* (page 179).

The ATO is seeking an additional \$14.8 million in departmental funding through Appropriation Bill (No. 3) 2014-15. This relates to an additional \$15.8 million for the following measures as outlined in the *Mid-Year Economic and Fiscal Outlook 2014-15*:

- Higher Education Reforms – amendments (\$0.4 million);
- Industry Innovation and Competitiveness Agenda – Employee Share Schemes (\$0.2 million); and
- Repeal of the Minerals Resource Rent Tax and related measures (the related measure is Low Income Superannuation Contribution extended for contributions made until 2016-17) (\$15.2 million).

This funding is offset by a reduction of \$1.0 million relating to the Communications and Public Affairs Functions – targeted savings measure outlined in Budget Paper No. 2, *Budget Measures 2014-15*.

The ATO is also seeking an additional \$0.6 million as an equity injection through Appropriation Bill (No. 4) 2014-15 for the Higher Education Reforms – amendments outlined in the *Mid-Year Economic and Fiscal Outlook 2014-15*.

### 1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Australian Taxation Office at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2014-15 Budget year, including variations through *Appropriation Bill Nos. 3 and No. 4*, Special Appropriations and Special Accounts.

**Table 1.1: Australian Taxation Office resource statement — additional estimates for 2014-15 as at Additional Estimates February 2015**

|  | <i>Total available appropriation</i> | Estimate as at Budget + | Proposed Additional Estimate = | Total estimate at Additional Estimates |
|--|--------------------------------------|-------------------------|--------------------------------|--|
|  | <i>2013-14</i>                       | 2014-15                 | 2014-15                        | 2014-15                                |
|  | <i>\$'000</i>                        | \$'000                  | \$'000                         | \$'000                                 |
| <b>Ordinary annual services<sup>(1)</sup></b>  |                                      |                         |                                |  |
| <b>Departmental appropriation</b>  |                                      |                         |                                |  |
| Prior year departmental appropriation <sup>(2)</sup>   |                                      | 506,096                 |                                | 506,096                                |
| Departmental appropriation <sup>(3)</sup>  | 3,583,799                            | 3,342,775               | 14,831                         | 3,357,606                              |
| s74 Retained Revenue Receipts <sup>(4)</sup>   | 238,881                              | 73,572                  | 6,445                          | 80,017                                 |
| <b>Total</b>   | <b>3,822,680</b>                     | <b>3,922,443</b>        | <b>21,276</b>                  | <b>3,943,719</b>                       |
| <b>Administered expenses</b>   |                                      |                         |                                |  |
| Outcome 1  | 5,690                                | 284                     | -                              | 284                                    |
| <b>Total</b>   | <b>5,690</b>                         | <b>284</b>              | <b>-</b>                       | <b>284</b>                             |
| <b>Total ordinary annual services</b>  | <b>A 3,828,370</b>                   | <b>3,922,727</b>        | <b>21,276</b>                  | <b>3,944,003</b>                       |
| <b>Other services<sup>(5)</sup></b>  |                                      |                         |                                |  |
| <b>Departmental non-operating</b>  |                                      |                         |                                |  |
| Equity injections  | 47,359                               | 25,943                  | 594                            | 26,537                                 |
| <b>Total</b>   | <b>47,359</b>                        | <b>25,943</b>           | <b>594</b>                     | <b>26,537</b>                          |
| <b>Total other services</b>  | <b>B 47,359</b>                      | <b>25,943</b>           | <b>594</b>                     | <b>26,537</b>                          |
| <b>Total available annual appropriations</b>   | <b>3,875,729</b>                     | <b>3,948,670</b>        | <b>21,870</b>                  | <b>3,970,540</b>                       |
| <b>Special appropriations</b>  |                                      |                         |                                |  |
| <i>Product Grants and Benefits Administration Act 2000 -</i>                                 |                                      |                         |                                |  |
| Cleaner fuel grants  | 82,000                               | 132,000                 | -                              | 132,000                                |
| Product stewardship for oil  | 47,000                               | 50,000                  | 3,000                          | 53,000                                 |
| <i>Superannuation Guarantee (Administration) Act 1992 Taxation Administration Act 1953 -</i> |                                      |                         |                                |  |
| section 16 (Non-refund items) <sup>(6)</sup>   | 9,165,400                            | 9,552,650               | 821,399                        | 10,374,049                             |
| <b>Total special appropriations</b>  | <b>C 9,723,400</b>                   | <b>10,202,650</b>       | <b>824,399</b>                 | <b>11,027,049</b>                      |
| <b>Total appropriations excluding Special Accounts</b>                                       | <b>13,599,129</b>                    | <b>14,151,320</b>       | <b>846,269</b>                 | <b>14,997,589</b>                      |

**Table 1.1: Australian Taxation Office resource statement — additional estimates for 2014-15 as at Additional Estimates February 2015 (continued)**

|   | <i>Total<br/>available<br/>appropriation</i> | Estimate as<br>at Budget + | Proposed<br>Additional =<br>Estimate | Total<br>estimate<br>at Additional<br>Estimates<br>2014-15 |
|---|--|----------------------------|--------------------------------------|--|
|   | <i>2013-14<br/>\$'000</i>                    | 2014-15<br>\$'000          | 2014-15<br>\$'000                    | 2014-15<br>\$'000  |
| <b>Special Accounts</b>   |  |                            |                                      |  |
| Opening balance   | 86,048                                       | 92,774                     | 21,315                               | 114,089  |
| Appropriation Receipts  | 16,409                                       | 55,339                     | 5,514                                | 60,853   |
| Non-appropriation receipts<br>to Special Accounts   | 467,101                                      | 1,779,010                  | (121,808)                            | 1,657,202  |
| <b>Total Special Account</b> <b>D</b>   | <b>569,558</b>                               | <b>1,927,123</b>           | <b>(94,979)</b>                      | <b>1,832,144</b>   |
| <b>Total resourcing</b><br>(A+B+C+D)  | <b>14,168,687</b>                            | <b>16,078,443</b>          | <b>751,290</b>                       | <b>16,829,733</b>  |
| Less appropriations drawn from<br>annual or special appropriations<br>above and credited to special<br>accounts | (16,409)                                     | (55,339)                   | (5,514)                              | (60,853)   |
| <b>Total net resourcing for the ATO</b>   | <b>14,152,278</b>                            | <b>16,023,104</b>          | <b>745,776</b>                       | <b>16,768,880</b>  |

1. Appropriation Act (No. 1) 2014-15 and Appropriation Bill (No. 3) 2014-15.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$133.8m in 2014-15 for the Departmental Capital Budget (refer to table 3.2.5 for further details).
4. Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
5. *Appropriation Act (No. 2) 2014-15* and *Appropriation Bill (No. 4) 2014-15*.
6. These figures relate to administered expenses such as fuel tax credits, research and development tax incentives, and interest on overpayment and early payment of tax. Tax refunds for 2013-14 were \$97.5 billion including (including \$123.2 million paid via the Australian Customs Service (ACS) on the ATO's behalf) and \$99.3 billion for 2014-15 (including \$160 million paid via the ACS on the ATO's behalf).

Reader note: All figures are GST exclusive

### 1.3 ENTITY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2014-15 Budget. The table is split into expense and capital measures, with the affected programme identified.

