

# **Commonwealth Grants Commission**

## **Entity resources and planned performance**



# Commonwealth Grants Commission

<b>Section 1: Entity overview and resources</b> .....	<b>257</b>
1.1 Strategic direction statement.....	257
1.2 Entity resource statement.....	258
1.3 Budget measures .....	260
<b>Section 2: Outcomes and planned performance</b> .....	<b>261</b>
2.1 Budgeted expenses and performance for Outcome 1.....	262
<b>Section 3: Budgeted financial statements</b> .....	<b>264</b>
3.1 Budgeted financial statements .....	264
3.2 Budgeted financial statements tables.....	265



# Commonwealth Grants Commission

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Commonwealth Grants Commission (the Commission) is a statutory authority operating under the *Commonwealth Grants Commission Act 1973*.

The Commission's main role is to inquire into and report to the Australian Government on the allocation of goods and services tax (GST) revenue among the states and territories. Terms of reference for these inquiries are determined by the Australian Government in consultation with the states and territories.

The Commission or its staff may also be asked to report on the finances of Australia's external territories, local government matters and the financing of services for Indigenous people. Where required, terms of reference for these inquiries are developed by relevant Australian Government entities and the reports are considered by their Ministers.

## **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 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: Commonwealth Grants Commission resource statement – Budget estimates for 2023–24 as at Budget May 2023**

	<i>2022-23 Estimated actual \$'000</i>	2023-24 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	12,131	11,493
Departmental appropriation (b)	7,873	7,904
Departmental capital budget (c)	265	271
Total departmental annual appropriations	<u>20,269</u>	<u>19,668</u>
<b>Total departmental resourcing</b>	<b><u>20,269</u></b>	<b><u>19,668</u></b>
<b>Total resourcing for Commonwealth Grants Commission</b>	<b><u>20,269</u></b>	<b><u>19,668</u></b>
	<i>2022-23</i>	2023-24
<b>Average staffing level (number)</b>	<u>34</u>	<u>34</u>

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.

- a) Appropriation Bill (No. 1) 2023–24.
- b) Excludes Departmental Capital Budget (DCB).
- c) 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**

The Commonwealth Grants Commission has no new budget 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 Commission'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*. 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 Commonwealth Grants Commission can be found at: ([www.cgc.gov.au](http://www.cgc.gov.au)).

The most recent annual performance statement can be found at: ([www.cgc.gov.au](http://www.cgc.gov.au)).

## 2.1 Budgeted expenses and performance for Outcome 1

**Outcome 1: Informed Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue.**

### 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 Departmental funding sources.

**Table 2.1.1: Budgeted expenses for Outcome 1**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>Program 1.1: Commonwealth Grants Commission</b>					
Departmental expenses					
Departmental appropriation	7,873	7,904	8,073	8,189	8,299
Expenses not requiring appropriation in the Budget year (a)	220	513	534	485	483
<b>Departmental total</b>	<b>8,093</b>	<b>8,417</b>	<b>8,607</b>	<b>8,674</b>	<b>8,782</b>
<b>Total expenses for program 1.1</b>	<b>8,093</b>	<b>8,417</b>	<b>8,607</b>	<b>8,674</b>	<b>8,782</b>
<b>Total expenses for Outcome 1</b>	<b>8,093</b>	<b>8,417</b>	<b>8,607</b>	<b>8,674</b>	<b>8,782</b>
	2022-23	2023-24			
<b>Average staffing level (number)</b>	34	34			

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

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

**Table 2.1.2: Performance measure for Outcome 1**

Table 2.1.2 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 2023–24 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1 – Informed Government decisions on the distribution of the GST among the states and territories.</b>		
<b>Program 1.1– Commonwealth Grants Commission</b> The Commission provides independent advice to the Government on the distribution of the GST among the states and territories.		
<b>Key Activities</b>	The Commission will prepare an annual update on the recommended GST sharing relativities. Periodically, the Commission will review the methods it uses to determine the GST sharing relativities.	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current year 2022–23	Responsiveness to Government.  Excellence in research and analysis.  Effective engagement and consultation with stakeholders.	Achieved
<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023–24	Responsiveness to government.  Excellence in research and analysis.  Effective engagement and consultation with stakeholders.	The Commission's advice meets the Government's requirements as specified in the terms of reference provided by the Commonwealth Treasurer.  The research and analysis underlying the Commission's advice are recognised to be high quality and technically robust.  The Commission's advice is informed by the best available information and data and considers the views of relevant stakeholders.
Forward Estimates 2024–27	As per 2023–24	As per 2023–24

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 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 the financial information presented in the Budget Papers (most notably *Budget Paper No. 1: Budget Strategy and Outlook*) and Portfolio Budget Statements as a result of differences between whole-of-government level financial reporting.

