

# **DEPARTMENT OF FINANCE**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# DEPARTMENT OF FINANCE

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## DEPARTMENT OF FINANCE

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

The key purpose of the Department of Finance (Finance) is to support the Australian Government's (the government's) objectives and public sector improvement, through responsible expenditure and oversight.

As one of the government's central entities, Finance assists the government to shape and deliver its agenda by providing high quality advice, policies, governance arrangements and professional services.

**Outcome 1** *Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.*

To achieve Outcome 1, Finance:

- assists the government to develop and deliver its fiscal and economic policies by producing the Budget and the government's financial statements; and
- contributes to the government's reform agenda by seeking to improve the effectiveness of government spending.

**Outcome 2** *Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice, and service delivery.*

To achieve Outcome 2, Finance:

- contributes to, and fosters, leading practice in public sector governance and accountability, encompassing the public resource management framework, procurement and grants policies, and the oversight of GBEs and other commercial entities;
- develops and administers key government policies in relation to Commonwealth land, public works and property management and advertising to ensure leading practice and ongoing improvement in the public sector management of government resources;
- delivers professional services in respect of the government's: non-Defence property portfolio within Australia (including major capital works projects), risk management and insurance arrangements (Comcover), key Whole of Australian Government (WoAG) purchasing arrangements (such as travel, office equipment, stationery) to ensure efficient and effective management of government resources, and certain corporate functions delivered by the Service Delivery Office; and

- advises on the government's Investment Funds and administers superannuation arrangements for the government's civilian employees, politicians and judges to support efficient and effective management of government resources.

**Outcome 3**      *Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs*

To achieve Outcome 3, Finance provides advice and services to Ministers, Office-holders, Senators, Members, their staff and others as required by the government.

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to Finance for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for Finance's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. funding available) basis, whilst the 'Budgeted Expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Finance resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	107,218	107,905
Departmental appropriation (c)	279,357	256,930
s 74 retained revenue receipts (d)	19,659	22,899
Departmental capital budget (e)	-	6,480
Annual appropriations - other services - non-operating (f)		
Equity injection	69,808	64,202
<i>Total departmental annual appropriations</i>	<u>476,042</u>	<u>458,416</u>
Special accounts (g)		
Opening balance	728,422	686,095
Appropriation receipts (h)	140,608	83,787
Non-appropriation receipts	442,689	316,887
<i>Total special accounts</i>	<u>1,311,719</u>	<u>1,086,769</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>(140,608)</u>	<u>(83,787)</u>
<b>Total departmental resourcing</b>	<b><u>1,647,153</u></b>	<b><u>1,461,398</u></b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	-	-
Outcome 2	16,739	13,358
Outcome 3	278,424	260,221
Administered capital budget (i)	4,919	4,983
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	1,890	512,404
<i>Total administered annual appropriations</i>	<u>301,972</u>	<u>790,966</u>
<i>Total administered special appropriations (g)</i>	<u>11,226,509</u>	<u>10,030,926</u>
Special accounts (g)		
Non-appropriation receipts	9,311,385	18,992,226
<i>Total special account receipts</i>	<u>9,311,385</u>	<u>18,992,226</u>
<b>Total administered resourcing</b>	<b><u>20,839,866</u></b>	<b><u>29,814,118</u></b>
<b>Total resourcing for Department of Finance</b>	<b><u>22,487,019</u></b>	<b><u>31,275,516</u></b>
<b>Average staffing level (number)</b>	<u>1,318</u>	<u>1,257</u>

Prepared on a resourcing (i.e. appropriation available) basis.

- (a) Appropriation Bill (No.1) 2017-18.  
 (b) Represents estimated unspent appropriations available from 2016-17.  
 (c) Excludes departmental capital budget (DCB).  
 (d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).  
 (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.  
 (f) Appropriation Bill (No.2) 2017-18.  
 (g) For further information on special appropriations and special accounts, please refer to *Budget Paper No.4 - Agency Resourcing*. Please also refer to Table 2.1.1, 2.2.1 and 2.3.1 for further information on

### *Finance Budget Statements*

outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

- (h) Amounts credited to the special account(s) from Finance's annual and special appropriations.
- (i) Administered capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.



