# AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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# AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Australian Prudential Regulation Authority (APRA) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 139-140).

APRA is seeking an additional $0.5 million in departmental outputs through Appropriation Bill (No. 3) 2009-10 and an additional $1.5 million in administered assets and liabilities through Appropriation Bill (No. 4) 2009-10. These funds are for APRA to administer the government's Financial Claims Scheme and to compensate eligible policy holders impacted by the failure of the Australian Family Assurance Limited.

### 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Australian Prudential Regulation Authority resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009**

| | | Estimate as at Budget 2009-10 $'000 | + | Proposed additional estimates 2009-10 $'000 | = | Total estimate at Additional Estimates 2009-10 $'000 | Total available appropriation 2008-09 $'000 |
|---|---|---|---|---|---|---|---|
| **Ordinary annual services** | | | | | | | |
| **Departmental appropriation** | | | | | | | |
| Departmental appropriation | | 23,055 | | 490 | 1 | 23,545 | 13,372 |
| Receipts from other sources (s31) | | - | | - | | - | 4,689 |
| **Total ordinary annual services** | **A** | **23,055** | | **490** | | **23,545** | **18,061** |
| **Departmental non-operating** | | | | | | | |
| Equity injections | | 1,957 | | - | | 1,957 | 900 |
| Previous years' outputs | | 773 | | - | | 773 | - |
| **Total departmental non-operating** | | 2,730 | | - | | 2,730 | 900 |
| **Administered non-operating** | | | | | | | |
| Administered assets and liabilities | | 3,000 | | 1,524 | 2 | 4,524 | 684 |
| **Total other services** | **B** | **5,730** | | **1,524** | | **7,254** | **1,584** |
| **Total available annual appropriations (A+B)** | | **28,785** | | **2,014** | | **30,799** | **19,645** |
| **Special accounts** | | | | | | | |
| Opening balance | | 28,547 | | 4,753 | | 33,300 | 33,347 |
| Non-Appropriation receipts to special accounts | | 100,657 | | 27,026 | | 127,683 | 98,386 |
| **Total special accounts** | **C** | **129,204** | | **31,779** | | **160,983** | **131,733** |
| **Total net resourcing (A+B+C)** | | **157,989** | | **33,793** | | **191,782** | **151,378** |
| Less receipts from other sources credited to special accounts | | - | | 29,026 | | 29,026 | 13,772 |
| **Total net resourcing for APRA** | | **157,989** | | **4,767** | | **162,756** | **137,606** |

1. Appropriation Bill (No. 3) 2009-10.
2. Appropriation Bill (No. 4) 2009-10.

## 1.3 AGENCY MEASURES TABLE

**Table 1.2: Australian Prudential Regulation Authority measures since Budget**

APRA does not have any measures since the 2009-10 Budget.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.4 details the changes to the resourcing for APRA at additional estimates, by outcome.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget**

APRA does not have any additional estimates from measures since the 2009-10 Budget.

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

| | Program Impacted | 2009-10 $'000 | 2010-11 $'000 | 2011-12 $'000 | 2012-13 $'000 |
|---|---|---|---|---|---|
| **Outcome 1** | | | | | |
| **Increase in estimates (departmental)** | | | | | |
| Financial claims scheme admin | 1.1 | 490 | - | - | - |
| **Net impact on estimates** | | | | | |
| **for Outcome 1 (departmental)** | | **490** | **-** | **-** | **-** |
| **Increase in estimates (administered)** | | | | | |
| Financial claims scheme beneficiaries | 1.1 | 1,524 | - | - | - |
| **Net impact on estimates** | | | | | |
| **for Outcome 1 (administered)** | | **1,524** | **-** | **-** | **-** |

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for APRA through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2009-10**

| | 2008-09 available $'000 | 2009-10 Budget $'000 | 2009-10 revised $'000 | Additional estimates $'000 | Reduced estimates $'000 |
|---|---|---|---|---|---|
| **DEPARTMENTAL OUTPUTS** | | | | | |
| **Outcome 1** | | | | | |
| Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality | 13,372 | 23,055 | 23,545 | 490 | - |
| **Total** | **13,372** | **23,055** | **23,545** | **490** | **-** |

**Table 1.6: Appropriation Bill (No. 4) 2009-10**

| | 2008-09 available $'000 | 2009-10 Budget $'000 | 2009-10 revised $'000 | Additional estimates $'000 | Reduced estimates $'000 |
|---|---|---|---|---|---|
| **OTHER ADMINISTERED ITEMS** | | | | | |
| **Outcome 1** | | | | | |
| Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality | - | - | 1,524 | 1,524 | - |
| **Total** | **-** | **-** | **1,524** | **1,524** | **-** |

# Section 2: Revisions to agency outcomes and planned performance

## 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes, outcome strategies and performance information for APRA from that included in the *Portfolio Budget Statements 2009-10* (pages 144-146).

