



PORTFOLIO BUDGET STATEMENTS 2013-14
BUDGET RELATED PAPER NO. 1.7

FINANCE AND DEREGULATION PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY

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SENATOR THE HON PENNY WONG

Minister for Finance and Deregulation

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2013-14 Budget for the Finance and Deregulation 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 be 'Penny Wong', with a long, sweeping flourish extending from the bottom right.

Penny Wong

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nfp	not for publication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

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A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2013-14 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriation 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 2013-14 (or Appropriation Bill [Parliamentary Departments] No. 1 2013-14 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*, non-General Government Sector entities are not consolidated into the Commonwealth General Government Sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

FINANCE AND DEREGULATION PORTFOLIO OVERVIEW

Minister(s) and Portfolio Responsibilities

The Finance and Deregulation portfolio occupies a central position in the Australian Government, with Senator The Hon Penny Wong as the responsible Portfolio Minister. The Hon Mark Dreyfus QC MP is the Special Minister of State and The Hon David Bradbury MP is the Minister Assisting for Deregulation.

The Finance portfolio is diverse and provides an array of support and services to the Australian Government. This includes budget and financial management services and advice; electoral services and support; Australian Government online delivery and information and communication technology management; non-defence asset management; asset sales; the administration of the Australian Government's general insurance fund, investment funds and superannuation schemes; Commonwealth land policy; discretionary compensation mechanisms; and the administration of Parliamentarians' entitlements. The portfolio also carries responsibility for implementing the Australian Government's better regulation agenda and ensuring best practice government regulation, and for the continuous improvement of public administration and delivery frameworks.

Department of Finance and Deregulation

The Department of Finance and Deregulation (Finance), as one of the Australian Government's central agencies, assists the Australian Government to achieve its objectives in a wide range of policy and program areas. Finance's role is to help the Australian Government shape and deliver its agenda by providing high quality advice and services, particularly in relation to fiscal and economic matters.

Australian Electoral Commission

The Australian Electoral Commission (AEC) provides the Australian people with an independent electoral service that meets their needs, encourages them to understand and participate in the electoral process, and supports free and fair electoral processes throughout the world.

Commonwealth Superannuation Corporation

Commonwealth Superannuation Corporation (CSC) manages and invests the monies of four regulated superannuation schemes: the Public Superannuation Scheme Accumulation Plan (PSSap); the Public Sector Superannuation Scheme (PSS); the Commonwealth Superannuation Scheme (CSS); and the Military Superannuation and Benefits Scheme (MSBS); and administers their relevant Acts and Trust Deeds. In addition, CSC administers five 'unfunded' superannuation schemes: the Defence Forces Retirement Benefits Scheme (DFRB), the Defence Force Retirement and Death Benefits Scheme (DFRDB), the Defence Force (Superannuation) (Productivity Benefit)

Portfolio Overview

Scheme (DFSPB), the 1922 Scheme under the *Superannuation Act 1922*, and the Papua New Guinea Scheme (PNG) under the *Papua New Guinea (Staffing Assistance) Act 1973*.

ComSuper

ComSuper, under the direction of the Commonwealth Superannuation Corporation, provides administrative services for the superannuation schemes for the Australian Government's public sector and Australian Defence Force employees.

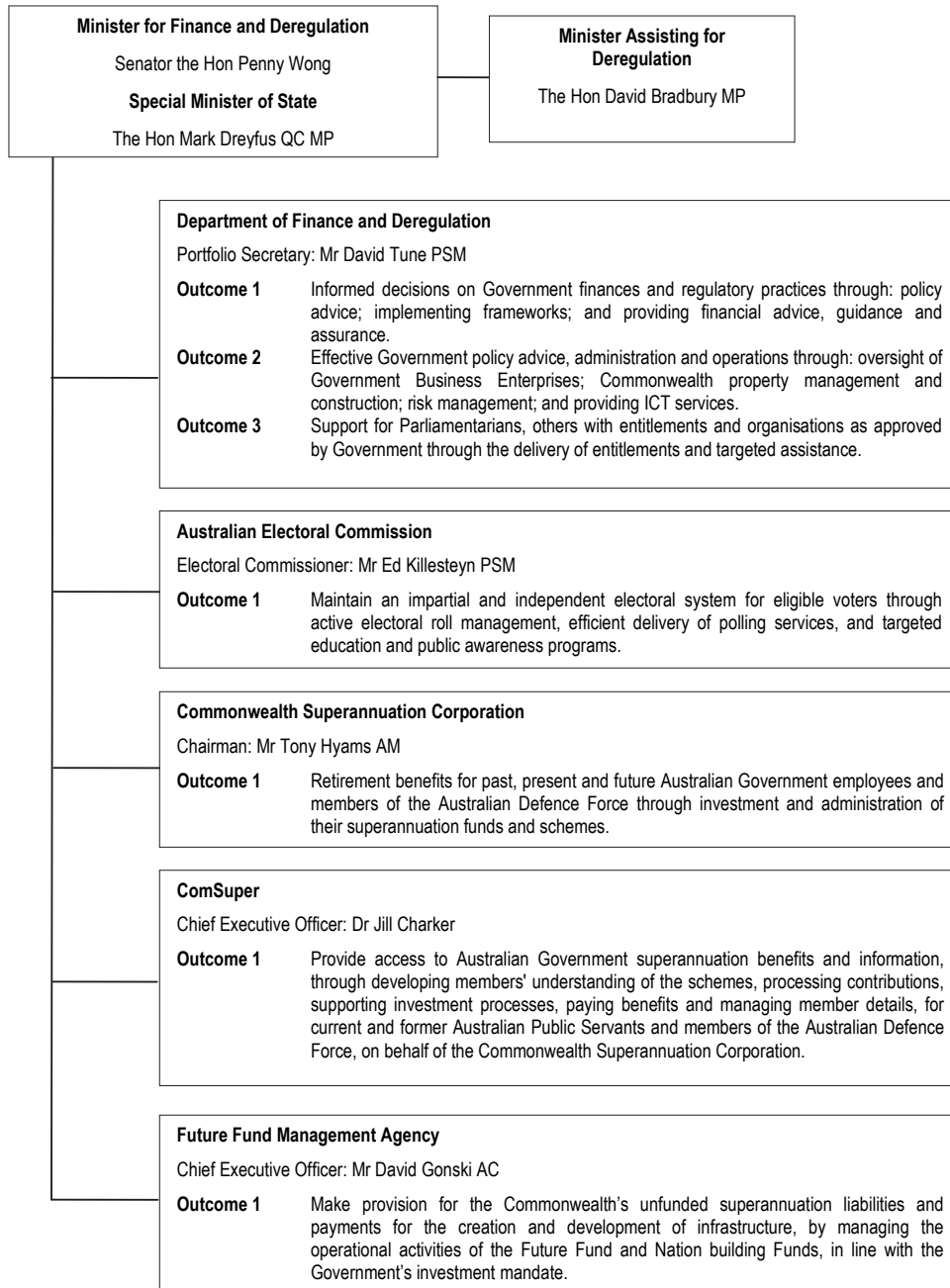
Future Fund Management Agency

The Future Fund Management Agency (FFMA) supports the Future Fund Board of Guardians (The Board) in managing investments on behalf of the Australian Government. The Board invests to accumulate assets for the purpose of offsetting the unfunded superannuation liabilities of the Australian Government which will fall due on future generations. The Board's scope has been broadened to also include managing investments to grow other Australian Government asset funds as a means to provide financing sources for substantial future investments in the Australian economy.

Changes Impacting on the Portfolio

The 2013-14 PBS includes estimates for the DisabilityCare Australia Fund. This fund is to be established on 1 July 2014 for holding and investing the additional Medicare Levy proceeds for the purpose of making reimbursements to DisabilityCare Australia. The DisabilityCare Australia Fund will be managed by the Future Fund Board of Guardians. The Fund is subject to the passage of the DisabilityCare Australia Fund Bill through Parliament.

Figure 1: Finance and Deregulation Portfolio Structure and Outcomes



Portfolio Resources

Table 1 shows the total new resources provided to the portfolio in the 2013-14 budget year by agency.

Table 1: Portfolio Resources 2013-14

	Appropriation			Receipts	Total
	Bill No. 1	Bill No. 2	Special		
	\$m	\$m	\$m	\$m	\$m
Department of Finance and Deregulation					
Administered appropriations	304	9	8,808	2,335	11,456
Departmental appropriations	267	318	-	493	1,078
Total					12,534
Australian Electoral Commission					
Administered appropriations	-	-	80	1	81
Departmental appropriations	275	4	9	17	305
Total					386
Commonwealth Superannuation Corporation					
Administered appropriations	-	-	-	-	-
Departmental appropriations	-	-	-	7	7
Total					7
ComSuper					
Administered appropriations	-	-	-	1,614	1,614
Departmental appropriations	1	1	-	87	89
Total					1,703
Future Fund Management Agency					
Administered appropriations	-	-	-	497	497
Departmental appropriations	-	-	-	-	-
Total					497
Resources available within portfolio:					15,127

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Finance and Deregulation

Agency Resources and Planned Performance

DEPARTMENT OF FINANCE AND DEREGULATION

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DEPARTMENT OF FINANCE AND DEREGULATION

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Department of Finance and Deregulation (Finance), as one of the Australian Government's central agencies, plays a key role in assisting and advising the Australian Government across a wide variety of policy and program areas.

Outcome 1 for Finance is "Informed decisions on Government finances and regulatory practices through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance."

To achieve this outcome, Finance:

- supports the Australian Government to both develop and deliver its agenda, particularly its fiscal and economic plans and the operations of government by providing high quality advice and services;
- contributes to the Australian Government's reform agenda by improving the effectiveness of government spending and ensuring improved frameworks for development and implementation of value-for-money policy;
- works to promote better quality regulation in all areas of government to reduce the costs of unnecessary and poorly designed government regulations on Australian businesses;
- advises the Australian Government on the Nation Building Funds and the DisabilityCare Australia Fund, and manages, on behalf of the Australian Government, the superannuation arrangements for Australian Government civilian employees, politicians and judges; and
- coordinates the Australian Government Procurement Policy Framework and a number of significant Whole-of-Australian-Government procurement activities.

Outcome 2 for Finance is “Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.”

To achieve this outcome, Finance:

- encourages the use of Information and Communication Technology (ICT) to increase public sector productivity, while maintaining a focus on efficiency and effectiveness;
- contributes to the Australian Government’s agenda to make online government services more accessible;
- implements reviews, at the Whole-of-Australian-Government level, of ICT and the Commonwealth Property Management Framework;
- provides advice to Government on the strategy, commercial performance and governance of Government Business Enterprises;
- promotes efficient property and land management practices across the Australian Government;
- manages the Australian Government’s non-Defence property portfolio within Australia, and major capital works projects as required by the Government; and
- promotes risk management across the Australian Government through its provision of general insurance services managed by Comcover.

Outcome 3 for Finance is “Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.”

Finance achieves this outcome through providing entitlements and advice to Senators and Members, and their staff.

1.2 Agency Resource Statement

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

Table 1.1: Department of Finance and Deregulation Resource Statement - Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services ¹				
Departmental appropriation				
Departmental appropriation ²	72,296 ³	267,025	339,321	288,788
s.31 relevant agency receipts ⁴	-	18,216	18,216	20,786
Total	72,296	285,241	357,537	309,574
Administered expenses				
Outcome 1	-	11,373	11,373	11,434
Outcome 2	-	712	712	697
Outcome 3 ⁵	-	291,683	291,683	250,124
Total	-	303,768	303,768	262,255
Total ordinary annual services	A 72,296	589,009	661,305	571,829
Other services ⁶				
Departmental non-operating				
Equity injections	-	318,393	318,393	154,455
Total	-	318,393	318,393	154,455
Administered non-operating				
Administered assets and liabilities	-	8,967	8,967	11,822
Total	-	8,967	8,967	11,822
Total other services	B -	327,360	327,360	166,277
Total available annual appropriations	72,296	916,369	988,665	738,106
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Federal Circuit Court of Australia Act 1999</i>	-	675	675	599
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	-	703	703	703
<i>Governor-General Act 1974</i>	-	6,148	6,148	1,017
<i>Judges' Pensions Act 1968</i>	-	77,200	77,200	75,300
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	-	3,215	3,215	3,171
<i>Parliamentary Contributory Superannuation Act 1948</i>	-	53,493	53,493	57,350
<i>Parliamentary Entitlements Act 1990</i>	-	165,506	165,506	157,700
<i>Parliamentary Superannuation Act 2004</i>	-	4,968	4,968	4,436
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008</i>	-	54	54	61

Table continues on next page

Table 1.1: Department of Finance and Deregulation Resource Statement - Budget Estimates for 2013-14 as at Budget May 2013 (continued)

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<i>Superannuation Act 1922</i>	-	45,000	45,000	31,154
<i>Superannuation Act 1976</i>	-	3,338,601	3,338,601	2,717,411
<i>Superannuation Act 1990</i>	-	3,521,215	3,521,215	5,062,377
Special appropriations limited by amount				
<i>Commonwealth of Australia Constitution Act (s.66)</i>	-	4,719	4,719	4,719
Special appropriations limited by capital				
Special capital appropriations	-	1,586,628	1,586,628	1,635,644
Total special appropriations C	-	8,808,125	8,808,125	9,751,642
Total appropriations excluding special accounts	72,296	9,724,494	9,796,790	10,489,748
Special account				
Opening balance ⁷	510,527	-	510,527	526,710
Appropriation receipts	-	62,749	62,749	17,168
Equity injection	-	128,650	128,650	160,576
Non-appropriation receipts to special accounts	-	2,619,236	2,619,236	3,162,692
Total special account D	510,527	2,810,635	3,321,162	3,867,146
Total resourcing A+B+C+D	582,823	12,535,129	13,117,952	14,356,894
Less appropriations drawn from annual or special appropriations (excluding special account) above and credited to special accounts	-	(191,399)	(191,399)	(177,744)
Total net resourcing for Finance	582,823	12,343,730	12,926,553	14,179,150

1 Appropriation Bill (No.1) 2013-14.

2 Includes an amount of \$10.921m in 2013-14 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. Also included is an amount of \$0.198m as departmental supplementation.

3 Estimated adjusted balance carried from previous year for annual appropriations.

4 s.31 relevant agency receipts – estimate.

5 Includes an amount of \$7.890m for the Administered Capital Budget (refer to Table 3.2.10 for further details).

6 Appropriation Bill (No.2) 2013-14.

7 Estimated opening balance for special accounts.

Table 1.1: Department of Finance and Deregulation Resource Statement - Budget Estimates for 2013-14 as at Budget May 2013 (continued)

Third party payments from and on behalf of other agencies

	2013-14 \$'000	2012-13 \$'000
Payments made on behalf of Finance:		
Attorney-General's Department:		
<i>Parliamentary Entitlements Act 1990</i>	300	300
ComSuper:		
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	703	703
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008</i>	54	61
<i>Superannuation Act 1922</i>	45,000	31,153
<i>Superannuation Act 1976</i>	3,338,601	2,717,411
<i>Superannuation Act 1990</i>	3,521,215	5,062,377
<i>Appropriation Act (No. 1)</i> ¹	500	500
<i>Appropriation Act (No. 1)</i> ²	651	650
<i>Appropriation Act (No. 2)</i> ²	507	476
Department of Defence:		
<i>Parliamentary Entitlements Act 1990</i>	4,900	-
Department of the House of Representatives:		
<i>Commonwealth of Australia Constitution Act (s.66)</i>	3,532	3,661
<i>Parliamentary Entitlements Act 1990</i>	450	450
<i>Parliamentary Superannuation Act 2004</i>	3,298	2,830
Department of Parliamentary Services:		
<i>Parliamentary Entitlements Act 1990</i>	13,877	13,737
Department of the Senate:		
<i>Commonwealth of Australia Constitution Act (s.66)</i>	1,187	1,111
<i>Parliamentary Entitlements Act 1990</i>	736	736
<i>Parliamentary Superannuation Act 2004</i>	1,670	1,606
Fair Work Australia:		
<i>Judges' Pensions Act 1968</i>	4,817	4,627
Payments made by Finance on behalf of other agencies:		
Attorney-General's Department:		
<i>Law Officers Act 1964</i>	404	404
Australian Security Intelligence Organisation:		
<i>Appropriation Act (No. 1)</i>	17,371	58,175

¹ Compensation and legal payments.

² Act of Grace Payments.

1.3 Budget Measures

Budget measures in Part 1 relating to the Department of Finance and Deregulation are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Finance and Deregulation 2013-14 Budget Measures
Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Revenue measures						
<i>Measures where Finance is not the lead agency:</i>						
Personal income tax - increase in the Medicare levy - DisabilityCare Australia ¹						
Administered revenue	1.3	-	-	42,802	161,129	263,454
Total		-	-	42,802	161,129	263,454
Total revenue measures						
Administered		-	-	42,802	161,129	263,454
Total		-	-	42,802	161,129	263,454
Expense measures						
<i>Measures where Finance is the lead agency:</i>						
Public Sector Enterprise Resource Planning Systems - investigation study						
Departmental expenses	1.1	-	(1,392)	(1,401)	-	-
Improving Government Efficiency - Better Procurement Price Outcomes						
Departmental expenses	1.1	-	(241)	(353)	(1,085)	(1,096)
Australian Government Grants System ²						
Departmental expenses	1.1	-	(314)	(294)	(462)	(2,543)
BoardLinks - Improving gender balance on Australian Government boards						
Departmental expenses	2.1	-	-	-	-	-
National Telepresence System - increased capacity						
Administered expenses	3.1	-	(2,705)	(2,911)	(3,054)	(3,202)
Parliament - Senators and Members Insurance						
Administered expenses	3.1	-	nfp	nfp	nfp	nfp
<i>Measures where Finance is not the lead agency:</i>						
Child Care Management System - Gateway Review ³						
Departmental expenses	1.1	-	(42)	-	-	-
Addressing gang violence and organised crime - National Anti-Gang Taskforce, Gang Intelligence Centre and Criminal Assets Confiscation Taskforce ⁴						
Departmental expenses	1.1	(72)	-	-	-	-
Child Support System (Cuba) - Replacement ⁵						
Departmental expenses	1.1	-	(85)	(85)	(85)	(85)
Statistical Infrastructure Project ⁶						
Departmental expenses	1.1	(42)	-	-	-	-

Table continues on next page

Table 1.2: Department of Finance and Deregulation 2013-14 Budget Measures (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Tax administration - enhancing Standard Business Reporting, the Australian Business Register and Australian Business Number administration ⁷						
Departmental expenses	1.1	-	(85)	(85)	(85)	(85)
Better Schools - National Plan for School Improvement - new school funding model ⁸						
Departmental expenses	1.1	-	(85)	(85)	(85)	(85)
International Communications Network - upgrade ⁹						
Departmental expenses	1.1	(42)	(85)	(85)	(85)	-
National Radioactive Waste Management - securing a site and First Stage business case ¹⁰						
Departmental expenses	1.1	-	(50)	-	-	-
Official development assistance - Enterprise Resource Planning system ¹¹						
Departmental expenses	1.1	(42)	(42)	-	-	-
Superannuation reforms - reforming the tax exemption for earnings on superannuation assets supporting retirement income streams ¹²						
Departmental expenses	1.2	-	(505)	(945)	-	-
Personal income tax - increase in the Medicare levy - DisabilityCare Australia ¹						
Administered expenses	1.3	-	-	(192)	(764)	(1,282)
Total		(198)	(5,631)	(6,436)	(5,705)	(8,378)
Total expense measures						
Administered		-	(2,705)	(3,103)	(3,818)	(4,484)
Departmental		(198)	(2,926)	(3,333)	(1,887)	(3,894)
Total		(198)	(5,631)	(6,436)	(5,705)	(8,378)

Table continues on next page

Table 1.2: Department of Finance and Deregulation 2013-14 Budget Measures (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Capital measures						
<i>Measures where Finance is the lead agency:</i>						
Improving Government Efficiency -						
Better Procurement Price Outcomes						
Departmental capital	1.1	-	(3,838)	(3,741)	-	-
Australian Government Grants System ²						
Departmental capital	1.1	-	(228)	(2,978)	(2,325)	-
BoardLinks - Improving gender balance on						
Australian Government boards						
Departmental capital	2.1	-	-	-	-	-
Maintenance work for the Lodge and the						
John Gorton Building						
Departmental capital	2.2	-	nfp	-	-	-
National Telepresence System						
- increased capacity						
Administered capital	3.1	(4,200)	(3,250)	-	-	-
<i>Measures where Finance is not the lead agency:</i>						
Superannuation reforms - reforming the						
tax exemption for earnings on superannuation						
assets supporting retirement income streams ¹²						
Departmental capital	1.2	-	(195)	(1,155)	-	-
Total		(4,200)	(7,511)	(7,874)	(2,325)	-
Total capital measures						
Administered		(4,200)	(3,250)	-	-	-
Departmental		-	(4,261)	(7,874)	(2,325)	-
Total		(4,200)	(7,511)	(7,874)	(2,325)	-

Prepared on a Government Finance Statistics (fiscal) basis.

