

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Taxation Office's (ATO) purpose is to contribute to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems. We achieve this by:

- making it easy for people to participate;
- providing contemporary and tailored services;
- maintaining purposeful and respectful relationships;
- being a professional and productive organisation; and
- building trust and confidence in the ATO and the tax and super systems more broadly.

Our vision is to be a leading tax and superannuation administration, known for its contemporary service, expertise and integrity.

Our strategic objectives underpin our purpose. The ATO Corporate Plan identifies the objectives, which are grouped into five perspectives - Government, Client, Workforce, Operational and Financial.

Critically, the integrity of the system will be maintained by supporting those who choose to do the right thing and dealing with those who do not. Ultimately, client experience and participation in the tax and superannuation systems will be the true measure of success.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Australian Taxation Office resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	314,966	373,262
Departmental appropriation (c)	3,184,103	3,253,256
s74 Retained revenue receipts (d)	131,763	122,798
Departmental capital budget (e)	128,189	112,322
Annual appropriations - other services - non-operating		
Prior year appropriations available (b)	52,784	17,408
Equity injection (f)	27,890	28,055
Total departmental annual appropriations	3,839,695	3,907,101
Special accounts (g)		
Opening balance	4,080	3,507
Appropriation receipts (h)	14,471	17,008
<i>Total special accounts</i>	18,551	20,515
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(18,551)	(20,515)
Total departmental resourcing	3,839,695	3,907,101
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	1,038	5,436
Total administered annual appropriations	1,038	5,436
Special appropriations		
<i>Public Governance, Performance and Accountability Act 2013 - s77 (h)</i>	100,000	100,000
<i>Product Grants and Benefits Administration Act 2000</i>		
Cleaner fuel grants	-	-
Product stewardship for oil	83,000	89,000
<i>Superannuation Guarantee (Administration) Act 1992</i>	439,000	625,000
<i>Taxation Administration Act 1953 - section 16 (Non-refund items) (i)</i>	11,312,190	11,237,817
Total administered special appropriations	11,934,190	12,051,817
Special accounts (g)		
Opening balance	162,100	187,100
Appropriation receipts (j)	52,900	14,700
Non-appropriation receipts	5,725,000	6,717,000
<i>Total special account receipts</i>	5,940,000	6,918,800
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(52,900)	(14,700)
Total administered resourcing	17,822,328	18,961,353
Total resourcing for ATO	21,662,023	22,868,454
	2017-18	2018-19
Average staffing level (number)	18,193	18,234

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

(a) Appropriation Bill (No. 1) 2018-19

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

(c) Excludes departmental capital budget (DCB).

(d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2018-19.
- (g) Excludes trust money and "other CRF 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 appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from ATO's Departmental annual appropriations.
- (i) These figures relate to administered expenses such as fuel tax credits, research and development tax incentives, and Australian Screen Production Incentive. Estimated tax refunds items for 2017-18 are \$107.3 billion including \$265 million made on behalf of the ATO by the Department of Home Affairs. Estimated tax refund items for 2018-19 are \$113.0 billion including \$280 million made on behalf of the ATO by the Department of Home Affairs.
- (j) Amounts credited to the special account(s) from ATO's Administered annual and special appropriations.

Third party payments from and on behalf of other entities

	<i>2017-18 Estimated actual \$'000</i>	2018-19 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)	3,601	3,543
Payments made to other entities for the provision of services (disclosed above)	194,062	185,677
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	111,519	116,320
Payments made to corporate entities within the Portfolio Reserve Bank of Australia	86,309	88,459

1.3 BUDGET MEASURES

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

Table 1.2: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Expense measures						
A firm stance on tax and superannuation debts						
Departmental expenses	1.1	-	32,815	33,141	33,617	34,113
Australian Charities and Not-for-profits Commission - funding for litigation expenses						
Departmental expenses	1.4	-	1,000	-	-	-
Better targeting the research and development tax incentive						
Administered expenses	1.10	-	(330,000)	(360,000)	(390,000)	(410,000)
Departmental expenses	1.1	-	4,668	6,031	5,565	4,496
Black Economy Package - combatting illicit tobacco						
Departmental expenses	1.1	-	1,664	2,113	5,463	5,183
Black Economy Package - further expansion of taxable payments reporting						
Administered expenses	1.1	-	745	507	470	-
Departmental expenses	1.1	-	3,031	7,104	10,942	11,421
Black Economy Package - New and enhanced ATO enforcement against the Black Economy						
Departmental expenses	1.1	-	76,061	76,437	78,291	75,539
Departmental expenses	1.2	-	1,375	1,376	1,383	1,389
Black Economy Taskforce - consulting on a new regulatory framework for Australian Business Numbers						
Departmental expenses	1.1	-	-	-	-	-
Black Economy Taskforce - increasing the integrity of the Commonwealth procurement process						
Departmental expenses	1.1	-	1,183	3,786	2,248	1,634
Black Economy Taskforce - Standing Taskforce						
Departmental expenses	1.1	-	844	845	849	853

Table 1.2: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Combined Lifetime Limit for Tuition Fee Assistance - amendment						
Departmental expenses	1.1	-	-	574	35	35
Delivering Australia's Digital Future - data sharing and release arrangements						
Departmental expenses	1.1	-	(761)	(651)	(628)	(633)
Delivering Australia's Digital Future - modernising business registers						
Departmental expenses	1.1	-	16,600	-	-	-
Modernising Payroll and Superannuation Fund Reporting - additional funding						
Departmental expenses	1.1	-	-	-	-	-
Personal Income Tax - ensuring individuals meet their tax obligations						
Departmental expenses	1.1	-	30,678	31,547	31,322	30,838
Protecting Your Super Package - capping passive fees, banning exit fees and reuniting small and inactive superannuation accounts						
Administered expenses	1.15	-	-	235,000	5,000	5,000
Departmental expenses	1.1	-	623	1,545	667	256
Superannuation - better integrity over deductions for personal contributions						
Departmental expenses	1.1	362	882	798	522	505
Superannuation - increasing the maximum number of allowable members in self-managed superannuation funds and small APRA funds from four to six						
Departmental expenses	1.1	-	1,000	-	-	-
Tax Practitioners Board - funding						
Departmental expenses	1.2	-	3,300	4,700	7,100	5,000
Total		362	(154,292)	44,853	(207,154)	(234,371)
Total expense measures						
Administered		-	(329,255)	(124,493)	(384,530)	(405,000)
Departmental		362	174,963	169,346	177,376	170,629
Total		362	(154,292)	44,853	(207,154)	(234,371)

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

Table 1.2: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Capital measures						
Better targeting the research and development tax incentive						
Departmental capital	1.1	-	1,718	-	-	-
Black Economy Package - combatting illicit tobacco						
Departmental capital	1.1	-	-	-	4,046	7,031
Black Economy Package - New and enhanced ATO enforcement against the Black Economy						
Departmental capital	1.1	-	1,099	253	-	-
Black Economy Taskforce - increasing the integrity of the Commonwealth procurement process						
Departmental capital	1.1	-	358	-	-	-
Combined Lifetime Limit for Tuition Fee Assistance - amendment						
Departmental capital	1.1	-	-	133	-	-
Personal Income Tax - ensuring individuals meet their tax obligations						
Departmental capital	1.1	-	6,397	-	-	-
Protecting Your Super Package - capping passive fees, banning exit fees and reuniting small and inactive superannuation accounts						
Departmental capital	1.1	-	265	-	-	-
Total		-	9,837	386	4,046	7,031
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	9,837	386	4,046	7,031
Total		-	9,837	386	4,046	7,031

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the Australian Taxation Office can be found at: <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/ATO-Corporate-plan-2017-18/>

The most recent annual performance statement can be found in the Annual Report at: <https://www.ato.gov.au/About-ATO/Access,-accountability-and-reporting/Reporting-to-parliament/Annual-report/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Changes to program structure

The ATO has made changes to its program structure for 2018-19.

- The Exploration Development Incentive program has ceased (previously Program 1.6). This program has been moved to be reported under the Program 1.18 Other Administered.
- The Junior Mineral Exploration Incentive was enacted on 28 March 2018 replacing the Exploration Development Incentive and is now Program 1.6.

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

Program 1.1 – Personal Insolvency and Trustee Services

Contribution to Outcome 1 made by linked programs

Australian Financial Security Authority exchanges information with the ATO and administers the bankruptcy notices and payment arrangements to support this service.

