Office of the Australian Accounting Standards Board

Entity resources and planned performance

Office of the Australian Accounting Standards Board

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# Office of the Australian Accounting Standards Board

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Office of the Australian Accounting Standards Board (AASB) is an Australian Government entity under the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

The strategic directions of the AASB are:

* develop, issue and maintain principle based accounting standards and reporting guidelines that meet the needs of external report users
* in partnership with the Auditing and Assurance Standards Board (AUASB) play a lead role in reshaping the Australian external reporting framework
* actively influence international accounting standards and reporting guidance
* attain significant key stakeholder engagement
* influence initiatives to develop standards and guidance that meet the user*’*s needs for external reporting beyond financial reporting
* monitor and respond to emerging issues impacting the development of external reporting standards and guidance
* develop guidance and education initiatives to enhance the consistent application of external reporting and accounting standards guidance
* build a high performing team that operates efficiently, effectively in the delivery of organisation goals and objectives
* the vision of the AASB is to contribute to stakeholder confidence in the Australian economy, including Australian capital markets and in external reporting.

This is achieved by developing, issuing and maintaining principle‑based Australian accounting and external reporting standards, together with guidance that meets the needs of external users and enhances the consistency and quality of external reporting.

We use our expertise and influence to contribute to the development of a single set of accounting and external reporting standards for world‑wide use.

### 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.

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

Table 1.1: Office of the Australian Accounting Standards Board (AASB) resource statement – Budget estimates for 2022–23 as at October Budget 2022

|  |  |  |
| --- | --- | --- |
|  | *2021-22 Estimated actual $'000* | 2022-23 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *2,405* | 2,313 |
| Departmental appropriation (b) | *3,568* | 4,512 |
| s74 External Revenue (c) | *1,136* | 1,153 |
| Departmental capital budget (d) | *51* | 51 |
| Total departmental annual appropriations | *7,160* | 8,029 |
| **Total resourcing for AASB** | ***7,160*** | **8,029** |
|  |  |  |
|  | *2021-22* | 2022-23 |
| **Average staffing level (number)** | *17* | 25 |

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

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

1. Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
2. Excludes departmental capital budget (DCB).
3. Estimated External Revenue receipts under section 74 of the PGPA Act.
4. 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.’

### 1.3 Budget measures

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

Table 1.2: AASB October 2022–23 Budget measures

Part 1: Measures announced since the March 2022–23 Budget

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021-22 $'000 | 2022-23 $'000 | 2023-24 $'000 | 2024-25 $'000 | 2025-26 $'000 |
| **Payment measures** |  |  |  |  |  |  |
| An Ambitious and Enduring  APS Reform Plan (a) | 1.1 |  |  |  |  |  |
| Departmental payment |  | - | (1) | (4) | (4) | - |
| Restoring Treasury's Capability on Climate Risks and Opportunities – modelling and reporting standards | 1.1 |  |  |  |  |  |
| Departmental payment |  | - | 979 | - | - | - |
| Savings from External Labour,  and Savings from Advertising, Travel and Legal Expenses (b) | 1.1 |  |  |  |  |  |
| Departmental payment |  | - | (64) | - | - | - |
| **Total** |  | **-** | **914** | **(4)** | **(4)** | **-** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | - | 914 | (4) | (4) | - |
| **Total** |  | **-** | **914** | **(4)** | **(4)** | **-** |

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

1. The lead entity for measure An Ambitious and Enduring APS Reform Plan is the Department of Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under the Prime Minister and Cabinet portfolio.
2. The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross‑portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022–23*, under Cross Portfolio measures.