- 1 The lead agency for the measure *Personal income tax – increase in the Medicare levy – DisabilityCare Australia* is the Australian Taxation Office. The full measure description and package details appear in Budget Paper 2 under the Treasury Portfolio.
- 2 This proposal develops a single point of reference for potential grant applicants to identify and apply for Australian Government grants. The proposal will also provide a single point of reference for reporting the Australian Government's granting activities.
- 3 The lead agency for the measure *Child Care Management System - Gateway Review* is the Department of Education, Employment and Workplace Relations. The full measure description and package details appear in Budget Paper 2 under the Education, Employment and Workplace Relations Portfolio.
- 4 The lead agency for the measure *Addressing gang violence and organised crime – National Anti-Gang Taskforce, Gang Intelligence Centre and Criminal Assets Confiscation Taskforce* is the Australian Federal Police. The full measure description and package details appear in Budget Paper 2 under the Attorney-General's Portfolio.
- 5 The lead agency for the measure *Child Support System (Cuba) - Replacement* is the Department of Human Services. The full measure description and package details appear in Budget Paper 2 under the Human Services Portfolio.
- 6 The lead agency for the measure *Statistical Infrastructure Project* is the Australian Bureau of Statistics. The full measure description and package details appear in Budget Paper 2 under the Treasury Portfolio.
- 7 The lead agency for the measure *Tax administration – enhancing Standard Business Reporting, the Australian Business Register and Australian Business Number administration* is the Australian Taxation Office. The full measure description and package details appear in Budget Paper 2 under the Treasury Portfolio.

- 8 The lead agency for the measure *Better Schools - National Plan for School Improvement - new school funding model* is the Department of Education, Employment and Workplace Relations. The full measure description and package details appear in Budget Paper 2 under the Education, Employment and Workplace Relations Portfolio.
- 9 The lead agency for the measure *International Communications Network - upgrade* is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper 2 under the Foreign Affairs and Trade Portfolio.
- 10 The lead agency for the measure *National Radioactive Waste Management - securing a site and First Stage business case* is the Department of Resources, Energy and Tourism. The full measure description and package details appear in Budget Paper 2 under the Resources, Energy and Tourism Portfolio.
- 11 The lead agency for the measure *Official development assistance - Enterprise Resource Planning system* is the Australian Agency for International Development. The full measure description and package details appear in Budget Paper 2 under the Foreign Affairs and Trade Portfolio.
- 12 The lead agency for the measure *Superannuation reforms - reforming the tax exemption for earnings on superannuation assets supporting retirement income streams* is the Australian Taxation Office. The full measure description and package details appear in Budget Paper 2 under the Treasury Portfolio.

Part 2: MYEFO Measures Not Previously Reported in a Portfolio Statement

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Measures						
Targeted savings - public service efficiencies ¹						
Departmental expenses		-	559	698	773	680
Total		-	559	698	773	680
Total measures						
Departmental		-	559	698	773	680
Total		-	559	698	773	680

Prepared on a Government Finance Statistics (fiscal) basis.

- 1 The fiscal impact reported for the measure Targeted savings – public service efficiencies is in addition to the impact previously reported for this measure in the 2012-13 Finance and Deregulation Portfolio Additional Estimates Statement.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Finance in achieving Government outcomes.

Outcome 1: Informed decisions on Government finances and regulatory practices through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.

Outcome 1 Strategy

Finance assists the Australian Government to meet its policy objectives through:

- providing robust analysis and policy advice on Australian Government expenditure, along with development and preparation of the Budget;
- providing Whole-of-Australian-Government financial reporting and maintaining the financial framework, including improvements to enhance transparency, ensuring its on-going relevance and reducing internal red tape;
- implementing the Australian Government's better regulation agenda;
- providing advice on grants policy, including updating the Commonwealth Grant Guidelines; and
- providing advice on procurement policy, including the coordination of procurement arrangements and Australian Government advertising processes.

Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for outcome 1 by program.

Table 2.1.1: Budgeted Expenses for Outcome 1

Outcome 1: Informed decisions on Government finances and regulatory practices through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Budget, Financial Management, Better Regulation and Procurement Framework		
Departmental expenses:		
Departmental appropriation ¹		
Budget Advice	56,095	56,745
Financial Reporting	20,192	12,889
Financial Framework	23,223	22,080
Deregulation and Regulatory Reform	12,028	12,010
Procurement Framework	9,470	9,457
Special accounts		
Coordinated Procurement Contracting		
Special Account ²	94,681	117,833
Expenses not requiring appropriation in the Budget year ³	5,619	13,032
Total for Program 1.1	221,307	244,046
Program 1.2: Public Sector Superannuation		
Administered expenses:		
Ordinary annual services (Appropriation Bill (No.1))		
Act of Grace nominal interest	650	651
Compensation and legal expenses	500	500
Superannuation administration costs	10,283	10,222
Special Appropriations		
<i>Federal Circuit Court</i>		
<i>of Australia Act 1999</i>	599	675
<i>Governance of Australian</i>		
<i>Government Superannuation</i>		
<i>Schemes Act 2011</i>	703	703
<i>Governor-General Act 1974</i>	1,017	6,148
<i>Judges' Pensions Act 1968</i>	75,300	77,200
<i>Parliamentary Contributory Superannuation Act 1948</i>	57,350	53,493
<i>Parliamentary Superannuation Act 2004</i>	4,436	4,969
<i>Same-Sex Relationships (Equal Treatment in Commonwealth</i>		
<i>Laws - Superannuation) Act 2009</i>	61	54
<i>Superannuation Act 1922</i>	31,154	45,000
<i>Superannuation Act 1976</i>	2,717,411	3,338,601
<i>Superannuation Act 1990</i>	5,062,377	3,521,215

Table continues on next page

Table 2.1.1 Budgeted Expenses and Resources for Outcome 1 (continued)

Outcome 1: Informed decisions on Government finances and regulatory practices through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.	2012-13 Estimated Actual Expenses \$'000	2013-14 Estimated Expenses \$'000
Departmental expenses:		
Departmental appropriation ¹		
Public Sector Superannuation	13,117	12,674
Expenses not requiring appropriation in the Budget year ³	365	380
Total for Program 1.2	7,975,323	7,072,485
Program 1.3: Nation Building Funds and DisabilityCare Australia Fund		
Administered expenses:		
Special accounts		
Building Australia Fund Special Account	896,275	953,872
Education Investment Fund Special Account	426,404	266,579
Health and Hospitals Fund Special Account	717,741	715,705
DisabilityCare Australia Fund Special Account ⁴	-	-
Total for Program 1.3	2,040,420	1,936,156
Outcome 1 totals by appropriation type		
Administered expenses:		
Ordinary annual services (Appropriation Bill (No.1))	11,433	11,373
Special appropriations (excluding special accounts)	7,950,408	7,048,058
Special accounts	2,135,101	2,053,989
Departmental expenses:		
Departmental appropriation ¹	134,123	125,855
Expenses not requiring appropriation in the Budget year ³	5,984	13,412
Total expenses for Outcome 1	10,237,050	9,252,686
Average Staffing Level (number)	861	841

¹ Departmental appropriation combines 'ordinary annual services (Appropriation Bill (No.1))' and 'relevant agency receipts (s.31)'.

² The Coordinated Procurement Contracting Special Account expenses include expenses for ICT-related coordinated procurement activities. The policy for ICT coordinated procurement activities is provided under Outcome 2 (Australian Government Information Management Office).

³ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

⁴ The Fund is subject to the passage of the DisabilityCare Australia Fund Bill through Parliament.

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

Contributions to Outcome 1

Program 1.1: Budget, Financial Management, Better Regulation and Procurement Framework

Program 1.1 Objective

This program contributes to the outcome through:

- advising the Finance Minister, the Minister Assisting for Deregulation and the Expenditure Review Committee (ERC) of Cabinet so they can make informed decisions; and
- providing a robust financial management and procurement framework policy that fosters accountable expenditure decision-making by Australian Government agencies.

Program 1.1 Expenses

Program 1.1: Budget, Financial Management, Better Regulation and Procurement Framework

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Budget Advice	56,095	56,745	57,300	57,839	58,791
Financial Reporting	20,192	12,889	13,828	13,805	13,976
Financial Framework	23,223	22,080	22,036	21,322	23,561
Deregulation and Regulatory Reform	12,028	12,010	12,111	12,207	12,372
Procurement Framework	9,470	9,457	9,531	9,602	9,724
Coordinated Procurement Contracting Special Account ¹	94,681	117,833	111,405	101,023	96,421
Expenses not requiring appropriation in the Budget year ²	5,619	13,032	13,433	13,390	13,391
Total program expenses	221,307	244,046	239,644	229,188	228,236

¹ The Coordinated Procurement Contracting Special Account expenses include expenses for ICT-related coordinated procurement activities. The policy for ICT coordinated procurement activities is provided under Outcome 2 (Australian Government Information Management Office).

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Program 1.1 Deliverables

Budget

- Inform the Australian Government through relevant, reliable, robust analysis and evidence-based policy advice and financial information including timely and accurate costings.
- Prepare and deliver Budget estimates, processes and documentation in an accurate and timely manner.
- Provide advice to Australian Government agencies on Budget processes that is effective, timely and accurate.

Deregulation

- Provide advice to support the development of more efficient regulation and effective regulatory management.

Financial Management

- Provide advice to the Finance Minister to meet financial reporting responsibilities under the FMA Act, the CAC Act, the *Charter of Budget Honesty Act 1998* and the Annual Appropriation Acts, through:
 - the development and maintenance of the Finance Minister's Orders;
 - the production of financial data and financial statements for the Australian Government;
 - the production of Appropriation Bills; and
 - the monitoring and reporting of the Australian Government's cash balances.
- Provide financial management legislation that is clear and concise that supports efficient, effective, ethical and economical Australian Government administration.
- Provide advice on policy and implementation issues in relation to the financial framework, including the outcomes and programs framework.
- Provide advice and guidance to help Commonwealth grants policy, including tools that support the joint not-for-profit reform agenda.

- Continue the development and implementation of reforms to the financial framework as part of the Commonwealth Financial Accountability Review, including:
 - implementing legislation to replace the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*, with the operational provisions and new framework to commence from 1 July 2014; and
 - collaborate with Commonwealth entities to develop rules, related business practices and guidance to support implementation of the new framework.

Assurance

- Undertake Gateway Reviews and Implementation Readiness Assessments of major projects and programs over their lifecycle, to provide assurance to agencies regarding delivery and implementation.

International Governance and Cooperation

- Deploy public financial management advisory staff to relevant countries as agreed with the governments of these countries, in line with the Australian Government's overseas aid priorities.

Procurement Framework

- Provide policy advice to the Australian Government, departments and agencies on procurement and related operational matters.
- Provide assistance and advice to departments and agencies on the process of developing Australian Government advertising campaigns.
- Develop and manage AusTender.
- For non-ICT related procurement, manage Whole-of-Australian-Government and coordinated procurement contract arrangements including conducting scoping studies into goods and services which may be suitable for coordinated arrangements.
- Strengthen procurement capability across the Australian Public Service by conducting regular information activities.

Program 1.1 Key Performance Indicators

Budget

- Advice is timely, relevant and of high quality, and is based on an objective and thorough understanding of issues from a Whole-of-Australian-Government perspective.
- Costings and budget estimates are accurate and appropriate and meet ERC and Budget deadlines for provision of information and analysis.
- Accurate budget estimates targets, measured as follows, after allowing for the effects of policy decisions, movements in economic parameters and changes in accounting treatments:
 - 2.0% difference between first forward year estimated expenses and final outcome;
 - 1.5% difference between Budget estimated expenses and final outcome;
 - 1.0% difference between revised estimated expenses at Mid Year Economic and Fiscal Outlook (MYEFO) and Final Budget Outcome (FBO); and
 - 0.5% difference between revised estimated expenses at Budget time and Final Budget Outcome.

Deregulation

- Identify and address poorly performing regulatory functions and frameworks, quantifying impacts where possible.
- Respond to drafts of Regulation Impact Statements consistent with the requirements of the Government's *Best Practice Regulation Handbook* and the Council of Australian Government's *Principles of Best Practice Regulation*.

Financial Management

- Accurate and timely financial statements are prepared as part of the Budget documentation.
- Appropriation Bills accurately reflect the decisions of the Australian Government and are finalised for introduction into Parliament as agreed by the Australian Government.
- Accurate financial reports are delivered to the Australian Government within agreed timeframes:

Finance Budget Statements

- Monthly General Government Sector financial reports (excluding July) are timely and accurate. Following the month end, statements are provided to the Finance Minister, on average, within 21 days.
- Consolidated financial statements are provided by the Finance Minister to the Auditor-General in accordance with the FMA Act by 30 November 2013.
- The derived underlying cash balance is provided to Government following the end of the financial year within 5 days.
- Key financial reports delivered to the Australian Government within agreed timeframes.
- Progressive improvement in aggregate and portfolio compliance results, reported through the implementation of the Certificate of Compliance framework, since the introduction of public reporting in 2008-09.

Assurance

- 90% of Gateway Review report recommendations are actioned or being actioned by agencies.

International Governance and Cooperation

- Contribute to the achievement of the public financial management reforms and capacity in Indonesia and Pacific island countries assessed through external evaluations and stakeholder assessments.

Procurement Framework

- Government advertising is conducted in accordance with Australian Government advertising policies.
- Coordinated Procurement arrangements are well managed. In particular, scoping studies and tender processes are conducted within agreed timeframes and budget; and contracts are managed in accordance with appropriate contract management plans.
- Timely and relevant advice on procurement policy matters is provided, with at least 80% of agency queries to the procurement advice inbox responded to within 3 days.
- AusTender is available 99% of the time during business hours (ACT local time).

Program 1.2: Public Sector Superannuation

Program 1.2 Objective

This program contributes to the outcome through advising the Australian Government on managing the Future Fund, the Australian Government unfunded superannuation liabilities and its associated administered expense items and superannuation arrangements for Australian Government employees.

This includes advising the Australian Government on the administration and management of superannuation arrangements for current and former: Members of Parliament; Governors-General; Federal Judges; and Judges of the Federal Circuit Court of Australia (Federal Circuit Court Judges).

Linked to:

- Commonwealth Superannuation Corporation (CSC) is the trustee which manages the Australian Government's main superannuation schemes, including the following civilian schemes: the Public Sector Superannuation Accumulation Plan; the Public Sector Superannuation Scheme and the Commonwealth Superannuation Scheme.
- ComSuper provides superannuation administration services to the Australian Government's main superannuation schemes. ComSuper makes entitlement payments to current and former Australian Government employees by drawing down on Finance's superannuation special and annual appropriations.
- The Future Fund Management Agency (FFMA) supports and advises the Future Fund Board of Guardians in its task of investing the assets of the Future Fund. Finance provides advice to the Australian Government on the investment mandates and governance arrangements for the Future Fund.

Program 1.2 Expenses

Program 1.2: Public Sector Superannuation

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Act of Grace nominal interest	650	651	611	567	517
Compensation and legal expenses	500	500	500	500	500
Superannuation administration costs	10,283	10,222	10,222	10,222	10,222
Special appropriations:					
<i>Federal Circuit Court of Australia Act 1999</i>	599	675	706	741	796
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	703	703	703	703	703
<i>Governor-General Act 1974</i>	1,017	6,148	1,284	1,274	1,264
<i>Judges' Pensions Act 1968</i>	75,300	77,200	80,500	82,000	83,200
<i>Parliamentary Contributory Superannuation Act 1948</i>	57,350	53,493	56,700	57,400	56,500
<i>Parliamentary Superannuation Act 2004</i>	4,436	4,969	5,511	5,676	5,846
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008</i>	61	54	48	40	33
<i>Superannuation Act 1922</i>	31,153	45,000	41,000	38,000	34,000
<i>Superannuation Act 1976</i>	2,717,412	3,338,601	3,318,152	3,295,037	3,270,413
<i>Superannuation Act 1990</i>	5,062,378	3,521,215	3,672,641	3,839,825	3,995,261
Annual departmental expenses:					
Public Sector Superannuation	13,117	12,674	9,247	8,175	8,037
Expenses not requiring appropriation in the Budget year ¹	365	380	358	361	361
Total program expenses	7,975,324	7,072,485	7,198,183	7,340,521	7,467,653

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Program 1.2 Deliverables

- Provide policy advice on, and manage effectively, the Australian Government's unfunded superannuation liability and associated administered expenses, and provide policy advice on the superannuation arrangements for Australian Government employees.
- Provide policy advice and manage the superannuation arrangements for the Parliamentary Contributory Superannuation Scheme and current and former: Governors-General; Federal Judges; and Federal Circuit Court Judges.
- Provide policy advice on the Future Fund, including the investment mandate and other governance matters.
- Provide policy advice on the governance of Sovereign Wealth Funds.

Program 1.2 Key Performance Indicators

- High quality and relevant policy advice is provided in a timely manner, as assessed by feedback from key clients.
- Members of superannuation schemes administered by Finance are satisfied with service provision. Payments made under these superannuation schemes are accurate and in accordance with scheme timeframes. Superannuation scheme statements are issued in accordance with prescribed timeframes.

Program 1.3: Nation Building Funds and DisabilityCare Australia Fund

Program 1.3 Objective

This program contributes to the outcome through advising on the Australian Government's:

- three Nation Building Funds (NBF), being:
 - Building Australia Fund (BAF);
 - Education Investment Fund (EIF); and
 - Health and Hospitals Fund (HHF).
- DisabilityCare Australia Fund (DCAF).

This includes advice on the investment mandates, transfers of amounts to the NBF and the DCAF, debits for payments to Portfolio Special Accounts and reimbursements to DisabilityCare Australia, and other governance matters.

The NBF provide a financing source to meet the Australian Government's commitment to Australia's future by investment in critical areas of infrastructure such as transport, communications, energy, water, education, research and health.

The DCAF will be established to hold and invest the additional Medicare Levy proceeds for the purpose of making reimbursements to DisabilityCare Australia.

The DCAF is subject to the passage of the DisabilityCare Australia Fund Bill through Parliament.

Linked to:

- The FFMA supports and advises the Future Fund Board of Guardians in its task of investing the assets of the NBF and the DCAF, and implements the Board's investment decisions. Finance provides advice to the Australian Government on investment mandates and governance arrangements for the NBF and the DCAF.

Program 1.3 Expenses**Program 1.3: Nation Building Funds and DisabilityCare Australia Fund**

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special account expenses:					
Building Australia Fund					
Special Account	896,275	953,872	568,714	755,744	3,174
Education Investment Fund					
Special Account	426,404	266,579	214,368	225,441	4,443
Health and Hospitals Fund					
Special Account	717,741	715,705	658,327	418,012	46,975
DisabilityCare Australia Fund					
Special Account ¹	-	-	192	74,664	189,782
Total program expenses	2,040,420	1,936,156	1,441,409	1,399,197	54,592

¹ The Fund is subject to the passage of the DisabilityCare Australia Fund Bill through Parliament.

Program 1.3 Deliverables

- Provide policy advice to the Australian Government on the NBF and the DCAF, including investment mandates, making payments to Portfolio Special Accounts and for DisabilityCare Australia reimbursements, and other governance matters.

Program 1.3 Key Performance Indicators

- High quality and relevant advice is provided in a timely manner, as assessed by feedback from key clients.
- Payments to Portfolio Special Accounts and reimbursements to DisabilityCare Australia are timely and consistent with legislation. For the NBF, once appropriate payment advice is received from the agency, Finance will credit Portfolio Special Accounts within 6 business days.

Outcome 2: Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.