Australian Prudential Regulation Authority

Program 1.1 – Australian Prudential Regulation Authority

Contribution to Outcome 1 made by linked programs

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>
<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 the 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 Capability</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 the Environment and Energy</p>
<p>Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants</p> <p>Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions</p> <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Environment and Energy (DoEE) works with the Australian Taxation Office in the following ways:</p> <ul style="list-style-type: none"> • ATO administers financial aspects of the Product Stewardship for Oil program, pays the benefits on recycled motor oil and collects the levy on new oil entering the market from domestic sources. • 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>Department of Health</p>
<p>Program 4.1 – Medical Benefits 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 Program 1.2 – Services to the Community – Health 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, administers the Tourist Refund Scheme and collects border revenue for: 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 Program 2 – Growing Business Investment and Improving Business Capability 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>

Department of the Treasury
Program 1.1 – Department of the Treasury
Contribution to Outcome 1 made by linked programs
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 proposal.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Australian Taxation Office					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,038	6,181	861	470	-
Administered total	1,038	6,181	861	470	-
Departmental expenses					
Departmental appropriation	3,010,913	3,076,336	2,915,602	2,716,189	2,712,926
s74 Retained revenue receipts (a)	131,846	122,798	126,972	127,801	131,859
Expenses not requiring appropriation in the Budget year (b)	191,935	195,169	198,459	201,806	205,211
Departmental total	3,334,694	3,394,303	3,241,033	3,045,796	3,049,996
Total expenses for program 1.1	3,335,732	3,400,484	3,241,894	3,046,266	3,049,996
Program 1.2: Tax Practitioners Board					
Departmental expenses					
Departmental appropriation	14,984	19,582	20,712	23,220	21,256
Departmental total	14,984	19,582	20,712	23,220	21,256
Total expenses for program 1.2	14,984	19,582	20,712	23,220	21,256
Program 1.3: Australian Business Register					
Departmental expenses					
Departmental appropriation	143,275	139,330	139,436	140,388	141,636
Departmental total	143,275	139,330	139,436	140,388	141,636
Total expenses for program 1.3	143,275	139,330	139,436	140,388	141,636

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.4: Australian Charities and Not-for-profits					
Departmental expenses					
Special Account					
<i>Australian Charities and Not-for-profit Commission Special Account</i>	14,388	18,008	15,062	16,856	17,589
Departmental total	14,388	18,008	15,062	16,856	17,589
Total expenses for program 1.4	14,388	18,008	15,062	16,856	17,589
Program 1.5: Australian Screen Production Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	452,400	335,000	333,000	308,000	335,000
Administered total	452,400	335,000	333,000	308,000	335,000
Total expenses for program 1.5	452,400	335,000	333,000	308,000	335,000
Program 1.6: Junior Minerals Exploration Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	15,000	25,000	30,000	30,000	-
Administered total	15,000	25,000	30,000	30,000	-
Total expenses for program 1.6	15,000	25,000	30,000	30,000	-
Program 1.7: Fuel Tax Credit Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	6,913,000	6,922,000	7,241,000	7,654,000	8,114,000
Administered total	6,913,000	6,922,000	7,241,000	7,654,000	8,114,000
Total expenses for program 1.7	6,913,000	6,922,000	7,241,000	7,654,000	8,114,000
Program 1.8: National Rental Affordability Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	211,790	222,817	221,680	218,779	202,310
Administered total	211,790	222,817	221,680	218,779	202,310
Total expenses for program 1.8	211,790	222,817	221,680	218,779	202,310

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.9: Product Stewardship for Oil					
Administered expenses					
Special Appropriations					
<i>Product Grants and Benefits Administration Act 2000 - product stewardship (oil) benefits</i>	83,000	89,000	90,000	91,000	92,000
Administered total	83,000	89,000	90,000	91,000	92,000
Total expenses for program 1.9	83,000	89,000	90,000	91,000	92,000
Program 1.10: Research & Development Tax Incentive					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	2,377,000	2,373,000	2,466,000	2,566,000	2,689,000
Administered total	2,377,000	2,373,000	2,466,000	2,566,000	2,689,000
Total expenses for program 1.10	2,377,000	2,373,000	2,466,000	2,566,000	2,689,000
Program 1.11: Low Income Superannuation Tax Offset					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	793,000	792,000	787,000	780,000	780,000
Administered total	793,000	792,000	787,000	780,000	780,000
Total expenses for program 1.11	793,000	792,000	787,000	780,000	780,000
Program 1.12: Private Health Insurance Rebate					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	234,000	255,000	261,000	267,000	273,000
Administered total	234,000	255,000	261,000	267,000	273,000
Total expenses for program 1.12	234,000	255,000	261,000	267,000	273,000
Program 1.13: Superannuation Co-contribution Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration Act 1953 - section 16 (Non-refund items)</i>	131,000	128,000	127,000	127,000	124,000
Administered total	131,000	128,000	127,000	127,000	124,000
Total expenses for program 1.13	131,000	128,000	127,000	127,000	124,000

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.14: Superannuation Guarantee Scheme					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - section 16</i>					
<i>(Non-refund items)</i>	439,000	625,000	436,000	452,000	470,000
Administered total	439,000	625,000	436,000	452,000	470,000
Total expenses for program 1.14	439,000	625,000	436,000	452,000	470,000
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>	33,000	13,000	248,000	19,000	19,000
Administered total	33,000	13,000	248,000	19,000	19,000
Total expenses for program 1.15	33,000	13,000	248,000	19,000	19,000
Program 1.16: Interest on Overpayment and Early Payments					
Administered expenses					
Special Appropriations					
<i>Taxation Administration</i>					
<i>Act 1953 - section 16</i>					
<i>(Non-refund items)</i>	145,000	165,000	165,000	165,000	165,000
Administered total	145,000	165,000	165,000	165,000	165,000
Total expenses for program 1.16	145,000	165,000	165,000	165,000	165,000
Program 1.17: Bad & Doubtful Debts & Remissions					
Administered expenses					
Expenses not requiring appropriation in the budget year (b)	9,051,517	8,147,000	8,345,000	8,394,000	9,011,000
Administered total	9,051,517	8,147,000	8,345,000	8,394,000	9,011,000
Total expenses for program 1.17	9,051,517	8,147,000	8,345,000	8,394,000	9,011,000
Program 1.18: Other Administered					
Administered expenses					
Exploration Development Incentive	-	-	-	-	-
Seafarer Tax Offset	7,000	7,000	7,000	7,000	7,000
Administered total	7,000	7,000	7,000	7,000	7,000
Total expenses for program 1.18	7,000	7,000	7,000	7,000	7,000

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,038	6,181	861	470	-
Special appropriations	11,834,190	11,951,817	12,412,680	12,684,779	13,270,310
Expenses not requiring appropriation in the Budget year (b)	9,051,517	8,147,000	8,345,000	8,394,000	9,011,000
Administered total	20,886,745	20,104,998	20,758,541	21,079,249	22,281,310
Departmental expenses					
Departmental appropriation	3,169,172	3,235,248	3,075,750	2,879,797	2,875,818
s74 Retained revenue receipts (a)	131,846	122,798	126,972	127,801	131,859
Special accounts	14,388	18,008	15,062	16,856	17,589
Expenses not requiring appropriation in the Budget year (b)	191,935	195,169	198,459	201,806	205,211
Departmental total	3,507,341	3,571,223	3,416,243	3,226,260	3,230,477
Total expenses for Outcome 1	24,394,086	23,676,221	24,174,784	24,305,509	25,511,787

(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 other resources received free of charge.