**Table 1.1: Department of Finance resource statement — Budget estimates for 2017-18 as at Budget May 2017 (continued)**  
**Third party payments from and on behalf of other entities**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
Attorney-General's Department		
<i>Law Officers Act 1964</i>	450	450
Payments made by other entities on behalf of Department of Finance (disclosed above)		
Attorney-General's Department		
<i>Parliamentary Entitlements Act 1990</i>	400	400
Commonwealth Superannuation Corporation		
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,500	1,000
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	59	60
<i>Superannuation Act 1922</i>	83,486	76,163
<i>Superannuation Act 1976</i>	4,377,558	4,515,582
<i>Superannuation Act 1990</i>	1,844,330	1,875,469
Appropriation Act (No.1) (a)	500	500
Appropriation Act (No.1) (b)	294	451
Appropriation Act (No.2) (b)	968	992
Department of Defence		
<i>Parliamentary Entitlements Act 1990</i>	4,742	-
Department of the House of Representatives		
<i>Commonwealth of Australia Constitution Act (s66)</i>	3,165	3,141
<i>Parliamentary Entitlements Act 1990</i>	300	300
<i>Parliamentary Superannuation Act 2004</i>	4,562	4,601
Department of Parliamentary Services		
Appropriation Act (No.1)	60	350
<i>Parliamentary Entitlements Act 1990</i>	20,868	19,988
Department of the Senate		
<i>Commonwealth of Australia Constitution Act (s66)</i>	1,865	1,857
<i>Parliamentary Entitlements Act 1990</i>	200	200
<i>Parliamentary Superannuation Act 2004</i>	2,351	2,588
Comcare		
<i>Parliamentary Entitlements Act 1990</i>	100	100
Fair Work Commission		
<i>Judges' Pensions Act 1968</i>	6,054	6,578

(a) Compensation and legal payments.

(b) Act of Grace payments.

Note: Figures presented on a payment (cash) basis.

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to Finance are detailed in *Budget Paper No. 2* and are summarised below.

**Table 1.2: Department of Finance 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Revenue measures</b>						
ASC Pty Ltd - equity injection	2.2					
Administered revenues		-	100	400	800	1,200
National Disability Insurance Scheme - finalisation of transition arrangements (a)	2.8					
Administered revenues		(1,526)	(2,791)	(2,661)	-	-
National Disability Insurance Scheme Quality and Safeguards Commission - establishment (b)	2.8					
Administered revenues		-	(185)	(105)	-	-
<b>Total</b>		<b>(1,526)</b>	<b>(2,876)</b>	<b>(2,366)</b>	<b>800</b>	<b>1,200</b>
<b>Total revenue measures</b>						
Administered		(1,526)	(2,876)	(2,366)	800	1,200
<b>Total</b>		<b>(1,526)</b>	<b>(2,876)</b>	<b>(2,366)</b>	<b>800</b>	<b>1,200</b>

Table continues on next page

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Bureau of Meteorology - improved security and resilience (c)	2.1					
Departmental expenses		-	100	100	100	100
Immigration Reform - changes to Australia's visa processing arrangements (d)	2.1					
Departmental expenses		-	77	-	-	-
My Health Record - continuation and expansion (e)	2.1					
Departmental expenses		-	-	135	-	-
National Disability Insurance Scheme Quality and Safeguards Commission - establishment (b)	2.1, 2.8					
Administered expenses		-	(7)	(4)	-	-
Departmental expenses		-	72	-	-	-
Veteran Centric Reform (f)	2.1					
Departmental expenses		-	100	-	-	-
Australian Hearing Services - ownership arrangements	2.2					
Departmental expenses		-	-	-	-	-
Delivery of Inland Rail (g)	2.2					
Departmental expenses		-	6,744	2,951	1,024	986
Delivering Western Sydney Airport (h)	2.2					
Departmental expenses		-	1,700	298	298	300
Public Service Modernisation Fund - agency sustainability (i)	2.2					
Departmental expenses		-	-	-	-	-
Public Service Modernisation Fund - transformation and innovation stream (j)	2.2					
Departmental expenses		-	-	-	-	-
National Disability Insurance Scheme - finalisation of transition arrangements (a)	2.8					
Administered expenses		(52)	(95)	(91)	-	-
Independent Parliamentary Expenses Authority - establishment	3.1					
Departmental expenses		-	-	-	-	-
Life Gold Pass - abolition	3.1					
Administered expenses		(368)	(611)	(577)	(542)	(508)
<b>Total</b>		<b>(420)</b>	<b>8,080</b>	<b>2,812</b>	<b>880</b>	<b>878</b>
<b>Total expense measures</b>						
Administered		(420)	(713)	(672)	(542)	(508)
Departmental		-	8,793	3,484	1,422	1,386
<b>Total</b>		<b>(420)</b>	<b>8,080</b>	<b>2,812</b>	<b>880</b>	<b>878</b>