Outcome 2 Strategy

Finance supports the Australian Government's administration and operations through:

- providing shareholder oversight of Australian Government Business Enterprises (GBEs) and other commercial entities;
- developing and implementing policy, and providing advice, guidance and support, in relation to the management of Commonwealth property, land and public works;
- undertaking major, high-risk or complex capital works projects as required by the Australian Government;
- managing the Australian Government's non-Defence property portfolio within Australia;
- administering the Australian Government's self-managed general insurance fund (Comcover);
- providing advice and support in relation to the discretionary powers regarding Acts of Grace and Waivers of Debt; and
- providing advice and services on ICT to enable the delivery of better and more efficient Australian Government services for the Australian people, communities and business, through:
 - improving ICT knowledge, skills and capability across the Australian Government;
 - using ICT to simplify and join services that the Australian Government provides;
 - targeting and coordinating ICT investment and the sharing of resources;
 - harnessing the potential of the digital economy and new technologies; and
 - generating, sharing, managing and more effectively using information.
- assisting Government achieve a minimum of 40 per cent of women on Australian Government boards by 2015 (measured at the portfolio level).

Outcome Expense Statement

Table 2.1.2 provides an overview of the total expenses for outcome 2, by program.

Table 2.1.2 Budgeted Expenses and Resources for Outcome 2

Outcome 2: Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.	2012-13	2013-14
	Estimated	Estimated
	Actual	Expenses
	Expenses \$'000	\$'000
Program 2.1: Australian Government Business and ICT		
Administered expenses:		
Ordinary annual services (Appropriation Bill (No.1))		
Grants in Aid - Animals Australia	33	34
Grants in Aid - Australian Institute of Policy and Science	33	34
Grants in Aid - Chifley Research Centre	208	213
Grants in Aid - Green Institute	78	80
Grants in Aid - Menzies Research Centre	208	213
Grants in Aid - Page Research Centre	78	80
Grants in Aid - Royal Humane Society of Australasia	24	25
Grants in Aid - RSPCA Australia Inc	33	34
Departmental expenses:		
Departmental appropriation ¹		
Government Business Enterprises Ownerships and Divestment	21,106	15,110
Special Financial Claims	3,317	2,639
Australian Government Information Management Office	28,331	26,632
Special accounts		
Business Services Special Account	-	-
Expenses not requiring appropriation in the Budget year ²	3,759	3,523
Total for Program 2.1	57,208	48,616

Table continues on next page

Table 2.1.2 Budgeted Expenses and Resources for Outcome 2 (continued)

Outcome 2: Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.	2012-13 Estimated Actual Expenses \$'000	2013-14 Estimated Expenses \$'000
Program 2.2: Property and Construction		
Departmental expenses:		
Property Special Account	82,959	86,371
Total for Program 2.2	82,959	86,371
Program 2.3: Insurance and Risk Management		
Departmental expenses:		
Comcover Special Account	84,641	98,335
Total for Program 2.3	84,641	98,335
Outcome 2 totals by appropriation type:		
Administered expenses:		
Ordinary annual services (Appropriation Bill (No. 1))	695	713
Departmental expenses:		
Departmental appropriation ¹	52,754	44,380
Special accounts	167,599	184,706
Expenses not requiring appropriation in the Budget year ²	3,759	3,523
Total Expenses for Outcome 2	224,807	233,323
	2012-13	2013-14
Average Staffing Level (number)	395	366

¹ Departmental Appropriation combines 'ordinary annual services (Appropriation Bill (No.1))' and 'relevant agency receipts (s.31)'.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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

Contributions to Outcome 2

Program 2.1: Australian Government Business and ICT
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Program 2.1 Objective

This program contributes to the outcome through:

- promoting a robust governance and accountability framework for GBEs including providing advice on the strategy, governance and performance of GBEs to the Australian Government;
- providing advice and support in relation to the discretionary powers regarding Acts of Grace and Waivers of Debt;
- supporting better informed decisions and improving the operations of the Australian Government through the innovative use of ICT; and
- development of processes and information technology to facilitate the appointment of appropriately skilled and experienced women to Government boards.

Program 2.1 Expenses

Program 2.1: Australian Government Business and ICT

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Grants in Aid - Animals Australia	33	34	35	35	36
Grants in Aid - Australian Institute of Policy and Science	33	34	35	35	36
Grants in Aid - Chifley Research Centre	208	213	218	223	228
Grants in Aid - Green Institute	78	80	82	84	86
Grants in Aid - Menzies Research Centre	208	213	218	223	228
Grants in Aid - Page Research Centre	78	80	82	84	86
Grants in Aid - Royal Humane Society of Australasia	24	25	25	26	26
Grants in Aid - RSPCA Australia Inc	33	34	35	35	36
Annual departmental expenses:					
Government Business Enterprises					
Ownership and Divestment	21,106	15,110	5,126	5,176	5,250
Special Financial Claims	3,317	2,639	2,671	2,696	2,738
Australian Government Information Management Office	28,331	26,632	26,818	26,972	27,282
Expenses not requiring appropriation in the Budget year ¹	3,759	3,523	3,486	3,502	3,502
Special account expenses:					
Business Services Special Account	-	-	-	-	-
Total program expenses	57,208	48,616	38,830	39,090	39,534

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Program 2.1 Deliverables

- Provide advice to the Australian Government on operations, financial forecasts and the performance of GBEs and other commercial entities.
- Review annual Corporate Plans and hold quarterly meeting with larger GBEs and annual or semi-annual meetings with other GBEs.
- Manage residual issues arising from previous asset sales.
- Redress any unintended or anomalous outcomes arising from the application of Commonwealth law through the use of discretionary powers pursuant to ss. 33 and 34 of the FMA Act (relating to Acts of Grace and Waivers of Debt), and process claims for discretionary payments.
- Pay Grants in Aid funding to organisations approved for receipt of such funding from the Australian Government.
- Advise the Australian Government and agencies on ICT investment management and project delivery, and the implementation of ICT policies to deliver better services, engage openly and improve Australian Government operations.
- Support the implementation of the *Australian Public Service Information and Communications Technology Strategy 2012-15* and report to the Secretaries' ICT Governance Board on its progress.
- Manage coordinated ICT procurement contract arrangements.
- Manage the ICT investment and assurance process including ICT Two Pass for major ICT-enabled budget proposals and improve agencies' ICT project management capability.
- Coordinate the ICT Entry Levels Program to address ICT skills shortages.
- Manage the delivery of Australian Government information and services through the Australian Government's online entry point and related online services.
- Provide secure communication networks for the Australian Government including Ministers, senior executives and agencies.
- Develop, implement and administer the BoardLinks and AusGovBoards initiatives, including the appointment of BoardLinks candidates to Government boards.

Program 2.1 Key Performance Indicators

Government Business Oversight

- Advice on Corporate Plans and Progress Reports is timely, relevant and of high quality.
- Briefings on Corporate Plans and Progress Reports to be provided to the Finance Minister within 4 weeks of receipt.

Special Financial Claims

- 50% of Act of Grace/waiver cases are completed within 21 days.
- 70% of Act of Grace cases are completed within 35 days.

ICT

- 70% of apprentices who commenced in the 2013 cohort remain in the Australian Government after one year.
- 40% of FMA Act agencies access the internet through a shared internet gateway provided by a lead agency.

Program 2.2: Property and Construction

Program 2.2 Objective

This program contributes to the outcome by providing policy, advice, guidance and support on managing Commonwealth property, land and public works across the Australian Government, and by managing specified major capital works projects and the Australian Government's non-Defence property portfolio within Australia. The program aims to achieve property outcomes that are efficient, effective and sustainable in the long-term by:

- implementing the Commonwealth Property Management Framework, and associated data collection and guidance material, to improve the governance, planning and Whole-of-Australian-Government coordination of property management across FMA Act agencies;
- providing strategic advice on Whole-of-Australian-Government property capability and on major property leasing, acquisition, divestment and construction decisions, and assisting agencies to achieve more efficient, effective and sustainable property outcomes on a whole-of-life basis;
- providing advice and support in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy;
- construction of major, high-risk or complex capital works projects as determined by the Australian Government, including delivery of allocated projects and provision of advice to agencies on construction and related matters; and
- optimal management of non-Defence Commonwealth property in Australia through the adoption of best practice property management systems and processes, including legislative compliance.

Program 2.2 Expenses

Program 2.2: Property and Construction

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special account expenses:					
Property Special Account	82,959	86,371	79,955	84,599	95,852
Total program expenses	82,959	86,371	79,955	84,599	95,852

Program 2.2 Deliverables

- Provide advice to the Australian Government on its property management policy.
- Implement the Commonwealth Property Management Framework and associated Whole-of-Australian-Government property data collection and guidance material for use by FMA agencies, including a cost-benefit analysis model, a model national lease, guidance on flexible workspace and revised arrangements for special purpose properties.
- Provide advice and support to the Australian Government and its agencies on decisions to own, lease, divest or acquire properties using whole-of-life cost-benefit analysis, a Whole-of-Australian-Government property capability plan, and the two-stage process for approval of major capital works.
- Provide advice and support to the Australian Government and its agencies in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy.
- Deliver, and provide expert advice on, significant Australian Government construction and land remediation projects, including:
 - development of a future post entry quarantine facility for the Department of Agriculture, Fisheries and Forestry;
 - refurbishment works at the Prime Minister's official establishment 'The Lodge';
 - site remediation and maintenance works at Malabar Headland and Cox Peninsula;
 - redevelopment of the Villawood Immigration Detention Centre;
 - finalisation of the airport pavement upgrade at the Cocos (Keeling) Islands;
 - finalisation of the Australian Security Intelligence Organisation central office construction project; and
 - other projects allocated to the Department by the Australian Government.

- Manage properties within the Australian Government's non-Defence domestic property portfolio to meet their intended purposes, maintain their condition to agreed standards and meet legislative requirements, including environment, heritage, health and safety obligations, through the adoption of best practice property management systems and process.
- Acquire properties as required by Government, divest properties that are surplus to the Australian Government's needs, and manage residual issues arising from previous Commonwealth property interests.

Program 2.2 Key Performance Indicators

- Sustainable property management practices and tools are promulgated to FMA agencies, and agencies are assisted in using these tools to achieve more efficient, effective and sustainable property outcomes on a whole-of-life basis.
- Whole-of-Australian-Government property data is collected, analysed and used as the evidence base to inform Australian Government property management policy and agency property decisions.
- Cost-benefit analysis, a Whole-of-Australian-Government property capability plan, and the two-stage process for approval of major capital works are systematically applied to better inform Australian Government and agency decisions to own, lease, divest or acquire properties.
- Advice and support is provided to the Australian Government and its agencies in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy.
- Capital works projects are completed in close consultation with clients and in the context of the time, cost and quality parameters agreed by the Australian Government for the project.
- Properties within the Australian Government's non-Defence domestic property portfolio meet their intended purposes, are adequately maintained, and meet legislative requirements.
- Properties are acquired and divested as required, and residual issues are managed to protect the Australian Government's interests.

Program 2.3: Insurance and Risk Management

Program 2.3 Objective

This program contributes to the outcome through providing general insurance services and promoting risk management across the Australian Government through the Comcover special account.

Comcover's objectives are to deliver a net benefit to the Australian Government Budget over the longer term by:

- promoting best practice risk management in agencies to improve policy formulation and delivery of government programs and services;
- providing a comprehensive self-managed general insurance fund to protect Australian Government agencies against the impact and volatility of insurable losses; and
- managing legal liability claims against the Australian Government in accordance with legislative and regulatory requirements.

Program 2.3 Expenses

Program 2.3: Insurance and Risk Management

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special account expenses:					
Comcover Special Account	84,641	98,335	101,752	105,794	110,073
Total program expenses	84,641	98,335	101,752	105,794	110,073

Program 2.3 Deliverables

- Provide fund member agencies with a range of training, education and assessment services that promote and support best practice risk management.
- Provide fund member agencies with comprehensive insurance for all normally insurable risks and ensure efficient and effective management of all claims.
- Operate the Comcover Fund within the legislative and structural requirements of its special account clauses, with adequate retained equity within an approved range to fund all known liabilities in the estimates.
- Management of a memorandum of understanding, excluding payments, with States and Territories for the provision of standard fire services.

Program 2.3 Key Performance Indicators

- 80% fund member satisfaction with Comcover's range of products, services and information.
- 80% of Comcover fund member agencies have achieved their identified level of risk maturity as measured in the Comcover Benchmarking program.
- 80% of fund member agencies participating in one or more of Comcover's services.

Outcome 3: Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.

Outcome 3 Strategy

Finance provides Parliamentarians and their staff, former Senators and Members, Prime Ministers and other eligible office-holders with a range of facilities and services to assist them in undertaking their duties. These services include:

- access to and payment of entitlements;
- advice and support to Parliamentarians on a range of entitlement issues;
- the provision of electorate office facilities;
- travel and accommodation entitlement support;
- personnel-related services;
- COMCAR and other car-with-driver and related ground transport services; and
- management of the Commonwealth Parliament Offices in State capitals and the Ministerial Wing of the Parliament House.

Outcome Expense Statement

Table 2.1.3 provides an overview of the total expenses for outcome 3, by program.

Table 2.1.3: Budgeted Expenses for Outcome 3

Outcome 3: Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.	2012-13 Estimated Actual Expenses \$'000	2013-14 Estimated Expenses \$'000
Program 3.1: Ministerial and Parliamentary Services		
Administered expenses:		
Ordinary annual services (Appropriation Bill (No.1))		
Electorate and ministerial support costs	246,080	282,939
Political exchange program	849	857
Special appropriations		
Commonwealth of Australia Constitution Act (s.66)	4,719	4,719
Members of Parliament (Life Gold Pass) Act 2002	3,172	3,216
Parliamentary Entitlements Act 1990	157,700	165,506
Expenses not requiring appropriation in the Budget year ²	10,500	9,252
Departmental expenses:		
Departmental appropriation ¹		
Services to Senators, Members and their staff	39,025	38,894
Car-with-driver and associated transport services	2,227	2,232
Expenses not requiring appropriation in the Budget year	2,513	2,558
Total for Program 3.1	466,785	510,173
Outcome 3 totals by appropriation type		
Administered expenses:		
Ordinary annual services (Appropriation Bill (No.1))	246,929	283,796
Special appropriations	165,591	173,441
Expenses not requiring appropriation in the Budget year	10,500	9,252
Departmental expenses:		
Departmental appropriation ¹	41,252	41,126
Expenses not requiring appropriation in the Budget year ²	2,513	2,558
Total expenses for Outcome 3	466,785	510,173
	2012-13	2013-14
Average Staffing Level (number)	272	261

¹ Departmental Appropriation combines 'ordinary annual services (Appropriation Bill (No.1))' and 'relevant agency receipts (s.31)'.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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

Contributions to Outcome 3

Program 3.1: Ministerial and Parliamentary Services
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Program 3.1 Objective

This program contributes to the outcome through providing the entitlements - and advice on these entitlements - of Ministers, Office-holders, Senators, Members and certain former Parliamentarians and their respective staff (employed under the *Members of Parliament (Staff) Act 1984* (MoP(S)Act)). Under this program support services provided by Finance include:

- electorate and ministerial support costs;
- car-with-driver services for Parliamentarians and other eligible beneficiaries;
- elements of COMCAR's operations that are directly related to the delivery of car-with-driver and associated ground transport services;
- a ground transport and luggage service for guests of the Australian Government; and
- the Political Exchange Program.

Program 3.1 Expenses**Program 3.1: Ministerial and Parliamentary Services**

	2012-13 Revised Budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Electorate and ministerial support costs	246,080	282,939	270,389	271,438	274,860
Political exchange program	849	857	878	894	911
Special appropriations					
<i>Commonwealth of Australia</i>					
<i>Constitution Act (s.66)</i>	4,719	4,719	4,719	4,719	4,719
<i>Members of Parliament (Life Gold Pass)</i>					
<i>Act 2002</i>	3,172	3,216	3,287	3,346	3,409
<i>Parliamentary Entitlements Act 1990</i>	157,700	165,506	164,327	167,438	175,438
Expenses not requiring appropriation in the Budget year ¹	10,500	9,252	9,233	9,216	9,217
Annual departmental expenses:					
Services to Senators, Members and their Staff	39,025	38,894	39,253	39,598	40,191
Car-with-driver and associated transport services	2,227	2,232	2,252	2,271	2,305
Expenses not requiring appropriation in the Budget year ¹	2,513	2,558	2,548	2,571	2,571
Total program expenses	466,785	510,173	496,886	501,491	513,620

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Program 3.1 Deliverables

- Provide advice on Parliamentary entitlements to Senators, Members and their employees.
- Provide COMCAR and other car-with-driver and associated ground transport services.
- Pay costs in respect of entitlements for Senators, Members and their employees.
- Provide regular reports regarding the entitlements of Senators, Members and their employees.
- Contract service providers to deliver effective and efficient access to entitlements.
- Provide an audit and checking function in relation to Parliamentary entitlements.
- Manage the MoP(S) Act employee framework.
- Provide and maintain electorate offices and Commonwealth Parliament Offices.

Program 3.1 Key Performance Indicators

- 95% of payments to third party providers are made within agreed timeframes.
- 95% of personnel/pay variations received prior to cut-off are processed in the next pay.
- 90% of travelling allowance claims are paid within 7 working days.
- 90% of client enquiries are responded to within one working day.
- 95% of office establishment and relocation projects are delivered within approved budgets.
- 99% of COMCAR reservations are completed without service failure.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of Administered Funds Between Years ¹

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Outcome 3:					
Ministerial and parliamentary services	(17,400)	17,400	-	-	-
Total movement of administered funds	(17,400)	17,400	-	-	-

¹ Figures displayed as a negative (-) represent a decrease in funds and a positive (+) reflect an increase in funds.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Finance and Deregulation.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Building Australia Fund ¹	1	-	1,108,936	(1,108,936)	-	-
- s.21 FMA Act (A)		-	1,443,360	(1,443,360)	-	-
Education Investment Fund ¹	1	-	425,940	(425,940)	-	-
- s.21 FMA Act (A)		-	704,903	(704,903)	-	-
Health and Hospitals Fund ¹	1	-	800,427	(800,427)	-	-
- s.21 FMA Act (A)		-	824,429	(824,429)	-	-
DisabilityCare Australia Fund ²	1	-	-	-	-	-
- s.21 FMA Act (A)		-	-	-	-	-
Other Trust Monies ³	N/A	257	-	-	-	257
- s.20 FMA Act (A)		257	-	-	-	257
Business Services Special Account - s.20 FMA Act (D)	2	901	-	-	-	901
		901	-	-	-	901
Comcover Special Account ⁴	2	269,808	98,142	(98,617)	-	269,333
- s.20 FMA Act (D)		256,631	98,187	(85,010)	-	269,808
Coordinated Procurement Contracting Special Account	2	42,945	114,720	(118,163)	-	39,502
- s.20 FMA Act (D)		42,084	94,253	(93,392)	-	42,945
Property Special Account	2	196,616	262,470	(263,032)	-	196,054
- s.20 FMA Act (D)		226,837	175,304	(205,525)	-	196,616
Total special accounts 2013-14 Budget estimate		510,527	2,810,635	(2,815,115)	-	506,047
<i>Total special accounts 2012-13 estimated actual</i>		<i>526,710</i>	<i>3,340,436</i>	<i>(3,356,619)</i>	-	<i>510,527</i>

(A) = Administered

(D) = Departmental

1 The Nation Building Funds Special Accounts form part of the Nation Building Funds. Their balances are estimated at zero. More information on the Nation Building Funds is set out in the tables on the following pages.

2 The DisabilityCare Australia Fund Special Account is to be established for holding and investing the additional Medicare Levy proceeds for the purpose of making reimbursements to DisabilityCare Australia. Its balances are estimated at zero. More information on the DisabilityCare Australia Fund Special Account is set out in the tables on the following pages immediately after the NBF information.

3 Represents monies held in trust for other persons and is therefore not included in Finance's price of outputs. Budget and forward estimates are not included as future transactions cannot be anticipated.

4 Interest Equivalency Payment for Comcover decreases from \$13.1m (2012-13) to \$10.1m (2013-14).

The Lands Acquisition Account (*Lands Acquisition Act 1989*) has not been included in the table above as it is not currently active.

Table 3.1.2.1: Nation Building Funds - Estimates of Fund Balances

	Outcome	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
Building Australia Fund ¹	1					
Opening balance		5,874,979	4,850,846	4,069,269	3,648,988	3,022,207
Revenues and gains:						
Investment earnings and gains		238,587	172,295	148,433	128,963	111,591
Expenses:						
Management fees		(5,875)	(4,872)	(4,214)	(3,644)	(3,174)
Transfers to Portfolio Special						
Accounts for project payments: ²						
BAF Infrastructure Portfolio						
Special Account - Expense		(890,400)	(949,000)	(564,500)	(752,100)	-
BAF Infrastructure Portfolio						
Special Account - Equity		-	-	-	-	(339,000)
BAF Communications Portfolio						
Special Account - Equity ³		(366,445)	-	-	-	-
Closing balance		4,850,846	4,069,269	3,648,988	3,022,207	2,791,624

- 1 The Building Australia Fund (BAF) consists of the BAF Special Account and investments of the BAF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the BAF, including interest received and payments.
- 2 The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the relevant BAF Portfolio Special Account, to the COAG Reform Fund Special Account. Amounts also include payments classified as equity transfers in the budgeted financial statements.
- 3 Transfers to the BAF Communications Portfolio Special Account relate to eligible National Broadband Network matters.