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1</p> <p>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.</p>	
<p>Program 1.1 — Australian Taxation Office</p> <p>The ATO administers aspects of Australia's tax and superannuation systems providing confidence that the right amount of payments are being made and collected.</p>	
<p>Delivery</p>	<p>The ATO effectively manages and shapes the tax and superannuation systems that support and fund services for Australians, by:</p> <ul style="list-style-type: none"> • collecting revenue; • administering the goods and services tax on behalf of the Australian States and Territories; and • administering major aspects of Australia's superannuation system.
<p>Purpose (a)</p>	<p>The ATO contributes to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems. We achieve this by:</p> <ul style="list-style-type: none"> • making it easy for people to participate; • providing contemporary and tailored services; • maintaining purposeful and respectful relationships; • being a professional and productive organisation; and • building trust and confidence in the ATO and the tax and super systems more broadly.
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Confidence — Community confidence in the ATO</p>	<p>Latest result: Not yet reported. New measure for 2018-19. Target 2018-19: Under development Target 2019-20 and beyond: As per 2018-19</p>
<p>Satisfaction — Community satisfaction with ATO performance</p>	<p>Latest result (2016-17): 75% Target 2018-19: Not applicable, ceased in 2017-18</p>
<p>Superannuation — Adjusted employer superannuation contributions as a proportion of adjusted salary and wages</p>	<p>Latest result (2016-17): 10.0% Target 2018-19: Not applicable, ceased in 2017-18</p>

Performance information 2017-18 and beyond	
Performance criteria	Targets
Registration — Proportion of companies and individuals registered in the system	<p>Latest result (2016-17): Companies registered in the system: 66.62% Individuals registered in the system: 101.2%</p> <p>Target 2018-19: The ATO aims to ensure that all entities that are required to participate in the tax and superannuation system are registered on the ATO client register</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Lodgment — Proportion of activity statements and income tax returns lodged on time	<p>Latest result (2016-17): 77.0% activity statements, 82.6% income tax returns (2015-16 returns)</p> <p>Target: 2018-19: Activity statements lodged on time: 78% Income tax returns lodged on time: 83%</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Payment — Proportion of liabilities paid on time by value	<p>Latest result (2016-17): 88.2%</p> <p>Target 2018-19: 88%</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Correct reporting – Tax gap as a proportion of revenue	<p>Latest result: Refer to Commissioner of Taxation Annual Report 2016-17 (page 87) for detailed information and trends.</p> <p>Target 2018-19: Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available.</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Debt — Ratio of collectable debt to net tax collections	<p>Latest result (2016-17): 5.6%</p> <p>Target 2018-19: Below 5.5%</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

Performance information 2017-18 and beyond	
Performance criteria	Targets
Audit yield — Cash collected from direct compliance activities	Latest result (2016-17): \$10.2 billion Target 2018-19: Not applicable, ceased in 2017-18
Total revenue effects — Tax revenue from all compliance activities	Latest result (2016-17): \$15 billion Target 2018-19: \$15 billion Target 2019-20 and beyond: As per 2018-19
Tax assured — Proportion of the tax base where the ATO has justified trust that it is accurate Tax assured — Proportion of the tax base where the ATO has justified trust that tax paid is correct based on the proportion of income, deductions and tax offsets assured (Note: change to measure name for 2018-19)	Latest result (2016-17): Under development Target 2018-19: Under development Target 2019-20 and beyond: As per 2018-19
Influence — Government and Treasury perceptions of the ATO and the quality of our advice	Latest result: Not yet reported. New measure for 2017-18. Target 2018-19: Under development Target 2019-20 and beyond: As per 2018-19
Compliance cost — Adjusted median cost to individual taxpayers of managing their tax affairs	Latest result (2016-17): 1.0% reduction (2015-16 returns) Target 2018-19: Remain steady Target 2019-20 and beyond: As per 2018-19
Ease — People surveyed agree the ATO makes it easy to access services and information	Latest result (2016-17): 75% Target 2018-19: Not applicable, ceased in 2017-18
Successful delivery — Design of the 'Future state tax and superannuation systems' initiative	Latest result: Not yet reported. New measure for 2017-18. Target 2018-19: Not applicable, ceased in 2017-18
Empowerment — Partner perceptions of how the ATO empowers and includes them Working together — Partner perceptions of how the ATO is working together with them to administer the tax and superannuation system (Note: change to measure name for 2018-19)	Latest result: Not yet reported. New measure for 2017-18. Target 2018-19: Under development Target 2019-20 and beyond: As per 2018-19
Digital — Proportion of inbound transactions received digitally for key services	Latest result (2016-17): 88% Target 2018-19: 90% Target 2019-20 and beyond: As per 2018-19

Performance information 2017-18 and beyond	
Performance criteria	Targets
<p>Availability — Digital systems and services availability</p> <p>Availability — Key digital systems availability (Note: change to measure name for 2018-19)</p>	<p>Latest result: Not yet reported. New measure for 2017-18.</p> <p>Target 2018-19: Under development</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Culture — Level of employee engagement</p>	<p>Latest result (2016-17): 6.8 / 10</p> <p>Target 2018-19: Equal or better than the average result for large agencies</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Gender equality — Female representation in the senior executive service (SES) and executive level (EL) classifications</p>	<p>Latest result: Not yet reported. New measure for 2017-18.</p> <p>Target 2018- 19: 45% of SES and approx. 50% of EL staff</p> <p>Target 2019-20: Approx. 50% of SES and approx. 50% of EL staff</p> <p>Target 2020-21 and beyond: As per 2019-20</p>
<p>Indigenous representation — Proportion of ATO staff who identify as Indigenous</p>	<p>Latest result: Not yet reported. New measure for 2017-18.</p> <p>Target 2018- 19: 2.5%</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Tax returns — Proportion of items that are pre-filled</p>	<p>Latest result: Not yet reported. New measure for 2017-18.</p> <p>Target 2018-19: Under development</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Security policy — Level of compliance with Protective Security Policy Framework mandatory requirements</p>	<p>Latest result: Not yet reported. New measure for 2017-18.</p> <p>Target 2018-19: Under development</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Budget — ATO manages its operating budget to balance</p>	<p>Latest result (2016-17): 0.13% surplus</p> <p>Target 2018-19: +/-0.6% of budget allocation</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

Performance information 2017-18 and beyond	
Performance criteria	Targets
Cost of collection — Cost to collect net \$100 Cost of collection - Cost to collect \$100 (Note: change to measure name for 2018-19)	Latest result (2016-17): \$0.74 (gross), \$0.81 (net) Target 2018-19: Consistent with trend Target 2019-20 and beyond: As per 2018-19

(a) Refers to updated purpose that will be reflected in the 2018-19 ATO Corporate Plan.

<p>Program 1.2 – Tax Practitioners Board (TPB)</p> <p>The TPB has the general administration of the <i>Tax Agent Services Act 2009</i> (TASA) and is responsible for the registration and regulation of tax practitioners. These include tax agents, business activity statement (BAS) agents and tax (financial) advisers.</p> <p>The TPB's establishment, functions and powers are defined in the TASA. The TPB's role is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.</p>	
<p>Delivery</p>	<p>The TPB ensures that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct by:</p> <ul style="list-style-type: none"> • administering a system to register tax practitioners, ensuring they have the necessary competence and personal attributes; • providing guidelines and information on relevant matters; • investigating conduct that may breach the TASA, including non-compliance with the Code of Professional Conduct (Code), and breaches of the civil penalty provisions; • imposing administrative sanctions for non-compliance with the Code; and • applying to the Federal Court in relation to contraventions of the civil penalty provisions in the TASA.
<p>Purpose (a)</p>	<ol style="list-style-type: none"> 1. Protect all consumers of tax practitioner services by: <ul style="list-style-type: none"> • ensuring that every entity that should be registered under the TASA is registered; and • encouraging consumers seeking tax practitioner services to only engage registered tax practitioners. 2. Maintain, protect and enhance the integrity of the registered tax practitioner profession by: <ul style="list-style-type: none"> • assisting registered tax practitioners to understand their obligations under the TASA; • ensuring registered tax practitioners comply with their obligations under the TASA; and • deterring conduct by unregistered entities prohibited under the TASA. 3. Promote the TPB as an independent, efficient and effective regulator by: <ul style="list-style-type: none"> • demonstrating the TPB is an effective, best-practice regulator of tax practitioners; • improving the TPB's technology platforms to ensure that meet the needs and expectations of the profession, consumers and staff; and • consulting with Treasury on any legislative matters that may impact upon the efficient and effective operation of the TASA including matters relating to the TPB's independence.