**Table 1.2: Entity 2014-15 measures since Budget**

|   | Programme | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 |
|---|-----------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>                                       |           |                   |                   |                   |                   |
| Higher Education Reforms                                      |           |                   |                   |                   |                   |
| – amendments  |           |                   |                   |                   |                   |
| Departmental expenses   | 1.1       | 345               | 735               | 388               | 392               |
| <b>Total</b>  |           | <b>345</b>        | <b>735</b>        | <b>388</b>        | <b>392</b>        |
| Industry Innovation and Competitiveness Agenda                |           |                   |                   |                   |                   |
| – Employee Share Schemes                                      |           |                   |                   |                   |                   |
| Departmental expenses   | 1.1       | 236               | 858               | 132               | 133               |
| <b>Total</b>  |           | <b>236</b>        | <b>858</b>        | <b>132</b>        | <b>133</b>        |
| New Commonwealth Building in Gosford, New South Wales         |           |                   |                   |                   |                   |
| Departmental expenses   | 1.1       | 0                 | 0                 | 1,200             | (13,700)          |
| <b>Total</b>  |           | <b>0</b>          | <b>0</b>          | <b>1,200</b>      | <b>(13,700)</b>   |
| Reintroduction of fuel excise indexation                      |           |                   |                   |                   |                   |
| – change to the start date                                    |           |                   |                   |                   |                   |
| Administered expenses   | 1.10      | (30,000)          | 0                 | 0                 | 0                 |
| – rounding of excise rates                                    |           |                   |                   |                   |                   |
| Administered expenses   | 1.10      | 0                 | 10,000            | 5,000             | 10,000            |
| <b>Total</b>  |           | <b>(30,000)</b>   | <b>10,000</b>     | <b>5,000</b>      | <b>10,000</b>     |
| Repeal of the Minerals Resource Rent Tax and related measures |           |                   |                   |                   |                   |
| Administered expenses   | 1.18      | 922,700           | 908,400           | 896,400           | 0                 |
| Departmental expenses   | 1.1       | 15,204            | 27,111            | 25,780            | 25,780            |
| <b>Total</b>  |           | <b>937,904</b>    | <b>935,511</b>    | <b>922,180</b>    | <b>25,780</b>     |
| Superannuation  |           |                   |                   |                   |                   |
| – Superannuation Guarantee Charge                             |           |                   |                   |                   |                   |
| Administered expenses   | 1.21      | 0                 | 0                 | (26,300)          | (27,700)          |
| Departmental expenses   | 1.1       | 0                 | 910               | 182               | 0                 |
| <b>Total</b>  |           | <b>0</b>          | <b>910</b>        | <b>(26,118)</b>   | <b>(27,700)</b>   |
| <b>Total expense measures</b>                                 |           |                   |                   |                   |                   |
| Administered  |           | 892,700           | 918,400           | 875,100           | (17,700)          |
| Departmental  |           | 15,785            | 29,614            | 27,682            | 12,605            |
| <b>Total</b>  |           | <b>908,485</b>    | <b>948,014</b>    | <b>902,782</b>    | <b>(5,095)</b>    |

**Table 1.2: Entity measures since Budget (continued)**

|                                   | Programme            | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 |
|-----------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Capital measures</b>           |                      |                   |                   |                   |                   |
| Higher Education Reform           |                      |                   |                   |                   |                   |
| – amendments                      |                      |                   |                   |                   |                   |
|                                   | Departmental capital | 1.1               | 594               | 0                 | 0                 |
|                                   | <b>Total</b>         | <b>594</b>        | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| Industry Innovation and           |                      |                   |                   |                   |                   |
| Competitiveness Agenda            |                      |                   |                   |                   |                   |
| – Employee Share Schemes          |                      |                   |                   |                   |                   |
|                                   | Departmental capital | 1.1               | 0                 | 2,209             | 0                 |
|                                   | <b>Total</b>         | <b>0</b>          | <b>2,209</b>      | <b>0</b>          | <b>0</b>          |
| New Commonwealth Building         |                      |                   |                   |                   |                   |
| in Gosford, New South Wales       |                      |                   |                   |                   |                   |
|                                   | Departmental capital | 1.1               | 0                 | 3,750             | 8,750             |
|                                   | <b>Total</b>         | <b>0</b>          | <b>3,750</b>      | <b>8,750</b>      | <b>0</b>          |
| Repeal of the Minerals Resource   |                      |                   |                   |                   |                   |
| Rent Tax and related measures     |                      |                   |                   |                   |                   |
|                                   | Departmental capital | 1.1               | 0                 | 1,500             | 0                 |
|                                   | <b>Total</b>         | <b>0</b>          | <b>1,500</b>      | <b>0</b>          | <b>0</b>          |
| Superannuation                    |                      |                   |                   |                   |                   |
| – Superannuation Guarantee Charge |                      |                   |                   |                   |                   |
|                                   | Departmental capital | 1.1               | 0                 | 1,089             | 0                 |
|                                   | <b>Total</b>         | <b>0</b>          | <b>1,089</b>      | <b>0</b>          | <b>0</b>          |
| <b>Total capital measures</b>     |                      |                   |                   |                   |                   |
|                                   | Departmental         |                   | 594               | 8,548             | 8,750             |
|                                   | <b>Total</b>         |                   | <b>594</b>        | <b>8,548</b>      | <b>8,750</b>      |

Prepared on a Government Financial Statistics (fiscal) basis

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

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 and variations resulting from new measures since the 2014-15 Budget in *Appropriation Bills Nos. 3 and 4*. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2014-15 Budget**

|   | Programme impacted | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Outcome 1</b>  |                    |                   |                   |                   |                   |
| Increase in estimates (departmental)                          |                    |                   |                   |                   |                   |
| Higher Education Reforms                                      |                    |                   |                   |                   |                   |
| – amendments  | 1.1                | 345               | 735               | 388               | 392               |
| Industry Innovation and Competitiveness Agenda                |                    |                   |                   |                   |                   |
| – Employee Share Schemes                                      | 1.1                | 236               | 858               | 132               | 133               |
| Repeal of the Minerals Resource Rent Tax and related measures | 1.1                | 15,204            | 27,111            | 25,780            | 25,780            |
| Superannuation  |                    |                   |                   |                   |                   |
| – Superannuation Guarantee Charge                             | 1.1                | -                 | 910               | 182               | -                 |
| Decrease in estimates (departmental)                          |                    |                   |                   |                   |                   |
| New Commonwealth Building in Gosford, New South Wales         | 1.1                | -                 | -                 | 1,200             | (13,700)          |
| <b>Net impact on estimates for Outcome 1 (departmental)</b>   |                    | <b>15,785</b>     | <b>29,614</b>     | <b>27,682</b>     | <b>12,605</b>     |
| Increase in estimates (capital)                               |                    |                   |                   |                   |                   |
| Higher Education Reforms                                      |                    |                   |                   |                   |                   |
| – amendments  | 1.1                | 594               | -                 | -                 | -                 |
| Industry Innovation and Competitiveness Agenda                |                    |                   |                   |                   |                   |
| – Employee Share Schemes                                      | 1.1                | -                 | 2,209             | -                 | -                 |
| New Commonwealth Building in Gosford, New South Wales         | 1.1                | -                 | 3,750             | 8,750             | -                 |
| Repeal of the Minerals Resource Rent Tax and related measures | 1.1                | -                 | 1,500             | -                 | -                 |
| Superannuation  |                    |                   |                   |                   |                   |
| – Superannuation Guarantee Charge                             | 1.1                | -                 | 1,089             | -                 | -                 |
| <b>Net impact on estimates for Outcome 1 (capital)</b>        |                    | <b>594</b>        | <b>8,548</b>      | <b>8,750</b>      | <b>-</b>          |
| <b>Decisions taken but not yet announced</b>                  |                    | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |

Note. Details of these measures are in the Mid-Year Economic and Fiscal Outlook 2014-15.