Table 3.1.2.2: Nation Building Funds - Estimates of Fund Balances

	Outcome	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
Education Investment Fund ¹	1					
Opening balance		4,296,021	3,909,281	3,762,360	3,686,407	3,600,314
Revenues and gains:						
Investment earnings and gains		181,587	146,852	142,417	139,348	139,728
Expenses:						
Management fees		(4,973)	(4,648)	(4,512)	(4,414)	(4,443)
Transfers to Portfolio Special						
Accounts for project payments: ²						
EIF Education Portfolio						
Special Account - Expense		(206,198)	(170,241)	(171,558)	(221,027)	-
EIF Research Portfolio						
Special Account - Expense		(215,233)	(91,690)	(38,300)	-	-
EIF Research Portfolio						
Special Account - Equity		(141,923)	(27,195)	(4,000)	-	-
Closing balance		3,909,281	3,762,360	3,686,407	3,600,314	3,735,599

1 The Education Investment Fund (EIF) consists of the EIF Special Account and investments of the EIF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the EIF, including interest received and payments.

2 The transfers relate to projects approved as at the time of Budget. Amounts to be paid to the States and Territories may be transferred, through the EIF Education Portfolio Special Account, to the COAG Reform Fund Special Account. Amounts also include payments classified as equity transfers in the budgeted financial statements.

Table 3.1.2.3: Nation Building Funds - Estimates of Fund Balances

	Estimated actual 2012-13 Outcome	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
Health and Hospitals Fund ¹	1				
Opening balance	3,313,306	2,734,735	2,113,165	1,525,806	1,159,999
Revenues and gains:					
Investment earnings and gains	139,170	94,135	70,966	52,207	44,252
Expenses:					
Management fees	(3,650)	(2,940)	(2,208)	(1,629)	(1,404)
Transfers to Portfolio Special Accounts for project payments: ² HHF Health Portfolio Special Account - Expense	(714,091)	(712,765)	(656,118)	(416,385)	(45,571)
Closing Balance	2,734,735	2,113,165	1,525,806	1,159,999	1,157,277

1 The Health and Hospitals Fund (HHF) consists of the HHF Special Account and investments of the HHF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the HHF, including interest received and payments.

2 The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the HHF Health Portfolio Special Account, to the COAG Reform Fund Special Account.

Table 3.1.2.4: DisabilityCare Australia Fund - Estimates of Fund Balances

	Estimated actual 2012-13 Outcome	Budget estimate 2013-14	Forward estimate 2014-15	Forward estimate 2015-16	Forward estimate 2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
DisabilityCare Australia Fund ¹	1				
Opening balance	-	-	-	2,155,610	5,291,075
Revenues and gains:					
Additional Medicare Levy - Equity	-	-	2,475,000	3,713,000	4,113,000
Investment earnings and gains	-	-	42,802	161,129	263,454
Expenses:					
Management fees	-	-	(192)	(764)	(1,282)
Transfers to reimburse					
DisabilityCare Australia expenditure: ²					
Commonwealth - Equity	-	-	(362,000)	(664,000)	(2,034,000)
States and Territories - Expense	-	-	-	(73,900)	(188,500)
Closing balance	-	-	2,155,610	5,291,075	7,443,746

1 The DisabilityCare Australia Fund consists of the DisabilityCare Australia Fund Special Account and investments of the DisabilityCare Australia Fund. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the DisabilityCare Australia Fund, including interest and Medicare Levy proceeds received and payments.

2 The transfers relate to the making of reimbursements to the Commonwealth and the States and Territories relating to the operations of the DisabilityCare Australia.

3.1.3 Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Expenditure is not applicable because Finance has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

No material differences exist between agency resourcing and the financial statements.

3.2.2 Analysis of Budgeted Financial Statements

Budgeted Statement of Comprehensive Income - Departmental

2012-13

Finance is forecasting expenses of \$498.2 million in 2012-13, a decrease of \$6.3 million from expenditure forecast in the 2012-13 Additional Estimates. This change is primarily due to a better than expected claims experience in Comcover.

Finance is forecasting total own source income of \$255.0 million, an increase of \$9.5 million from own source income forecast in the 2012-13 Additional Estimates. This is due to revisions to income earned by departmental special account operations.

2013-14

Finance is budgeting for a surplus of \$27.7 million, a change of \$32.9 million from the surplus of \$60.6 million forecast in the 2012-13 Additional Estimates. This is due primarily to the deferral of elements of the Property divestment program to later years.

Budgeted Balance Sheet - Departmental

The budgeted net asset position as at 30 June 2014 of \$2,261.3 million represents an increase of \$13.2 million from that forecast in the 2012-13 Additional Estimates. This is primarily due to the introduction of new capital measures.

Schedule of Administered Activity

Estimates for the DisabilityCare Australia Fund have been included in Finance's financial statements. As per Table 3.1.2.4, these estimates commence in the 2014-15 financial year.

Budgeted Schedule of Comprehensive Income - Administered

2012-13

Estimated administered income for 2012-13 has decreased to \$2,277.0 million from the \$2,569.5 million reported in the 2012-13 Additional Estimates. This is primarily due to revisions in superannuation and Nation Building Funds estimates.

Estimated administered expenses for 2012-13 have decreased slightly to \$10,426.0 million from the \$10,430.1 million reported in the 2012-13 Additional Estimates. This is primarily due to revisions in superannuation and Nation Building Funds estimates.

2013-14

Finance is budgeting for administered income of \$2,406.7 million in 2013-14, an increase from the \$2,130.9 million budgeted for in the 2012-13 Additional Estimates. This is primarily due to revisions in superannuation and Nation Building Funds estimates.

Finance is budgeting for administered expenses of \$9,462.8 million in 2013-14, an increase from the \$9,376.4 million budgeted for in the 2012-13 Additional Estimates. This is mainly due to increased superannuation expenses.

Budgeted Schedule of Assets and Liabilities - Administered

Administered assets are budgeted to total \$14,142.8 million by 30 June 2014, up from \$13,708.6 million estimated in the 2012-13 Additional Estimates. This is primarily due to revisions in Nation Building Fund estimates.

Administered liabilities are estimated to total \$97,384.0 million by 30 June 2014, up from \$96,528.0 million estimated in the 2012-13 Additional Estimates primarily due to revisions in superannuation estimates.

3.2.3 Budgeted Financial Statements

**Table 3.2.1 Budgeted Statement of Comprehensive Income – Departmental
(Showing Net Cost of Services)
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	182,647	181,592	179,912	179,236	179,703
Suppliers	213,109	224,433	198,052	195,205	201,143
Insurance claims	69,134	84,621	88,370	92,287	96,378
Depreciation and amortisation ¹	23,400	31,216	32,155	32,863	33,743
Net losses from disposal ²	2,539	230	-	-	1,627
Losses on valuation of investment property	-	-	684	507	771
Other expenses	7,369	7,299	7,299	7,299	7,299
Total expenses	498,198	529,391	506,472	507,397	520,664
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	106,248	127,343	127,412	116,990	112,486
Insurance premiums	84,527	88,087	92,201	96,240	100,440
Rental income	57,081	81,221	79,903	82,266	83,663
Other	5,550	5,500	4,300	4,900	4,900
Total own-source revenue	253,406	302,151	303,816	300,396	301,489
Gains					
Gains on valuation of investment property	273	1,659	-	-	-
Net gains from disposal ²	-	-	281	50	-
Other ³	1,376	1,376	1,376	1,376	1,376
Total gains	1,649	3,035	1,657	1,426	1,376
Total own-source income	255,055	305,186	305,473	301,822	302,865
Net cost of (contribution by) services	243,143	224,205	200,999	205,575	217,799
Revenue from Government	275,031	255,906	234,973	241,857	252,900
Surplus (Deficit) before income tax	31,888	31,701	33,974	36,282	35,101
Income tax expense	4,002	4,002	4,002	4,002	4,002
Surplus (Deficit) attributable to the Australian Government	27,886	27,699	29,972	32,280	31,099
Total comprehensive income (loss) attributable to the Australian Government	27,886	27,699	29,972	32,280	31,099

Note: Impact of Net Cash Appropriation Arrangements

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	40,151	47,223	49,829	52,140	50,959
Plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(12,265)	(19,524)	(19,857)	(19,860)	(19,860)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	27,886	27,699	29,972	32,280	31,099

Prepared on Australian Accounting Standards basis.

- 1 Depreciation and amortisation expenses highlighted under "Expenses" represent total depreciation and amortisation expenses for Finance. The "non-appropriated" depreciation and amortisation figure at the bottom of this table is net of depreciation expenses associated with Finance's property portfolio and wholly contained within the Property Special Account.
- 2 Represents the net gain/loss from the Australian Government's non-Defence property divestment program within Australia.
- 3 Other gains represent resources received free of charge for financial statement audit services from the Australian National Audit Office (ANAO).

**Table 3.2.2: Budgeted Balance Sheet - Departmental
as at 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents ¹	5,000	5,000	5,000	5,000	5,000
Trade and other receivables ²	778,255	782,834	739,242	753,003	796,390
Other financial assets	9,414	9,414	9,414	9,414	9,414
Total financial assets	792,669	797,248	753,656	767,417	810,804
Non-financial assets					
Land and buildings ³	766,454	754,759	739,478	930,768	913,232
Property, plant and equipment	25,733	39,432	42,135	43,991	43,557
Investment property ³	227,802	597,461	596,777	596,270	595,499
Intangibles	52,243	62,957	70,633	72,645	74,077
Other non-financial assets ⁴	543,980	470,759	828,073	21,342	77,897
Total non-financial assets	1,616,212	1,925,368	2,277,096	1,665,016	1,704,262
Total assets	2,408,881	2,722,616	3,030,752	2,432,433	2,515,066
LIABILITIES					
Payables					
Suppliers	28,198	34,746	41,294	47,842	54,390
Return of equity	47,414	27,095	33,564	39,123	36,685
Other payables	67,820	68,587	69,354	70,121	70,888
Total payables	143,432	130,428	144,212	157,086	161,963
Provisions					
Employee provisions	64,653	67,085	69,517	71,949	74,381
Outstanding insurance claims	257,059	257,059	257,059	257,059	257,059
Other	6,784	6,784	6,784	6,784	6,784
Total provisions	328,496	330,928	333,360	335,792	338,224
Total liabilities	471,928	461,356	477,572	492,878	500,187
Net assets	1,936,953	2,261,260	2,553,180	1,939,555	2,014,879

Table continues on next page

**Table 3.2.2: Budgeted Balance Sheet - Departmental
as at 30 June (continued)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY ⁵					
Contributed equity	1,573,794	1,870,402	2,132,350	1,486,445	1,530,670
Reserves	119,790	119,790	119,790	119,790	119,790
Retained surplus					
(Accumulated deficit)	243,369	271,068	301,040	333,320	364,419
Total equity	1,936,953	2,261,260	2,553,180	1,939,555	2,014,879

Prepared on Australian Accounting Standards basis.

- 1 The departmental cash balance is maintained at \$5m. Cash in excess of this balance is returned to the Official Public Account, recorded as a receivable and drawn down as required.
- 2 Primarily represents appropriation receivable (including capital appropriation) and the Special Accounts.
- 3 Primarily represents properties in the Australian Government's non-Defence property portfolio.
- 4 Primarily represents Work-In-Progress (WIP) for capital projects such as property construction and software development. Upon completion, assets will be transferred from WIP and capitalised. The large variability is due primarily to the Commonwealth New Building Project, the Villawood Immigration Detention Centre, the Australian Quarantine and Inspection Service (AQIS) Post Entry Quarantine facilities and the Moorebank Intermodal Terminal Defence Relocation.
- 5 Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted Statement of Changes in Equity – Departmental for the period ended 30 June 2014

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	243,369	119,790	1,573,794	1,936,953
Adjusted opening balance	243,369	119,790	1,573,794	1,936,953
Comprehensive income				
Surplus (Deficit) for the period	27,699	-	-	27,699
Total comprehensive income	27,699	-	-	27,699
Transactions with owners				
Distributions to owners				
Returns of capital:				
Distribution of equity	-	-	(22,891)	(22,891)
Contributions by owners				
Equity Injection - appropriation ¹	-	-	318,393	318,393
Departmental capital budget (DCBs)	-	-	10,921	10,921
Assets transferred in (out) ²	-	-	(9,815)	(9,815)
Total transactions with owners	-	-	296,608	296,608
Closing balance attributable to the Australian Government	271,068	119,790	1,870,402	2,261,260

Prepared on Australian Accounting Standards basis.

¹ Equity injections for construction and IT projects.

² Represents transfers of assets to other Australian Government agencies.

**Table 3.2.4: Budgeted Statement of Cash Flows - Departmental
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	274,833	256,104	234,973	241,857	252,900
Net cash transfer from OPA	192,541	348,526	387,548	110,037	77,410
Sale of goods and rendering of services	105,976	127,071	127,140	116,718	112,214
Insurance premiums	84,527	88,087	92,201	96,240	100,440
Rent received	57,081	81,221	79,903	82,266	83,663
Other	5,550	5,500	4,300	4,900	4,900
Total cash received	720,508	906,509	926,065	652,018	631,527
Cash used					
Employees	185,079	184,024	182,344	181,668	182,135
Suppliers	219,657	230,981	204,600	201,753	207,691
Insurance claims	69,134	84,621	88,370	92,287	96,378
Net cash transfer to OPA	167,076	333,160	323,920	103,562	105,775
Other	11,371	11,301	11,301	11,301	11,301
Total cash used	652,317	844,087	810,535	590,571	603,280
Net cash from (used by) operating activities	68,191	62,422	115,530	61,447	28,247
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of assets	468	-	3,600	62	2,500
Total cash received	468	-	3,600	62	2,500
Cash used					
Purchase of assets	192,541	348,526	387,548	110,037	77,410
Total cash used	192,541	348,526	387,548	110,037	77,410
Net cash from (used by) investing activities	(192,073)	(348,526)	(383,948)	(109,975)	(74,910)

Table continues on next page

**Table 3.2.4: Budgeted Statement of Cash Flows - Departmental
for the period ended 30 June (continued)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	162,745	329,314	291,309	77,888	81,706
Total cash received	162,745	329,314	291,309	77,888	81,706
Cash used					
Capital repayments	38,852	43,210	22,891	29,360	35,043
Total cash used	38,852	43,210	22,891	29,360	35,043
Net cash from (used by) financing activities	123,893	286,104	268,418	48,528	46,663
Net increase (decrease) in cash held	11	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,989	5,000	5,000	5,000	5,000
Cash and cash equivalents at the end of the reporting period	5,000	5,000	5,000	5,000	5,000

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Budgeted Capital Budget Statement – Departmental for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
New capital appropriations					
Departmental capital budget - Bill 1	8,290	10,921	11,191	11,280	11,480
Equity injections - Bill 2	154,455	318,393	280,118	66,608	70,225
Total new capital appropriations	162,745	329,314	291,309	77,888	81,705
Provided for:					
Purchase of non-financial assets	162,745	329,314	291,309	77,888	81,706
Total	162,745	329,314	291,309	77,888	81,706
Purchase of non-financial assets					
Funded by departmental capital budget - Bill 1	8,290	10,921	11,191	11,279	11,481
Funded by equity injections - Bill 2	177,464	314,229	366,774	89,383	56,555
Funded internally from departmental resources ¹	6,787	23,376	9,583	9,375	9,374
Total purchase of non- financial assets	192,541	348,526	387,548	110,037	77,410
Reconciliation of cash used to acquire assets to asset movement table					
Total asset acquisitions	91,585	421,749	30,231	916,769	20,855
Less acquisitions through capitalisation of Work in progress	(76,508)	(387,452)	(9,457)	(896,115)	-
Plus additional work in progress	177,464	314,229	366,774	89,383	56,555
Total cash used to acquire assets	192,541	348,526	387,548	110,037	77,410

- ¹ Includes the following sources of funding:
- current and prior year annual appropriations; and
 - funds held in special accounts.

**Table 3.2.6: Budgeted Statement of Asset Movements - Departmental
as at 30 June 2014**

	Asset Class					
	Land	Buildings	Other infrastructure, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013						
Gross book value	323,630	459,460	42,122	227,802	99,359	1,152,373
Accumulated depreciation/amortisation and impairment	-	(16,636)	(16,389)	-	(47,116)	(80,141)
Opening net book balance	323,630	442,824	25,733	227,802	52,243	1,072,232
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase/construction						
- appropriation equity ¹	-	2,997	7,046	368,000	9,409	387,452
By purchase/construction - ordinary annual services ²	-	-	1,953	-	8,969	10,922
By purchase/construction - internally funded	-	-	23,375	-	-	23,375
Total additions	-	2,997	32,374	368,000	18,378	421,749
Other movements						
Assets transferred in (out)	-	(2,997)	(6,818)	-	-	(9,815)
Depreciation/amortisation expense	-	(11,695)	(11,857)	-	(7,664)	(31,216)
Disposals ³	-	-	-	-	-	-
Gains	-	-	-	1,659	-	1,659
Total other movements	-	(14,692)	(18,675)	1,659	(7,664)	(39,372)
As at 30 June 2014						
Gross book value	323,630	459,460	67,678	597,461	117,737	1,565,966
Accumulated depreciation/amortisation and impairment	-	(28,331)	(28,246)	-	(54,780)	(111,357)
Closing net book balance	323,630	431,129	39,432	597,461	62,957	1,454,609

Prepared on Australian Accounting Standards basis.

1 Appropriation equity refers to equity injections provided through Appropriation Bill (No.2) 2013-14.

2 Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No.1) 2013-14 for Departmental Capital Budget and other operational expenses.

3 Net proceeds may be returned to the OPA.

**Table 3.2.7: Budgeted Schedule of Comprehensive Income - Administered
(Showing Net Cost of Services)
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	224,438	259,051	246,193	242,992	246,509
Suppliers	201,836	209,431	207,308	214,061	221,901
Superannuation ¹	7,950,357	7,048,006	7,177,155	7,320,562	7,447,830
Expenses incurred from the NBF/DCAF ²	2,025,922	1,923,696	1,430,475	1,463,412	234,071
Grants	696	712	728	744	761
Depreciation and amortisation	20,747	20,588	20,577	20,565	20,565
Write-down and impairment of assets	782	100	102	104	104
Other expenses	1,203	1,203	1,203	1,203	1,203
Total expenses	10,425,981	9,462,787	9,083,741	9,263,643	8,172,944
LESS:					
INCOME					
Revenue					
Non-taxation revenue					
Goods and services	4,688	4,688	4,688	4,688	4,688
Interest and dividends ³	627,708	892,093	588,847	634,464	716,983
Superannuation contributions ⁴	1,491,836	1,441,041	1,391,057	1,341,059	1,292,373
Other revenue	13,601	23,790	24,136	24,136	19,136
Total non-taxation revenue	2,137,833	2,361,612	2,008,728	2,004,347	2,033,180
Total revenue	2,137,833	2,361,612	2,008,728	2,004,347	2,033,180
Gains					
Sale of assets	135,250	41,135	35,985	31,853	29,358
Other gains	3,886	3,886	3,886	3,886	3,886
Total gains	139,136	45,021	39,871	35,739	33,244
Total income	2,276,969	2,406,633	2,048,599	2,040,086	2,066,424
Net cost of (contribution by) services	8,149,012	7,056,154	7,035,142	7,223,557	6,106,520
Surplus (Deficit)	(8,149,012)	(7,056,154)	(7,035,142)	(7,223,557)	(6,106,520)

Prepared on Australian Accounting Standards basis.

- 1 The 2012-13 estimate is calculated using the discount rate based on the long-term government bond rate at the commencement of the financial year in accordance with accounting standards. Budget and Forward years are calculated using the discount rate applied in preparing the long-term cost reports.
- 2 Expenses incurred from the NBF/DCAF represent estimates of expenses to be transferred from the Nation Building Funds and the DisabilityCare Australia Fund to other agencies. This item includes expenses, but not equity payments.
- 3 Estimates of interest include interest earnings for the three Nation Building Funds and the DisabilityCare Australia Fund. For more detail on the interest estimates for each fund refer to Tables 3.1.2.1, 3.1.2.2, 3.1.2.3, and 3.1.2.4. Dividend revenue represents revenue from CAC Act entities which are treated as administered receipts of the department.
- 4 Principally CSS and PSS notional employer superannuation contributions.