## 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.

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

|  |
| --- |
| Note:  Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity’s planned and actual performance.  The most recent corporate plan for AASB can be found at: (https://www.transparency.gov.au/sites/default/files/reports/2022‑23\_office\_of\_the\_ australian\_accounting\_standards\_board\_and\_office\_of\_the\_auditing\_and\_assurance\_ standards\_board\_corporate\_plan\_1.pdf).  The most recent annual performance statement can be found at: ([https://treasury.gov.au/sites/default/files/2022‑03/pbs\_2023‑23\_13\_aasb.pdf](https://treasury.gov.au/sites/default/files/202203/pbs_202323_13_aasb.pdf)). |

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **Program 1.1: Office of the Australian Accounting Standards Board** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 3,396 | 4,351 | 3,544 | 3,587 | 3,623 |
| s74 External Revenue (a) | 1,088 | 1,153 | 1,050 | 1,050 | 1,050 |
| Expenses not requiring  appropriation in the Budget year (b) | 395 | 335 | 337 | 339 | 329 |
| **Departmental total** | 4,879 | 5,839 | 4,931 | 4,976 | 5,002 |
| **Total expenses for program 1.1** | **4,879** | **5,839** | **4,931** | **4,976** | **5,002** |
| **Total expenses for Outcome 1** | **4,879** | **5,839** | **4,931** | **4,976** | **5,002** |
|  | 2021-22 | 2022-23 |  |  |  |
| **Average staffing level (number)** | 17 | 25 |  |  |  |

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and resources received free of charge.

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

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1.   
It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

| **Outcome 1** – The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions. | |
| --- | --- |
| Program 1.1 – Office of the Australian Accounting Standards Board  The key strategies to achieve Outcome 1 are:   * Develop, issue and maintain principles‑based Australian accounting and external reporting standards and guidance that meet user needs and enhance external reporting consistency and quality. * Contribute to the development of a single set of accounting and external reporting standards for world‑wide use. | |
| Key Activities | Key activities reported in the current corporate plan that relates to the program.   * Develop, issue and maintain principles‑based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced.  For ‘publicly accountable1 ‘entities maintain International Financial Reporting Standards (IFRS) compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian‑specific standards and guidance. * With the Auditing and Assurance Standards Board (AUASB), play a leading role in reshaping the Australian external reporting framework by working with the regulators to develop objective criteria on:   + who prepares external reports (including financial reports)   + the nature and extent of assurance required on these external reports. * Actively influence International Accounting Standards Board (IASB) International Public Sector Accounting Standards Board (IPSASB) standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships. * Attain significant levels of key stakeholder engagement, through collaboration, partnerships and outreach. * Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting. * Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies. * Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance. |

Table 2.2: Performance measure for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
| Year | Performance measures | Expected Performance Results |
| Prior year  2021–22 | * IASB equivalent Standards issued in the same timeframe of the release of the IFRS and in accordance with legislative drafting and registration requirements. * Develop Australian specific Standards and/or guidance for topics not specifically addressed by IFRS Standards within timelines in project plans agreed with the Board. * Develop consultative documents in relation to the Australian Financial Reporting Framework, to develop objective criteria for which entities in the for‑profit sector and the not‑for‑profit sector prepare external reports including financial reports and the type of assurance needed for these reports. Includes working with policy makers in the for‑profit and not‑for‑profit sectors (including public sector policy makers). * Maintain Australia/New Zealand convergence in accordance with Trans‑Tasman requirements for for‑profit entities by harmonising, wherever possible given the different regulatory environments, Australian and New Zealand Accounting Standards through working actively with the New Zealand Accounting  Standards Board (NZASB). * Maintain and enhance key international relationships (IASB, IPSASB and Asian‑Oceanian Standard‑Setters Group (AOSSG). * Complete projects for external reporting beyond financial reporting as per timelines in project plans agreed with the Board. * Consider emerging issues and impact of changing technologies in all AASB submissions and each major AASB project. * Education initiatives, such as webinars and presentations for new major Standards issued considered effective by stakeholders. * Promote the development of education initiatives by others (for example Accounting Charities and Not‑for‑profits Commission (ACNC) by providing, technical input to their initiatives and co‑presenting at their education sessions. | * Timely release of relevant standards and guidance. * The identification and development of Australian specific standards and Guidance to meet the needs of external reporting users. * An increase in engagement of Australian constituents in the standard setting process. * Development and implementation of an annual performance and service benchmark to measure improvements. * Build data analytics that indicate the use and impact of external reporting on the confidence levels of the economy and capital markets. * Enhanced research program to inform, educate and influence domestic and international standard setting. * IASB equivalent Standards issued within two months of the release of the IFRS. * Australian specific Standards for  the projects outlined below:   + insurance in the Not‑for‑Profit (NFP) public sector.   + implement the IASB Revised Conceptual Framework in Australia for other entities.   + other topics coming out of agenda consultation process. * Consultative Documents outlined below:   + NFP private sector development of tiering proposal in conjunction with ACNC and state and territory regulators.   + NFP public sector consultation on AASB Discussion Paper. * Improving Financial Reporting for Australian Public Sector, including discussion with parliamentary accounts committees. * Present at least two papers to Accounting Standards Advisory Forum (ASAF), International Forum of Accounting Standard Setters (IFASS) and/or AOSSG and receive positive feedback on the paper. |