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

|  | Programme impacted | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Outcome 1</b>   |                    |                   |                   |                   |                   |
| Decrease in estimates (departmental)                                   |                    |                   |                   |                   |                   |
| Adjustment to reflect movement in indices relating to prices and wages |                    |                   |                   |                   |                   |
| Departmental Expenses  | 1.1                | (18,954)          | (7,953)           | (7,669)           | (10,339)          |
| Communications Targeted Savings  |                    |                   |                   |                   |                   |
| Departmental Expenses  | 1.1                | -                 | -                 | -                 | -                 |
| Transfer from operating to capital                                     |                    |                   |                   |                   |                   |
| Departmental Expenses  | 1.1                | (18,000)          | -                 | -                 | -                 |
| <b>Net impact on estimates for Outcome 1 (departmental)</b>            |                    | <b>(36,954)</b>   | <b>(7,953)</b>    | <b>(7,669)</b>    | <b>(10,339)</b>   |
| Decrease in estimates (capital)  |                    |                   |                   |                   |                   |
| Adjustment to reflect movement in indices relating to prices and wages |                    |                   |                   |                   |                   |
| Departmental Capital   | 1.1                | -                 | -                 | -                 | -                 |
| <b>Net impact on estimates for Outcome 1 (capital)</b>                 |                    | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

**Table 1.5: Appropriation Bill (No. 3) 2014-15**

|   | 2013-14<br>Available<br>\$'000 | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Revised<br>\$'000 | Additional<br>Estimates<br>\$'000 | Reduced<br>Estimates<br>\$'000 |
|---|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| <b>DEPARTMENTAL PROGRAMMES</b>  |                                |                             |                              |                                   |                                |
| <b>Outcome 1:</b> 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 (Departmental) | 3,583,799                      | 3,342,775                   | 3,357,606                    | 14,831                            | -                              |
| <b>Total</b>  | <b>3,583,799</b>               | <b>3,342,775</b>            | <b>3,357,606</b>             | <b>14,831</b>                     | <b>-</b>                       |

Entity Additional Estimates Statements – ATO

**Table 1.6: Appropriation Bill (No. 4) 2014-15**

|                                     | 2013-14<br>Available<br>\$'000 | 2014-15<br>Budget<br>\$'000 | 2014-15<br>Revised<br>\$'000 | Additional<br>Estimates<br>\$'000 | Reduced<br>Estimates<br>\$'000 |
|-------------------------------------|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| <b>Non-operating - departmental</b> |                                |                             |                              |                                   |                                |
| Equity injections                   | 47,359                         | 25,943                      | 26,537                       | 594                               | -                              |
| <b>Total non-operating</b>          | <b>47,359</b>                  | <b>25,943</b>               | <b>26,537</b>                | <b>594</b>                        | <b>-</b>                       |

## Section 2: Revisions to entity resources and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to the ATO's outcome or outcome strategy from that included in the *Portfolio Budget Statements 2014-15* (page 187).

There has been no change to the programme objective, expenses, deliverables or key performance indicators for programmes 1.6 to 1.24 that affect Appropriation Bills No. 3 and No. 4.

**Table 2.1: Budgeted expenses and resources 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 | 2013-14<br>Actual<br>expenses<br>\$'000 | 2014-15<br>Revised<br>Estimated<br>expenses<br>\$'000 |
|---|---|---|
| <b>Programme 1.1: Australian Taxation Office</b>  |   |   |
| Departmental expenses   |   |   |
| Departmental appropriation  | 3,268,886                               | 3,118,456   |
| Expenses not requiring appropriation in the Budget year   | 74,917                                  | 161,172   |
| <b>Total for Programme 1.1</b>  | <b>3,343,803</b>                        | <b>3,279,628</b>                                      |
| <b>Programme 1.2: Tax Practitioners Board</b>   |   |   |
| Departmental expenses   |   |   |
| Departmental appropriation  | 18,028                                  | 15,243  |
| <b>Total for Programme 1.2</b>  | <b>18,028</b>                           | <b>15,243</b>   |
| <b>Programme 1.3: Australian Business Register</b>  |   |   |
| Departmental expenses   |   |   |
| Departmental appropriation  | 139,779                                 | 143,362   |
| <b>Total for Programme 1.3</b>  | <b>139,779</b>                          | <b>143,362</b>  |
| <b>Programme 1.5: Australian Charities and Not-for-profits Commission</b>   |   |   |
| Departmental expenses   |   |   |
| Special account   | 13,918                                  | 14,953  |
| <b>Total for Programme 1.5</b>  | <b>13,918</b>                           | <b>14,953</b>   |
| Departmental expenses   |   |   |
| Departmental appropriation  | 3,286,914                               | 3,133,699   |
| Special Accounts  | 13,918                                  | 14,953  |
| Expenses not requiring appropriation in the Budget year   | 74,917                                  | 161,172   |
| <b>Total expenses for Outcome 1</b>   | <b>3,375,749</b>                        | <b>3,309,824</b>                                      |
|   | 2013-14                                 | 2014-15   |
| <b>Average Staffing Level (number)</b>  | 21,342                                  | 18,546  |

### Programme Objective 1.1 Australian Taxation Office

There has been no change to the programme objective, deliverables or key performance indicators included in the *Portfolio Budget Statements 2014-15*.

#### Programme Expenses 1.1

**Table 2.2: Programme 1.1 expenses**

|   | 2013-14<br>Actual<br>\$'000 | 2014-15<br>Revised<br>budget<br>\$'000 | 2015-16<br>Forward<br>year 1<br>\$'000 | 2016-17<br>Forward<br>year 2<br>\$'000 | 2017-18<br>Forward<br>year 3<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| Annual departmental expenses:   |                             |  |  |  |  |
| Departmental items  | 3,268,886                   | 3,118,456                              | 3,007,528                              | 2,867,065                              | 2,769,315                              |
| Expenses not requiring appropriation<br>in the Budget year <sup>(1)</sup> | 74,917                      | 161,172                                | 160,390                                | 153,995                                | 149,085                                |
| <b>Total programme expenses</b>   | <b>3,343,803</b>            | <b>3,279,628</b>                       | <b>3,167,918</b>                       | <b>3,021,060</b>                       | <b>2,918,400</b>                       |

### Programme Objective 1.2 Tax Practitioners Board

There has been no change to the programme objective, deliverables or key performance indicators included in the *Portfolio Budget Statements 2014-15*.

#### Programme Expenses 1.2

**Table 2.3: Programme 1.2 expenses**

|                                 | 2013-14<br>Actual<br>(\$'000) | 2014-15<br>Revised<br>budget<br>\$'000 | 2015-16<br>Forward<br>year 1<br>\$'000 | 2016-17<br>Forward<br>year 2<br>\$'000 | 2017-18<br>Forward<br>year 3<br>\$'000 |
|---------------------------------|-------------------------------|--|--|--|--|
| Annual departmental expenses:   |                               |  |  |  |  |
| Departmental items              | 18,028                        | 15,243                                 | 15,093                                 | 15,001                                 | 14,895                                 |
| <b>Total programme expenses</b> | <b>18,028</b>                 | <b>15,243</b>                          | <b>15,093</b>                          | <b>15,001</b>                          | <b>14,895</b>                          |

### Programme Objective 1.3 Australian Business Register

There has been no change to the programme objective, deliverables or key performance indicators included in the *Portfolio Budget Statements 2014-15*.