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**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Capital measures</b>					
ASC Pty Ltd - equity injection	2.2				
Administered capital	-	-	-	-	-
Australian Naval Infrastructure Pty Ltd - supporting shipbuilding infrastructure	2.2				
Administered capital	nfp	nfp	nfp	nfp	nfp
Public Service Modernisation Fund - transformation and innovation stream (j)	2.2				
Departmental capital	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Total capital measures</b>					
Administered	-	-	-	-	-
Departmental	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for measure, *National Disability Insurance Scheme – finalisation of transition arrangements* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No. 2* under the Social Services portfolio.
- (b) The lead entity for measure, *National Disability Insurance Scheme Quality and Safeguards Commission - establishment* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No. 2* under the Social Services portfolio.
- (c) The lead entity for measure, *Bureau of Meteorology – improved security and resilience* is the Bureau of Meteorology. The full measure description and package details appear in *Budget Paper No. 2* under the Environment and Energy portfolio.
- (d) The lead entity for measure, *Immigration Reform – changes to Australia’s visa processing arrangements* is the Department of Immigration and Border Protection. The full measure description and package details appear in *Budget Paper No. 2* under the Immigration and Border Protection portfolio.
- (e) The lead entity for measure, *My Health Record – continuation and expansion* is the Department of Health. The full measure description and package details appear in *Budget Paper No. 2* under the Health portfolio.
- (f) The lead entity for measure, *Veteran Centric Reform* is the Department of Veterans' Affairs. The full measure description and package details appear in *Budget Paper No. 2* under the Defence portfolio.
- (g) The lead entity for measure, *Delivery of Inland Rail* is the Department of Infrastructure and Regional Development. The full measure description and package details appear in *Budget Paper No. 2* under the Infrastructure and Regional Development portfolio.
- (h) The lead entity for measure, *Delivering Western Sydney Airport* is the Department of Infrastructure and Regional Development. The full measure description and package details appear in *Budget Paper No. 2* under the Infrastructure and Regional Development portfolio.
- (i) Finance will receive funding of \$3.3 million over the forward estimates through the measure, *Public Service Modernisation Fund – agency sustainability*. The full measure description and package details appear in *Budget Paper No. 2* as a cross portfolio measure.
- (j) Finance will receive funding of \$51.5 million (including capital funding of \$10.6 million) over the forward estimates through the measure, *Public Service Modernisation Fund – transformation and innovation stream*. The full measure description and package details appear in *Budget Paper No. 2* as a cross portfolio measure.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Finance can be found at <http://www.finance.gov.au/publications/corporate-plan/2016-17/>.

The most recent annual performance statement can be found at <http://www.finance.gov.au/publications/annual-reports/15-16/performance-statements/>.

## 2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

**Table 2: Changes to the outcome and program structures since the last portfolio statement**

<b>New Outcome Statement 3</b>	<i>Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.</i>
Description of change:	Change of name to Outcome 3 in Budget 2017-18.
Old Outcome Statement 3:	<i>Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.</i>

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1:** Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.

### Budgeted expenses for Outcome 1

This table shows how much Finance intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Budget and Financial Management</b>					
Departmental expenses					
Departmental appropriation (a)					
Budget Advice	52,869	51,137	50,251	50,039	49,821
Financial Reporting	26,643	25,313	24,977	24,911	24,974
Expenses not requiring appropriation in the Budget year (b)					
	4,975	11,355	11,357	11,358	11,360
<b>Departmental total</b>	<b>84,487</b>	<b>87,804</b>	<b>86,585</b>	<b>86,308</b>	<b>86,155</b>
<b>Total expenses for Program 1.1</b>	<b>84,487</b>	<b>87,804</b>	<b>86,585</b>	<b>86,308</b>	<b>86,155</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation (a)					
	79,512	76,449	75,228	74,950	74,795
Expenses not requiring appropriation in the Budget year (b)					
	4,975	11,355	11,357	11,358	11,360
<b>Departmental total</b>	<b>84,487</b>	<b>87,804</b>	<b>86,585</b>	<b>86,308</b>	<b>86,155</b>
<b>Total expenses for Outcome 1</b>	<b>84,487</b>	<b>87,804</b>	<b>86,585</b>	<b>86,308</b>	<b>86,155</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>385</b>	<b>368</b>

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 Retained revenue receipts'.