Performance information 2017-18	
Performance criteria	Targets
<p>Financial advisers that provide a tax (financial) advice service are registered and shown on the register.</p> <p>(i) Tax (financial) advisers that fail to renew their registration are informed that they must not continue offering or advertising tax (financial) adviser services, or representing themselves as being a tax (financial) adviser</p>	<p>(i) 100% of previously registered tax (financial) advisers are notified if they fail to renew</p> <p>Forecast: Target achieved based on current result of 100%</p>
<p>Tax practitioners receive ongoing education to understand their rights and obligations</p> <p>(i) The events and attendance of regular webinars, consultative forums, outreach activities, open forums, and publication of enews, guidance material, practice notes etc.</p> <p>(ii) Feedback survey results on education initiatives and communication avenues, including on webpages regarding the relevance and usefulness of the content</p>	<p>(i) Maintain or improve</p> <p>Forecast: Target achieved based on current results</p> <p>(ii) Majority of feedback is positive</p> <p>Forecast: Target achieved based on current results</p>
<p>An effective complaints/referrals process for consumers, the public and other agencies, to detect, deter and respond to misconduct</p> <p>(i) % of all registered practitioners subject to breach finding</p> <p>(ii) % of TPB complaints subject to oversight from the Inspector General of Taxation (IGT)</p>	<p>(i) <3% of tax practitioners are subject to a breach finding</p> <p>Forecast: Target achieved based on current result of <1%.</p> <p>(ii) <1% of complaints are subject to oversight from the IGT</p> <p>Forecast: Target achieved based on current result of <1%.</p>
Performance information 2018-19	
Performance criteria	Targets
Register tax practitioners in accordance with eligibility requirements under TASA	
<p>Provide information guidance and advice to entities to help them to register</p>	<ul style="list-style-type: none"> Majority of feedback on the registration process is positive Majority of feedback on usefulness of TPB website content, communications and education initiatives is positive
<p>Register new practitioners and include them onto the tax practitioner register</p>	<p>Meet published service standards for processing registration applications</p>

Performance information 2018-19	
Performance criteria	Targets
Register tax practitioners in accordance with eligibility requirements under TASA (continued)	
Ensure eligibility requirements for registration under TASA are met	Quality assurance processes demonstrate that mandatory eligibility requirements are appropriately checked and confirmed before majority of applications are approved
Take action to ensure tax practitioners continue to meet eligibility requirements	
Utilise the Annual Declaration process to ensure the timely termination of registered tax practitioners that no longer meet eligibility requirements	Outcomes of Annual Declaration process reflect appropriate termination of registered tax practitioners where they cease to meet eligibility requirements
Ensure that only practitioners who meet eligibility requirements remain registered	Outcomes from renewal process reflect that practitioners who cease to meet eligibility requirements are no longer registered
Maintain a public register of registered and deregistered practitioners	
Educate the public regarding the benefits of using registered tax practitioners and the risks of not doing so	<ul style="list-style-type: none"> • Regular consumer awareness messaging • Number of media releases regarding unregistered conduct
Ensure the register is maintained and accessible to the public	Public register is available 99% of the time
Educate tax practitioners to understand their obligations under the TASA	
Publish information and provide guidance and advice to registered tax practitioners to assist them to understand their duties and obligations under the TASA, including the Code of Professional Conduct	<ul style="list-style-type: none"> • Regular publication of information sheets and other guidance material and eNews for tax practitioner subscribers • Attendance rates and feedback reflects satisfaction with Outreach events, speaking engagements and webinars
Engage with recognised professional associations	Feedback reflects satisfaction with communication and consultation by the TPB

Performance information 2018-19	
Performance criteria	Targets
Investigate registered tax practitioner conduct that breaches the TASA and impose sanctions where appropriate	
Maintain effective processes for registered tax practitioners, consumers, the public and other agencies to detect, deter and respond to conduct that breaches the TASA	<ul style="list-style-type: none"> Majority of cases finalised within published service standard timeframes Quality assurance and quality control processes demonstrate that complaint handling aligns with the TPB's policies and procedures Majority of case outcomes unvaried when reviewed by the Inspector General of Taxation
Apply a targeted and strategic risk-based compliance approach	Statistics demonstrate that matters are progressed in accordance with the TPB's risk matrix
Investigate conduct by unregistered entities that is prohibited under the TASA and initiate Federal Court proceedings where appropriate	
Maintain effective processes to respond to conduct that is prohibited by the TASA	<ul style="list-style-type: none"> Majority of cases finalised within published service standard timeframes Quality assurance and quality control processes demonstrate that complaint handling aligns with TPB's policies and procedures Majority of case outcomes unvaried when reviewed by the Inspector General of Taxation
Take appropriate action to deter unregistered entities from providing services prohibited by the TASA	<ul style="list-style-type: none"> Cases are finalised within published service standards Majority of Federal Court decisions affirm breaches of the TASA. Following any Federal Court decision, a media release will be issued where appropriate

Performance information 2018-19	
Performance criteria	Targets
Recognise professional associations and ensure they meet the eligibility requirements for registration	
Assess new applications for recognition against eligibility criteria	All new applications are processed and assessed against the eligibility criteria as required under the Tax Agent Services Regulations
Utilise the Annual Declaration process to ensure recognised professional associations continue to meet eligibility requirements (including appropriate governance requirements)	Outcomes of Annual Declaration process reflect appropriate scrutiny and assurance that professional associations should remain recognised
All actions and decisions are made in accordance with the law	
Make evidence based, consistent, transparent, legally sound decisions that can withstand external scrutiny	Majority of decisions of the Inspector General of Taxation, AAT and Federal Court affirm TPB's procedures and decisions
Ensure TPB is appropriately supported by flexible, agile and capable workforce and information technology systems	
Develop and implement strategies to enable a flexible workforce and enhance staff capability	<ul style="list-style-type: none"> • All staff have current individual performance and development agreements in place (compass discussions) • Internal TPB digital systems and services are available a majority of the time
Implement priority initiatives arising from the Board and relevant Committees	<ul style="list-style-type: none"> • Priority initiatives are scoped and implemented • Compliance with whole of government standards regarding security of information. • The KPIs set in the Regulator Performance Framework are met

Performance information 2018-19	
Performance criteria	Targets
Engage with other government agencies particularly the ATO and the Australian Securities and Investments Commission (ASIC)	
Have appropriate Memorandums of Understanding (MOU) in place to improve data exchange arrangements with relevant government agencies to allow TPB to take appropriate action under the TASA	MOUs in place with relevant government agencies
Identify and raise legislative matters impacting upon the efficient and effective operation of the TASA with Treasury	
Make submissions to Treasury as required	Treasury considers the TPB's submissions
Performance information 2019-20 and beyond	
Performance criteria	Targets
As per 2018-19	As per 2018-19

(a) Refers to updated purposes that will be reflected in the 2018-19 TPB Corporate Plan.

<p>Program 1.3 — Australian Business Register</p> <p>The Commissioner of Taxation is also the Registrar of the Australian Business Register (ABR). The Registrar has separate and distinct responsibilities as outlined in section 28 of the <i>A New Tax System (Australian Business Number) Act 1999</i>.</p> <p>The ABR program contributes to micro-economic reform initiatives by delivering modern business registry services that provide a source of truth for national business data, allow businesses to interact and report digitally, and reduces administrative burdens for business.</p> <p>The ABR program encompasses:</p> <ul style="list-style-type: none"> • the Register, which is a trusted national business dataset and business registry services • Standard Business Reporting, which defines a common language for business information and standards for digital information exchange and sharing with businesses and government • secure authentication options, giving business easy access to a range of services. 	
Delivery	<p>The ABR program works with Government, Digital Service Providers, the business community and other key stakeholders to support a fairer business environment that fosters greater economic growth and job creation. This will be achieved through increased use of a trusted national business dataset and use of consistent information exchange standards.</p>
Purpose (a)	<p>The ABR program contributes to improving national productivity by:</p> <ul style="list-style-type: none"> • delivering effective and efficient business registry services that provide trusted and accessible national business data • encourage trust and confidence in the broader use of national business data, by the community, businesses and government to promote the development of new and better services for businesses, using the ABN as a key identifier • reducing the administrative cost to businesses in their dealings with other businesses and government.

Performance information 2017-18 and beyond	
Performance criteria	Targets
<p>Increased use of the ABR as the source of national business information by Government agencies and the community</p> <p>Increased use of the ABR as the national business dataset</p> <p>(Note: change to measure name for 2018-19)</p>	<p>Latest result (2016-17): 232 government agencies using ABR Explorer (66% increase) 32.5% increase in ABN Lookup searches</p> <p><u>Target 2018-19:</u> ABR Explorer — 340 ABR Connect — 12 ABN Lookup — 1.1 billion</p> <p><u>Target 2019-20:</u> ABR Explorer — 370 ABR Connect — 14 ABN Lookup — 1.3 billion</p> <p><u>Target 2020-21:</u> ABR Explorer — 400 ABR Connect — 16 ABN Lookup — 1.5 billion</p> <p><u>Target 2021-22:</u> ABR Explorer — 420 ABR Connect — 18 ABN Lookup — 1.8 billion</p>
<p>Reduction in the administrative cost to businesses and government in dealing with each other</p>	<p>Latest result (2016-17): \$1.39 billion</p> <p><u>Target 2018-19:</u> Total — 1.55 billion</p> <p><u>Target 2019-20:</u> Total — 1.95 billion</p> <p><u>Target 2020-21:</u> Total — 1.98 billion</p> <p><u>Target 2021-22:</u> Total — 2.00 billion</p>

(a) Refers to updated purposes that will be reflected in the 2018-19 ATO Corporate Plan.