Table 3.2.8: Budgeted Schedule of Assets and Liabilities – Administered as at 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Receivables	178,582	173,334	167,787	161,934	155,724
Taxation receivables	1,098	1,098	1,098	1,098	1,098
Investments ¹	15,404,749	13,851,230	14,922,550	16,978,087	19,032,739
Other financial assets	35,930	35,930	35,930	35,930	35,930
Total financial assets	15,620,359	14,061,592	15,127,365	17,177,049	19,225,491
Non-financial assets					
Land and buildings	17,232	18,660	17,868	17,164	16,536
Property, plant and equipment	54,436	51,218	47,035	42,821	38,638
Intangibles	5,526	8,792	8,808	8,824	8,840
Other non-financial assets	2,507	2,507	2,507	2,507	2,507
Total non-financial assets	79,701	81,177	76,218	71,316	66,521
Total assets	15,700,060	14,142,769	15,203,583	17,248,365	19,292,012
LIABILITIES					
Payables					
Suppliers	12,402	12,402	12,402	12,402	12,402
Other payables	4,256	4,256	4,256	4,256	4,256
Total payables	16,658	16,658	16,658	16,658	16,658
Provisions					
Employees ²	203,822	203,822	203,822	203,822	203,822
Superannuation ³	94,210,386	97,146,659	100,049,165	102,918,873	105,731,055
Other provisions	16,265	15,498	14,654	13,721	12,699
Total provisions	94,430,473	97,365,979	100,267,641	103,136,416	105,947,576
Interest bearing liabilities					
Leases	1,344	1,344	1,344	1,344	1,344
Total interest bearing liabilities	1,344	1,344	1,344	1,344	1,344
Total liabilities	94,448,475	97,383,981	100,285,643	103,154,418	105,965,578
Net assets (liabilities)	(78,748,415)	(83,241,212)	(85,082,060)	(85,906,053)	(86,673,566)

Prepared on Australian Accounting Standards basis.

- 1 Represents investments in the three Nation Building Funds and the DisabilityCare Australia Fund. Also represented are investments in CAC Act entities that are 100% owned by the Commonwealth and assets of former superannuation schemes administered by the Australian Government.
- 2 Represents Life Gold Pass Holders liabilities and employee provisions for staff employed under the MoP(S) Act.
- 3 Represents the unfunded liabilities for the Australian Government's civilian superannuation schemes. The superannuation liabilities estimates are based on the Long Term Cost Report.

**Table 3.2.9: Budgeted Schedule of Cash Flows - Administered
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	4,688	4,688	4,688	4,688	4,688
Interest and dividends ¹	607,799	921,626	597,166	635,457	711,432
Superannuation contributions ²	1,491,836	1,441,041	1,391,057	1,341,059	1,292,373
Other ³	1,645,058	1,606,536	1,729,752	1,855,743	1,995,955
Total cash received	3,749,381	3,973,891	3,722,663	3,836,947	4,004,448
Cash used					
Employees ⁴	224,397	259,007	246,147	242,946	246,463
Superannuation ⁵	5,463,481	5,559,285	5,803,440	6,068,852	6,361,967
Suppliers	203,082	210,679	208,558	215,311	223,150
Expenses paid from the NBF/DCAF ⁶	2,025,922	1,923,696	1,430,475	1,571,512	421,571
Grant payments	696	712	728	744	761
Total cash used	7,917,578	7,953,379	7,689,348	8,099,365	7,253,912
Net cash from (used by) operating activities	(4,168,197)	(3,979,488)	(3,966,685)	(4,262,418)	(3,249,464)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of investments	2,548,792	1,963,351	1,807,601	2,245,962	2,804,874
Repayments of loans	13,836	14,195	11,728	12,550	11,601
Total cash received	2,562,628	1,977,546	1,819,329	2,258,512	2,816,475
Cash used					
Purchase of property, plant and equipment	18,131	22,257	15,815	15,863	15,970
Purchase of investments	433,901	371,954	2,843,439	4,162,596	4,642,467
Expenses paid from the NBF/DCAF ⁶	508,369	27,195	366,000	664,000	2,373,000
Total cash used	960,401	421,406	3,225,254	4,842,459	7,031,437
Net cash from (used by) investing activities	1,602,227	1,556,140	(1,405,925)	(2,583,947)	(4,214,962)

Table continues on next page

**Table 3.2.9: Budgeted Schedule of Cash Flows - Administered
for the period ended 30 June (continued)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
DisabilityCare Australia contributions ⁷	-	-	2,475,000	3,713,000	4,113,000
Special capital appropriations	1,635,644	1,586,628	1,709,525	1,835,387	1,977,489
Appropriations - contributed equity	24,554	22,911	16,540	16,667	16,858
Total cash received	1,660,198	1,609,539	4,201,065	5,565,054	6,107,347
Net cash from (used by) financing activities	1,660,198	1,609,539	4,201,065	5,565,054	6,107,347
Net increase (decrease) in cash held	(905,772)	(813,809)	(1,171,545)	(1,281,311)	(1,357,079)
Cash and cash equivalents at the beginning of the reporting period	3,426	-	-	-	-
Cash from Official Public Account Appropriations	4,245,090	4,429,941	4,537,497	4,681,212	4,843,661
Cash to Official Public Account Appropriations	(3,342,744)	(3,616,132)	(3,365,952)	(3,399,901)	(3,486,582)
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

- 1 Estimates of interest include interest earnings for the three Nation Building Funds and the DisabilityCare Australia Fund. For more detail on the interest estimates for each fund refer to Tables 3.1.2.1, 3.1.2.2, 3.1.2.3 and 3.1.2.4.
- 2 Primarily represents the CSS and PSS notional employer contributions.
- 3 Primarily represents offsets from the CSS and PSS funds and return of overpaid benefits.
- 4 Represents expenditure associated with staff employed under the MoP(S) Act.
- 5 Expenditure associated with unfunded liabilities for the Australian Government's civilian superannuation schemes.
- 6 Expenses paid from the NBF/DCAF represent estimates of cash payments from the Nation Building Funds and the DisabilityCare Australia Fund to other agencies.
- 7 DisabilityCare Australia contributions represents estimates of Medicare Levy receipts (relating to the operations of the National Disability Insurance Scheme) received from the Australian Taxation Office for the purpose of transferring to the DCAF.

**Table 3.2.10: Budgeted Capital Budget Schedule – Administered
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
New capital appropriations					
Administered capital budget - Bill 1 ¹	3,194	7,890	4,814	4,857	4,964
Administered assets and liabilities - Bill 2 ²	11,486	8,967	1,588	1,667	1,751
Special capital appropriations ³	1,635,644	1,586,628	1,709,525	1,835,387	1,977,489
Total new capital appropriations	1,650,324	1,603,485	1,715,927	1,841,911	1,984,204
Provided for:					
Purchase of non-financial assets	4,057	16,203	5,677	5,720	5,827
Other items	1,646,267	1,587,282	1,710,250	1,836,191	1,978,377
Total items	1,650,324	1,603,485	1,715,927	1,841,911	1,984,204
Purchase of non-financial assets					
Funded by capital appropriations - Bill 1	3,194	7,890	4,814	4,857	4,964
Funded by capital appropriations - Bill 2	5,063	4,113	863	863	863
Funded by special appropriations	9,874	10,254	10,138	10,143	10,143
Total purchase of non-financial assets	18,131	22,257	15,815	15,863	15,970

- 1 The Administered Capital Budget is used to fund the replacement of assets purchased through Administered Bill 1 appropriations.
- 2 Administered Assets and Liabilities includes a capital injection for Acts of Grace liabilities and an injection for capital works on ICON, which is offset through agency contributions that are returned to the Budget.
- 3 Represents appropriation to pay unfunded component of the superannuation benefits under the PSS and CSS.

**Table 3.2.11: Budgeted Schedule of Asset Movements - Administered
as at 30 June 2014**

	Asset Class			Total
	Buildings	Other infrastructure, plant and equipment	Intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013				
Gross book value	60,950	69,704	6,285	136,939
Accumulated depreciation/amortisation and impairment	(43,718)	(15,268)	(759)	(59,745)
Opening net book balance	17,232	54,436	5,526	77,194
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - administered assets and liabilities - Bill 2	-	847	3,266	4,113
By purchase - administered capital budget - Bill 1	5,617	2,273	-	7,890
By purchase - special appropriations	8,213	2,041	-	10,254
Total additions	13,830	5,161	3,266	22,257
Other movements				
Disposals	(193)	-	-	(193)
Depreciation/amortisation expense	(12,209)	(8,379)	-	(20,588)
Total other movements	(12,402)	(8,379)	-	(20,781)
As at 30 June 2014				
Gross book value	74,587	74,865	9,551	159,003
Accumulated depreciation/amortisation and impairment	(55,927)	(23,647)	(759)	(80,333)
Closing net book balance	18,660	51,218	8,792	78,670

Prepared on Australian Accounting Standards basis.

Australian Electoral Commission

Agency Resources and Planned Performance

AUSTRALIAN ELECTORAL COMMISSION

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AUSTRALIAN ELECTORAL COMMISSION

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Australian Electoral Commission (AEC) administers the *Commonwealth Electoral Act 1918* (the Act), making it responsible for conducting federal elections and referendums, maintaining the Commonwealth electoral roll and administering Part XX of the Act dealing with political funding and disclosure. The AEC must also provide a range of electoral information and education programs both done in Australia and in support of Australian international interests.

The AEC's actions impact on the Australian community as stated in its outcome:

"Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services and targeted education and public awareness programs."

The main focus of the AEC in 2013-14 will be the delivery of the next federal election and referendum on the financial recognition of local government announced by the Prime Minister planned for 14 September 2013.

1.2 Agency Resource Statement

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

Table 1.1: Australian Electoral Commission Resource Statement Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services ¹				
Departmental appropriation				
Departmental appropriation ³	- ²	275,365	275,365	112,091
s.31 relevant agency receipts ⁴		17,194	17,194	18,004
Total	-	292,559	292,559	130,095
Total ordinary annual services	A	-	292,559	130,095
Other services ⁵				
Departmental non-operating				
Equity injections	3,654	3,992	7,646	270
Total	3,654	3,992	7,646	270
Total other services	B	3,654	7,646	270
Total available annual appropriation	3,654	296,551	300,205	130,365
Special appropriation				
Special appropriation limited by criteria/entitlement				
Commonwealth Electoral Act 1918 (A)	-	79,832	79,832	-
Commonwealth Electoral Act 1918 (D)	-	9,000	9,000	9,000
Total special appropriation	C	-	88,832	9,000
Total appropriation excluding special accounts	3,654	385,383	389,037	139,365

Table continues on next page

Table 1.1: Australian Electoral Commission Resource Statement Budget Estimates for 2013-14 as at Budget May 2013 (continue)

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Special accounts					
Opening balance ⁶	-	-		-	-
Non-appropriation receipts to special accounts	-	842		842	-
Total special accounts	D -	842		842	-
Total resourcing					
A+B+C+D	3,654	386,225		389,879	139,365
Less appropriation drawn from annual or special appropriation (excluding special account) above and credited to special accounts	-	-		-	-
Total net resourcing for AEC	3,654	386,225		389,879	139,365

(A) = Administered

(D) = Departmental

All figures are recoverable GST exclusive.

- 1 Appropriation Bill (No.1) 2013-14.
- 2 Estimated adjusted balance carried forward from previous year.
- 3 Includes an amount of \$4.181m in 2013-14 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
- 4 s.31 relevant agency receipts - estimate.
- 5 Appropriation Bill (No.2) 2013-14.
- 6 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Moneys Special accounts (SOETM)).

For further information on special accounts see Table 3.1.2.

1.3 Budget Measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
<i>Measures where AEC is the lead agency:</i>						
Pre-Election Enrolment Stimulation and Information Campaign						
Departmental expenses		(795)	(6,500)	-	-	-
Total		(795)	(6,500)	-	-	-
<i>Measures where AEC is not the lead agency:</i>						
Referendum on the financial recognition of local government in the Australian Constitution ¹	2					
Departmental expenses		(3,000)	(40,805)	-	-	-
Total		(3,000)	(40,805)	-	-	-
Total expense measures						
Departmental		(3,795)	(47,305)	-	-	-
Total		(3,795)	(47,305)	-	-	-
Capital measures						
<i>Measures where AEC is not the lead agency:</i>						
Referendum on the financial recognition of local government in the Australian Constitution ¹	2					
Departmental capital		-	(170)	-	-	-
Total		-	(170)	-	-	-
Total capital measures						
Departmental		-	(170)	-	-	-
Total		-	(170)	-	-	-

¹ The lead agency for the measure *Referendum on the financial recognition of local government in the Australian Constitution* is the Department of Regional Australia, Local Government, Arts and Sport. The full measure description and package details appear in Budget Paper 2 under the Regional Australia, Local Government, Arts and Sport Portfolio.

Part 2: MYEFO Measures Not Previously Reported in a Portfolio Statement

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Measures						
Targeted savings - public service efficiencies						
Departmental expenses		417	830	710	716	670
Total		417	830	710	716	670
Total expense measures						
Departmental		417	830	710	716	670
Total		417	830	710	716	670

Prepared on a Government Finance Statistics (fiscal) basis

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Australian Electoral Commission in achieving government outcomes.

Outcome 1: Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services, and targeted education and public awareness programs.

Outcome 1 Strategy

During 2013-14 the AEC will focus on:

- ensuring that the electoral roll is accurate and up-to-date;
- delivering the 2013 federal election and referendum;
- delivering communication, public awareness and electoral education activities; and
- effectively administering the funding and disclosure requirements of Part XX of the Act.

The AEC will also continue implementing recommendations from the Report of the Joint Standing Committee on Electoral Matters (JSCEM) "Report on the conduct of the 2010 federal election and matters related thereto" that are supported by government and, where required, have the legislative authority of the Parliament. These recommendations will assist the AEC in harnessing technology to modernise processes and engage more effectively with electors. Implementation costs will be fully offset by savings that will be obtained from work practices that will become more efficient as a result of the changes.

In addition, the AEC will maintain capacity to:

- conduct non-parliamentary elections as required, including protected action ballots, industrial elections and fee for service elections;

- provide electoral assistance to other countries as authorised, particularly in the Asia-Pacific region; and
- investigate innovative ways to better inform participants in the electoral process.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for the outcome by program.

Table 2.1 Budgeted Expenses for Outcome 1

Outcome 1: Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services, and targeted education and public awareness programs.	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Electoral Roll Management		
Departmental expenses:		
Departmental appropriation ¹	49,971	41,472
Special appropriation	9,000	9,000
Expenses not requiring appropriation in the Budget year ²	3,755	3,000
Total for Program 1.1	62,726	53,472
Program 1.2: Election Management and Support Services		
Administered expenses:		
Special appropriation	-	79,832
Departmental expenses:		
Departmental appropriation ¹	54,979	225,860
Expenses not requiring appropriation in the Budget year ²	3,257	3,719
Total for Program 1.2	58,236	309,411
Program 1.3: Education and Communication		
Departmental expenses:		
Departmental appropriation ¹	18,504	17,063
Expenses not requiring appropriation in the Budget year ²	1,168	985
Total for Program 1.3	19,672	18,048
Outcome 1 totals by appropriation type		
Administered expenses:		
Special appropriation	-	79,832
Departmental expenses:		
Departmental appropriation ¹	123,454	284,395
Special appropriation	9,000	9,000
Expenses not requiring appropriation in the Budget year ²	8,180	7,704
Total expenses for Outcome 1	140,634	380,931
Average Staffing Level (number)	869	878

¹ Departmental Appropriation combines 'ordinary annual services (Appropriation Bill (No. 1))' and 'relevant agency receipts (s.31)'.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Contributions to Outcome 1

Program 1.1: Electoral Roll Management

Program 1.1 Objective

Voter entitlement for Australians and support for electoral events and redistributions through maintaining an accurate and up-to-date electoral roll.

Program 1.1 Expenses

Program 1.1 Electoral Roll Management

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriation:					
<i>Commonwealth Electoral Act 1918 (D)</i>	9,000	9,000	9,000	9,000	9,000
Annual departmental expenses:					
Electoral roll management	49,964	41,336	51,718	52,895	46,786
Support services for electoral distributions	7	136	282	8	155
Expenses not requiring appropriation in the Budget year ¹	3,755	3,000	3,361	3,387	3,000
Total program expenses	62,726	53,472	64,361	65,290	58,941

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Program 1.1 Deliverables

Electoral Roll Management

- Maintain multiple streams of contact with electors to encourage them to enrol and keep their enrolment up-to-date.

Support Services for electoral redistributions

- Deliver support for redistributions including updated electoral boundary redistribution maps and advice to impacted electors.

Program 1.1 Key Performance Indicators

Electoral Roll management

- 95% of eligible people are on the electoral roll.
- 99.5% of enrolment transactions are correctly processed and 99% are processed within 3 business days.
- At least 98% of roll products are accurate and at least 98% of roll products are delivered by agreed deadline.
- Those eligible to enrol have enhanced capacity to access certain enrolment services electronically where legislative authority exists.
- Continue to implement the Indigenous Electoral Participation Program.

Support services for electoral redistributions

- Support services provided by the AEC are appropriate and allow for the effective and timely conduct of redistribution activities, complying with legislative requirements and to the satisfaction of redistribution committees.

Program 1.2: Election Management and Support Services
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Program 1.2 Objective

Access to an impartial and independent electoral system through the provision of election services, assistance and advice.

Program 1.2 Expenses**Program 1.2: Election Management and Support Services**

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Administered expenses:					
Special appropriation					
<i>Commonwealth Electoral Act 1918</i>	-	79,832	9,822	10,234	87,154
Annual departmental expenses:					
Federal Elections, By-Elections and Referendums	40,549	209,308	42,527	40,543	168,052
Party registrations	308	288	371	324	321
Funding and disclosure services	2,056	4,790	5,100	5,143	5,941
Fee-for-Service	3,161	3,101	3,124	3,320	3,449
Industrial and Torres Strait Regional Authority (TSRA) Elections	6,413	4,964	4,919	4,736	5,521
Advice and assistance in overseas elections	2,492	3,409	3,362	2,617	2,679
Expenses not requiring appropriation in the Budget year ¹	3,257	3,719	3,111	2,939	3,719
Total program expenses	58,236	309,411	72,336	69,856	276,836

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Program 1.2 Deliverables

Federal elections, by-elections and referendums

- Deliver a range of products and services to support the successful conduct of a federal election and/or referendum.

Party registrations

- Maintain the Register of Political Parties in a way that meets the requirements of the Act and assists persons in making applications for party registration.

Funding and disclosure services

- Deliver transparency and accountability in the sources of political funding in Australia and the expenditure of those participants involved in the political process at the federal level. A range of products has been produced, and will continue to be maintained, that are designed to assist persons with reporting obligations to lodge accurate and timely returns in accordance with the requirements of the Act.

Industrial Elections and Protected Action Ballots

- Conduct industrial elections in a timely and transparent manner that meets the requirements of the *Fair Work (Registered Organisations) Act 2009* and each organisation's rules.
- Conduct protected action ballots (PABs) in accordance with the provisions of the *Fair Work Act 2009* and the orders issued by the Fair Work Commission (FWC).

Torres Strait Regional Authority (TSRA) elections

- Deliver a range of products and services to support the successful conduct of TSRA elections that are conducted in line with the *Aboriginal and Torres Strait Islander Act 2005*.

Fee-for-service

- Successfully deliver elections and ballots for authorities and organisations on a full cost recovery basis in accordance with the AEC's minimum standards.
- Deliver effective assistance with the conduct of state, territory and local government elections where requested by the relevant electoral body.

Advice and assistance in overseas elections

- Provide, in cases approved by the Minister for Foreign Affairs, advice and assistance in matters relating to elections and referendums to authorities of foreign countries or to foreign organisations. As part of this process, capacity building materials will be developed.

Program 1.2 Key Performance Indicators

Federal elections, by-elections and referendums

- Federal electoral events (including by-elections and referendums) are successfully delivered as required within the reporting period. AEC election practices and management are in accordance with relevant legislation. All election tasks are carried out in accordance with legislated timeframes.
- High level of election preparedness maintained and key milestones met.