**Table 2.1: Budgeted expenses and resources for Outcome 1**

| **Outcome 1:** Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality | 2008-09 Actual expenses $'000 | 2009-10 Estimated expenses $'000 |
|---|---|---|
| **Program 1.1: Australian Prudential Regulation Authority** | | |
| Departmental expenses | | |
| Ordinary annual services (Appropriation Bills No. 1 and No. 3) | 11,772 | 23,545 |
| Prior years' outputs | - | - |
| Revenues from independent sources (s31) | 4,689 | - |
| Special accounts | 86,017 | 100,507 |
| Expenses not requiring appropriation in the Budget year | 110 | 150 |
| less Revenue carried forward | - | (2,600) |
| Administered expenses | | |
| Waivers and write-offs | 684 | 3,000 |
| **Total expenses for Outcome 1** | 103,272 | 124,602 |

| | 2008-09 | 2009-10 |
|---|---|---|
| **Average staffing level (number)** | 572 | 604 |

## Program 1.1: Australian Prudential Regulation Authority

There has been no change to program objectives, deliverables or key performance indicators for APRA from that included in the *Portfolio Budget Statements 2009-10*.

**Table 2.2: Program 1.1 expenses**

| | 2008-09 Actual $'000 | 2009-10 Revised budget $'000 | 2010-11 Forward year 1 $'000 | 2011-12 Forward year 2 $'000 | 2012-13 Forward year 3 $'000 |
|---|---|---|---|---|---|
| Annual departmental expenses: | | | | | |
| Departmental items: | 102,588 | 121,602 | 110,607 | 110,150 | 102,892 |
| Administered expenses: | | | | | |
| Special Appropriations | | | | | |
| *Financial Management and Accountability Act 1997* | 684 | 3,000 | 3,000 | 3,000 | 3,000 |
| **Total expenses** | **103,272** | **124,602** | **113,607** | **113,150** | **105,892** |

# Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a snapshot of APRA's finances for the budget year 2009-10.

## 3.1 EXPLANATORY TABLES

### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by APRA.

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

| | Outcome | Opening balance<br>**2009-10**<br>*2008-09*<br>$'000 | Receipts<br>**2009-10**<br>*2008-09*<br>$'000 | Payments<br>**2009-10**<br>*2008-09*<br>$'000 | Adjustments<br>**2009-10**<br>*2008-09*<br>$'000 | Closing balance<br>**2009-10**<br>*2008-09*<br>$'000 |
|---|---|---|---|---|---|---|
| Australian Prudential Regulation | | **31,300** | **126,159** | **125,059** | **3** | **32,403** |
| Authority special account | 1 | *31,347* | *98,386* | *98,433* | *-* | *31,300* |
| Financial Claims Scheme | | **-** | **1,524** | **-** | **-** | **1,524** |
| Special account | 1 | - | - | - | - | - |
| Lloyds Deposit Trust | | **2,000** | **-** | **-** | **-** | **2,000** |
| Special account | 1 | *2,000* | *-* | *-* | *-* | *2,000* |
| **Total special accounts** | | | | | | |
| **2009-10 Budget estimate** | | **33,300** | **127,683** | **125,059** | **3** | **35,927** |
| Total special accounts | | | | | | |
| 2008-09 actual | | *33,347* | *98,386* | *98,433* | *-* | *33,300* |

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

The budgeted departmental income statement (refer Table 3.2.1) shows an increase in 2009-10 appropriations from $121.1 million, as disclosed in the *Portfolio Budget Statements 2009-10,* to $121.6 million; a $0.5 million change. The increase reflects the costs of administering a Financial Claims Scheme matter.

The schedule of budgeted assets and liabilities administered on behalf of government (see Table 3.2.8) have been increased by $1.5 million representing the funds provided via the Financial Claims Scheme to settle approved claims arising from the Australian Family Assurance Limited matter.

