

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.

Finance Budget Statements

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 services¹				
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 services⁶				
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

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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	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) ¹</i>	500	500
<i>Appropriation Act (No.1) ²</i>	651	650
<i>Appropriation Act (No.2) ²</i>	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)	-	-	-	-

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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)

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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 of Australia Act 1999</i>	599	675
<i>Governance of Australian Government Superannuation 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 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

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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
	2012-13	2013-14
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 Estimated Actual Expenses \$'000	2013-14 Estimated Expenses \$'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	2013-14
	Estimated Actual Expenses \$'000	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

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 Years¹

	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</i>						
<i>2012-13 estimated actual</i>		526,710	3,340,436	(3,356,619)	-	510,527

(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

	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
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	Forward estimate 2014-15	Forward estimate 2015-16	Forward estimate 2016-17
	\$'000	\$'000	\$'000	\$'000	\$'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	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'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	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	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					Total
	Land	Buildings	Other infrastructure, plant and equipment	Investment property	Computer software and intangibles	
	\$'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.