Party registrations

- Party registration processed in accordance with legislation and the Party Register is updated in a timely manner.

Funding and disclosure services

- Election Public Funding calculated and paid in accordance with the legislation.
- Financial disclosures obtained and placed on the public record in accordance with legislated timeframes.

Industrial Elections and Protected Action Ballots (PABs)

- Industrial elections are delivered in accordance with relevant legislation and each individual organisation's rules.
- PABs are delivered in accordance with relevant legislation and orders issued by FWC.
- All election tasks are carried out in accordance with specified timeframes.

Torres Strait Regional Authority (TSRA) elections

- TSRA elections are delivered in accordance with relevant legislation, on a full cost recovery basis.

Fee-for-service elections

- Fee for service elections are successfully delivered, as required, on a full cost recovery basis.
- Effective assistance is provided with the conduct of State, Territory and Local

Government elections where requested by the relevant electoral body.

- State, Local Government stakeholders and fee-for-service clients are fully satisfied with the services provided.

Advice and assistance in overseas elections

- International assistance by the AEC meets the goals specified for individual projects undertaken, with stakeholders fully satisfied with the services provided.

Program 1.3 Education and Communication

Program 1.3 Objective

Informed Australians through the provision of information services on electoral matters.

Program 1.3 Expenses

Program 1.3: Education and Communication

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual Departmental Expenses:					
Electoral and education and communication	3,312	3,202	1,952	3,479	3,562
Communication strategies and services	10,682	8,609	8,026	11,036	8,957
Community strategies	4,510	5,252	3,743	4,737	5,841
Expenses not requiring appropriation in the Budget year ¹	1,168	985	756	1,054	985
Total program expenses	19,672	18,048	14,477	20,306	19,345

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Program 1.3 Deliverables

Electoral education

- Deliver a variety of electoral education services.
- Greater use of on-line technology to deliver supporting resource material.
- Collaborate and partner with other government and non-government instrumentalities in the delivery of quality civics education.

Communication strategies and services

- Development and implementation of the AEC's communication strategy to support its conduct of the next federal election and any referendums.
- Effective use of contemporary technology to deliver modern products and services in line with community preferences for more on-line services.

Community Strategies

- Deliver the Indigenous Elector Participation Program.

Program 1.3 Key Performance Indicators

Electoral education

- 78,000 visitors to National Electoral Education Centre (NEEC) per annum.
- 2,000 NEEC sessions delivered per annum.
- 100,000 participants in AEC education outreach services.
- 1,200 participants in teacher professional development sessions.
- Contemporary service delivery options, including partnerships that promote public awareness of electoral matters.
- Contemporary online education resource material that responds to curriculum needs.
- Participant feedback indicates 90% satisfaction with AEC education services.

Communication strategies and services

- AEC communication strategies and services developed, implemented and reviewed as appropriate.
- Audience feedback is positive for effectiveness of specific advertising campaigns and public awareness activities through surveys, market research, and stakeholder consultation.
- Published information is timely and accurate, makes appropriate use of available technology, and meets on-line accessibility standards.

Community Strategies

- Evaluation shows the Indigenous Elector Participation Program, is meeting its objectives.
- Feedback from target audience on the Indigenous Electoral Participation Program shows the program is well received.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Table 3.1.1 is not included as there is no movement of administered funds between years.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by AEC.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Monies	1	-	842	(842)	-	-
-s20 FMA Act (A)		-	-	-	-	-
Total special accounts 2013-14 Budget estimate		-	842	(842)	-	-
<i>Total special accounts 2012-13 estimated actual</i>		-	-	-	-	-

(A) = Administered
(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure (AGIE)

	Appropriation				Total	Program
	Bill	Bill	Special	Total		
	No. 1	No. 2	appropriation	appropriation		
Australian Electoral Commission	\$'000	\$'000	\$'000	\$'000	\$'000	
Outcome 1						
Departmental 2013-14	3,613			3,613	3,613	1
<i>Departmental 2012-13</i>	<i>3,626</i>			<i>3,626</i>	<i>3,626</i>	<i>1</i>
Total outcome 2013-14	3,613	-	-	3,613	3,613	1
<i>Total outcome 2012-13</i>	<i>3,626</i>	-	-	<i>3,626</i>	<i>3,626</i>	<i>1</i>
Total AGIE 2013-14	3,613	-	-	3,613	3,613	1
<i>Total AGIE 2012-13</i>	<i>3,626</i>	-	-	<i>3,626</i>	<i>3,626</i>	<i>1</i>

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

No material differences exist between agency resourcing and the financial statements.

3.2.2 Analysis of Budgeted Financial Statements

Budgeted Statement of Comprehensive Income – Departmental

2012-13

The budgeted loss for 2012-13 of \$8.1 million is due to depreciation and amortisation expenses.

2013-14

As 2013-14 is an election year, including the proposed referendum, the AEC's funding is significantly higher than 2012-13 for departmental items, increasing from \$132.5 million in 2012-13 to \$293.4 million in 2013-14, including s.31 receipts.

Budgeted Balance Sheet - Departmental

The AEC's financial position is steady with financial assets averaging \$17.2 million in the Budget and forward estimates period. The AEC's most significant liability is employee entitlements, ranging from \$24.7 million to \$25.4 million over the forward estimates period.

Budgeted Statement of Cash Flows - Departmental

The cash flow increases significantly in 2013-14 due to it being an election year in the cycle. The increase reflects the increase in casual staff required as well as increased supplier payments for holding the Federal Election. There is decreased investing activity conducted due to the focus on election activities during the year.

Schedule of Administered Activity

Budgeted Schedule of Comprehensive Income - Administered

The administered revenue and expenses for 2013-14 represent election related non-voter fines and penalties. As 2013-14 is an election year, the AEC will receive appropriation for payments it administers on behalf of government including public funding of election campaigns for candidates that obtain at least four percent of the formal first preference votes in the division of the state or territory they contest.

Budgeted Schedule of Assets and Liabilities - Administered

No administered assets or liabilities are held by the AEC.

Budgeted Schedule of Cash Flows - Administered

Administered monies are transferred to the Official Public Account on a regular basis.

3.2.3 Budgeted Financial Statements

**Table 3.2.1 Budgeted Statement of Comprehensive Income – Departmental
(Showing Net Cost of Services)
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	76,835	125,809	81,744	83,274	127,880
Suppliers	55,619	167,586	52,380	54,564	133,746
Depreciation and amortisation	8,095	7,619	7,143	7,295	7,619
Other expenses	85	85	85	85	85
Total expenses	140,634	301,099	141,352	145,218	269,330
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	18,004	17,194	16,613	16,609	16,645
Total own-source revenue	18,004	17,194	16,613	16,609	16,645
Gains					
Other gains	85	85	85	85	85
Total gains	85	85	85	85	85
Total own-source income	18,089	17,279	16,698	16,694	16,730
Net cost of (contribution by) services	122,545	283,820	124,654	128,524	252,600
Revenue from Government	114,450	276,201	117,511	121,229	244,981
Surplus (Deficit)	(8,095)	(7,619)	(7,143)	(7,295)	(7,619)
Total comprehensive income (loss) attributable to the Australian Government	(8,095)	(7,619)	(7,143)	(7,295)	(7,619)

Note: Impact of Net Cash Appropriation Arrangements

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriation	-	-	-	-	-
Less depreciation/amortisation expenses previously funded through revenue appropriation	(8,095)	(7,619)	(7,143)	(7,295)	(7,619)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(8,095)	(7,619)	(7,143)	(7,295)	(7,619)

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Balance Sheet - Departmental
as at 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	840	1,014	1,014	1,014	1,014
Trade and other receivables	19,548	16,369	16,584	15,844	15,844
Total financial assets	20,388	17,383	17,598	16,858	16,858
Non-financial assets					
Land and buildings	9,272	8,138	7,481	8,651	8,261
Property, plant and equipment	5,307	5,545	5,205	6,959	6,940
Intangibles	17,059	19,340	19,841	21,455	20,958
Inventories	3,083	3,083	3,083	3,083	3,083
Other non-financial assets	2,191	2,191	2,191	2,191	2,191
Total non-financial assets	36,912	38,297	37,801	42,339	41,433
Total assets	57,300	55,680	55,399	59,197	58,291
LIABILITIES					
Payables					
Suppliers	7,905	7,505	8,055	7,756	7,756
Other payables	5,553	5,553	5,553	5,553	5,553
Total payables	13,458	13,058	13,608	13,309	13,309
Provisions					
Employee provisions	26,279	24,679	25,379	25,379	25,379
Other provisions	1,624	1,624	1,624	1,624	1,624
Total provisions	27,903	26,303	27,003	27,003	27,003
Total liabilities	41,361	39,361	40,611	40,312	40,312
Net assets	15,939	16,319	14,788	18,885	17,979
EQUITY ¹					
Contributed equity	28,291	36,290	41,902	53,294	60,007
Reserves	11,641	11,641	11,641	11,641	11,641
Retained surplus					
(Accumulated deficit)	(23,993)	(31,612)	(38,755)	(46,050)	(53,669)
Total equity	15,939	16,319	14,788	18,885	17,979

Prepared on Australian Accounting Standards basis.

¹ Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted Statement of Changes in Equity – Departmental for the period ended 30 June 2014

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(23,993)	11,641	28,117	15,765
Adjusted opening balance	(23,993)	11,641	28,117	15,765
Comprehensive income				
Surplus (Deficit) for the period	(7,619)	-	-	(7,619)
Total comprehensive income	(7,619)	-	-	(7,619)
Transactions with owners				
Contributions by owners				
Equity Injection - appropriation	-	-	3,992	3,992
Departmental capital budget (DCBs)	-	-	4,181	4,181
Transactions with owners	-	-	8,173	8,173
Closing balance attributable to the Australian Government	(31,612)	11,641	36,290	16,319

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Statement of Cash Flows - Departmental
for the period ended 30 June**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriation	108,391	270,678	111,210	121,970	244,997
Sale of goods and rendering of services	17,067	17,109	16,613	16,609	16,645
Total cash received	125,458	287,787	127,823	138,579	261,642
Cash used					
Employees	68,591	125,414	81,744	83,273	127,896
Suppliers	55,003	161,288	44,994	54,780	133,661
Other	85	85	85	85	85
Total cash used	123,679	286,787	126,823	138,138	261,642
Net cash from (used by) operating activities	1,779	1,000	1,000	441	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	13,373	8,999	6,612	11,833	6,713
Total cash used	13,373	8,999	6,612	11,833	6,713
Net cash from (used by) investing activities	(13,373)	(8,999)	(6,612)	(11,833)	(6,713)
FINANCING ACTIVITIES					
Cash received					
Departmental capital budget	10,629	4,181	5,612	11,392	6,513
Contributed equity	270	3,992	-	-	200
Total cash received	10,899	8,173	5,612	11,392	6,713
Net cash from (used by) financing activities	10,899	8,173	5,612	11,392	6,713
Net increase (decrease) in cash held	(695)	174	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,535	840	1,014	1,014	1,014
Cash and cash equivalents at the end of the reporting period	840	1,014	1,014	1,014	1,014

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Budgeted Capital Budget Statement – Departmental for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
New capital appropriations					
Departmental capital budget - Bill 1	10,629	4,181	5,612	11,392	6,513
Equity injections - Bill 2	270	3,003	-	-	-
Total new capital appropriation	10,899	7,184	5,612	11,392	6,513
Provided for:					
Purchase of non-financial assets	10,899	7,184	5,612	11,392	6,513
Total Items	10,899	7,184	5,612	11,392	6,513
Purchase of non-financial assets					
Funded by departmental capital budget - Bill 1	270	3,992	-	-	200
Funded by equity injections - Bill 2 ¹	10,629	4,181	5,612	11,392	6,513
Funded internally from departmental resources ²	2,300	1,000	1,000	441	-
Total purchase of non-financial assets	13,199	9,173	6,612	11,833	6,713

Prepared on Australian Accounting Standards basis.

- 1 Includes both current Appropriation Bill (No.2) and prior Appropriation Act (No.2) and Appropriation Act (No.4) appropriations.
- 2 Includes the following sources of funding:
 - current Bill 1 and prior year Act 1/3 appropriations (excluding amounts from the DCB);
 - donations and contributions;
 - gifts;
 - internally developed assets;
 - s.31 relevant agency receipts; and
 - proceeds from the sale of assets.

**Table 3.2.6: Budgeted Statement of Asset Movements – Departmental
as at 30 June 2014**

	Asset Class			Total
	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013				
Gross book value	12,872	7,213	48,957	69,042
Accumulated depreciation/amortisation and impairment	(3,600)	(1,901)	(32,072)	(37,573)
Opening net book balance	9,272	5,312	16,885	31,469
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	-	170	3,822	3,992
By purchase - appropriation ordinary annual services ²	1,956	1,795	1,430	5,181
Total additions	1,956	1,965	5,252	9,173
Other movements				
Depreciation/amortisation expense	(3,090)	(1,732)	(2,797)	(7,619)
Total other movements	(3,090)	(1,732)	(2,797)	(7,619)
As at 30 June 2014				
Gross book value	14,828	9,178	54,209	78,215
Accumulated depreciation/amortisation and impairment	(6,690)	(3,633)	(34,869)	(45,192)
Closing net book balance	8,138	5,545	19,340	33,023

Prepared on Australian Accounting Standards basis.

- 1 Appropriation equity refers to equity injections provided through Appropriation Bill (No.2) 2013-14.
- 2 Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No.1) 2013-14 for Departmental Capital Budget and other operational expenses.

**Table 3.2.7: Budgeted Schedule of Comprehensive Income – Administered
(Showing Net Cost of Services)
for the period ended 30 June**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Election public funding	-	79,832	9,822	10,234	87,154
Total expenses	-	79,832	9,822	10,234	87,154
LESS:					
INCOME					
Revenue					
Non-taxation revenue					
Other taxes, fees and fines	32	1,200	66	33	2,000
Total non-taxation revenue	32	1,200	66	33	2,000
Total revenue	32	1,200	66	33	2,000
Net cost of (contribution by) services	(32)	78,632	9,756	10,201	85,154
Surplus (Deficit)	32	(78,632)	(9,756)	(10,201)	(85,154)
Total comprehensive income (loss)	32	(78,632)	(9,756)	(10,201)	(85,154)

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Budgeted Schedule of Assets and Liabilities – Administered as at 30 June

The AEC has no budgeted assets and liabilities administered on behalf of the government.

Table 3.2.9: Budgeted Schedule of Cash Flows - Administered for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	32	1,200	66	33	2,000
Total cash received	32	1,200	66	33	2,000
Cash used					
Election public funding	-	79,832	9,822	10,234	87,154
Total cash used	-	79,832	9,822	10,234	87,154
Net cash from (used by) operating activities	32	(78,632)	(9,756)	(10,201)	(85,154)
Net increase (decrease) in cash held	32	(78,632)	(9,756)	(10,201)	(85,154)
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
Cash from Official Public Account Appropriation	-	79,832	9,822	10,234	87,154
Cash to Official Public Account Appropriation	(32)	(1,200)	(66)	(33)	(2,000)
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Budgeted Capital Budget Schedule - Administered for the period ending 30 June 2014

The AEC has no budgeted capital administered on behalf of the government.

Table 3.2.11: Budgeted Schedule of Asset Movements - Administered as at 30 June 2014

The AEC has no budgeted assets administered on behalf of the government.

Commonwealth Superannuation Corporation

Agency Resources and Planned Performance

COMMONWEALTH SUPERANNUATION CORPORATION

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COMMONWEALTH SUPERANNUATION CORPORATION

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

Commonwealth Superannuation Corporation (CSC) manages and invests the monies of four regulated superannuation schemes: the Public Superannuation Scheme Accumulation Plan (PSSap); the Public Sector Superannuation Scheme (PSS); the Commonwealth Superannuation Scheme (CSS); and the Military Superannuation and Benefits Scheme (MSBS); and administers their relevant Acts and Trust Deeds. In addition, CSC administers five 'unfunded' superannuation schemes: the Defence Forces Retirement Benefits Scheme (DFRB), the Defence Force Retirement and Death Benefits Scheme (DFRDB), the Defence Force (Superannuation) (Productivity Benefit) Scheme (DFSPB), the 1922 Scheme, and the Papua New Guinea Scheme (PNG).

CSC seeks to deliver consistently competitive investment performance, efficient administration of the schemes' legislation in the best interest of contributors and beneficiaries, and effective interaction with stakeholders, to enable members to make the most of their financial future.

CSC will seek to achieve its outcome agreed with the Government through implementation of these key deliverables:

- risk managed investment governance and portfolio management;
- effective relationships with scheme beneficiaries and business stakeholders; and
- cost effectiveness.

CSC aspires to maintain its leadership position as a superannuation provider of choice in the Commonwealth sector. CSC will work with the Government to improve or modernise scheme design and will work to improve service to members. CSC will also contribute to the implementation of government decisions on superannuation scheme administration reform.

As a holder of licences from both Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC), and as the trustee of four regulated superannuation schemes, CSC will continue to ensure the highest standards are maintained and will seek to meet all compliance obligations.

1.2 Agency Resource Statement

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

Table 1.1: Commonwealth Superannuation Corporation Statement - Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior + year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
REVENUE FROM GOVERNMENT				
Payments from related entities				
Amounts from				
Australian Government agencies	-	5,976	5,976	5,931
Total funds from Government	-	5,976	5,976	5,931
FUNDS FROM OTHER SOURCES				
Sale of goods and services	-	1,223	1,223	1,131
Total	-	1,223	1,223	1,131
Total net resourcing for CSC	-	7,199	7,199	7,062

All figures are recoverable GST exclusive

1.3 Budget Measures

There are no budget measures in 2013-14 for Commonwealth Superannuation Corporation.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of CSC in achieving Government outcomes.

Outcome 1: Retirement benefits for past, present and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes.

Outcome 1 Strategy

CSC contributes to the achievement of the outcome through the active investment of the schemes' funds through a pooled superannuation trust, aiming for consistently competitive returns through disciplined and risk managed investment frameworks; proactively working with Government bodies to improve the structure of the schemes and to meet statutory obligations; the pursuit of high standards of governance; meeting fiduciary responsibilities; and providing information and general advice to assist fund members develop the knowledge and skills to manage their superannuation.

Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for the Outcome by program.

Table 2.1.1: Budgeted Expenses for Outcome 1

Outcome 1: Retirement benefits for past, present and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Superannuation Scheme Governance		
Revenue from Government		
Payment from related entities	5,931	5,976
Revenues from other independent sources	1,131	1,223
Total for Program 1.1	7,062	7,199
Outcome 1 totals by resource type		
Revenue from Government		
Payment from related entities	5,931	5,976
Revenues from other independent sources	1,131	1,223
Total expenses for Outcome 1	7,062	7,199
	2012-13	2013-14
Average Staffing Level (number)	64	72

Contributions to Outcome 1

Program 1.1: Superannuation Scheme Governance

Program 1.1 Objective

- The key objective for CSC in achieving its outcome is to maximise members' superannuation account balances.
- CSC also contributes to its outcome by:
 - ensuring that members, beneficiaries and employers who deal with the PSSap, PSS, CSS and MSBS are well serviced according to their needs and their interaction with CSC is as satisfactory as the best of their experience as a customer elsewhere;
 - ensuring that the PSSap, PSS, CSS and MSBS comply with the requirements of their legislation and CSC maintains its licensed status under the *Superannuation Industry (Supervision) Act 1993* and the *Corporations Act 2001*; and
 - ensuring that CSC's responsibilities in relation to the DFRDB, DFRB, DFSPB, PNG and 1922 schemes are discharged properly and completely and in accordance with the needs of stakeholders.

Program 1.1 Expenses

Program 1.1: Superannuation Scheme Governance

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Payments from related entities	5,931	5,976	6,036	6,096	6,155
Expenses not requiring appropriation in the Budget year ¹	1,131	1,223	1,171	1,113	1,156
Total program expenses	7,062	7,199	7,207	7,209	7,311

¹ Expenses not requiring appropriation in the Budget year is made up of operating lease rental expenses

Program 1.1 Deliverables

- Risk managed investment of members' superannuation balances.
- Compliance with relevant law.
- Meeting licence obligations set out by APRA and ASIC.
- Development and implementation of industry standard administration services through ComSuper.

Program 1.1 Key Performance Indicators

- CSC has a long term nominal investment performance target of a real return of 3.5% over a prospective rolling 3 year horizon, achieved within Board approved risk parameters.
- Compliance with the relevant law.
- Meet obligations as a Registrable Superannuation Entity (RSE) licensee and Australian Financial Services (AFS) Licence holder.
- Administration quality as reflected in the satisfaction level of members, beneficiaries and employers with the service provided through ComSuper, as CSC's delegate, to standards set by CSC.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and Government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Table 3.1.1 is not included as there is no movement of administered funds between years.