#### Programme Expenses 1.3

**Table 2.4: Programme 1.3 expenses**

|                                 | 2013-14<br>Actual<br>(\$'000) | 2014-15<br>Revised<br>budget<br>\$'000 | 2015-16<br>Forward<br>year 1<br>\$'000 | 2016-17<br>Forward<br>year 2<br>\$'000 | 2017-18<br>Forward<br>year 3<br>\$'000 |
|---------------------------------|-------------------------------|--|--|--|--|
| Annual departmental expenses:   |                               |  |  |  |  |
| Departmental items              | 139,779                       | 143,362                                | 142,257                                | 141,672                                | 141,374                                |
| <b>Total programme expenses</b> | <b>139,779</b>                | <b>143,362</b>                         | <b>142,257</b>                         | <b>141,672</b>                         | <b>141,374</b>                         |

### Programme Objective 1.5 Australian Charities and Not-for-Profits Commission

There has been no change to the programme objective, deliverables or key performance indicators included in the *Portfolio Budget Statements 2014-15*.

**Programme Expenses 1.5**

**Table 2.5: Programme 1.5 expenses**

|  | 2013-14<br>Actual | 2014-15<br>Revised<br>budget | 2015-16<br>Forward<br>year 1 | 2016-17<br>Forward<br>year 2 | 2017-18<br>Forward<br>year 3 |
|--|-------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| ('000)   | \$'000            | \$'000                       | \$'000                       | \$'000                       | \$'000                       |
| Special Account Expenses:                              |                   |                              |                              |                              |                              |
| Australian Charities and<br>Not-for-Profits Commission | 13,918            | 14,953                       | 14,812                       | 14,716                       | 14,519                       |
| <b>Total programme expenses</b>                        | <b>13,918</b>     | <b>14,953</b>                | <b>14,812</b>                | <b>14,716</b>                | <b>14,519</b>                |

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the ATO. The corresponding table in the 2104-15 portfolio budget statements is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows and balances**

|  |         | Opening<br>balance<br><b>2014-15</b><br>2013-14 | Receipts<br><b>2014-15</b><br>2013-14 | Payments<br><b>2014-15</b><br>2013-14 | Adjustments<br><b>2014-15</b><br>2013-14 | Closing<br>balance<br><b>2014-15</b><br>2013-14 |
|--|---------|---|---------------------------------------|---------------------------------------|--|---|
|  | Outcome | \$'000  | \$'000                                | \$'000                                | \$'000                                   | \$'000  |
| Excise Security Deposits<br>Account (A)                                      | 1       | 355<br>586                                      | 100<br>(231)                          | -<br>-                                | -<br>-                                   | 455<br>355                                      |
| Services for Other Entities<br>and Trust Moneys Special<br>Account (A)       | 1       | 2,596<br>2,246                                  | 10,000<br>8,557                       | (10,000)<br>(8,207)                   | -<br>-                                   | 2,596<br>2,596                                  |
| Superannuation Clearing<br>House Special Account (A)                         | 1       | 20,005<br>4,801                                 | 1,645,000<br>359,375                  | (1,655,000)<br>(344,171)              | -<br>-                                   | 10,005<br>20,005                                |
| Superannuation Holding<br>Accounts Special<br>Account (A)                    | 1       | 74,583<br>63,770                                | 38,500<br>69,010                      | (13,800)<br>(58,197)                  | -<br>-                                   | 99,283<br>74,583                                |
| Australian Charities and<br>Not-for-profits Commission<br>Special Account(D) | 1       | 5,341<br>2,637                                  | 14,953<br>16,385                      | (15,068)<br>(13,681)                  | -<br>-                                   | 5,226<br>5,341                                  |
| Valuation Services Special<br>Account (D)                                    | 1       | 11,209<br>12,008                                | 9,502<br>30,414                       | (20,711)<br>(31,213)                  | -<br>-                                   | -<br>11,209                                     |
| <b>Total Special Accounts</b>  |         |   |                                       |                                       |  |   |
| <b>2014-15 Budget estimate</b>   |         | <b>114,089</b>                                  | <b>1,718,055</b>                      | <b>(1,714,579)</b>                    | <b>-</b>                                 | <b>117,565</b>                                  |
| <i>Total Special Accounts</i>  |         |   |                                       |                                       |  |   |
| <i>2013-14 actual</i>  |         | 86,048  | 483,510                               | (455,469)                             | -  | 114,089   |

(A) Administered  
(D) Departmental

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Budgeted departmental comprehensive income statement**

The ATO is budgeting for a balanced budget in 2014-15. This excludes the impact of Operation Sunlight changes to funding whereby depreciation and amortisation expenses are not funded by appropriation from 2010-11 onward.

The budgeted departmental comprehensive income statement also reflects changes arising from Budget measures as outlined in Table 1.2.

#### **Budgeted departmental balance sheet**

The ATO's assets are predominantly non-financial assets.

The ATO's liabilities continue to be predominantly employee entitlements.

### 3.2.2 Budgeted Financial Statements

#### Departmental Financial Statements

**Table 3.2.1: Budgeted departmental comprehensive income statement (showing net cost of services)**

|   | Actual<br>2013-14<br>\$'000 | Revised<br>budget<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 | Forward<br>estimate<br>2016-17<br>\$'000 | Forward<br>estimate<br>2017-18<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>EXPENSES</b>                               |                             |  |  |  |  |
| Employee benefits                             | 2,258,988                   | 2,073,285                              | 1,966,840                                | 1,878,379                                | 1,816,498                                |
| Suppliers                                     | 1,154,427                   | 1,224,359                              | 1,218,480                                | 1,165,705                                | 1,129,235                                |
| Depreciation and amortisation                 | 138,226                     | 155,542                                | 154,760                                  | 148,365                                  | 143,455                                  |
| Income tax                                    | 2,866                       | -                                      | -  | -  | -  |
| <b>Total expenses</b>                         | <b>3,554,507</b>            | <b>3,453,186</b>                       | <b>3,340,080</b>                         | <b>3,192,449</b>                         | <b>3,089,188</b>                         |
| <b>LESS:</b>                                  |                             |  |  |  |  |
| <b>OWN-SOURCE INCOME</b>                      |                             |  |  |  |  |
| <b>Own-source revenue</b>                     |                             |  |  |  |  |
| Sale of goods and rendering of services       | 106,854                     | 76,815                                 | 73,122                                   | 74,622                                   | 70,818                                   |
| Interest                                      | 299                         | -                                      | -  | -  | -  |
| Other revenue                                 | 2,757                       | 2,500                                  | 2,500                                    | 2,500                                    | 2,500                                    |
| <b>Total own-source revenue</b>               | <b>109,910</b>              | <b>79,315</b>                          | <b>75,622</b>                            | <b>77,122</b>                            | <b>73,318</b>                            |
| <b>Gains</b>                                  |                             |  |  |  |  |
| Other gains                                   | 3,130                       | 3,130                                  | 3,130                                    | 3,130                                    | 3,130                                    |
| <b>Total gains</b>                            | <b>3,130</b>                | <b>3,130</b>                           | <b>3,130</b>                             | <b>3,130</b>                             | <b>3,130</b>                             |
| <b>Total own-source income</b>                | <b>113,040</b>              | <b>82,445</b>                          | <b>78,752</b>                            | <b>80,252</b>                            | <b>76,448</b>                            |
| <b>Net cost of (contribution by) services</b> | <b>3,441,467</b>            | <b>3,370,741</b>                       | <b>3,261,328</b>                         | <b>3,112,197</b>                         | <b>3,012,740</b>                         |
| Revenue from Government                       | 3,363,966                   | 3,215,199                              | 3,106,568                                | 2,963,832                                | 2,869,285                                |
| <b>Surplus (Deficit) before income tax</b>    | <b>(77,501)</b>             | <b>(155,542)</b>                       | <b>(154,760)</b>                         | <b>(148,365)</b>                         | <b>(143,455)</b>                         |
| Income tax expense                            |                             |  |  |  |  |
| <b>Surplus (Deficit) after income tax</b>     | <b>(77,501)</b>             | <b>(155,542)</b>                       | <b>(154,760)</b>                         | <b>(148,365)</b>                         | <b>(143,455)</b>                         |
| <b>Total comprehensive income (loss)</b>      | <b>(77,501)</b>             | <b>(155,542)</b>                       | <b>(154,760)</b>                         | <b>(148,365)</b>                         | <b>(143,455)</b>                         |