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

The financial statements have been prepared on Australian Accounting Standards basis.

### 3.2 Budgeted financial statements tables

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	5,472	5,547	5,642	5,772	5,951
Suppliers	2,189	2,143	2,221	2,213	2,150
Depreciation and amortisation (a)	403	679	700	667	666
Finance costs	65	60	55	49	43
<b>Total expenses</b>	<b>8,129</b>	<b>8,429</b>	<b>8,618</b>	<b>8,701</b>	<b>8,810</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	45	45	45	45	45
<b>Total own-source revenue</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>Total own-source income</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>Net (cost of)/contribution by services</b>	<b>(8,084)</b>	<b>(8,384)</b>	<b>(8,573)</b>	<b>(8,656)</b>	<b>(8,765)</b>
Revenue from Government	7,873	7,904	8,073	8,189	8,299
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(211)</b>	<b>(480)</b>	<b>(500)</b>	<b>(467)</b>	<b>(466)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	(200)	-	-	-	-
<b>Total other comprehensive income</b>	<b>(200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(411)</b>	<b>(480)</b>	<b>(500)</b>	<b>(467)</b>	<b>(466)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(411)</b>	<b>(480)</b>	<b>(500)</b>	<b>(467)</b>	<b>(466)</b>

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

**Note: Impact of net cash appropriation arrangement**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	<b>(411)</b>	<b>(480)</b>	<b>(500)</b>	<b>(467)</b>	<b>(466)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	175	468	489	440	438
plus: depreciation/amortisation expenses for ROU assets (b)	228	211	211	227	228
less: lease principal repayments (b)	154	168	183	200	216
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>(162)</b>	<b>31</b>	<b>17</b>	<b>-</b>	<b>(16)</b>

Prepared on Australian Accounting Standards basis.

- 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 (DCB)) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- b) Applies leases under AASB 16 Leases.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	172	172	172	172	172
Trade and other receivables	11,623	11,654	11,671	11,671	11,655
<b>Total financial assets</b>	<b>11,795</b>	<b>11,826</b>	<b>11,843</b>	<b>11,843</b>	<b>11,827</b>
<b>Non-financial assets</b>					
Land and buildings	2,726	2,415	2,104	1,802	1,499
Property, plant and equipment	480	484	490	443	603
Intangibles	1,691	1,590	1,470	1,429	1,186
Other non-financial assets	57	57	57	57	57
<b>Total non-financial assets</b>	<b>4,954</b>	<b>4,546</b>	<b>4,121</b>	<b>3,731</b>	<b>3,345</b>
<b>Total assets</b>	<b>16,749</b>	<b>16,372</b>	<b>15,964</b>	<b>15,574</b>	<b>15,172</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	478	478	478	478	478
Other payables	153	153	153	153	153
<b>Total payables</b>	<b>631</b>	<b>631</b>	<b>631</b>	<b>631</b>	<b>631</b>
<b>Interest bearing liabilities</b>					
Leases	2,123	1,955	1,772	1,572	1,356
<b>Total interest bearing liabilities</b>	<b>2,123</b>	<b>1,955</b>	<b>1,772</b>	<b>1,572</b>	<b>1,356</b>
<b>Provisions</b>					
Employee provisions	1,472	1,472	1,472	1,472	1,472
<b>Total provisions</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>
<b>Total liabilities</b>	<b>4,226</b>	<b>4,058</b>	<b>3,875</b>	<b>3,675</b>	<b>3,459</b>
<b>Net assets</b>	<b>12,523</b>	<b>12,314</b>	<b>12,089</b>	<b>11,899</b>	<b>11,713</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	3,355	3,626	3,901	4,178	4,458
Retained surplus (accumulated deficit)	9,168	8,688	8,188	7,721	7,255
<b>Total parent entity interest</b>	<b>12,523</b>	<b>12,314</b>	<b>12,089</b>	<b>11,899</b>	<b>11,713</b>
<b>Total equity</b>	<b>12,523</b>	<b>12,314</b>	<b>12,089</b>	<b>11,899</b>	<b>11,713</b>

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 2023–24)**

	Retained earnings \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2023</b>			
Balance carried forward from previous period	9,168	3,355	12,523
<b>Adjusted opening balance</b>	<b>9,168</b>	<b>3,355</b>	<b>12,523</b>
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	(480)	-	(480)
<b>Total comprehensive income</b>	<b>(480)</b>	<b>-</b>	<b>(480)</b>
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Departmental Capital Budget (DCB)	-	271	271
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>271</b>	<b>271</b>
<b>Estimated closing balance as at 30 June 2024</b>	<b>8,688</b>	<b>3,626</b>	<b>12,314</b>
<b>Closing balance attributable to the Australian Government</b>	<b>8,688</b>	<b>3,626</b>	<b>12,314</b>

Prepared on Australian Accounting Standards basis.