<p>Program 1.4 — Australian Charities and Not-for-profits Commission</p> <p>The Australian Charities and Not for profits Commission (ACNC) is the independent national regulator of charities. The ACNC Commissioner (the Commissioner) has a number of statutory functions and regulatory powers set out in the <i>Australian Charities and Not-for-profits Commission Act 2012</i> (Cth) (ACNCs Act), the <i>Charities Act 2013</i> (Cth) (the Charities Act) and accompanying regulations. The ACNC contributes to a charity sector that inspires confidence and respect by:</p> <ul style="list-style-type: none"> • Adopting best practice in regulation and delivering effective regulatory services; • Collecting data that is securely stored, populates the register for public access and to share with authorized partners; • Working collaboratively across Government to reduce the administrative burden on charities; • Building systems and processes that support quality, efficient and effective interactions with customers; • Sustaining an independent, transparent and well governed agency with a positive culture and strong customer service ethos. 	
<p>Delivery</p>	<p>The ACNC effectively managed a regulatory system for the Australian charitable sector by:</p> <ul style="list-style-type: none"> • registering eligible not-for-profit entities as charities in accordance with the <i>ACNC Act</i> and the <i>Charities Act</i>. • providing information, guidance and advice about good governance practices and to assist charities to meet their obligations to maintain charity registration. • assess concerns raised about registered charities, investigate where appropriate and initiate compliance action against charities that contravene the <i>ACNC Act</i> or Governance Standards. • working with other Government agencies (Commonwealth, state and territory) to reduce red tape on charities and align regulatory obligations through various mechanisms, including the ACNC’s Charity Passport.
<p>Purpose</p>	<ul style="list-style-type: none"> • to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector; • to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector; • to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.
<p>Performance information 2017-18</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector</p>	
<p>Meet published service standards for processing registration applications and finalising investigations</p>	<p>Target: met Latest result: Target met for registration application processing Target not met for finalising investigations</p>

Performance information 2017-18	
Performance criteria	Targets
Registered charities meet their obligations to lodge an Annual Information Statement	<p>Target: 80% of charities lodge their Annual Information Statement on time</p> <p>Latest result: 90% of registered charities had submitted their 2016 Annual Information Statement</p>
Charities with two outstanding Annual Information Statements are removed from the charity register biannually	<p>Target: 100%</p> <p>Latest result: target met</p>
Information provided by charities in Annual Information Statements is analysed for accuracy	<p>Targets:</p> <ul style="list-style-type: none"> • 100% of financial information submitted in the Annual Information Statements (excluding annual financial reports) is examined for material errors • Charities that collectively hold 80% of the sectors revenue and/or assets are each manually reviewed to confirm compliance with reporting requirements. • At least 150 annual financial reports are examined for detailed review to confirm compliance with reporting requirements <p>Latest result: Not yet reported, new measure for 2017-18.</p>
Recognition by the Australian public of the ACNC as a primary source of information about charities increases	<p>Targets:</p> <ul style="list-style-type: none"> • Public trust and confidence survey finds increasing recognition of the ACNC and its role <p>Latest result: Not yet reported, new measure for 2017-18.</p> <ul style="list-style-type: none"> • Charity Register and website use increases by 10% <p>Latest result: Register use increased by 37% in 2016-17 Website usage increased by 20% in 2016-17</p>
An internal review of the effectiveness of the ACNC legislation to enable the ACNC to achieve the objects of the Act is completed	<p>Target: met</p> <p>Latest result: Not yet reported, new measure for 2017-18.</p>

Performance information 2017-18	
Performance criteria	Targets
Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
Decisions are evidence based, consistent and transparent	Target: Quality assurance processes demonstrate decisions align with the regulatory approach and are legally sound Latest result: Not yet reported, new measure for 2017-18.
Information, guidance and advice provided to charities to help them understand their obligations and support good governance is timely accurate and accessible	Targets: <ul style="list-style-type: none"> Enquiries are responded to according to the published service standards Latest result: 78% of calls answered within two minutes from a target of 80% in 2016-17 <ul style="list-style-type: none"> Quality assurance reviews of advice provided by staff meets a 75% or higher rating Latest result: the rating achieved an 80% rating in 2016-17
Data about charities collected by the ACNC is compiled and published in comprehensive reports about the contribution charities make to society	Targets: <ul style="list-style-type: none"> At least one report is released to the public analysing AIS data Open source data about registered charities is up to date and available on data.gov.au Latest result: targets met in 2016-17
Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
Improve data exchange arrangements to reduce red tape by simplifying and streamlining reporting for charities in highly regulated sectors and aligning obligations for state and territory regulated charities to enable report once-use-of-often reporting for the purposes of: <ul style="list-style-type: none"> State revenue Fundraising Incorporation 	Target: The Regulator Performance Framework demonstrates a reduction in red tape for charities Latest result: Not yet reported. New measure for 2017-18.

Performance information 2018-19	
Performance criteria	Targets
Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector	
Meet published service standards for processing registration applications and finalising investigations	Target: met
Registered charities meet their obligations to lodge an AIS	Target: 75% of charities lodge their AIS on time
Charities identified as being ineligible to be registered are revoked and removed from the charity register	Target: 100%
Develop, publish on the website and implement a data integrity strategy for each Annual Information Statement detailing the risk based approach to confirming accuracy of reporting	Target: met
Decisions are evidence based, consistent and transparent	Target: Quality assurance processes demonstrate decisions align with the regulatory approach and are legally sound
Support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector	
Information, guidance and advice provided to charities to help them understand their obligations and support good governance is timely accurate and accessible	Targets: <ul style="list-style-type: none"> • Enquiries are responded to according to the published service standards • Quality assurance reviews of advice provided by staff meets a 75% or higher rating
Data about charities collected by the ACNC is made available to the public in an accessible format	Targets: <ul style="list-style-type: none"> • Publicly available data about registered charities is up to date and available on data.gov.au • The charity register is redesigned to better present data to inform donor decision making
Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector	
Reduce red tape for charities by simplifying and streamlining reporting	Target: The Regulator Performance Framework demonstrates a reduction in red tape for charities
Performance information 2019-20 and beyond	
Performance criteria	Targets
As per 2018-19	As per 2018-19

<p>Program 1.5 – 1.18 Administered programs</p> <p>The ATO administers a range of payments and transfers on behalf of the Australian Government, including incentives and rebates delivered through the taxation and superannuation systems.</p>	
<p>Delivery</p>	<p>Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the taxation and superannuation systems.</p>
<p>Purpose</p>	<p>The ATO contributes to the economic and social wellbeing of Australians through governing a range of programs that result in transfers and benefits back to the community.</p>
<p>Program 1.5 — Australian Screen Production Incentive</p> <p>The Australian Screen Production Incentive comprises three refundable film tax offsets: the Producer Offset, the Location Offset, and the Post, Digital and Visual Effects (PDV) Offset. These offsets are designed to ensure Australia remains competitive in attracting high budget film and television productions and are aimed at providing increased opportunities for Australian casts, crew, post-production companies and other services to participate in these productions. The Ministry for the Arts, along with Screen Australia and the ATO, have co-administration responsibilities for the program. Screen Australia has responsibility for the Producer Offset while the Ministry for the Arts has responsibility for the Location and PDV Offset. The ATO conducts verification and reconciliation with the certificates provided by the government agencies before the offset is paid to the taxpayer.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of tax offsets processed</p>	<p>Latest result (2016-17): \$279.7 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.6 — Junior Minerals Exploration Incentive</p> <p>The Junior Minerals Exploration Incentive will allow small mineral exploration companies with no taxable income to provide exploration credits, paid as a refundable tax offset, to their Australian resident shareholders for greenfield mineral exploration.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria (a)</p>	<p>Targets</p>
<p><i>All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing</i></p>	<p>Latest result: Not yet reported. New measure which came into effect on 1 April 2018.</p> <p>Target 2018-19: Within 28 calendar days of the application period closing</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p><i>Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued</i></p>	<p>Latest result: Not yet reported. New measure which came into effect on 1 April 2018.</p> <p>Target 2018-19: Within 56 calendar days of the application period closing</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