**Note: Impact of Net Cash Appropriation Arrangements**

|   | 2013-14<br>\$'000 | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total Comprehensive Income (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations</b> | <b>61,189</b>     | -                 | -                 | -                 | -                 |
| less depreciation/amortisation expenses previously funded through revenue appropriations  | 138,690           | 155,542           | 154,760           | 148,365           | 143,455           |
| <b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>   | <b>(77,501)</b>   | <b>(155,542)</b>  | <b>(154,760)</b>  | <b>(148,365)</b>  | <b>(143,455)</b>  |

Prepared on Australian Accounting Standards basis.



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

|   | Actual<br>2013-14<br>\$'000 | Revised<br>budget<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 | Forward<br>estimate<br>2016-17<br>\$'000 | Forward<br>estimate<br>2017-18<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>ASSETS</b>                             |                             |  |  |  |  |
| <b>Financial assets</b>                   |                             |  |  |  |  |
| Cash and cash equivalents                 | 44,478                      | 43,268                                 | 43,268                                   | 43,268                                   | 43,268                                   |
| Trade and other receivables               | 508,528                     | 378,446                                | 322,776                                  | 325,968                                  | 323,358                                  |
| <b>Total financial assets</b>             | <b>553,006</b>              | <b>421,714</b>                         | <b>366,044</b>                           | <b>369,236</b>                           | <b>366,626</b>                           |
| <b>Non-financial assets</b>               |                             |  |  |  |  |
| Land and buildings                        | 202,496                     | 232,377                                | 251,440                                  | 261,780                                  | 250,996                                  |
| Property, plant and equipment             | 55,938                      | 35,199                                 | 21,272                                   | 11,115                                   | 10,214                                   |
| Investment property                       |                             |  |  |  |  |
| Intangibles                               | 494,374                     | 492,670                                | 459,611                                  | 434,398                                  | 420,147                                  |
| Inventories                               |                             |  |  |  |  |
| Tax assets                                |                             |  |  |  |  |
| Other non-financial assets                | 91,738                      | 88,200                                 | 78,185                                   | 73,627                                   | 69,644                                   |
| <b>Total non-financial assets</b>         | <b>844,546</b>              | <b>848,446</b>                         | <b>810,508</b>                           | <b>780,920</b>                           | <b>751,001</b>                           |
| <b>Total assets</b>                       | <b>1,397,552</b>            | <b>1,270,160</b>                       | <b>1,176,552</b>                         | <b>1,150,156</b>                         | <b>1,117,627</b>                         |
| <b>LIABILITIES</b>                        |                             |  |  |  |  |
| <b>Payables</b>                           |                             |  |  |  |  |
| Suppliers                                 | 211,730                     | 209,975                                | 208,001                                  | 204,712                                  | 203,249                                  |
| Employees                                 | 113,493                     | 70,990                                 | 11,845                                   | 18,184                                   | 17,166                                   |
| Other payables                            | 2,997                       | 2,993                                  | 2,964                                    | 2,917                                    | 2,896                                    |
| <b>Total payables</b>                     | <b>328,220</b>              | <b>283,958</b>                         | <b>222,810</b>                           | <b>225,813</b>                           | <b>223,311</b>                           |
| <b>Interest bearing liabilities</b>       |                             |  |  |  |  |
| Leases                                    | 124,016                     | 113,714                                | 102,479                                  | 91,345                                   | 80,421                                   |
| <b>Total interest bearing liabilities</b> | <b>124,016</b>              | <b>113,714</b>                         | <b>102,479</b>                           | <b>91,345</b>                            | <b>80,421</b>                            |
| <b>Provisions</b>                         |                             |  |  |  |  |
| Employee provisions                       | 740,541                     | 670,201                                | 676,899                                  | 683,664                                  | 690,497                                  |
| Other provisions                          | 8,345                       | 8,337                                  | 8,337                                    | 8,337                                    | 8,337                                    |
| <b>Total provisions</b>                   | <b>748,886</b>              | <b>678,538</b>                         | <b>685,236</b>                           | <b>692,001</b>                           | <b>698,834</b>                           |
| <b>Total liabilities</b>                  | <b>1,201,122</b>            | <b>1,076,210</b>                       | <b>1,010,525</b>                         | <b>1,009,159</b>                         | <b>1,002,566</b>                         |
| <b>Net assets</b>                         | <b>196,430</b>              | <b>193,950</b>                         | <b>166,027</b>                           | <b>140,997</b>                           | <b>115,061</b>                           |
| <b>EQUITY</b>                             |                             |  |  |  |  |
| <b>Parent entity interest</b>             |                             |  |  |  |  |
| Contributed equity                        | 979,871                     | 1,140,203                              | 1,267,040                                | 1,390,375                                | 1,507,894                                |
| Reserves                                  | 101,624                     | 101,553                                | 101,553                                  | 101,553                                  | 101,553                                  |
| Retained surplus<br>(accumulated deficit) | (885,065)                   | (1,047,806)                            | (1,202,566)                              | (1,350,931)                              | (1,494,386)                              |
| <b>Total parent entity interest</b>       | <b>196,430</b>              | <b>193,950</b>                         | <b>166,027</b>                           | <b>140,997</b>                           | <b>115,061</b>                           |
| <b>Total Equity</b>                       | <b>196,430</b>              | <b>193,950</b>                         | <b>166,027</b>                           | <b>140,997</b>                           | <b>115,061</b>                           |

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget Year 2014-15)**

|   | Retained earnings<br>\$'000 | Asset revaluation reserve<br>\$'000 | Contributed equity/<br>capital<br>\$'000 | Total equity<br>\$'000 |
|---|-----------------------------|-------------------------------------|--|------------------------|
| <b>Opening balance as at 1 July 2014</b>            |                             |                                     |  |                        |
| Balance carried forward from previous period        | (892,264)                   | 101,553                             | 979,871                                  | 189,160                |
| <b>Adjusted opening balance</b>                     | <b>(892,264)</b>            | <b>101,553</b>                      | <b>979,871</b>                           | <b>189,160</b>         |
| <b>Comprehensive income</b>                         |                             |                                     |  |                        |
| Surplus (deficit) for the period                    | (155,542)                   |                                     |  | (155,542)              |
| <b>Total comprehensive income</b>                   | <b>(155,542)</b>            | <b>-</b>                            | <b>-</b>                                 | <b>(155,542)</b>       |
| of which:   |                             |                                     |  |                        |
| Attributable to the Australian Government           | (155,542)                   | -                                   | -  | (155,542)              |
| <b>Transactions with owners</b>                     |                             |                                     |  |                        |
| <b>Contributions by owners</b>                      |                             |                                     |  |                        |
| Equity Injection - Appropriation                    |                             |                                     | 26,537                                   | 26,537                 |
| Departmental Capital Budget (DCBs)                  |                             |                                     | 133,795                                  | 133,795                |
| <b>Sub-total transactions with owners</b>           | <b>-</b>                    | <b>-</b>                            | <b>160,332</b>                           | <b>160,332</b>         |
| <b>Estimated closing balance as at 30 June 2015</b> | <b>(1,047,806)</b>          | <b>101,553</b>                      | <b>1,140,203</b>                         | <b>193,950</b>         |
| <b>Closing balance</b>                              | <b>(1,047,806)</b>          | <b>101,553</b>                      | <b>1,140,203</b>                         | <b>193,950</b>         |