Table 2.2: Performance measure for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
| Year | Performance measures | Expected Performance Results |
| Prior year  2021**–**22 (continued) | * Develop staff publications, and frequently asked questions (FAQs) to help with consistent application of accounting and external reporting standards as agreed with the Board. * Conduct agenda consultation, usually in connection with IASB agenda consultation, to seek formal input on AASB’s work program. * The AASB has a thorough awareness of ideas and concerns of Australian Stakeholders through effective engagement. Stakeholder satisfaction survey net promoter score used to obtain initial year results to benchmark for performance improvement including of Board and staff. * Improved levels of stakeholder engagement. * Monitor through press coverage, Minister, Financial Reporting Council (FRC) and other stakeholder feedback, Australian Securities and Investments Commission (ASIC), Australian Prudential Regulation Authority (APRA) and other regulator surveillance program results that there is no evidence that confidence in the Australian economy, including its capital market has been lost due to accounting standard issues. | * Commence the following projects for external reporting:   + reporting service performance information.   + remuneration reporting.   + management commentary. * Conduct formal agenda consultation. * The AASB expects to meet all its targets and expectations implied by performance criteria in 2020–21. |
| Year | Performance measures | Planned Performance Results |
| Budget Year  2022–23 | * Develop appropriate reporting frameworks for each of the three sectors – for‑profit (e.g., listed and large proprietary companies), not‑for‑profit (e.g. charities) and public sector. | * Develop appropriate frameworks for not‑for‑profit private and public sector. |

Table 2.2: Performance measure for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
| Year | Performance measures | Planned Performance Results |
| Budget Year  2022–23 (continued) | * Agree on 3‑year program of work and deliver:   + Maintain IFRS and New Zealand compliance for for‑profit Private sector ‘publicly accountable’ entities.   + Tailor IFRS appropriately for other sectors, including developing Australian specific guidance.   + Develop guidance on external reporting integral to financial reporting.   + Develop guidance on emerging issues related to financial reporting. | * Annual program of standards issued, delivered to plan agreed with the Board. * IASB equivalent Standards issued within two months of the release of the IFRS for for‑profit entities. * IFRS and NZ compliance maintained for the for‑profit private sector ‘publicly accountable’ entities. * Feedback from NFP sector positive regarding the appropriateness of the IFRS tailoring. |
|  | * Enhance profile domestically and internationally. * Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB, International Financial Reporting for NPOs. | * Be viewed as experts as measured by stakeholder, IASB and IPSASB feedback. * Two thought leadership pieces completed per annum and presented internationally. |
|  | * Due process followed to ensure the quality of standard‑setting:   + Evidence‑informed approach to standard setting activities supports need for regulation and proposed solution.   + Appropriate consultation in accordance with the due process framework.   + Preparation of regulatory impact statement assessing costs and benefits. | * Due process followed for all significant projects. * Positive feedback from the FRC  and the stakeholders. |
|  | * Post‑implementation reviews conducted (PIR) for all significant projects to assess quality of standard‑setting. | * No significant changes needed. * PIR feedback is acted upon. * No evidence not contributing to the confidence in the economy. * Feedback from ASIC, APRA, ACNC surveillance reviews does not indicate loss of confidence due to accounting standard issues. * No significant decline in relevance of financial statements in the  capital market. |