(b) 'Expenses not requiring appropriation in the Budget Year' is 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.

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

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.</b>	
<b>Program 1.1 - Budget and Financial Management</b> This program contributes to the outcome through advising the Finance Minister and Expenditure Review Committee (ERC) on fiscal and economic policies and related matters; supporting the Finance Minister in meeting his financial reporting responsibilities; and supporting the delivery of the Budget.	
<b>Delivery</b>	<p><u>Budget</u></p> <ul style="list-style-type: none"> <li>• Providing effective, timely and accurate advice on Budget processes to government entities.</li> <li>• Ensuring the Budget framework effectively supports decision making.</li> <li>• Informing the Finance Minister and ERC on the use of government finances.</li> <li>• Coordinating, preparing and delivering accurate and timely Budget estimates and documentation to the Finance Minister.</li> </ul> <p><u>Financial Management</u></p> <ul style="list-style-type: none"> <li>• Monitoring and reporting on the government's cash balances to the government.</li> <li>• Delivering monthly and annual Whole of Australian Government (WoAG) financial statements and Final Budget Outcome (FBO) to the government.</li> <li>• Delivering financial reporting and accounting rules and advice to entities.</li> <li>• Producing appropriation bills and appropriation instruments for the government.</li> <li>• Maintaining the Australian Government Organisations Register.</li> </ul>

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**Table 2.1.2: Performance criteria for Outcome 1 (continued)**

<b>Performance information: Program 1.1 - Budget and Financial Management</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• Analysis, policy advice and costing information provided to the Finance Minister and ERC as part of the Budget and financial reporting processes meet the expectations of government and relevant stakeholders and support informed decision-making.</li> <li>• The Budget-related updates and the government's financial statements are accurate (taking into account, to the fullest extent possible, all government decisions and other circumstances that may have a material effect), delivered within required timeframes, and meet the government's legislative obligations.</li> <li>• The government's cash requirements are met on a daily basis, ensuring the ongoing operations of government.</li> </ul>	<ul style="list-style-type: none"> <li>• On track - Finance has supported the Budget process through providing advice to the Finance Minister, ERC and entities within the agreed timeframes and consistent with agreed processes and expectations.</li> <li>• On track - Finance has delivered all of the Budget updates so far within the required timeframes. It is not possible to determine the accuracy of Budget estimates at this point as the 2016-17 FBO will not be available until September 2017.</li> <li>• On track – Finance has ensured that the government's daily cash requirements were met on each day so far this financial year.</li> </ul>
2017-18	<p>The government's fiscal targets and policy objectives are supported by Finance providing efficient and effective:</p> <ul style="list-style-type: none"> <li>• advice to the Finance Minister and ERC on fiscal and economic policies and related matters;</li> <li>• support to ensure the Finance Minister financial reporting responsibilities are met; and</li> <li>• support to the delivery of the Budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Advice to entities and the Finance Minister on Budget processes is provided within agreed timeframes and consistent with government-agreed processes and expectations.</li> <li>• Economic and fiscal updates are delivered within timeframes required under the <i>Charter of Budget Honesty Act 1998</i>.</li> <li>• Financial advice and reporting is accurate and provided within agreed timeframes and to specified standards in line with statutory and other requirements.</li> <li>• The government's cash needs are met on a daily basis.</li> <li>• The redeveloped Central Budget Management System delivers a sustainable solution that supports the ongoing Budget and Financial Management requirements of the government.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Budget and Financial Advice, Management and Reporting	



## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

**Outcome 2:** Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.

### Linked programs

<b>Commonwealth Superannuation Corporation</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1 - Superannuation Scheme Governance</li> </ul>
<b>Future Fund Management Agency</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1 - Management of the Investment of the Future Fund</li> <li>• Program 1.2 - Management of the Investment of the Australian Government Investment Funds</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b>
<p>The Department of Finance works with the Commonwealth Superannuation Corporation to ensure that the management of public sector superannuation is consistent with legislative obligations.</p> <p>The Department of Finance works with the Future Fund Management Agency to ensure that the management of the Future Fund and the Australian Government Investment Funds is consistent with legislation and maximises returns to taxpayers.</p>