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental statement of cash flows (as at 30 June)**

|   | Actual<br>2013-14<br>\$'000 | Revised<br>budget<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 | Forward<br>estimate<br>2016-17<br>\$'000 | Forward<br>estimate<br>2017-18<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |                             |  |  |  |  |
| <b>Cash received</b>  |                             |  |  |  |  |
| Appropriations  | 3,347,176                   | 3,358,833                              | 3,299,989                                | 3,061,896                                | 2,971,216                                |
| Sale of goods and rendering of services                             | 110,385                     | 80,017                                 | 76,630                                   | 77,738                                   | 74,435                                   |
| Interest  | 289                         | -                                      | -  | -  | -  |
| Receipts transferred from the OPA                                   | 234,759                     | 234,759                                | 240,628                                  | 252,810                                  | 268,265                                  |
| Net GST received  | 122,029                     | 111,610                                | 108,625                                  | 103,095                                  | 99,761                                   |
| Other   | 83                          | -                                      | -  | -  | -  |
| <b>Total cash received</b>  | <b>3,814,721</b>            | <b>3,785,219</b>                       | <b>3,725,872</b>                         | <b>3,495,539</b>                         | <b>3,413,677</b>                         |
| <b>Cash used</b>  |                             |  |  |  |  |
| Employees   | 2,249,851                   | 2,195,620                              | 2,162,627                                | 1,983,245                                | 1,932,572                                |
| Suppliers   | 1,304,759                   | 1,343,131                              | 1,322,617                                | 1,259,484                                | 1,212,840                                |
| Receipts transferred from the OPA                                   | 238,882                     | 234,759                                | 240,628                                  | 252,810                                  | 268,265                                  |
| Taxes paid  | 225                         | -                                      | -  | -  | -  |
| <b>Total cash used</b>  | <b>3,793,717</b>            | <b>3,773,510</b>                       | <b>3,725,872</b>                         | <b>3,495,539</b>                         | <b>3,413,677</b>                         |
| <b>Net cash from (used by) operating activities</b>                 | <b>21,004</b>               | <b>11,709</b>                          | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>INVESTING ACTIVITIES</b>   |                             |  |  |  |  |
| <b>Cash received</b>  |                             |  |  |  |  |
| Proceeds from sales of property, plant and equipment                | 24                          | -                                      | -  | -  | -  |
| <b>Total cash received</b>  | <b>24</b>                   | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>  |                             |  |  |  |  |
| Purchase of property, plant, equipment and intangibles              | 188,314                     | 163,042                                | 126,837                                  | 123,335                                  | 117,519                                  |
| <b>Total cash used</b>  | <b>188,314</b>              | <b>163,042</b>                         | <b>126,837</b>                           | <b>123,335</b>                           | <b>117,519</b>                           |
| <b>Net cash from (used by) investing activities</b>                 | <b>(188,290)</b>            | <b>(163,042)</b>                       | <b>(126,837)</b>                         | <b>(123,335)</b>                         | <b>(117,519)</b>                         |
| <b>FINANCING ACTIVITIES</b>   |                             |  |  |  |  |
| <b>Cash received</b>  |                             |  |  |  |  |
| Contributed equity  | 180,580                     | 160,332                                | 126,837                                  | 123,335                                  | 117,519                                  |
| <b>Total cash received</b>  | <b>180,580</b>              | <b>160,332</b>                         | <b>126,837</b>                           | <b>123,335</b>                           | <b>117,519</b>                           |
| <b>Cash used</b>  |                             |  |  |  |  |
| Dividends paid  | 400                         | -                                      | -  | -  | -  |
| <b>Total cash used</b>  | <b>400</b>                  | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from (used by) financing activities</b>                 | <b>180,180</b>              | <b>160,332</b>                         | <b>126,837</b>                           | <b>123,335</b>                           | <b>117,519</b>                           |
| <b>Net increase (decrease) in cash held</b>                         | <b>12,894</b>               | <b>8,999</b>                           | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Cash and cash equivalents at the beginning of the reporting period  | 31,584                      | 34,269                                 | 43,268                                   | 43,268                                   | 43,268                                   |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>44,478</b>               | <b>43,268</b>                          | <b>43,268</b>                            | <b>43,268</b>                            | <b>43,268</b>                            |

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental**

|  | Actual         | Revised        | Forward        | Forward        | Forward        |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2013-14        | budget         | estimate       | estimate       | estimate       |
|  | \$'000         | 2014-15        | 2015-16        | 2016-17        | 2017-18        |
|  |                | \$'000         | \$'000         | \$'000         | \$'000         |
| <b>NEW CAPITAL APPROPRIATIONS</b>  |                |                |                |                |                |
| Capital budget - Act No. 1 (DCB)   | 111,032        | 133,795        | 109,746        | 110,214        | 115,565        |
| Equity injections - Act No. 2  | 47,359         | 26,537         | 17,091         | 13,121         | 1,954          |
| <b>Total new capital appropriations</b>                                      | <b>158,391</b> | <b>160,332</b> | <b>126,837</b> | <b>123,335</b> | <b>117,519</b> |
| <b>Provided for:</b>   |                |                |                |                |                |
| <i>Purchase of non-financial assets</i>                                      | 158,391        | 159,945        | 126,837        | 123,335        | 117,519        |
| <i>Other Items</i>   | -              | 387            | -              | -              | -              |
| <b>Total Items</b>   | <b>158,391</b> | <b>160,332</b> | <b>126,837</b> | <b>123,335</b> | <b>117,519</b> |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |                |                |                |                |                |
| Funded by capital appropriations   | 55,215         | 28,276         | 17,091         | 13,121         | 1,954          |
| Funded by capital appropriation - DCB  | 105,923        | 133,795        | 109,746        | 110,214        | 115,565        |
| Funded internally from departmental resources                                | 11,434         | 971            | -              | -              | -              |
| <b>TOTAL AMOUNT SPENT</b>  | <b>172,572</b> | <b>163,042</b> | <b>126,837</b> | <b>123,335</b> | <b>117,519</b> |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |                |                |                |                |                |
| Total purchases  | 172,572        | 163,042        | 126,837        | 123,335        | 117,519        |
| <b>Total cash used to acquire assets</b>                                     | <b>172,572</b> | <b>163,042</b> | <b>126,837</b> | <b>123,335</b> | <b>117,519</b> |