Table 2.2: Performance measure for Outcome 1 (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | | Performance measures | | Planned Performance Results |
| Budget Year  2022–23 (continued) | | * Improve consistency of implementation:   + Educate stakeholders on the AASB standards, support materials available, including why standards introduced.   + Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institutions. | | * Education initiatives, such as webinars, providing appropriate educational materials to key stakeholders for all significant projects. * FAQs, illustrative examples, staff publications developed on significant interpretive issues. * Feedback from ASIC, APRA, ACNC surveillance reviews indicates no significant interpretive issues impacting the consistency of implementation. * Positive stakeholder feedback on education initiatives. |
|  | | * Enhance stakeholder engagement. | | * Maintain relationships with key stakeholders and planned program of engagement executed as planned. * Positive stakeholder feedback on the consultation process. * Increase in engagement results (newsletter, website, LinkedIn, Twitter, webinar, outreach numbers). |
|  | * Conduct Agenda consultations to determine projects and priorities. | | * Agenda consultation conducted at least every 5 years. | |
|  | * Develop and implement People and Culture strategy. | | * Employee survey, employee engagement. * Building towards high‑performance team as measured by Board and stakeholder feedback on delivery  of program and all other measures of success. | |
|  | * New starter processes improved to support flexible subject matter expert involvement. | | * New team members embedded successfully within six months of starting as measured by internal and external stakeholders’ feedback (as appropriate). | |
|  | * Understand current capability (talent mapping). | | * Continuous review of external talent pool to timely identify when/where to buy or borrow capability. | |

Table 2.2: Performance measure for Outcome 1 (continued)

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Performance measures | | Planned Performance Results |
| Budget Year  2022–23 (continued) | * Resource planning to develop skills and allocate them appropriately. | | * KPIs for all employees. * Leveraging diversity of skills and people as measured by employee and Board feedback and delivering an agreed program of work. * Retain core group of technical experts and leaders. * Fair allocation of workload measured by employee and Board feedback. |
|  | * Develop and implement an IT strategy that enables flexible, seamless working via cloud. | | * Independent of on premises hardware by 30 June 2023. * IT supports flexible work including remote locations. |
|  | * Continuous digital communications improvements to enhance stakeholder experience and engagement. | | * Plan to be monitored for additional improvement over coming financial years. * Development of new standards portal to improve user access by 30 June 2023. |
|  | * Refresh strategy supporting operational excellence and regulatory compliance. | | * Regularly revisit current strategy to determine impact of implementation. * Comply with regulatory obligations. |
|  | * Knowledge and information sharing support flexible subject matter expert involvement. | | * Key knowledge imparted across teams within 6 months of joining. |
|  | * Continuous improvement of operational processes to achieve planned outcomes. | | * Review of operational processes on an ongoing basis. |
|  | * Develop, implement and improve program and project management. | | * Continuous review and improvement of program and project management approach. |
|  | | * Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities. | * Review processes and frameworks so team members are clear and deliver on expectations. * Further enhancements implemented based on regular program and project management meetings. |
|  | | * Allocate resources efficiently and effectively. | * Deliver agreed program of work  as planned. |
| Forward Estimates  2023–26 | | As per 2022–23 | As per 2022–23 |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

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

The AASB and the Office of the Auditing and Assurance Standards Board (AUASB) have an arrangement where the AASB provides corporate services for both entities. Under the arrangement, AASB charges AUASB a management fee for providing corporate support.

The comprehensive income statement is comprised mainly of employee expenses relating to technical staff and supplier expenses relating to AASB management fee. These items are projected to be steady over the budget and forward years.

The balance sheet is predominantly comprised of receivables and provisions relating to the accounting of unspent appropriation and employees.

Other financial items are immaterial in movements.