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

<p>Program 1.7— Fuel Tax Credits Scheme</p> <p>The objective of the Fuel Tax Credits Scheme is to remove or reduce the incidence of fuel tax levied on taxable fuels by providing a credit for fuel used for:</p> <ul style="list-style-type: none"> • business activities in machinery, plant and equipment and heavy vehicles; • the domestic generation of electricity by taxpayers not in business. 	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of claims</p>	<p>Latest result (2016-17): \$6.2 billion</p> <p>Target 2018-19: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.8 — National Rental Affordability Scheme</p> <p>The Department of Social Services has policy responsibility for the National Rental Affordability Scheme. The objectives are to:</p> <ul style="list-style-type: none"> • increase the supply of new affordable rental housing; • reduce rental costs for low and moderate income households — National Rental Affordability Scheme homes rented to eligible tenants at a rate that is at least 20 per cent below the market value rent; and • encourage large-scale investment and innovative delivery of affordable housing through the provision of the following incentives: <ul style="list-style-type: none"> – an Australian Government incentive per dwelling per year as a tax offset or direct payment; and – a State or Territory Government incentive as a direct payment per dwelling per year or in-kind financial support. 	
<p>Performance information 2017-18 and beyond</p>	
Performance criteria	Targets
Value of tax offsets processed	<p>Latest result (2016-17): \$166.2 million</p> <p>Target 2018-19: The ATO aims to administer the scheme in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.9 — Product Stewardship for Oil</p> <p>The objective of the Product Stewardship for Oil Program is to:</p> <ul style="list-style-type: none"> • provide incentives to increase used oil recycling; and • encourage the environmentally sustainable management and re-refining of used oil and its re-use. <p>These objectives are met through the payment of a levy on producers and importers of petroleum based oils and their synthetic equivalents. Benefits are paid to oil recyclers as an incentive to undertake increased recycling of used oil.</p> <p>The Department of the Environment and Energy has policy responsibility for the program, with the ATO administering the program on its behalf.</p>	
<p>Performance information 2017-18 and beyond</p>	
Performance criteria	Targets
Value of revenue collected	<p>Latest result (2016-17): \$33.9 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Value of payments processed	<p>Latest result (2016-17): \$71.9 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.10 — Research and Development Tax Incentive</p> <p>The Research and Development (R&D) Tax Incentive is an ongoing scheme designed to increase the level of research and development being conducted by Australian companies.</p> <p>The Department of Industry has the primary policy responsibility for the program with the aim of increasing both the number of companies investing in innovation and the value of innovation investment over time.</p> <p>The ATO has an important supporting role in processing claims through the tax system for the R&D offset.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of claims processed for 38.5% non-refundable research and development tax offset claimants</p>	<p>Latest result (2016-17): \$3.6 billion tax offset paid (based on 40% non-refundable research and development tax offset claimants)</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Value of claims processed for 43.5% refundable research and development tax offset claimants</p>	<p>Latest result (2016-17): \$2.5 billion tax offset paid (based on 45% refundable research and development tax offset claimants)</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2018-19 and beyond: As per 2017-18</p>
<p>Number of claims processed for 38.5% non-refundable research and development tax offset claimants</p>	<p>Latest result (2016-17): 1,812 (based on 40% non-refundable research and development tax offset claimants)</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

Performance information 2017-18 and beyond	
Performance criteria	Targets
Number of claims processed for 43.5% refundable research and development tax offset claimants	<p>Latest result (2016-17): 11,262 (based on 45% refundable research and development tax offset claimants)</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Proportion of offsets processed within service standard timeframes	<p>Latest result (2016-17): 42.4%</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

Program 1.11 — Low Income Superannuation Tax Offset

The Low Income Superannuation Tax Offset (LISTO) is aimed to address some of the inequity in the superannuation system, where low income earners with a marginal rate of tax less than 15 per cent, pay a higher rate of tax on superannuation contributions than if they had received the money as salary and wages.

The LISTO replaces the low income superannuation contribution (LISC) policy from 1 July 2017. LISC will continue to be payable for concessional contributions made up to and including the 2016-17 year, however, determinations will cease at 1 July 2019.

The Treasury has policy responsibility for the program, while the ATO administers the program and provides information and support to individuals and superannuation funds through advice and education services.

Performance information 2017-18 and beyond

Performance criteria	Targets
Value of entitlements paid	<p>Latest result (2016-17): \$793.5 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

Program 1.12 — Private Health Insurance Rebate

The objective of the Private Health Insurance Rebate is to provide access to a benefit to eligible individuals with private health insurance and to act as an incentive to take up private health insurance.

The Department of Health has policy responsibility for the program, and the administration of the program is split between the ATO and registered health insurers, depending on the claim method.

Performance information 2017-18 and beyond

Performance criteria	Targets
Value of rebates processed	<p>Latest result (2016-17): \$249.2 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.13 — Superannuation Co-contribution Scheme</p> <p>The Superannuation Co-contribution Scheme is to help low and middle income earners save for their retirement. Eligible individuals who make personal superannuation contributions to a complying superannuation fund or retirement savings account receive a co-contribution from the Government up to certain limits.</p> <p>The Treasury has policy responsibility for the program, while the ATO administers the program and provides information and support to individuals and superannuation funds through marketing and education services.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of entitlements paid</p>	<p>Latest result (2016-17): \$147.8 million Target 2018-19: The ATO aims to administer the program in accordance with the law Target 2019-20 and beyond: As per 2018-19</p>

Program 1.14 — Superannuation Guarantee Scheme	
<p>Under the <i>Superannuation Guarantee (Administration) Act 1992</i> (SGAA), most employers must pay superannuation contributions into a complying superannuation fund or retirement savings account.</p> <p>Non-compliance with the SGAA by employers means that eligible employees will not receive their entitlements to, and benefits of, superannuation in their retirement.</p>	
Performance information 2017-18 and beyond	
Performance criteria	Targets
Number of superannuation guarantee complaints leading to a superannuation liability being raised and those leading to no result	<p>Latest result (2016-17): 5,598 liability being raised; 7,060 no result</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Number of employees who have had superannuation guarantee entitlements raised as a result of ATO compliance activities and voluntary disclosures	<p>Latest result (2016-17): 69,705 compliance activities; 77,344 voluntary disclosures</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Number of employers whose records are checked and the number leading to a superannuation liability being raised	<p>Latest result (2016-17): 16,874 (checked); 7,700 (liability raised)</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO	<p>Latest result (2016-17): 0.9%</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Value of superannuation guarantee charge:</p> <ul style="list-style-type: none"> • raised (including penalties and interest) • collected 	<p>Latest result (2016-17): \$603.5 million raised; \$282.9 million collected</p> <p>Target 2018-19 (raised): \$841 million</p> <p>Target 2019-20: \$852 million</p> <p>Target 2020-21: \$885 million</p> <p>Target 2021-22: \$920 million</p> <p>Target 2018-19 (collected): \$311 million</p> <p>Target 2019-20: \$304 million</p> <p>Target 2020-21: \$314 million</p> <p>Target 2021-22: \$327 million</p>

Performance information 2017-18 and beyond	
Performance criteria	Targets
Value of superannuation guarantee entitlements distributed to individuals or superannuation funds	Latest result (2016-17): \$281.1 million Target 2018-19: \$285 million Target 2019-20: \$295 million Target 2020-21: \$306 million Target 2021-22: \$318 million
Value of superannuation guarantee debt on hand and the amount of superannuation guarantee debt irrecoverable at law or uneconomical to pursue	Latest result (2016-17): \$1.5 billion debt on hand; \$167.0 million not pursued Target 2018-19: \$3.4 billion debt on hand; \$178 million written off Target 2019-20 and beyond: As per 2018-19