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

**Table 3.2.6: Statement of asset movements (2014-15)**

|   | Buildings       | Other<br>property,<br>plant and<br>equipment | Computer<br>software<br>and<br>intangibles | Total            |
|---|-----------------|--|--|------------------|
|   | \$'000          | \$'000                                       | \$'000                                     | \$'000           |
| <b>As at 1 July 2014</b>                                      |                 |  |  |                  |
| Gross book value  | 236,072         | 80,299                                       | 1,079,390                                  | 1,395,761        |
| Accumulated depreciation/amortisation<br>and impairment       | (33,576)        | (24,361)                                     | (585,016)                                  | (642,953)        |
| <b>Opening net book balance</b>                               | <b>202,496</b>  | <b>55,938</b>                                | <b>494,374</b>                             | <b>752,808</b>   |
| <b>CAPITAL ASSET ADDITIONS</b>                                |                 |  |  |                  |
| <b>Estimated expenditure on<br/>new or replacement assets</b> |                 |  |  |                  |
| By purchase - appropriation equity                            | -               | -  | 28,276                                     | 28,276           |
| By purchase - appropriation ordinary<br>annual services       | 61,531          | 2,541  | 69,723                                     | 133,795          |
| By purchase - other   | 971             | -  | -  | 971              |
| <b>Total additions</b>  | <b>62,502</b>   | <b>2,541</b>                                 | <b>97,999</b>                              | <b>163,042</b>   |
| <b>Other movements</b>  |                 |  |  |                  |
| Depreciation/amortisation expense                             | (32,621)        | (23,219)                                     | (99,702)                                   | (155,542)        |
| Other   | -               | (61)   | (1)  | (62)             |
| <b>Total other movements</b>                                  | <b>(32,621)</b> | <b>(23,280)</b>                              | <b>(99,703)</b>                            | <b>(155,604)</b> |
| <b>As at 30 June 2015</b>                                     |                 |  |  |                  |
| Gross book value  | 298,574         | 82,779                                       | 1,177,388                                  | 1,558,741        |
| Accumulated depreciation/amortisation<br>and impairment       | (66,197)        | (47,580)                                     | (684,718)                                  | (798,495)        |
| <b>Closing net book balance</b>                               | <b>232,377</b>  | <b>35,199</b>                                | <b>492,670</b>                             | <b>760,246</b>   |

Prepared on Australian Accounting Standards basis.

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

|   | Actual<br>2013-14<br>\$'000 | Revised<br>budget<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 | Forward<br>estimate<br>2016-17<br>\$'000 | Forward<br>estimate<br>2017-18<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>                  |                             |  |  |  |  |
| Suppliers   | 5,627                       | 284                                    | 31                                       | 31                                       | -  |
| Subsidies   | 8,863,561                   | 8,910,089                              | 9,372,002                                | 9,891,226                                | 10,311,229                               |
| Personal benefits   | 1,095,588                   | 1,144,160                              | 1,121,400                                | 1,111,400                                | 404,000                                  |
| Finance costs   | 230,209                     | 500,000                                | 500,000                                  | 500,000                                  | 500,000                                  |
| Write-down and impairment of assets                                   | 8,277,943                   | 7,181,996                              | 7,640,110                                | 8,110,000                                | 8,709,000                                |
| Other expenses  | 362,125                     | 472,800                                | 507,900                                  | 490,900                                  | 479,200                                  |
| <b>Total expenses administered on behalf of Government</b>            | <b>18,835,053</b>           | <b>18,209,329</b>                      | <b>19,141,443</b>                        | <b>20,103,557</b>                        | <b>20,403,429</b>                        |
| <b>LESS:</b>  |                             |  |  |  |  |
| <b>OWN-SOURCE INCOME</b>  |                             |  |  |  |  |
| Own-source revenue  |                             |  |  |  |  |
| Taxation revenue  |                             |  |  |  |  |
| Income tax  | -                           | -                                      | -  | -  | -  |
| Indirect tax  | 248,944,473                 | 265,796,042                            | 286,126,222                              | 307,620,351                              | 329,078,128                              |
| Other taxes   | 82,366,478                  | 83,390,000                             | 88,580,000                               | 93,130,000                               | 97,940,000                               |
| <b>Total taxation revenue</b>   | <b>331,310,951</b>          | <b>349,186,042</b>                     | <b>374,706,222</b>                       | <b>400,750,351</b>                       | <b>427,018,128</b>                       |
| Non-taxation revenue  |                             |  |  |  |  |
| Fees and fines  | -                           | -                                      | -  | -  | -  |
| Other revenue   | -                           | -                                      | -  | -  | -  |
| <b>Total non-taxation revenue</b>                                     | <b>-</b>                    | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total own-source revenues administered on behalf of Government</b> | <b>331,310,951</b>          | <b>349,186,042</b>                     | <b>374,706,222</b>                       | <b>400,750,351</b>                       | <b>427,018,128</b>                       |
| <b>Net Cost of (contribution by) services</b>                         | <b>(312,475,898)</b>        | <b>(330,976,713)</b>                   | <b>(355,564,779)</b>                     | <b>(380,646,794)</b>                     | <b>(406,614,699)</b>                     |
| <b>Surplus (Deficit)</b>  | <b>312,475,898</b>          | <b>330,976,713</b>                     | <b>355,564,779</b>                       | <b>380,646,794</b>                       | <b>406,614,699</b>                       |
| <b>Total comprehensive income (loss)</b>                              | <b>312,475,898</b>          | <b>330,976,713</b>                     | <b>355,564,779</b>                       | <b>380,646,794</b>                       | <b>406,614,699</b>                       |

Prepared on Australian Accounting Standards basis.

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

|   | Actual            | Revised budget    | Forward estimate  | Forward estimate  | Forward estimate  |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2013-14           | 2014-15           | 2015-16           | 2016-17           | 2017-18           |
|   | \$'000            | \$'000            | \$'000            | \$'000            | \$'000            |
| <b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>            |                   |                   |                   |                   |                   |
| <b>Financial assets</b>                                       |                   |                   |                   |                   |                   |
| Cash and cash equivalents                                     | 443,078           | 443,078           | 443,078           | 443,078           | 443,078           |
| Taxation receivables  | 17,922,723        | 19,874,769        | 22,184,881        | 24,446,932        | 26,908,060        |
| Accrued revenues  | 12,698,642        | 13,468,642        | 14,288,642        | 14,958,642        | 15,623,642        |
| <b>Total financial assets</b>                                 | <b>31,064,443</b> | <b>33,786,489</b> | <b>36,916,601</b> | <b>39,848,652</b> | <b>42,974,780</b> |
| <b>Total assets administered on behalf of Government</b>      | <b>31,064,443</b> | <b>33,786,489</b> | <b>36,916,601</b> | <b>39,848,652</b> | <b>42,974,780</b> |
| <b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |                   |                   |                   |                   |                   |
| <b>Provisions</b>   |                   |                   |                   |                   |                   |
| Taxation refunds provided                                     | 2,130,946         | 2,130,946         | 2,130,946         | 2,130,946         | 2,130,946         |
| Other provisions  | 838,061           | 866,061           | 1,186,061         | 1,398,961         | 1,356,361         |
| <b>Total provisions</b>                                       | <b>2,969,007</b>  | <b>2,997,007</b>  | <b>3,317,007</b>  | <b>3,529,907</b>  | <b>3,487,307</b>  |
| <b>Payables</b>   |                   |                   |                   |                   |                   |
| Subsidies   | 3,472,232         | 3,602,067         | 3,795,640         | 3,909,164         | 3,982,967         |
| Personal benefits payable                                     | 1,356,495         | 1,333,755         | 1,314,155         | 1,305,055         | 599,455           |
| Other payables  | 934,303           | 959,003           | 1,005,303         | 1,021,103         | 1,009,103         |
| <b>Total payables</b>   | <b>5,763,030</b>  | <b>5,894,825</b>  | <b>6,115,098</b>  | <b>6,235,322</b>  | <b>5,591,525</b>  |
| <b>Total liabilities administered on behalf of government</b> | <b>8,732,037</b>  | <b>8,891,832</b>  | <b>9,432,105</b>  | <b>9,765,229</b>  | <b>9,078,832</b>  |
| <b>Net assets/(liabilities)</b>                               | <b>22,332,406</b> | <b>24,894,657</b> | <b>27,484,496</b> | <b>30,083,423</b> | <b>33,895,948</b> |
| <b>Total liabilities administered on behalf of Government</b> | <b>25,301,413</b> | <b>27,891,664</b> | <b>30,801,503</b> | <b>33,613,330</b> | <b>37,383,255</b> |
| <b>Net assets/(liabilities)</b>                               | <b>5,763,030</b>  | <b>5,894,825</b>  | <b>6,115,098</b>  | <b>6,235,322</b>  | <b>5,591,525</b>  |

Prepared on Australian Accounting Standards basis.