## 3.2.2 Budgeted financial statements

## Departmental financial statements

### Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

| | Actual 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **EXPENSES** | | | | | |
| Employee benefits | 72,768 | 82,206 | 78,596 | 78,596 | 69,596 |
| Supplier | 26,766 | 35,396 | 28,011 | 27,554 | 28,896 |
| Depreciation and amortisation | 3,738 | 4,000 | 4,000 | 4,000 | 4,400 |
| **Total expenses** | 103,272 | 121,602 | 110,607 | 110,150 | 102,892 |
| **LESS:** | | | | | |
| **OWN-SOURCE INCOME** | | | | | |
| **Revenue** | | | | | |
| Sale of goods and rendering of services | 3,854 | 4,160 | 4,160 | 4,160 | 4,160 |
| Other revenue | 835 | 2,247 | 1,630 | 1,623 | 1,615 |
| **Total revenue** | 4,689 | 6,407 | 5,790 | 5,783 | 5,775 |
| **Gains** | | | | | |
| Other | 110 | 150 | 150 | 150 | 150 |
| **Total gains** | 110 | 150 | 150 | 150 | 150 |
| **Total own-source income** | 4,799 | 6,557 | 5,940 | 5,933 | 5,925 |
| **Net cost of (contribution by) services** | 98,473 | 115,045 | 104,667 | 104,217 | 96,967 |
| Appropriation revenue | 100,038 | 117,645 | 104,743 | 104,217 | 96,967 |
| **Surplus (deficit) attributable to the Australian Government** | 1,565 | 2,600 | 76 | - | - |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Financial assets** | | | | | |
| Cash | 31,303 | 32,403 | 32,879 | 32,574 | 32,570 |
| Receivables | 6,777 | 7,633 | 6,864 | 6,959 | 4,779 |
| Accrued revenues | - | 450 | 450 | 450 | 450 |
| ***Total financial assets*** | 38,080 | 40,486 | 40,193 | 39,983 | 37,799 |
| **Non-financial assets** | | | | | |
| Infrastructure, plant and equipment | 6,861 | 6,564 | 5,964 | 5,463 | 4,477 |
| Intangibles | 5,656 | 9,410 | 9,615 | 10,421 | 11,411 |
| Other | 1,975 | 2,095 | 2,129 | 2,161 | 2,195 |
| ***Total non-financial assets*** | 14,492 | 18,069 | 17,708 | 18,045 | 18,083 |
| **Total assets** | 52,572 | 58,555 | 57,901 | 58,028 | 55,882 |
| **LIABILITIES** | | | | | |
| **Provisions** | | | | | |
| Employees | 21,463 | 22,750 | 21,870 | 21,850 | 19,555 |
| Other | 1,919 | 2,001 | 2,043 | 2,085 | 2,127 |
| ***Total provisions*** | 23,382 | 24,751 | 23,913 | 23,935 | 21,682 |
| **Payables** | | | | | |
| Suppliers | 3,744 | 3,801 | 3,908 | 4,013 | 4,120 |
| ***Total payables*** | 3,744 | 3,801 | 3,908 | 4,013 | 4,120 |
| **Total liabilities** | 27,126 | 28,552 | 27,821 | 27,948 | 25,802 |
| **Net assets** | 25,446 | 30,003 | 30,080 | 30,080 | 30,080 |
| **EQUITY** | | | | | |
| Contributed equity | 4,055 | 6,012 | 6,012 | 6,012 | 6,012 |
| Reserves | 9,809 | 9,809 | 9,809 | 9,809 | 9,809 |
| Retained surpluses or accumulated deficits | 11,582 | 14,182 | 14,259 | 14,259 | 14,259 |
| **Total equity** | 25,446 | 30,003 | 30,080 | 30,080 | 30,080 |
| **Current assets** | 40,055 | 42,581 | 42,322 | 42,144 | 39,994 |
| **Non-current assets** | 12,517 | 15,975 | 15,579 | 15,884 | 15,888 |
| **Current liabilities** | 21,243 | 22,530 | 21,650 | 21,630 | 19,335 |
| **Non-current liabilities** | 5,883 | 6,022 | 6,171 | 6,318 | 6,467 |