<p>Program 1.15 — Targeted Assistance Through the Taxation System</p> <p>Under the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i>, superannuation funds must identify certain types of lost and former temporary resident accounts as unclaimed superannuation money and transfer amounts to the ATO every six months.</p> <p>Since 1 July 2013, any unclaimed superannuation money payments from the ATO to individuals includes interest, at a rate equivalent to the consumer price index, to preserve the value of these accounts. While the Treasury has policy responsibility, the ATO administers the program.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of interest payments processed</p>	<p>Latest result (2016-17): \$14.2 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.16 — Interest on Overpayment and Early Payments of Tax</p> <p>The objective of the program is to apply credit interest to taxpayers' accounts where they are entitled under the law.</p> <p>The application of credit interest is non-discretionary where an entitlement exists under the <i>Taxation (Interest on Overpayments and Early Payments) Act 1983</i>. Administered interest regimes include:</p> <ul style="list-style-type: none"> • interest on overpayments of tax; • delayed refund interest; and • interest on early payments of tax. 	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Value of credit interest applied to client accounts due to processing performance</p>	<p>Latest result (2016-17): \$29.8 million</p> <p>Target 2018-19: The ATO aims to administer the program in accordance with the law</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.17 — Bad and Doubtful Debts and Remissions</p> <p>The primary objective of the program is to help ensure that the value of tax receivables reported is a true and fair estimate of what can be collected on behalf of the Australian Government.</p> <p>The ATO may not be able to collect all tax liabilities due. The ATO estimates the amount it does not expect to recover and, in accordance with Australian Accounting Standards, creates an impairment allowance provision for this amount. This provision is one of the amounts offset against the gross total taxation receivables to determine the net total taxation receivables, which is a true and fair estimate of what can be collected on behalf of the Australian Government.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Provision for bad and doubtful debts as a proportion of total tax receivables</p>	<p>Latest result (2016-17): 36%</p> <p>Target 2018-19: Below 35%</p> <p>Target 2019-20 and beyond: As per 2018-19</p>

<p>Program 1.18 — Other administered</p> <p>The Seafarer Tax Offset commenced from 1 July 2012 and is designed to stimulate employment opportunities for Australian seafarers to gain maritime skills. The offset will provide a refundable tax offset for qualifying companies employing eligible seafarers. A Bill to abolish the Seafarer Tax Offset was tabled in Parliament, but has now lapsed. There has been no Government announcement on the future of the Seafarer Tax Offset since the lapsing of the Bill.</p> <p>The Exploration Development Incentive (EDI) is in its final year (2017-18) of allowing eligible small mineral exploration companies with no taxable income to provide exploration credits, paid as a refundable tax offset, to their Australian resident shareholders for greenfield mineral exploration. As announced by the Government on 2 September 2017, the Junior Minerals Exploration Incentive will replace the EDI.</p>	
<p>Performance information 2017-18 and beyond</p>	
<p>Performance criteria</p>	<p>Targets</p>
<p>Seafarer Tax Offset</p>	
<p>Eligible taxpayers are aware of how to claim the offset</p>	<p>Latest result (2016-17): 100%</p> <p>Target 2018-19: 100%</p> <p>Target 2019-20 and beyond: As per 2018-19</p>
<p>Exploration Development Incentive (EDI)</p>	
<p>Modulation factor provided by the ATO in sufficient time to allow allocation of capped exploration credits to shareholders</p>	<p>Latest result (2016-17): Yes — provided before target date of 31 December 2016</p> <p>Target 2018-19: Not applicable, ceased as PBS measure in 2017-18.</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental comprehensive income statement (Table 3.1)

ATO is budgeting for a balanced operating result in 2018-19, therefore allowing for unfunded depreciation expenses of \$192.2 million. Under net cash funding arrangements, asset replacement is funded through capital appropriation.

Total operating revenue for 2018-19 is estimated at \$3.4 billion while expenditure is estimated to be \$3.6 billion, inclusive of unfunded depreciation. These budgeted amounts have increased since the 2017-18 Additional estimates mainly due to new Budget expense measures, changes in own-source income and indexation movements.

Departmental Balance Sheet (Table 3.2)

ATO's budgeted net assets as at 30 June 2019 is expected to be \$186.8 million. Net assets have decreased by \$29.2 million since 2017-18 Additional Estimates mainly due to increases in depreciation expense.

Departmental Cash Flow (Table 3.4)

The cash flow in 2018-19 has changed since the 2017-18 Additional Estimates, mainly due to new Budget measures, changes in expenses, movement in capital expenditure and changes in own-source revenue.

Departmental Capital Budget Statement (Table 3.5)

Total capital appropriations in 2018-19 have increased by \$9.8 million since the 2017-18 Additional Estimates, as a net result of new capital measures.

Total purchase of non-financial assets in 2018-19 have increased by \$13.6 million since the 2017-18 Additional Estimates, primarily due to new capital measures and the movement of prior year capital expenditure.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	1,916,855	1,951,665	1,938,268	1,938,002	1,938,157
Suppliers	1,401,551	1,427,389	1,282,516	1,089,452	1,090,109
Depreciation and amortisation (a)	188,935	192,169	195,459	198,806	202,211
Total expenses	3,507,341	3,571,223	3,416,243	3,226,260	3,230,477
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	131,846	122,798	126,972	127,801	131,859
Other	3,000	3,000	3,000	3,000	3,000
Total own-source revenue	134,846	125,798	129,972	130,801	134,859
Total own-source income	134,846	125,798	129,972	130,801	134,859
Net (cost of)/contribution by services	(3,372,495)	(3,445,425)	(3,286,271)	(3,095,459)	(3,095,618)
Revenue from Government	3,183,560	3,253,256	3,090,812	2,896,653	2,893,407
Surplus/(deficit) attributable to the Australian Government	(188,935)	(192,169)	(195,459)	(198,806)	(202,211)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	188,935	192,169	195,459	198,806	202,211
Total comprehensive income/(loss) - as per the statement of comprehensive income	(188,935)	(192,169)	(195,459)	(198,806)	(202,211)

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

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	22,542	22,614	22,671	22,729	22,788
Trade and other receivables	422,769	443,344	462,722	452,763	449,358
Total financial assets	445,311	465,958	485,393	475,492	472,146
Non-financial assets					
Building - Leasehold Improvements	195,644	197,278	217,032	225,450	252,142
Plant and Equipment	73,090	63,739	65,613	58,369	60,779
Intangibles - computer software	519,682	479,348	381,264	304,553	200,155
Other non-financial assets	81,898	79,323	78,909	78,868	79,271
Total non-financial assets	870,314	819,688	742,818	667,240	592,347
Total assets	1,315,625	1,285,646	1,228,211	1,142,732	1,064,493
LIABILITIES					
Payables					
Suppliers	289,514	294,747	295,555	294,147	289,693
Employees	18,804	18,544	43,955	41,711	49,471
Other payables	78,514	66,873	55,701	45,468	35,308
Total payables	386,832	380,164	395,211	381,326	374,472
Provisions					
Employee provisions	662,485	693,834	700,774	707,783	714,862
Other provisions	27,722	24,854	21,888	18,822	15,654
Total provisions	690,207	718,688	722,662	726,605	730,516
Total liabilities	1,077,039	1,098,852	1,117,873	1,107,931	1,104,988
Net assets	238,586	186,794	110,338	34,801	(40,495)
EQUITY*					
Parent entity interest					
Contributed equity	1,609,450	1,749,827	1,868,830	1,992,099	2,119,014
Reserves	115,518	115,518	115,518	115,518	115,518
Retained surplus (accumulated deficit)	(1,486,382)	(1,678,551)	(1,874,010)	(2,072,816)	(2,275,027)
Total equity	238,586	186,794	110,338	34,801	(40,495)

*'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 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(1,486,382)	115,518	1,609,450	238,586
Adjusted opening balance	(1,486,382)	115,518	1,609,450	238,586
Comprehensive income				
Surplus/(deficit) for the period	(192,169)	-	-	(192,169)
Total comprehensive income	(192,169)	-	-	(192,169)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	28,055	28,055
Departmental Capital Budget (DCB)	-	-	112,322	112,322
Sub-total transactions with owners	-	-	140,377	140,377
Estimated closing balance as at 30 June 2019	(1,678,551)	115,518	1,749,827	186,794
Closing balance attributable to the Australian Government	(1,678,551)	115,518	1,749,827	186,794