### **3.2 Budgeted financial statements tables**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 3,533 | 3,806 | 3,543 | 3,628 | 3,652 |
| Suppliers | 1,052 | 1,803 | 1,160 | 1,125 | 1,129 |
| Depreciation and amortisation (a) | 284 | 212 | 214 | 214 | 216 |
| Finance costs | 3 | 18 | 14 | 9 | 5 |
| Other expenses | 7 | - | - | - | - |
| **Total expenses** | **4,879** | **5,839** | **4,931** | **4,976** | **5,002** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 562 | 653 | 550 | 550 | 550 |
| Other | 526 | 500 | 500 | 500 | 500 |
| **Total own-source revenue** | **1,088** | **1,153** | **1,050** | **1,050** | **1,050** |
| **Gains** |  |  |  |  |  |
| Other | 111 | 123 | 123 | 125 | 113 |
| **Total gains** | **111** | **123** | **123** | **125** | **113** |
| **Total own-source income** | **1,199** | **1,276** | **1,173** | **1,175** | **1,163** |
| **Net (cost of)/contribution by services** | **(3,680)** | **(4,563)** | **(3,758)** | **(3,801)** | **(3,839)** |
| Revenue from Government | 3,568 | 4,512 | 3,705 | 3,748 | 3,784 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(112)** | **(51)** | **(53)** | **(53)** | **(55)** |
| **Total comprehensive income/(loss)** | **(112)** | **(51)** | **(53)** | **(53)** | **(55)** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(112)** | **(51)** | **(53)** | **(53)** | **(55)** |

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

Note: Impact of net cash appropriation arrangements

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **Total comprehensive income/(loss)  - as per statement of  Comprehensive Income** | **(112)** | **(51)** | **(53)** | **(53)** | **(55)** |
| plus: depreciation/amortisation of assets  funded through appropriations  (departmental capital budget funding  and/or equity injections) (a) | 52 | 51 | 53 | 53 | 55 |
| plus: depreciation/amortisation  expenses for ROU assets (b) | 232 | 161 | 161 | 161 | 161 |
| less: lease principal repayments (b) | 117 | 253 | 266 | 281 | 296 |
| **Net Cash Operating Surplus/ (Deficit)** | **55** | **(92)** | **(105)** | **(120)** | **(135)** |

1. From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non‑corporate Commonwealth entities   
   (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
2. Applies leases under AASB 16 Leases.

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 67 | 67 | 67 | 67 | 67 |
| Trade and other receivables | 2,677 | 2,677 | 2,677 | 2,677 | 2,677 |
| ***Total financial assets*** | ***2,744*** | ***2,744*** | ***2,744*** | ***2,744*** | ***2,744*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 1,287 | 1,126 | 965 | 804 | 643 |
| Property, plant and equipment | 161 | 130 | 146 | 166 | 186 |
| Intangibles | - | 31 | 15 | - | - |
| Other non-financial assets | 228 | 136 | 136 | 141 | 121 |
| ***Total non-financial assets*** | ***1,676*** | ***1,423*** | ***1,262*** | ***1,111*** | ***950*** |
| **Total assets** | **4,420** | **4,167** | **4,006** | **3,855** | **3,694** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 154 | 154 | 154 | 154 | 154 |
| Other payables | 91 | 91 | 196 | 326 | 461 |
| ***Total payables*** | ***245*** | ***245*** | ***350*** | ***480*** | ***615*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 1,297 | 1,044 | 778 | 497 | 201 |
| ***Total interest bearing liabilities*** | ***1,297*** | ***1,044*** | ***778*** | ***497*** | ***201*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 480 | 480 | 480 | 480 | 480 |
| ***Total provisions*** | ***480*** | ***480*** | ***480*** | ***480*** | ***480*** |
| **Total liabilities** | **2,022** | **1,769** | **1,608** | **1,457** | **1,296** |
| **Net assets** | **2,398** | **2,398** | **2,398** | **2,398** | **2,398** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 753 | 804 | 857 | 910 | 965 |
| Retained surplus (accumulated  deficit) | 1,645 | 1,594 | 1,541 | 1,488 | 1,433 |
| **Total equity** | **2,398** | **2,398** | **2,398** | **2,398** | **2,398** |

Prepared on Australian Accounting Standards basis.