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

| | Actuals 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Goods and services | 1,882 | 4,160 | 4,160 | 4,160 | 4,160 |
| Appropriations | 99,695 | 117,645 | 104,743 | 104,217 | 96,967 |
| Other | 3,074 | 2,397 | 1,780 | 1,773 | 1,765 |
| ***Total cash received*** | 104,651 | 124,202 | 110,683 | 110,150 | 102,892 |
| **Cash used** | | | | | |
| Employees | 70,048 | 82,206 | 78,596 | 78,596 | 69,596 |
| Suppliers | 31,688 | 35,396 | 28,011 | 27,559 | 28,900 |
| ***Total cash used*** | 101,736 | 117,602 | 106,607 | 106,155 | 98,496 |
| **Net cash from or (used by) operating activities** | 2,915 | 6,600 | 4,076 | 3,995 | 4,396 |
| **INVESTING ACTIVITIES** | | | | | |
| **Cash used** | | | | | |
| Purchase of property, plant and equipment | 3,862 | 7,457 | 3,600 | 4,300 | 4,400 |
| ***Total cash used*** | 3,862 | 7,457 | 3,600 | 4,300 | 4,400 |
| **Net cash from or (used by) investing activities** | (3,862) | (7,457) | (3,600) | (4,300) | (4,400) |
| **FINANCING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Appropriations - contributed equity | 900 | 1,957 | - | - | - |
| ***Total cash received*** | 900 | 1,957 | - | - | - |
| **Net cash from or (used by) financing activities** | 900 | 1,957 | - | - | - |
| **Net increase (or decrease) in cash held** | (47) | 1,100 | 476 | (305) | (4) |
| Cash at the beginning of the reporting period | 31,350 | 31,303 | 32,403 | 32,879 | 32,574 |
| **Cash at the end of the reporting period** | 31,303 | 32,403 | 32,879 | 32,574 | 32,570 |

Prepared on Australian Accounting Standards basis.

### Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

| | Retained earnings $'000 | Asset revaluation reserve $'000 | Other reserves $'000 | Contributed equity/ capital $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| **Opening balance as at 1 July 2009** | | | | | |
| Balance carried forward from previous period | 11,582 | 3,809 | 6,000 | 4,055 | 25,446 |
| **Opening balance** | 11,582 | 3,809 | 6,000 | 4,055 | 25,446 |
| **Income and expense** | | | | | |
| Net operating result | 2,600 | - | - | - | 2,600 |
| **Total income and expenses recognised directly in equity** | 2,600 | - | - | - | 2,600 |
| **Transactions with owners** | | | | | |
| Contribution by owners | | | | | |
| Appropriation (equity injection) | | | | 1,957 | 1,957 |
| **Transactions with owners** | - | - | - | 1,957 | 1,957 |
| **Estimated closing balance as at 30 June 2010** | 14,182 | 3,809 | 6,000 | 6,012 | 30,003 |

Prepared on Australian Accounting Standards basis.

### Table 3.2.5: Departmental capital budget statement

| | Actual 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **CAPITAL APPROPRIATIONS** | | | | | |
| Total equity injections | 900 | 1,957 | - | - | - |
| **Total capital appropriations** | 900 | 1,957 | - | - | - |
| **Represented by:** | | | | | |
| Purchase of non-financial assets | 900 | 1,957 | - | - | - |
| **Total represented by** | 900 | 1,957 | - | - | - |
| **ACQUISITION OF NON-FINANCIAL ASSETS** | | | | | |
| Funded by capital appropriations | 900 | 1,957 | - | - | - |
| Funded internally from departmental resources | 2,962 | 5,500 | 3,600 | 4,300 | 4,400 |
| **TOTAL** | 3,862 | 7,457 | 3,600 | 4,300 | 4,400 |

Prepared on Australian Accounting Standards basis.

### Table 3.2.6: Statement of asset movements — Departmental (2009-10)

| | Other infrastructure, plant & equipment $'000 | Intangibles $'000 | Total $'000 |
|---|---|---|---|
| **As at 1 July 2009** | | | |
| Gross book value | 10,507 | 15,359 | 25,866 |
| *less* Accumulated depreciation/amortisation | 3,646 | 9,703 | 13,349 |
| **Opening net book balance** | 6,861 | 5,656 | 12,517 |
| **Asset movements** | | | |
| Additions | 1,646 | 5,811 | 7,457 |
| *less* Depreciation/amortisation expense | 1,943 | 2,057 | 4,000 |
| **Total asset movements** | (297) | 3,754 | 3,457 |
| **As at 30 June 2010** | | | |
| Gross book value | 12,153 | 21,170 | 33,323 |
| *less* Accumulated depreciation/amortisation | 5,589 | 11,760 | 17,349 |
| **Closing net book balance** | 6,564 | 9,410 | 15,974 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **INCOME ADMINISTERED ON BEHALF OF GOVERNMENT** | | | | | |
| **Revenue** | | | | | |
| **Non-taxation** | | | | | |
| Other sources of non-taxation revenues | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| **Total non-taxation** | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| **Total revenues administered on behalf of Government** | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| **Total income administered on behalf of Government** | 107,545 | 147,402 | 131,273 | 130,741 | 123,482 |
| **EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT** | | | | | |
| Waivers and write-offs | 684 | 3,000 | 3,000 | 3,000 | 3,000 |
| **Total expenses administered on behalf of Government** | 684 | 3,000 | 3,000 | 3,000 | 3,000 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT** | | | | | |
| **Financial assets** | | | | | |
| Receivables | 85 | 1,674 | 1,674 | 1,674 | 1,674 |
| **Total financial assets** | 85 | 1,674 | 1,674 | 1,674 | 1,674 |
| **Total assets administered on behalf of Government** | 85 | 1,674 | 1,674 | 1,674 | 1,674 |