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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	8,511	7,873	8,056	8,189	8,315
<b>Total cash received</b>	<b>8,511</b>	<b>7,873</b>	<b>8,056</b>	<b>8,189</b>	<b>8,315</b>
<b>Cash used</b>					
Employees	5,472	5,547	5,642	5,772	5,951
Suppliers	2,120	2,098	2,176	2,168	2,105
Interest payments on lease liability	65	60	55	49	43
<b>Total cash used</b>	<b>7,657</b>	<b>7,705</b>	<b>7,873</b>	<b>7,989</b>	<b>8,099</b>
<b>Net cash from/(used by) operating activities</b>	<b>854</b>	<b>168</b>	<b>183</b>	<b>200</b>	<b>216</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	965	271	275	277	280
<b>Total cash used</b>	<b>965</b>	<b>271</b>	<b>275</b>	<b>277</b>	<b>280</b>
<b>Net cash from/(used by) investing activities</b>	<b>(965)</b>	<b>(271)</b>	<b>(275)</b>	<b>(277)</b>	<b>(280)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	265	271	275	277	280
<b>Total cash received</b>	<b>265</b>	<b>271</b>	<b>275</b>	<b>277</b>	<b>280</b>
<b>Cash used</b>					
Principal payments on lease liability	154	168	183	200	216
<b>Total cash used</b>	<b>154</b>	<b>168</b>	<b>183</b>	<b>200</b>	<b>216</b>
<b>Net cash from/(used by) financing activities</b>	<b>111</b>	<b>103</b>	<b>92</b>	<b>77</b>	<b>64</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	172	172	172	172	172
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>172</b>	<b>172</b>	<b>172</b>	<b>172</b>	<b>172</b>

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	265	271	275	277	280
<b>Total new capital appropriations</b>	<b>265</b>	<b>271</b>	<b>275</b>	<b>277</b>	<b>280</b>
<i>Provided for:</i>					
Purchase of non-financial assets	265	271	275	277	280
<b>Total items</b>	<b>265</b>	<b>271</b>	<b>275</b>	<b>277</b>	<b>280</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB (a)	265	271	275	277	280
Funded internally from departmental resources (a)	700	-	-	-	-
<b>TOTAL</b>	<b>965</b>	<b>271</b>	<b>275</b>	<b>277</b>	<b>280</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	965	271	275	277	280
<b>Total cash used to acquire assets</b>	<b>965</b>	<b>271</b>	<b>275</b>	<b>277</b>	<b>280</b>

Prepared on Australian Accounting Standards basis.

a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

**Table 3.6: Statement of departmental asset movements (Budget year 2023–24)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2023</b>				
Gross book value	1,008	652	1,713	3,373
Gross book value - ROU assets	4,377	-	-	4,377
Accumulated depreciation/ amortisation and impairment	(331)	(172)	(22)	(525)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,328)	-	-	(2,328)
<b>Opening net book balance</b>	<b>2,726</b>	<b>480</b>	<b>1,691</b>	<b>4,897</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (a)	-	66	205	271
<b>Total additions</b>	<b>-</b>	<b>66</b>	<b>205</b>	<b>271</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(100)	(62)	(306)	(468)
Depreciation/amortisation on ROU assets	(211)	-	-	(211)
<b>Total other movements</b>	<b>(311)</b>	<b>(62)</b>	<b>(306)</b>	<b>(679)</b>
<b>As at 30 June 2024</b>				
Gross book value	1,008	718	1,918	3,644
Gross book value - ROU assets	4,377	-	-	4,377
Accumulated depreciation/ amortisation and impairment	(431)	(234)	(328)	(993)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,539)	-	-	(2,539)
<b>Closing net book balance</b>	<b>2,415</b>	<b>484</b>	<b>1,590</b>	<b>4,489</b>

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2023–24, including Collection Development Acquisition Budget.