**Budgeted expenses for Outcome 2**

This table shows how much Finance intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.2.1: Budgeted expenses for Outcome 2**

**Outcome 2: Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.1: Public Sector Governance</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Grant in Aid - Australian Institute of Policy and Science	36	37	38	38	39
Grant in Aid - Chifley Research Centre	228	232	238	243	249
Grant in Aid - Green Institute	86	87	89	91	93
Grant in Aid - Menzies Research Centre	228	232	238	243	249
Grant in Aid - Page Research Centre	86	87	89	91	93
Grant in Aid - Royal Humane Society of Australasia	26	27	27	28	29
Grant in Aid - RSPCA Australia Inc	36	37	38	38	39
<b>Administered total</b>	<b>726</b>	<b>740</b>	<b>756</b>	<b>773</b>	<b>792</b>
Departmental expenses					
Departmental appropriation (a)					
Financial Framework	16,081	21,010	20,160	19,483	19,321
Government Shareholder Oversight	3,954	6,151	3,765	3,750	3,766
Special Financial Claims	2,294	2,185	2,176	2,166	2,175
Expenses not requiring appropriation in the Budget year (b)	998	1,208	1,209	1,209	1,209
<b>Departmental total</b>	<b>23,327</b>	<b>30,554</b>	<b>27,310</b>	<b>26,607</b>	<b>26,471</b>
<b>Total expenses for Program 2.1</b>	<b>24,053</b>	<b>31,294</b>	<b>28,066</b>	<b>27,380</b>	<b>27,263</b>

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**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.2: Transforming Government</b>					
Departmental expenses					
Departmental appropriation (a)					
Transforming the Public Sector	31,140	19,973	15,829	12,724	12,721
Expenses not requiring appropriation in the Budget year (b)	714	478	478	478	479
<b>Departmental total</b>	<b>31,855</b>	<b>20,451</b>	<b>16,308</b>	<b>13,203</b>	<b>13,199</b>
<b>Total expenses for Program 2.2</b>	<b>31,855</b>	<b>20,451</b>	<b>16,308</b>	<b>13,203</b>	<b>13,199</b>
<b>Program 2.3: Property and Construction</b>					
Departmental expenses					
Special accounts					
Property Special Account 2014	102,088	134,382	106,163	99,403	98,956
<b>Departmental total</b>	<b>102,088</b>	<b>134,382</b>	<b>106,163</b>	<b>99,403</b>	<b>98,956</b>
<b>Total expenses for Program 2.3</b>	<b>102,088</b>	<b>134,382</b>	<b>106,163</b>	<b>99,403</b>	<b>98,956</b>
<b>Program 2.4: Insurance and Risk Management</b>					
Departmental expenses					
Special accounts					
Comcover Special Account	108,273	150,840	155,307	159,731	164,404
<b>Departmental total</b>	<b>108,273</b>	<b>150,840</b>	<b>155,307</b>	<b>159,731</b>	<b>164,404</b>
<b>Total expenses for Program 2.4</b>	<b>108,273</b>	<b>150,840</b>	<b>155,307</b>	<b>159,731</b>	<b>164,404</b>
<b>Program 2.5: Technology and Procurement Services</b>					
Departmental expenses					
Departmental appropriation (a)					
Digital Transformation Agenda	21,829	34,300	31,949	29,641	17,465
Procurement Framework	13,883	13,965	13,928	13,886	13,926
Special accounts					
Coordinated Procurement Contracting Special Account	170,954	21,579	19,013	17,456	17,624
Expenses not requiring appropriation in the Budget year (b)	2,369	4,142	4,142	4,143	4,143
<b>Departmental total</b>	<b>209,035</b>	<b>73,985</b>	<b>69,032</b>	<b>65,125</b>	<b>53,158</b>
<b>Total expenses for Program 2.5</b>	<b>209,035</b>	<b>73,985</b>	<b>69,032</b>	<b>65,125</b>	<b>53,158</b>
<b>Program 2.6: Service Delivery Office</b>					
Departmental expenses					
Departmental appropriation (a)					
Service Delivery Office	16,167	25,837	25,770	25,697	25,767
Expenses not requiring appropriation in the Budget year (b)	591	975	975	975	975
<b>Departmental total</b>	<b>16,758</b>	<b>26,812</b>	<b>26,745</b>	<b>26,672</b>	<b>26,742</b>
<b>Total expenses for Program 2.6</b>	<b>16,758</b>	<b>26,812</b>	<b>26,745</b>	<b>26,672</b>	<b>26,742</b>

