



Budget

2018-19

Portfolio Budget Statements 2018-19
Budget Related Paper No. 1.16
TREASURY Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2018-19 Budget for the Treasury portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

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

The Hon Scott Morrison MP

Abbreviations and conventions

The following notation may be used:

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| nfp | not for publication |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

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

Enquiries

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

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2018-19 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2018-19 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2018-19 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework - key components of relevant publications

Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured and assessed**.



Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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PORTFOLIO OVERVIEW

TREASURY PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Treasury portfolio undertakes a range of activities aimed at achieving strong sustainable economic growth for the good of Australians. This entails the advice to portfolio Ministers as well as the effective implementation and administration of policies that fall within the portfolio Ministers' responsibilities.

The Treasury portfolio comprises 15 entities in the general government sector.

The **Department of the Treasury** assists the Australian Government as the pre-eminent economic adviser. The Treasury serves the Australian people through the development, delivery and implementation of sound economic policy and advice. The result is better informed policies designed to create economic prosperity for the Australian people.

The **Australian Bureau of Statistics** is Australia's official statistical entity. It provides statistics on a wide range of economic, environmental, population and social matters, covering government, business and the community in general.

The **Australian Competition and Consumer Commission** is an independent statutory authority which administers the *Competition and Consumer Act 2010* and performs functions under other Commonwealth legislation and State and Territory Competition Policy Reform Acts.

The **Australian Office of Financial Management** is responsible for the management of Australian Government debt and financial assets.

The **Australian Prudential Regulation Authority** is the financial supervisor responsible for the prudential regulation of the banking, other deposit taking, insurance and superannuation industries.

The **Australian Securities and Investments Commission (ASIC)** is Australia's corporate, markets, financial services and credit regulator. It is responsible for consumer protection and market integrity. As part of its remit, ASIC also regulates investment management and superannuation, insurance, deposit taking, financial reporting, auditors and insolvency practitioners. ASIC promotes investor and consumer trust and confidence and fair and efficient markets and provides efficient registration services.

The **Australian Taxation Office** is the Australian Government's principal revenue collection agency and administers Australia's tax system and significant aspects of Australia's superannuation system. It administers legislation governing tax, superannuation and the Australian Business Register and supports the delivery of government benefits to the community.

The **Commonwealth Grants Commission** provides advice to the Australian Government on the equitable distribution of GST revenue to State and Territory governments.

The **Inspector-General of Taxation** seeks to improve the administration of the tax laws for the benefit of all taxpayers.

The **National Competition Council** is an independent advisory body for all Australian governments that advises and makes recommendations under the National Access Regime and recommendations and decisions in relation to natural gas pipelines.

The **National Housing Finance and Investment Corporation's** objective is to improve housing outcomes by operating an affordable housing bond aggregator to provide loans to registered community housing providers financed by the issue of bonds on the commercial market; and a National Housing Infrastructure Facility to provide loans, grants and investments to overcome impediments to the provision of housing that is due to the lack of necessary infrastructure.

The **Office of the Auditing and Assurance Standards Board's** objective is to develop, issue and maintain in the public interest, principle-based, independent auditing and assurance standards for all sectors of the Australian economy that meet user needs, contribute to the development of international auditing and assurance standards and assist in maintaining confidence in the Australian economy, including its capital markets.

The **Office of the Australian Accounting Standards Board's** role is to develop, issue and maintain principle-based independent financial reporting standards for all sectors of the Australian economy that meet user needs, contribute to the development of international accounting standards and assist in maintaining confidence in the Australian economy, including its capital markets.

The **Productivity Commission** is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians.

The **Royal Australian Mint** manufactures and sells circulating coins to meet the coinage needs of the Australian economy, and collector coins and other minted products for Australia and foreign countries.

The **Financial Advisers Standards and Ethics Authority Ltd** and the **National Housing Finance and Investment Corporation** do not appear in the Portfolio Budget Statements as they are not directly appropriated by government. The **Australian Reinsurance Pool Corporation** and the **Reserve Bank of Australia** do not appear in the Portfolio Budget Statements as they are not part of the general government sector.

For information on resourcing across the portfolio, refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Treasury portfolio structure and outcomes



Figure 1: Treasury portfolio structure and outcomes (continued)

| |
|---|
| <p style="text-align: center;">Commonwealth Grants Commission Secretary: Mr Michael Willcock</p> <p>Outcome: Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue</p> |
| <p style="text-align: center;">Financial Adviser Standards and Ethics Authority Limited Chief Executive Officer: Dr Deen Sanders OAM</p> <p>Outcome: Strengthen the professional and ethical standards of financial advisers through enhancing educational and training requirements and ethical standards to improve consumer outcomes</p> |
| <p style="text-align: center;">Inspector-General of Taxation Inspector-General: Mr Ali Noroozi</p> <p>Outcome: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities</p> |
| <p style="text-align: center;">National Competition Council President: Ms Julie-Anne Schafer</p> <p>Outcome: Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure</p> |
| <p style="text-align: center;">National Housing Finance and Investment Corporation Chair: Appointment to be made following establishment of the entity</p> <p>Outcome: Improved housing outcomes for Australians, including through financial and other assistance to improve the efficiency and scale of the community housing sector, as well as for critical infrastructure that increases housing supply</p> |
| <p style="text-align: center;">Office of the Auditing and Assurance Standards Board Chair: Dr Roger Simnett</p> <p>Outcome: The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements</p> |
| <p style="text-align: center;">Office of the Australian Accounting Standards Board Chair: Ms Kris Peach</p> <p>Outcome: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions</p> |
| <p style="text-align: center;">Productivity Commission Chairman: Mr Peter Harris</p> <p>Outcome: Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective</p> |
| <p style="text-align: center;">Reserve Bank of Australia Governor: Mr Philip Lowe</p> <p>Purpose: In its role as Australia's central bank, the Reserve Bank of Australia determines and implements monetary policy, fosters financial stability, undertakes a range of activities in financial markets, acts as a banker to the Australian Government, issues Australia's banknotes and has policy, supervisory and operational roles in the payments system</p> |
| <p style="text-align: center;">Royal Australian Mint Chief Executive Officer: Mr Ross MacDiarmid</p> <p>Outcome: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products</p> |