Prepared on Australian Accounting Standards basis.

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

| | Actual 2008-09 $'000 | Revised budget 2009-10 $'000 | Forward estimate 2010-11 $'000 | Forward estimate 2011-12 $'000 | Forward estimate 2012-13 $'000 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| **Cash or equivalents received** | | | | | |
| Transfer from Official Public Account | 2,418 | 3,000 | 3,000 | 3,000 | 3,000 |
| Administered revenue | 109,428 | 147,402 | 131,273 | 130,741 | 123,482 |
| **Total cash or equivalents received** | 111,846 | 150,402 | 134,273 | 133,741 | 126,482 |
| **Cash or equivalents used** | | | | | |
| Cash to Official Public Account | 109,428 | 147,402 | 131,273 | 130,741 | 123,482 |
| Administered expenses | 2,418 | 3,000 | 3,000 | 3,000 | 3,000 |
| **Total cash or equivalents used** | 111,846 | 150,402 | 134,273 | 133,741 | 126,482 |
| **Net cash or equivalents from or (used by) operating activities** | - | - | - | - | - |

Prepared on Australian Accounting Standards basis.

## Notes to the financial statements

### Basis of accounting

The financial statements have been prepared on an accrual basis in accordance with historical cost convention.

### Budgeted departmental statement of financial performance

### Revenues from Government

APRA is funded by a special appropriation for levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported by APRA is net of the levies retained in the Official Public Account to fund ASIC for consumer protection and market integrity functions, and the ATO for unclaimed moneys and lost member functions.

### Other revenue

Revenue from rendering of specific services is recognised by reference to the stage of completion of contracts or other agreements. Revenue from licence fees is recognised on receipt of the application and licence fee.

### Depreciation and amortisation

APRA's depreciation expense remains in balance with the capital program aimed at maintaining APRA's processes and infrastructure to an appropriate standard.

### Budgeted departmental statement of financial position

### Financial assets

Receivables include levies invoiced but still outstanding at the financial year-end and accrued revenues, being fees prorated over the periods to which they relate.

All accounts receivable are recorded at their estimated recoverable amount.

### Non-financial assets

Non-financial assets include leasehold improvements, furniture and fittings, computer hardware and office equipment. All of the foregoing assets are shown at fair value. Intangible assets comprise capitalised software, including works in progress and are shown at cost. APRA does not own any land or buildings.

Other non-financial assets include prepayments.

### Provisions and payables

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making good leased premises and payments to trade creditors.

### Equity

The opening balance of contributed equity represents the net value of assets and liabilities transferred from the Reserve Bank of Australia and the Insurance and Superannuation Commission on the formation of APRA on 1 July 1998, less an amount of $2.1 million returned to the Consolidated Revenue Fund as a return of unused appropriation in 2004-05.

### Budgeted departmental statement of cash flows

Cash received from operating activities includes the appropriation for levies collected from industry less amounts collected on behalf of the ATO and ASIC and cash from fees and charges.

### Schedule of budgeted revenues and expenses administered on behalf of Government

### Revenues

The other non-taxation revenues are the levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported in this statement is higher than that reported by APRA in the budgeted agency statement of financial position by the amount retained in the Official Public Account to fund ASIC and ATO activities described above.

### Write down and impairment of assets

Write down and impairment of assets represents waivers and write-offs of levies.

### Schedule of budgeted assets and liabilities administered on behalf of Government

### Financial assets

The financial assets include levy debt invoiced and still outstanding at year-end.

### Schedule of budgeted administered cash flows

All cash collected by APRA for levies, late lodgement and late payment penalties under the *Financial Institutions Supervisory Levies Collection Act 1998* is transferred to the Official Public Account at the close of business each day.