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,428,077	3,516,872	3,355,130	3,191,312	3,187,690
Sale of goods and rendering of services	131,856	123,067	127,202	127,737	131,451
Net GST received	137,515	123,056	110,122	92,915	84,053
Total cash received	3,697,448	3,762,995	3,592,454	3,411,964	3,403,194
Cash used					
Employees	1,883,214	1,920,576	1,905,917	1,933,237	1,923,318
Suppliers	1,389,794	1,418,747	1,278,359	1,087,957	1,092,183
Net GST paid	134,508	121,055	107,370	88,911	84,193
s74 Retained revenue receipts transferred to OPA	287,990	286,464	286,681	288,639	290,325
Other	6,256	12,340	14,070	13,162	13,116
Total cash used	3,701,762	3,759,182	3,592,397	3,411,906	3,403,135
Net cash from/(used by) operating activities	(4,314)	3,813	57	58	59
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	201,779	144,118	119,003	123,269	126,915
Total cash used	201,779	144,118	119,003	123,269	126,915
Net cash from/(used by) investing activities	(201,779)	(144,118)	(119,003)	(123,269)	(126,915)
FINANCING ACTIVITIES					
Cash received					
Capital Injections	205,520	140,377	119,003	123,269	126,915
Total cash received	205,520	140,377	119,003	123,269	126,915
Net cash from/(used by) financing activities	205,520	140,377	119,003	123,269	126,915
Net increase/(decrease) in cash held	(573)	72	57	58	59
Cash and cash equivalents at the beginning of the reporting period	23,115	22,542	22,614	22,671	22,729
Cash and cash equivalents at the end of the reporting period	22,542	22,614	22,671	22,729	22,788

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	128,189	112,322	112,407	113,175	113,836
Equity injections - Bill 2	27,890	28,055	6,596	10,094	13,079
Total new capital appropriations	156,079	140,377	119,003	123,269	126,915
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	156,079	140,377	119,003	123,269	126,915
Total items	156,079	140,377	119,003	123,269	126,915
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	63,266	31,796	6,596	10,094	13,079
Funded by capital appropriation - DCB (b)	140,036	112,322	112,407	113,175	113,836
TOTAL	203,302	144,118	119,003	123,269	126,915
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	156,079	140,377	119,003	123,269	126,915
Total cash used to acquire assets	156,079	140,377	119,003	123,269	126,915

(a) Includes both current Bill 2 and prior Act 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 3.6: Statement of asset movements (Budget year 2018-19)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	254,641	105,311	1,605,462	1,965,414
Accumulated depreciation/ amortisation and impairment	(58,997)	(32,221)	(1,085,780)	(1,176,998)
Opening net book balance	195,644	73,090	519,682	788,416
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	31,796	31,796
By purchase - appropriation ordinary annual services (b)	28,864	5,623	77,835	112,322
Total additions	28,864	5,623	109,631	144,118
Other movements				
Depreciation/amortisation expense	(27,230)	(14,974)	(149,965)	(192,169)
Total other movements	(27,230)	(14,974)	(149,965)	(192,169)
As at 30 June 2019				
Gross book value	283,505	110,934	1,715,093	2,109,532
Accumulated depreciation/ amortisation and impairment	(86,227)	(47,195)	(1,235,745)	(1,369,167)
Closing net book balance	197,278	63,739	479,348	740,365

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018-19 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Suppliers	1,038	6,181	861	470	-
Subsidies	10,059,190	9,973,817	10,388,680	10,874,779	11,439,310
Personal Benefits	1,158,000	1,175,000	1,175,000	1,174,000	1,177,000
Penalty and interest charge remission expenses	2,000,000	1,480,000	1,570,000	1,660,000	1,760,000
Write-down and impairment of assets	7,051,517	6,667,000	6,775,000	6,734,000	7,251,000
Interest on overpayments	145,000	165,000	165,000	165,000	165,000
Superannuation guarantee charge	439,000	625,000	436,000	452,000	470,000
Other expenses	33,000	13,000	248,000	19,000	19,000
Total expenses administered on behalf of Government	20,886,745	20,104,998	20,758,541	21,079,249	22,281,310
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Income Tax	313,538,245	329,885,847	345,996,913	367,411,763	390,720,073
Indirect Tax	90,870,000	95,180,000	98,690,000	103,950,000	109,020,000
Other taxes	2,774,100	3,158,000	3,087,600	3,211,000	3,349,800
Total taxation revenue	407,182,345	428,223,847	447,774,513	474,572,763	503,089,873
Non-taxation revenue					
Unclaimed Superannuation Monies	18,000	242,000	322,000	172,000	172,000
Other Revenue	-	3,300	4,700	7,100	5,000
Total Non-taxation revenue	18,000	245,300	326,700	179,100	177,000
Total own-source revenue administered on behalf of Government	407,200,345	428,469,147	448,101,213	474,751,863	503,266,873
Net cost of/(contribution by) services	(386,313,600)	(408,364,149)	(427,342,672)	(453,672,614)	(480,985,563)
Surplus/(deficit)	386,313,600	408,364,149	427,342,672	453,672,614	480,985,563

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	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	22,719,611	24,652,611	26,173,611	27,049,611	28,204,611
Other receivables	(3,286)	(3,286)	(3,286)	(3,286)	(3,286)
Accrued Revenues	14,999,197	15,734,197	16,184,197	17,004,197	17,774,197
Total non-financial assets	37,715,522	40,383,522	42,354,522	44,050,522	45,975,522
Total assets administered on behalf of Government	38,154,230	40,822,230	42,793,230	44,489,230	46,414,230
LIABILITIES					
Payables					
Subsidies	34,689	34,689	34,689	34,689	34,689
Personal benefits	(1,455)	(1,455)	(1,455)	(1,455)	(1,455)
Superannuation guarantee charge	7,588	7,588	7,588	7,588	7,588
Taxation refunds due	1,221,309	1,221,309	1,221,309	1,221,309	1,221,309
Superannuation holding account	96,587	104,587	107,287	111,387	115,787
Other payables	7,998	2,698	4,098	4,398	3,398
Total payables	1,366,716	1,369,416	1,373,516	1,377,916	1,381,316
Provisions					
Subsidies	4,189,149	4,027,122	4,146,680	4,264,661	4,372,862
Personal Benefits	1,220,000	1,225,000	1,231,000	1,238,000	1,241,000
Income taxation refunds provided	901,458	901,458	901,458	901,458	901,458
Indirect taxation refunds provided	241,349	241,349	241,349	241,349	241,349
Superannuation guarantee payments	661,191	790,191	792,191	850,191	911,191
Unclaimed superannuation payments	898,022	792,022	2,723,022	1,839,022	1,536,022
Targeted Assistance though the Taxation Program	92,000	90,000	191,000	177,000	168,000
Total provisions	8,203,169	8,067,142	10,226,700	9,511,681	9,371,882
Total liabilities administered on behalf of Government	9,569,885	9,436,558	11,600,216	10,889,597	10,753,198
Net assets/(liabilities)	28,584,345	31,385,672	31,193,014	33,599,633	35,661,032

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Income Tax	306,488,245	324,275,847	340,566,913	362,881,763	385,470,073
Indirect Tax	88,900,000	93,930,000	98,010,000	102,700,000	107,860,000
Other Tax	(484,900)	(797,000)	(968,400)	(1,104,000)	(1,181,200)
Other Receipts	239,900	154,000	2,123,700	(683,200)	(104,900)
Total cash received	395,143,245	417,562,847	439,732,213	463,794,563	492,043,973
Cash used					
Subsidies paid	10,045,286	10,135,844	10,269,122	10,756,798	11,331,109
Personal benefits	1,154,000	1,170,000	1,169,000	1,167,000	1,174,000
Supplier	1,038	6,181	861	470	-
Superannuation holding account	44,900	12,000	11,900	12,300	12,700
Interest	145,000	165,000	165,000	165,000	165,000
Other	416,000	511,000	581,000	427,000	437,000
Total cash used	11,806,224	12,000,025	12,196,883	12,528,568	13,119,809
Net cash from/ (used by) operating activities	383,337,021	405,562,822	427,535,330	451,265,995	478,924,164
Net increase/ (decrease) in cash held	383,337,021	405,562,822	427,535,330	451,265,995	478,924,164
Cash and cash equivalents at beginning of reporting period	438,708	438,708	438,708	438,708	438,708
Cash from Official Public Account for:					
- Appropriations	11,866,162	12,088,025	12,284,983	12,616,268	13,207,109
- Special Accounts	44,900	12,000	11,900	12,300	12,700
Total cash from official public account					
Cash to Official Public Account for:					
- Appropriations	(395,195,183)	(417,648,147)	(439,816,213)	(463,877,863)	(492,127,873)
- Special Accounts	(52,900)	(14,700)	(16,000)	(16,700)	(16,100)
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.