\*’Equity’ is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022–23)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retained earnings  $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |
| Balance carried forward from  previous period | 1,645 | 753 | 2,398 |
| ***Adjusted opening balance*** | ***1,645*** | ***753*** | ***2,398*** |
| **Comprehensive income** |  |  |  |
| Surplus/(deficit) for the period | (51) | - | (51) |
| ***Total comprehensive income*** | ***(51)*** | ***-*** | ***(51)*** |
| **Transactions with owners** |  |  |  |
| ***Contributions by owners*** |  |  |  |
| Departmental Capital Budget (DCB) | - | 51 | 51 |
| ***Sub-total transactions with  owners*** | ***-*** | ***51*** | ***51*** |
| **Estimated closing balance as at  30 June 2023** | **1,594** | **804** | **2,398** |
| **Closing balance attributable to  the Australian Government** | **1,594** | **804** | **2,398** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 3,660 | 4,512 | 3,705 | 3,748 | 3,784 |
| Sale of goods and rendering of  services | 652 | 653 | 550 | 550 | 550 |
| Net GST received | (49) | - | - | - | - |
| Other | 526 | 500 | 500 | 500 | 500 |
| ***Total cash received*** | ***4,789*** | ***5,665*** | ***4,755*** | ***4,798*** | ***4,834*** |
| **Cash used** |  |  |  |  |  |
| Employees | 3,428 | 3,806 | 3,543 | 3,628 | 3,652 |
| Suppliers | 1,069 | 1,588 | 932 | 880 | 881 |
| Interest payments on lease liability | 3 | 18 | 14 | 9 | 5 |
| Other | 7 | - | - | - | - |
| ***Total cash used*** | ***4,507*** | ***5,412*** | ***4,489*** | ***4,517*** | ***4,538*** |
| **Net cash from/(used by)  operating activities** | **282** | **253** | **266** | **281** | **296** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 206 | 51 | 53 | 53 | 55 |
| ***Total cash used*** | ***206*** | ***51*** | ***53*** | ***53*** | ***55*** |
| **Net cash from/(used by)  investing activities** | **(206)** | **(51)** | **(53)** | **(53)** | **(55)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 51 | 51 | 53 | 53 | 55 |
| ***Total cash received*** | ***51*** | ***51*** | ***53*** | ***53*** | ***55*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 117 | 253 | 266 | 281 | 296 |
| ***Total cash used*** | ***117*** | ***253*** | ***266*** | ***281*** | ***296*** |
| **Net cash from/(used by)  financing activities** | **(66)** | **(202)** | **(213)** | **(228)** | **(241)** |
| **Net increase/(decrease) in cash  held** | **10** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 57 | 67 | 67 | 67 | 67 |
| **Cash and cash equivalents at  the end of the reporting period** | **67** | **67** | **67** | **67** | **67** |

‑‑**Error! Not a valid link.**Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021-22 Estimated actual $'000 | 2022-23 Budget  $'000 | 2023-24 Forward estimate $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 51 | 51 | 53 | 53 | 55 |
| **Total new capital appropriations** | **51** | **51** | **53** | **53** | **55** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *51* | *51* | 53 | 53 | 55 |
| ***Total items*** | ***51*** | ***51*** | ***53*** | ***53*** | ***55*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriation -  DCB (a) | 51 | 51 | 53 | 53 | 55 |
| **TOTAL** | **51** | **51** | **53** | **53** | **55** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 51 | 51 | 53 | 53 | 55 |
| **Total cash used to acquire assets** | **51** | **51** | **53** | **53** | **55** |

Prepared on Australian Accounting Standards basis.

1. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles  $'000 | Total    $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | - | 307 | 10 | 317 |
| Gross book value - ROU assets | 1,414 | - | - | 1,414 |
| Accumulated depreciation/  amortisation and impairment | - | (146) | (10) | (156) |
| Accumulated depreciation/amortisation   and impairment - ROU assets | (127) | - | - | (127) |
| **Opening net book balance** | **1,287** | **161** | **-** | **1,448** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 51 | 51 |
| **Total additions** | **-** | **-** | **51** | **51** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | - | (31) | (20) | (51) |
| Depreciation/amortisation on   ROU assets | (161) | - | - | (161) |
| **Total other movements** | **(161)** | **(31)** | **(20)** | **(212)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | - | 307 | 61 | 368 |
| Gross book value - ROU assets | 1,414 | - | - | 1,414 |
| Accumulated depreciation/  amortisation and impairment | - | (177) | (30) | (207) |
| Accumulated depreciation/amortisation   and impairment - ROU assets | (288) | - | - | (288) |
| **Closing net book balance** | **1,126** | **130** | **31** | **1,287** |

‑‑**Error! Not a valid link.**Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022–23, including CDABs.