3.1.2 Special Accounts

Table 3.1.2 is not included as CSC does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Expenditure is not applicable because CSC has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

No material differences exist between agency resourcing and the financial statements.

3.2.2 Analysis of Budgeted Financial Statements

CSC is the trustee for the PSSap, PSS, CSS and MSBS superannuation schemes (the schemes). The governance arrangements of these schemes are set out in the *Superannuation Act 2005*, *Superannuation Act 1990*, *Superannuation Act 1976*, *Military Superannuation and Benefits Act 1991* and related rules and determinations. This legislation prescribes which costs are to be paid from scheme funds, and which costs are to be borne by the fees levied upon Commonwealth agencies.

CSC's budgeted expenses shown in this document are funded from the Administration Levy and administration fee from the Department of Defence. CSC's budget as expressed in these papers reflects only the costs paid, and income received, by CSC into the account attributed under the CAC Act and does not reflect the total cost involved in the administration and management of the schemes.

3.2.3 Budgeted Financial Statements

Table 3.2.1 Budgeted Statement of Comprehensive Income – Departmental (Showing Net Cost of Services) for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Suppliers	7,062	7,199	7,207	7,209	7,311
Total expenses	7,062	7,199	7,207	7,209	7,311
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	7,062	7,199	7,207	7,209	7,311
Total own-source revenue	7,062	7,199	7,207	7,209	7,311
Total own-source income	7,062	7,199	7,207	7,209	7,311
Net cost of (contribution by) services	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Balance Sheet - Departmental as at 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,049	5,049	5,049	5,049	5,049
Total financial assets	5,049	5,049	5,049	5,049	5,049
Total assets	5,049	5,049	5,049	5,049	5,049
LIABILITIES					
Total liabilities	-	-	-	-	-
Net assets	5,049	5,049	5,049	5,049	5,049
EQUITY ¹					
Contributed equity	2,324	2,324	2,324	2,324	2,324
Reserves	511	511	511	511	511
Retained surplus (Accumulated deficit)	2,214	2,214	2,214	2,214	2,214
Total equity	5,049	5,049	5,049	5,049	5,049

Prepared on Australian Accounting Standards basis.

¹ Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted Statement of Changes in Equity – Departmental for the period ended 30 June 2014

Table 3.2.3 is not included because CSC does not have any changes in equity.

Table 3.2.4: Budgeted Statement of Cash Flows - Departmental for the period ended 30 June

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	8,212	7,199	7,207	7,209	7,311
Total cash received	8,212	7,199	7,207	7,209	7,311
Cash used					
Employees	1,887	-	-	-	-
Suppliers	8,438	7,199	7,207	7,209	7,311
Net GST paid	609	-	-	-	-
Other	1,152	-	-	-	-
Total cash used	12,086	7,199	7,207	7,209	7,311
Net cash from (used by) operating activities	(3,874)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4,151	-	-	-	-
Total cash received	4,151	-	-	-	-
Net cash from (used by) investing activities	4,151	-	-	-	-
Net increase (decrease) in cash held	277	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,772	5,049	5,049	5,049	5,049
Cash and cash equivalents at the end of the reporting period	5,049	5,049	5,049	5,049	5,049

Prepared on Australian Accounting Standards basis.

ComSuper

Agency Resources and Planned Performance

ComSuper

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COMSUPER

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

ComSuper is a prescribed agency under Section 5 of the *Financial Management and Accountability Act 1997* and administers the Australian Government sponsored superannuation schemes which apply to current and former Australian Public Servants and Australian Defence Force members.

Governed by the *ComSuper Act 2011*, ComSuper provides superannuation services to scheme members on behalf of the Commonwealth Superannuation Corporation (CSC) for the following schemes:

- Commonwealth Superannuation Scheme (CSS) under the *Superannuation Act 1976*;
- Public Sector Superannuation (PSS) scheme under the *Superannuation Act 1990*;
- Public Sector Superannuation accumulation plan (PSSap) under the *Superannuation Act 2005* ;
- Defence Force Retirement Benefits (DFRB) scheme under the *Defence Force Retirement Benefits Act 1948*;
- Defence Force Retirement and Death Benefits (DFRDB) scheme under the *Defence Force Retirement and Death Benefits Act 1973*;
- Military Superannuation and Benefits Scheme (MSBS) under the *Military Superannuation and Benefits Act 1991*;
- Papua New Guinea (PNG) Scheme under the *Papua New Guinea (Staffing Assistance) Act 1973*; and
- 1922 Scheme under the *Superannuation Act 1922*.

For the purposes of the portfolio budget statements, ComSuper's operations have a single outcome, which is to “Provide access to Australian Government superannuation benefits and information, through developing members’ understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation”.

ComSuper receives revenue through fees paid quarterly by Australian Government agencies, including the Department of Defence and some agencies with residual membership in the schemes, such as the Northern Territory and Australian Capital Territory governments. All ComSuper fee revenue is managed through a special account.

Superannuation Administration Reform Program

The Superannuation Administration Reform (SAR) Program was established in 2009 to address a range of issues identified in a review of administration and governance arrangements for the main Commonwealth superannuation schemes.

The SAR Program has made excellent progress against its objectives. A major upgrade in ComSuper's disaster recovery capability and IT infrastructure has been completed and tested. The day-to-day administration of the PSSap scheme was successfully outsourced to Pillar Administration from February 2012. ComSuper retains overall responsibility for the scheme and some residual functions.

Work continues on the other elements of the SAR Program, especially improving data quality including through system enhancements, and changing processing and organisational arrangements to increase efficiency and reduce the risk of error.

Superannuation Legislative Reform

Legislation and regulations to implement Stronger Super reforms have been progressively introduced by Government since 2011. The measures to strengthen the integrity of Australia's superannuation system apply to ComSuper, along with the rest of the superannuation industry.

Initiatives to ensure compliance with the legislative changes and reform have commenced and will steadily increase throughout 2013-14 and beyond.

1.2 Agency Resource Statement

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

Table 1.1: ComSuper Resource Statement - Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Departmental appropriation				
Departmental appropriation ¹	-	1,144	1,144	-
Total	-	1,144	1,144	-
Total ordinary annual services	A -	1,144	1,144	-
Departmental non-operating				
Equity injections	-	1,350	1,350	-
Total	-	1,350	1,350	-
Total other services	B -	1,350	1,350	-
Total available annual appropriation	-	2,494	2,494	-
Total appropriation excluding special accounts	-	2,494	2,494	-
Special accounts				
Opening balance ²	28,710	-	28,710	38,091
Appropriation receipts ³	-	2,494	2,494	-
Special accounts (A)	-	1,613,849	1,613,849	1,613,849
Special accounts (D)	-	86,686	86,686	90,951
Total special accounts	C 28,710	1,703,029	1,731,739	1,742,891
Total resourcing				
A+B+C	28,710	1,705,523	1,734,233	1,742,891
Less appropriation drawn from annual or special appropriation above	-	(2,494)	(2,494)	-
Total net resourcing for ComSuper	28,710	1,703,029	1,731,739	1,742,891

(A) = Administered

(D) = Departmental

All figures are recoverable GST exclusive.

¹ Appropriation Bill (No.1) 2013-14. This includes an amount of \$398,000 as departmental supplementation.

² Estimated adjusted balance carried forward from previous year.

³ Appropriation Bill (No.2) 2013-14.

Third party payments from and on behalf of other agencies

	2013-14 \$'000	2012-13 \$'000
Payments made on behalf of other agencies:		
Finance Superannuation Special Appropriation:		
<i>Superannuation Act 1922</i>	45,000	31,153
<i>Superannuation Act 1976</i>	3,338,601	2,717,411
<i>Superannuation Act 1990</i>	3,521,215	5,062,377
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008</i>	54	61
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	703	703
Defence Superannuation Special Appropriation:		
<i>Defence Forces Retirement Benefits Act 1948</i>	54,124	55,294
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,524,163	1,448,807
<i>Military Superannuation and Benefits Act 1991</i>	363,339	327,163
ComSuper draws on the following Finance Annual Appropriation:		
<i>Appropriation Act (No.1) ¹</i>	500	500
<i>Appropriation Act (No.1) ²</i>	651	650
<i>Appropriation Act (No.2) ²</i>	507	476
PNG Scheme		
<i>AusAid Administered Appropriation Act ¹</i>	8,698	8,982

1 Compensation and legal payments.

2 Act of Grace Payments.

1.3 Budget Measures

There are no budget measures in 2013-14 for ComSuper.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of ComSuper in achieving Government outcomes.

Outcome 1: Provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.

Outcome 1 Strategy

ComSuper's purpose is to provide superannuation administration services to scheme members on behalf of the Commonwealth Superannuation Corporation. ComSuper collects superannuation contributions, maintains accurate records, pays timely and correct benefits, including pensions, and provides relevant information to members. The agency's vision is to be seen as having trusted expertise delivering excellence in superannuation service.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for outcome 1, by program.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.	2012-13	2013-14
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
Program 1.1: Superannuation Administration Services		
Departmental expenses:		
Departmental appropriation ¹	-	1,144
Special accounts	80,757	79,615
Expenses not requiring appropriation in the Budget year ²	95	100
Total for Program 1.1	80,852	80,859
Total expenses for Outcome 1	80,852	80,859
	2012-13	2013-14
Average Staffing Level (number) ³	443	445

¹ Departmental Appropriation includes 'ordinary annual services (Appropriation Bill (No.1))'.

² Expenses not requiring appropriation in the Budget year are made up of resources received free of charge for a notional audit fee from the Australian National Audit Office.

³ ASL for 2012-13 now includes an estimated 18 staff for SAR Projects.

Contributions to Outcome 1

Program 1.1: Superannuation Administration Services

Program 1.1 Objective

To provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.

Program 1.1 Expenses

As the closed defined benefits schemes decrease in membership over time, there will be a corresponding decrease in revenue from this area. This will require careful cost management and a strong focus on improving overall operational efficiency. Costs associated with the outsourced administration of the PSSap scheme will also need to be carefully managed.

Program 1.1 Superannuation Administration Services

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special account expenses:					
ComSuper special account	80,757	79,615	77,180	77,345	78,203
Annual departmental expenses:					
Departmental item appropriation	-	1,144	-	-	-
Expenses not requiring appropriation in the Budget year ¹	95	100	105	110	115
Total program expenses	80,852	80,859	77,285	77,455	78,318

¹ Expenses not requiring appropriation in the Budget year are made up of resources received free of charge for a notional audit fee from the Australia National Audit Office.

Program 1.1 Deliverables

ComSuper's service delivery requirements are driven by:

- legislative change;
- demand associated with the numbers of scheme members and employing agencies;
- the Commonwealth Superannuation Corporation (CSC) and regulators; and
- the portfolio agencies responsible for the schemes' policies and framework.

The services ComSuper provides include:

- managing the superannuation records and financial transactions, including investment switches, of members including contributor, preserved and pensioner members and ancillaries (e.g., ex-spouses);
- calculating benefit estimates and paying superannuation benefits to members (e.g., fortnightly pensions and lump sum payments or transfers out to other schemes);
- responding to member inquiries (e.g., inquiries received through the Customer Information Centre and via email, telephone and written correspondence);
- providing annual member statements to contributor and preserved members and payment summaries to pensioners;
- assisting the CSC with financial statements and other general accounting services;
- providing legal, governance and compliance services;
- providing casework services, including eligibility determination, death and invalidity, early release, and review/reconsideration;
- implementing Family Law Court determinations for splitting superannuation benefits;
- supporting CSC through the provision of reports and responding to information requests;
- provision of information products for scheme members including publications, and working with CSC to provide member information through websites and annual reports; and
- contract management of the day-to-day administration of the PSSap scheme.

Program Deliverables

Deliverables	2012-13 Revised budget	2013-14 Budget	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
Maintain records and financial transactions for the schemes' membership (Total number of contributor, preserved and pensioner members)	709,000	719,100	730,700	742,000	753,400
Accurate and timely payment of benefits to scheme members (Benefit applications processed)	30,600	32,300	34,400	36,900	39,900
Accurate and timely fortnightly pension payments (Number of pensioners)	210,600	213,600	216,600	219,600	222,800
Timely responses to inquiries by scheme members (Number of telephone, e-mail and written inquiries through call centre)	339,600	344,700	349,800	355,100	360,400
Provide annual member statements to contributor and preserved members (Number of annual statements issued)	487,800	494,200	502,500	511,000	519,800
ComSuper will seek to comply with all scheme and regulatory requirements (Number of main schemes administered by ComSuper)	5	5	5	5	5

Program Key Performance Indicators

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget	2014-15 Forward year 1	2015-16 Forward year 2	2016-17 Forward year 3
Achievement of service standards ¹ (Proportion of standards achieved)	80%	80%	80%	80%	80%
Periodic member client satisfaction survey ² (Quality Service Index)	80% or Higher	80% or Higher	80% or Higher	80% or Higher	80% or Higher
Timeliness of member statements (Issued by the statutory deadline of 31st December)	100%	100%	100%	100%	100%
Timeliness of new benefits processed ³ (Routine Benefit Payments within 5 working days)	85%	85%	85%	85%	85%
Timeliness of fortnightly pension payroll (Pension payments in bank accounts on time)	99.5%	99.5%	99.5%	99.5%	99.5%
Compliance issues appropriately reported and actively managed (Issues reported and managed)	100%	100%	100%	100%	100%

1 ComSuper granted Pillar Administration an exemption from meeting the required service level standards for the PSSap scheme administration for the first six months from the service take up date.

2 A Quality Service Index rating of 75% is equivalent to every respondent being 'satisfied' with the service, whereas a rating of 100% is equivalent to every respondent being 'very satisfied' with the service. Traditionally, members' satisfaction for administration services is linked to their perceived performance of their investments, particularly during times of market volatility. Members are currently being surveyed on a biennial basis.

3 The calculation method for the KPI, Timeliness of new benefit processed, refers to the processing of routine benefits, rather than the payment of all benefits. This reflects the fact that some benefits involve highly complex processes that are unable to be completed and paid within 5 working days. Routine benefits are processed within 5 working days of receipt of all necessary documentation.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Table 3.1.1 is not included as there is no movement of administered funds between years.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by ComSuper.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for other entities and trust monies ¹	1	6,236	1,613,849	(1,613,849)	-	6,236
- s20 FMA Act (A)		6,488	1,613,849	(1,614,101)	-	6,236
ComSuper special account ²	1	22,474	89,180	(93,306)	-	18,348
- s21 FMA Act (D)		31,603	90,951	(100,080)	-	22,474
Total special accounts 2013-14 Budget estimate		28,710	1,703,029	(1,707,155)	-	24,584
<i>Total special accounts 2012-13 estimated actual</i>		38,091	1,704,800	(1,714,181)	-	28,710

(A) = Administered
(D) = Departmental

¹ The special account was established by FMA Determination 2011/06.

² The special account was established by *ComSuper Act 2011*.

3.1.3 Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Expenditure is not applicable to ComSuper as it has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

No material differences exist between agency resourcing and the financial statements.

3.2.2 Analysis of Budgeted Financial Statements

ComSuper is projecting a surplus of \$8.3 million in 2013-14 with estimated total revenue of \$89.2 million against estimated expenses of \$80.9 million. The surplus is due to savings measures announced in the 2009-10 additional estimates related to Rental and Superannuation Administration Reform savings.

It is intended that the savings will be returned to Government and the surplus in 2013-14 and the subsequent forward years are not included in ComSuper's special account balance.

3.2.3 Budgeted Financial Statements

Table 3.2.1 Budgeted Statement of Comprehensive Income – Departmental (Showing Net Cost of Services) for the period ended 30 June

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	41,345	40,878	38,579	38,251	38,505
Suppliers	26,886	27,318	25,926	26,333	27,765
Depreciation and amortisation	6,529	6,587	6,639	6,665	5,778
Finance costs	66	-	-	-	-
Other expenses	6,026	6,076	6,141	6,206	6,270
Total expenses	80,852	80,859	77,285	77,455	78,318
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	89,324	88,313	85,480	85,645	86,503
Total own-source revenue	89,324	88,313	85,480	85,645	86,503
Gains					
Other	2,886	100	105	110	115
Total gains ¹	2,886	100	105	110	115
Total own-source income	92,210	88,413	85,585	85,755	86,618
Net cost of (contribution by) services	(11,358)	(7,554)	(8,300)	(8,300)	(8,300)
Revenue from Government ²	398	746	-	-	-
Surplus (Deficit) ³	11,756	8,300	8,300	8,300	8,300
Total comprehensive income (loss) attributable to the Australian Government	11,756	8,300	8,300	8,300	8,300

Prepared on an Australian Accounting Standards basis.

1 The Other Gains for 2012-13 are principally due to technical accounting adjustments relating to the reversal of onerous rent for ComSuper's premises in Belconnen.

2 Appropriation receivables arising from the 2012-13 Revenue from Government amount will not be recognised until 1 July 2013.

3 The budgeted surpluses are required to meet the agreed return of capital to Government.

**Table 3.2.2: Budgeted Balance Sheet - Departmental
as at 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	602	1,000	1,000	1,000	1,000
Trade and other receivables	23,506	18,982	19,188	19,370	19,469
Total financial assets	24,108	19,982	20,188	20,370	20,469
Non-financial assets					
Land and buildings	3,008	3,008	3,008	3,008	3,008
Property, plant and equipment	5,177	7,848	7,848	7,848	7,848
Intangibles	11,761	13,280	13,337	13,337	13,337
Other non-financial assets	857	857	857	857	857
Total non-financial assets	20,803	24,993	25,050	25,050	25,050
Total assets	44,911	44,975	45,238	45,420	45,519
LIABILITIES					
Payables					
Suppliers	5,866	4,580	4,843	5,025	5,124
Other payables	11	11	11	11	11
Total payables	5,877	4,591	4,854	5,036	5,135
Provisions					
Employee provisions	12,250	12,250	12,250	12,250	12,250
Total provisions	12,250	12,250	12,250	12,250	12,250
Total liabilities	18,127	16,841	17,104	17,286	17,385
Net assets	26,784	28,134	28,134	28,134	28,134
EQUITY ¹					
Contributed equity	10,683	12,033	12,033	12,033	12,033
Reserves	529	529	529	529	529
Retained surplus					
(Accumulated deficit)	15,572	15,572	15,572	15,572	15,572
Total equity	26,784	28,134	28,134	28,134	28,134

Prepared on an Australian Accounting Standards basis.

¹ Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted Statement of Changes in Equity – Departmental for the period ended 30 June 2014

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	15,572	529	10,683	26,784
Adjusted opening balance	15,572	529	10,683	26,784
Comprehensive income				
Surplus (Deficit) for the period	8,300	-	-	8,300
Total comprehensive income	8,300	-	-	8,300
Transactions with owners				
Distributions to owners				
Returns on capital:				
Dividends	(8,300)	-	-	(8,300)
Contributions by owners				
Equity injection - appropriation	-	-	1,350	1,350
Transactions with owners	(8,300)	-	1,350	(6,950)
Closing balance attributable to the Australian Government	15,572	529	12,033	28,134

Prepared on an Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Statement of Cash Flows - Departmental
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriation	-	1,144	-	-	-
Receipts from Government	85,301	86,859	84,229	84,602	86,563
Sale of goods and rendering of services	89,324	88,313	85,480	85,645	86,503
Other	1,627	-	-	-	-
Total cash received	176,252	176,316	169,709	170,247	173,066
Cash used					
Employees	41,345	40,878	38,579	38,251	38,505
Suppliers	26,922	27,800	24,826	25,757	27,551
Receipts transferred to OPA	106,775	82,733	84,435	84,799	86,662
Other	6,670	6,780	6,873	6,475	6,270
Total cash used	181,712	158,191	154,713	155,282	158,988
Net cash from (used by) operating activities	(5,460)	18,125	14,996	14,965	14,078
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	11,983	10,777	6,696	6,665	5,778
Total cash used	11,983	10,777	6,696	6,665	5,778
Net cash from (used by) investing activities	(11,983)	(10,777)	(6,696)	(6,665)	(5,778)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	1,350	-	-	-
Total cash received	-	1,350	-	-	-
Cash used					
Repayments of borrowings					
Dividends paid	4,658	-	-	-	-
Other	8,900	8,300	8,300	8,300	8,300
Total cash used	13,558	8,300	8,300	8,300	8,300
Net cash from (used by) financing activities	(13,558)	(6,950)	(8,300)	(8,300)	(8,300)
Net increase (decrease) in cash held	(31,001)	398	-	-	-
Cash and cash equivalents at the beginning of the reporting period	31,603	602	1,000	1,000	1,000
Cash and cash equivalents at the end of the reporting period	602	1,000	1,000	1,000	1,000

Prepared on an Australian Accounting Standards basis.