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

|   | Actual<br>2013-14<br>\$'000 | Revised<br>budget<br>2014-15<br>\$'000 | Forward<br>estimate<br>2015-16<br>\$'000 | Forward<br>estimate<br>2016-17<br>\$'000 | Forward<br>estimate<br>2017-18<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |                             |  |  |  |  |
| <b>Cash received</b>  |                             |  |  |  |  |
| Taxes   | 412,019,786                 | 339,570,000                            | 364,340,000                              | 390,050,000                              | 415,490,000                              |
| Other   | 988,653                     | 807,560                                | 1,312,119                                | 1,175,155                                | 765,700                                  |
| <b>Total cash received</b>  | <b>413,008,439</b>          | <b>340,377,560</b>                     | <b>365,652,119</b>                       | <b>391,225,155</b>                       | <b>416,255,700</b>                       |
| <b>Cash used</b>  |                             |  |  |  |  |
| Borrowing costs   | 529,571                     | 500,000                                | 500,000                                  | 500,000                                  | 500,000                                  |
| Subsidies paid  | 8,165,278                   | 8,780,254                              | 9,178,429                                | 9,777,702                                | 10,237,426                               |
| Personal benefits   | 1,164,038                   | 1,166,900                              | 1,141,000                                | 1,120,500                                | 1,109,600                                |
| Payments to suppliers   | 5,392                       | 284                                    | 31                                       | 31                                       | -  |
| Other   | 445,955                     | 397,600                                | 434,100                                  | 404,300                                  | 405,200                                  |
| <b>Total cash used</b>  | <b>10,310,234</b>           | <b>10,845,038</b>                      | <b>11,253,560</b>                        | <b>11,802,533</b>                        | <b>12,252,226</b>                        |
| <b>Net cash from or<br/>(used by) operating<br/>activities</b>      | <b>402,698,205</b>          | <b>329,532,522</b>                     | <b>354,398,559</b>                       | <b>379,422,622</b>                       | <b>404,003,474</b>                       |
| <b>FINANCING ACTIVITIES</b>   |                             |  |  |  |  |
| <b>Cash received</b>  |                             |  |  |  |  |
| Cash from Official<br>Public Account                                | 10,310,234                  | 10,845,038                             | 11,253,560                               | 11,802,533                               | 12,252,226                               |
| <b>Total cash received</b>  | <b>10,310,234</b>           | <b>10,845,038</b>                      | <b>11,253,560</b>                        | <b>11,802,533</b>                        | <b>12,252,226</b>                        |
| <b>Cash used</b>  |                             |  |  |  |  |
| Cash to Official Public<br>Account                                  | 412,711,231                 | 340,377,560                            | 365,652,119                              | 391,225,155                              | 416,255,700                              |
| <b>Total cash used</b>  | <b>412,711,231</b>          | <b>340,377,560</b>                     | <b>365,652,119</b>                       | <b>391,225,155</b>                       | <b>416,255,700</b>                       |
| <b>Net cash from or<br/>(used by) financing<br/>activities</b>      | <b>(402,400,997)</b>        | <b>(329,532,522)</b>                   | <b>(354,398,559)</b>                     | <b>(379,422,622)</b>                     | <b>(404,003,474)</b>                     |
| <b>Net increase (decrease)<br/>in cash held</b>                     | <b>297,208</b>              | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Cash and cash<br>equivalents at<br>beginning of<br>reporting period | 393,600                     | 690,808                                | 690,808                                  | 690,808                                  | 690,808                                  |
| <b>Cash and cash<br/>equivalents at end<br/>of reporting period</b> | <b>690,808</b>              | <b>690,808</b>                         | <b>690,808</b>                           | <b>690,808</b>                           | <b>690,808</b>                           |

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget**

The ATO does not have any administered capital.

**Table 3.2.11: Schedule of Administered Asset Movements (2014-15)**

The ATO does not have any administered non-financial assets.



## **Notes to the Financial Statements**

### **Basis of accounting**

The budgeted financial statements have been prepared on an accrual basis.

### **Departmental**

The departmental financial statements, included in Tables 3.2.1 to 3.2.6 have been prepared on the basis of Australian Accounting Standards and Department of Finance guidance for the preparation of financial statements.

The budget statements and estimated forward years have been prepared to reflect the following matters.

### **Cost of administering goods and services tax**

Departmental statements include the estimated costs of administering the goods and services tax (GST) under the Intergovernmental Agreement on Federal Financial Relations. The GST revenue is collected on behalf of the States and Territories which agree to compensate the Australian Government for the agreed GST administration costs.

The recoveries of GST administration costs are reported under the Treasury.

### **Administered**

The administered financial statements at Tables 3.2.7 to 3.2.9 have been prepared on the basis of Australian Accounting Standards and Department of Finance guidance for the preparation of financial statements.

The standards require that taxation revenues are recognised on an accrual basis when the following conditions apply:

- the taxpayer or the taxpayer group can be identified in a reliable manner;
- the amount of tax or other statutory charge is payable by the taxpayer or taxpayer group under legislative provisions; and
- the amount of the tax or statutory charge payable by the taxpayer or taxpayer group can be reliably measured, and it is probable that the amount will be collected.

The amount of taxation revenue recognised takes account of legislative steps, discretion to be exercised and any refunds and/or credit amendments to which the taxpayers may become entitled.

### **Recognition of taxation revenue**

Taxation revenue is recognised when the Government, through the application of legislation by the ATO and other relevant activities, gains control over the future economic benefits that flow from taxes and other statutory charges. This methodology, known as the Economic Transaction Method (ETM), relies on the estimation of probable flows of taxes from transactions which have occurred in the economy, but have not yet been reported, and are likely to be reported to the ATO through an assessment or disclosure.

However, in circumstances when there is an ‘inability to reliably measure tax revenues when the underlying transactions or events occur’, the accounting standards permit an alternative approach known as the Taxation Liability Method (TLM). Under this basis, taxation revenue is recognised at the earlier of when an assessment of a tax liability is made or payment is received by the ATO. This recognition policy means that taxation revenue is generally measured at a later time than would be the case if it were measured under the ETM method.

In accordance with the above revenue recognition approach, the ATO uses ETM as the basis for revenue recognition, except for income tax for individuals, companies, superannuation funds, superannuation surcharge and the minerals resource rent tax (repealed September 2014) which are recognised on a TLM basis.

### **Items recognised as reductions to taxation revenue**

The following items are recognised as reductions (increases) to taxation revenue and not as an expense:

- refunds of revenue; and
- increase (decrease) in movement of provision for credit amendments.