Table 3.2.5: Budgeted Capital Budget Statement - Departmental for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
New capital appropriations					
Equity injections - Bill 2	-	1,350	-	-	-
Total new capital appropriations	-	1,350	-	-	-
Purchase of non-financial assets					
Funded by capital appropriation	195	1,155	-	-	-
Funded internally from departmental resources ¹	11,788	9,622	6,696	6,665	5,778
Total purchase of non-financial assets	11,983	10,777	6,696	6,665	5,778

1 Includes the following sources of funding:

- current and prior year annual appropriations; and
- funds held in special accounts.

Table 3.2.6: Budgeted Statement of Asset Movements –Departmental as at 30 June 2014

	Asset Class			
	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013				
Gross book value	4,409	7,396	47,786	59,591
Accumulated depreciation/amortisation and impairment	(1,401)	(2,219)	(36,025)	(39,645)
Opening net book balance	3,008	5,177	11,761	19,946
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - other	-	3,782	6,995	10,777
Total additions	-	3,782	6,995	10,777
Other movements				
Depreciation/amortisation expense	-	(1,111)	(5,476)	(6,587)
Total other movements	-	(1,111)	(5,476)	(6,587)
As at 30 June 2014				
Gross book value	4,409	11,178	54,781	70,368
Accumulated depreciation/amortisation and impairment	(1,401)	(3,330)	(41,501)	(46,232)
Closing net book balance	3,008	7,848	13,280	24,136

Prepared on Australian Accounting Standards basis.

Future Fund Management Agency

Agency Resources and Planned Performance

FUTURE FUND MANAGEMENT AGENCY

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FUTURE FUND MANAGEMENT AGENCY

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Future Fund Management Agency (FFMA) was established by the *Future Fund Act 2006* to support and advise the Future Fund Board of Guardians (the Board) in its task of investing the assets of the Future Fund.

The scope of the FFMA and the Board was extended by the *Nation-building Funds Act 2008* to include the management of investments to grow other Australian Government Asset Funds as a means to provide financing sources for substantial future investments in the Australian economy. As a result the FFMA supports the Board in managing investments of the Future Fund, Building Australia Fund (BAF), Education Investment Fund (EIF) and Health and Hospitals Fund (HHF).

Subject to the passage of legislation, the scope of the Board and FFMA is to be further increased by the introduction of National Disability Insurance Scheme and the associated DisabilityCare Australia Fund (DCAF) legislation.

The FFMA focuses on supporting and advising the Board of Guardians in developing and implementing appropriate investment strategies for the funds.

The Future Fund's portfolio has now been significantly invested but will continue to evolve as the Board manages the portfolio in line with its mandate and strategy. The approach to managing the portfolio is detailed in the 2011-12 Future Fund Annual Report. Recognising the potential for continued volatility in investment markets, an important emphasis for the FFMA and the Board is maintaining a long term investment perspective and strategy that balances risk with expected return as required under the *Future Fund Investment Mandate Directions 2006* (Investment Mandate).

The FFMA provides support and advice to the Board in relation to the BAF, EIF and HHF and is focused on developing and implementing investment strategies consistent with the legislation and mandates. The investment strategies and approach for these funds is detailed in the 2011-12 Future Fund Annual Report.

1.2 Agency Resource Statement

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

Table 1.1: Future Fund Management Agency Statement - Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior + year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Special accounts				
Opening balance	-	-	-	-
Non-appropriation receipts to special accounts	-	497,255	497,255	450,461
Total special accounts	-	497,255	497,255	450,461
Total net resourcing for FFMA	-	497,255	497,255	450,461

All figures are recoverable GST exclusive.

Note: Future Fund does not receive any annual appropriations. Its outputs are funded as payments from the Future Fund Special Account.

1.3 Budget Measures

There are no budget measures in 2013-14 for FFMA.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of FFMA in achieving Government outcomes.

Outcome 1: Make provision for the Commonwealth's unfunded superannuation liabilities and payments for the creation and development of infrastructure, by managing the operational activities of the Future Fund and the Nation building Funds, in line with the Government's investment mandates.

Outcome 1 Strategy

The FFMA contributes to the achievement of the outcome through the provision of advice and support to the Future Fund Board of Guardians and through the implementation of investment decisions. This work is focused on ensuring that the assets of the Future Fund, the Nation Building Funds and, subject to the passage of legislation, the DisabilityCare Australia Fund are invested in line with the relevant legislation and investment mandates to achieve their investment objectives.

This work includes portfolio modelling, risk management, the appointment of investment managers and the application of appropriate corporate governance.

The specific investment strategies applied to the investment of assets, together with the overarching investment beliefs and principles of the organisation, are detailed in the 2011-12 Future Fund Annual Report.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for the outcome by program.

Table 2.1 Budgeted Expenses for Outcome 1

Outcome 1: Make provision for the Commonwealth's unfunded superannuation liabilities and payments for the creation and development of infrastructure, by managing the operational activities of the Future Fund and Nation building Funds, in line with the Government's investment mandates.	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Management of the Investment of the Future Fund		
Special accounts	43,771	46,510
Total for Program 1.1	43,771	46,510
Program 1.2: Management of the Investment of the Building Australia Fund, Education Investment Fund and Health and Hospitals Fund		
Special accounts	818	835
Total for Program 1.2	818	835
Outcome 1 totals by appropriation type		
Special accounts	44,589	47,345
Total expenses for Outcome 1	44,589	47,345
	2012-13	2013-14
Average Staffing Level (number)	91	104

Note: Program splits and totals are indicative estimates and may change in the course of the Budget year as Australian Government priorities change.

Contributions to Outcome 1

Program 1.1: Management of the Investment of the Future Fund

Program 1.1 Objective

The FFMA supports the Board of Guardians in investing to accumulate assets for the purpose of offsetting the unfunded superannuation liabilities of the Australian Government which will fall due on future generations.

Program 1.1 Expenses

Program 1.1 Management of the Investment of the Future Fund

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special account expenses:					
Future Fund Special Account	43,771	46,510	50,621	53,791	58,029
Total program expenses	43,771	46,510	50,621	53,791	58,029

Program 1.1 Deliverables

- Ensure all decisions of the Board of Guardians are given effect as directed by the Board within timeframes and quality levels agreed with the Board.
- Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions.
- Provide administrative services to the Board.
- Provide information and recommendations to the Board.
- Advise the Board about the performance of the Board's functions.
- Make resources and facilities available to the Board.

Program 1.1 Key Performance Indicators

- Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return of at least 4.5 to 5.5% above the Consumer Price Index (CPI) over the long term (interpreted as rolling 10 year periods) with acceptable but not excessive risk.

Program 1.2: Management of the Investment of the Building Australia Fund, Education Investment Fund and Health and Hospitals Fund
Program 1.2 Objective

The *Nation-building Funds Act 2008* established the Education Investment Fund, the Health and Hospitals Fund and the Building Australia Fund on 1 January 2009. The role of the FFMA was extended to include supporting the Board of Guardians in the investment of the assets of these funds.

Subject to the passage of legislation, the scope of FFMA is to be further increased by the introduction of National Disability Insurance Scheme and the associated DisabilityCare Australia Fund (DCAF) legislation, with the role of the FFMA to include supporting the Board of Guardians in the investment of the assets of this fund.

Program 1.2 Expenses
Program 1.2 Management of the Investment of the Building Australia Fund, Education Investment Fund and Health and Hospitals Fund

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special account expenses:					
Future Fund Special Account	818	835	852	869	240
Total program expenses	818	835	852	869	240

Program 1.2 Deliverables

- Ensure all decisions of the Board of Guardians are given effect as directed by the Board within timeframes and quality levels agreed with the Board.
- Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions.
- Provide administrative services to the Board.
- Provide information and recommendations to the Board.
- Advise the Board about the performance of the Board's functions.
- Make resources and facilities available to the Board.

Program 1.2 Key Performance Indicators

- Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return for each of the Nation-building Funds of the Australian three month bank bill swap rate plus 0.3% per annum, calculated on a rolling 12 month basis while minimising the probability of capital loss over a 12 month horizon.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Table 3.1.1 is not included as there is no movement of administered funds between years.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by FFMA.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Future Fund Special Account (A)(D)	1	-	497,255	497,255	-	-
		-	450,461	450,461	-	-
Total special accounts 2013-14 Budget estimate		-	497,255	497,255	-	-
<i>Total special accounts 2012-13 estimated actual</i>		-	450,461	450,461	-	-

(A) = Administered
(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Expenditure is not applicable because FFMA has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

No material differences exist between agency resourcing and the financial statements.

3.2.2 Analysis of Budgeted Financial Statements

Departmental expenditure will increase over the 2013-14 estimate year in line with maintaining and developing the Agency's ability to support the Board in managing the Future Fund and other Australian Government Asset Funds.

Administered expenditure will increase over the 2013-14 estimate year as a result of the expected growth of the portfolio and the evolution of the asset allocation in line with the Board's investment strategy.

3.2.3 Budgeted Financial Statements

Table 3.2.1 Budgeted Statement of Comprehensive Income – Departmental (Showing Net Cost of Services) for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	29,521	31,226	34,994	38,536	42,221
Suppliers	13,315	13,694	14,210	14,747	15,306
Depreciation and amortisation	1,753	2,425	2,269	1,377	742
Total expenses	44,589	47,345	51,473	54,660	58,269
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	44,439	47,195	51,323	54,510	58,119
Total own-source revenue	44,439	47,195	51,323	54,510	58,119
Gains					
Other	150	150	150	150	150
Total gains	150	150	150	150	150
Total own-source income	44,589	47,345	51,473	54,660	58,269
Net cost of (contribution by) services	-	-	-	-	-
Revenue from Government	-	-	-	-	-
Surplus (Deficit)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Balance Sheet - Departmental
as at 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	753	753	753	753	753
Trade and other receivables	11,730	14,438	17,976	20,618	22,826
Total financial assets	12,483	15,191	18,729	21,371	23,579
Non-financial assets					
Property, plant and equipment	3,159	2,346	1,541	1,117	1,096
Intangibles	1,950	1,238	474	221	200
Other non-financial assets	178	178	178	178	178
Total non-financial assets	5,287	3,762	2,193	1,516	1,474
Total assets	17,770	18,953	20,922	22,887	25,053
LIABILITIES					
Payables					
Suppliers	494	494	494	494	494
Other payables	4,362	4,636	5,047	5,364	5,788
Total payables	4,856	5,130	5,541	5,858	6,282
Provisions					
Employee provisions	12,418	13,327	14,885	16,533	18,275
Other provisions	496	496	496	496	496
Total provisions	12,914	13,823	15,381	17,029	18,771
Total liabilities	17,770	18,953	20,922	22,887	25,053
Net assets	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted Statement of Changes in Equity – Departmental for the period ended 30 June 2014

Table 3.2.3 is not included because FFMA does not have any changes in equity.

Table 3.2.4: Budgeted Statement of Cash Flows - Departmental for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Other	47,682	49,205	52,915	57,317	61,786
Total cash received	47,682	49,205	52,915	57,317	61,786
Cash used					
Employees	27,652	30,287	33,405	36,856	40,446
Suppliers	13,207	13,574	14,090	14,629	15,189
Net GST paid	3,421	4,444	4,720	5,132	5,451
Total cash used	44,280	48,305	52,215	56,617	61,086
Net cash from (used by) operating activities	3,402	900	700	700	700
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	3,402	900	700	700	700
Total cash used	3,402	900	700	700	700
Net cash from (used by) investing activities	(3,402)	(900)	(700)	(700)	(700)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	753	753	753	753	753
Cash and cash equivalents at the end of the reporting period	753	753	753	753	753

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Budgeted Capital Budget Statement – Departmental for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Purchase of non-financial assets					
Funded internally from departmental resources	3,402	900	700	700	700
Total purchase of non-financial assets	3,402	900	700	700	700

Table 3.2.6: Budgeted Statement of Asset Movements as at 30 June 2014

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2013			
Gross book value	8,237	2,961	11,198
Accumulated depreciation/amortisation and impairment	(5,078)	(1,011)	(6,089)
Opening net book balance	3,159	1,950	5,109
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase - other	700	200	900
Total additions	700	200	900
Other movements			
Depreciation/amortisation expense	(1,513)	(912)	(2,425)
Total other movements	(1,513)	(912)	(2,425)
As at 30 June 2014			
Gross book value	8,937	3,161	12,098
Accumulated depreciation/amortisation and impairment	(6,591)	(1,923)	(8,514)
Closing net book balance	2,346	1,238	3,584

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Budgeted Schedule of Comprehensive Income - Administered
(Showing Net Cost of Services)
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	861	895	931	966	1,005
Suppliers	566,021	619,510	664,755	711,799	763,031
Total expenses	566,882	620,405	665,686	712,765	764,036
LESS:					
INCOME					
Revenue					
Non-taxation revenue					
Interest	1,442,495	1,696,648	1,791,131	1,919,593	2,057,244
Dividends	1,707,254	1,612,226	1,700,900	1,822,891	1,953,608
Total non-taxation revenue	3,149,749	3,308,874	3,492,031	3,742,484	4,010,852
Total revenue	3,149,749	3,308,874	3,492,031	3,742,484	4,010,852
Gains					
Other gains	7,491,944	3,485,743	3,790,812	4,062,694	4,354,024
Total gains	7,491,944	3,485,743	3,790,812	4,062,694	4,354,024
Total income	10,641,693	6,794,617	7,282,843	7,805,178	8,364,876
Net cost of (contribution by) services	(10,074,811)	(6,174,212)	(6,617,157)	(7,092,413)	(7,600,840)
Surplus (Deficit)	10,074,811	6,174,212	6,617,157	7,092,413	7,600,840

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Budgeted Schedule of Assets and Liabilities – Administered
as at 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	197	197	197	197	197
Trade and other receivables	439,317	415,429	438,466	469,894	503,657
Other investments	87,055,666	93,381,551	100,085,452	107,262,804	114,922,501
Total financial assets	87,495,180	93,797,177	100,524,115	107,732,895	115,426,355
Total assets	87,495,180	93,797,177	100,524,115	107,732,895	115,426,355
LIABILITIES					
Payables					
Suppliers	472,158	599,943	709,724	826,091	918,711
Other payables	1,812	1,812	1,812	1,812	1,812
Total payables	473,970	601,755	711,536	827,903	920,523
Provisions					
Employee provisions	22	22	22	22	22
Total provisions	22	22	22	22	22
Total liabilities	473,992	601,777	711,558	827,925	920,545
Net assets (liabilities)	87,021,188	93,195,400	99,812,557	106,904,970	114,505,810

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Budgeted Schedule of Cash Flows - Administered
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Interest	1,449,010	1,696,648	1,791,131	1,919,593	2,057,244
Dividends	1,755,588	1,636,388	1,678,274	1,791,780	1,920,269
Net GST received	4,126	4,362	4,636	5,047	5,364
Total cash received	3,208,724	3,337,398	3,474,041	3,716,420	3,982,877
Cash used					
Suppliers	402,816	448,072	508,041	544,433	614,740
Employees	861	895	931	966	1,005
Other	46,784	48,288	51,980	56,363	61,459
Total cash used	450,461	497,255	560,952	601,762	677,204
Net cash from (used by) operating activities	2,758,263	2,840,143	2,913,089	3,114,658	3,305,673
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of investments	2,723,274	3,254,986	1,424,335	1,529,088	1,650,151
Total cash received	2,723,274	3,254,986	1,424,335	1,529,088	1,650,151
Cash used					
Investments	5,481,537	6,095,129	4,337,424	4,643,746	4,955,824
Total cash used	5,481,537	6,095,129	4,337,424	4,643,746	4,955,824
Net cash from (used by) investing activities	(2,758,263)	(2,840,143)	(2,913,089)	(3,114,658)	(3,305,673)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	197	197	197	197	197
Cash and cash equivalents at the end of the reporting period	197	197	197	197	197

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Budgeted Capital Budget Schedule - Administered
for the period ended 30 June**

The FFMA has no budgeted capital administered on behalf of the Australian Government.

**Table 3.2.11: Budgeted Schedule of Asset Movements - Administered
as at 30 June 2014**

The FFMA has no budgeted non-financial assets administered on behalf of the Australian Government.

PORTFOLIO GLOSSARY

Term	Meaning
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Acts of Grace payments	The primary method of providing compensation to persons who have been unfairly disadvantaged by the Commonwealth but who have no legal claim against it.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments (Parliamentary Departments) Bill (No 2). These Bills are introduced into Parliament after the Budget Bills.
Appropriation	An authorisation by Parliament to spend monies from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the Additional Estimates. Parliamentary departments have their own appropriations.
CAC Act	<i>Commonwealth Authorities and Companies Act 1997.</i>
Capital Expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Charter of Budget Honesty Act	The <i>Charter of Budget Honesty Act 1998</i> provides a legislative framework for the conduct and reporting of fiscal policy.

Glossary and Acronyms

Term	Meaning
Consolidated Revenue Fund	s.81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental Items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
FMA Act	<i>Financial Management and Accountability Act 1997.</i>
Measure	A new policy or savings decision of the government with financial impacts.
Operating Result	Equals income less expense.
Outcomes	The government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community influenced by the actions of the Australian Government. Actual outcomes are the results or impacts actually achieved.

Term	Meaning
Portfolio	A Minister's area of responsibility as a member of Cabinet. A portfolio consists of one or more Departments of State (aka the Portfolio Departments) and a number of agencies with similar general objectives and outcomes.
Program	Agencies deliver programs which are the government actions taken to deliver the stated outcomes. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.
Prescribed agencies	As per s.5 of the FMA Act, a prescribed agency means: a body, organisation or group of persons prescribed by the Regulations for the purposes of this definition. Prescribed agencies are made by the Governor-General by Regulation under the FMA Act. Prescribed legal authority and responsibility to manage their financial affairs.
Revenue	Total value of resources earned or received to cover the production of goods and services or increases in future economic benefits in the form of increases in assets or reductions in liabilities of an entity.
Special accounts	Balances existing within the CRF that are supported by standing appropriations (FMA Act s.20 or s.21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account may only be spent for the purposes of the special account. special accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s. 21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>

ACRONYMS

Acronym	Description
AAO	Administrative Arrangements Order
AO	Officer of the Order of Australia
AEC	Australian Electoral Commission
ANAO	Australian National Audit Office
APS	Australian Public Service
ARIA	Australian Reward Investment Alliance
ASIO	Australian Security Intelligence Organisation
BAF	Building Australia Fund
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
Charter of Budget Honesty	<i>Charter of Budget Honesty Act 1998</i>
CPI	Consumer Price Index
CSS	Commonwealth Superannuation Scheme
CSS Act	<i>Superannuation Act 1976</i>
DCAF	DisabilityCare Australia Fund
DCB	Departmental Capital Budget
DFRDB	Defence Force Retirement and Death Benefits
EIF	Education Investment Fund
ERC	Expenditure Review Committee
FFMA	Future Fund Management Agency
Finance	Department of Finance and Deregulation
Finance Portfolio	Finance and Deregulation Portfolio
Finance Minister	Minister for Finance and Deregulation
FMA Act	<i>Financial Management and Accountability Act 1997</i>

Acronym	Description
GBEs	Government Business Enterprises
HEEF	Higher Education Endowment Fund
HHF	Health and Hospitals Fund
ICON	Intra-Government Communications Network
ICT	Information and Communications Technology
JSCEM	Joint Standing Committee on Electoral Matters
MoP(S) Act	<i>Members of Parliament (Staff) Act 1984</i>
MP	Member of Parliament
MSBS	Military Superannuation and Benefits Scheme
MYEFO	Mid-Year Economic Fiscal Outlook
NBF	Nation Building Funds
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements
PB Statements	Portfolio Budget Statements
PCSS	Parliamentary Contributory Superannuation Scheme
PSM	Public Service Medal
PSS	Public Sector Superannuation Scheme
PSS Act	<i>Superannuation Act 1990</i>
PSSap	Public Sector Superannuation Accumulation Plan
SACL	Sydney Airports Corporation Limited
SMOS	Special Minister of State
SPPs	Special Purpose Payments
WIP	Work-in-progress