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**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.7: Public Sector Superannuation</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Act of Grace	2,294	2,451	1,933	1,898	1,375
Compensation and legal expenses	500	500	500	500	500
Superannuation administration costs	9,924	9,666	9,666	9,666	9,666
Special appropriations					
<i>Federal Circuit Court of Australia Act 1999</i>	927	877	884	894	890
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,500	1,000	1,000	1,000	1,000
<i>Governor-General Act 1974</i>	578	1,013	7,341	1,331	1,314
<i>Judges' Pensions Act 1968</i>	88,757	84,695	89,262	93,731	95,497
<i>Parliamentary Contributory Superannuation Act 1948</i>	40,033	50,968	51,329	50,242	49,955
<i>Parliamentary Superannuation Act 2004</i>	6,912	7,189	7,602	8,429	8,429
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws General Law Reform) Act 2008</i>	44	44	43	43	42
<i>Superannuation Act 1922</i>	18,991	30,248	27,707	25,371	23,213
<i>Superannuation Act 1976</i>	2,430,317	3,403,077	3,364,157	3,323,291	3,278,951
<i>Superannuation Act 1990</i>	6,381,038	4,412,188	4,629,243	4,843,377	5,018,812
<b>Administered total</b>	<b>8,981,815</b>	<b>8,003,916</b>	<b>8,190,667</b>	<b>8,359,773</b>	<b>8,489,644</b>
Departmental expenses					
Departmental appropriation (a)					
Public Sector Superannuation	8,219	4,677	4,659	4,639	4,657
Expenses not requiring appropriation in the Budget year (b)					
<b>Departmental total</b>	<b>8,492</b>	<b>4,939</b>	<b>4,921</b>	<b>4,901</b>	<b>4,919</b>
<b>Total expenses for Program 2.7</b>	<b>8,990,307</b>	<b>8,008,855</b>	<b>8,195,588</b>	<b>8,364,674</b>	<b>8,494,563</b>

Table continues on next page

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.8: Australian Government Investment Funds</b>					
Administered expenses					
Special accounts					
DisabilityCare Australia Fund Special Account (c)	345,224	543,430	3,183,536	1,344,891	1,014,136
Medical Research Future Fund Special Account (d)	73,911	150,753	254,292	459,112	728,626
Building Australia Fund Special Account (e)	3,489	1,724	-	-	-
Education Investment Fund Special Account (f)	26,336	3,889	-	-	-
<b>Administered total</b>	<b>448,960</b>	<b>699,796</b>	<b>3,437,828</b>	<b>1,804,003</b>	<b>1,742,762</b>
<b>Total expenses for Program 2.8</b>	<b>448,960</b>	<b>699,796</b>	<b>3,437,828</b>	<b>1,804,003</b>	<b>1,742,762</b>
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	13,444	13,357	12,855	12,837	12,333
Special appropriations	8,969,097	7,991,299	8,178,568	8,347,709	8,478,103
Special accounts	448,960	699,796	3,437,828	1,804,003	1,742,762
<b>Administered total</b>	<b>9,431,501</b>	<b>8,704,452</b>	<b>11,629,251</b>	<b>10,164,549</b>	<b>10,233,198</b>
Departmental expenses					
Departmental appropriation (a)	113,567	128,097	118,236	111,985	99,798
Special accounts	381,315	306,801	280,482	276,590	280,983
Expenses not requiring appropriation in the Budget year (b)	4,945	7,065	7,066	7,067	7,068
<b>Departmental total</b>	<b>499,828</b>	<b>441,963</b>	<b>405,784</b>	<b>395,642</b>	<b>387,849</b>
<b>Total expenses for Outcome 2</b>	<b>9,931,329</b>	<b>9,146,415</b>	<b>12,035,035</b>	<b>10,560,191</b>	<b>10,621,047</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>703</b>	<b>669</b>

- (a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 Retained revenue receipts'.
- (b) Expenses not requiring appropriation in the Budget Year' is made up of Depreciation Expenses and Amortisation Expenses.
- (c) More information on the DisabilityCare Australia Fund can be found in Table 2.2.1.1 on page 30.
- (d) More information on the Medical Research Future Fund can be found in Table 2.2.1.2 on page 31.
- (e) The Building Australia Fund is to be closed by 31 December 2017, subject to the passage of legislation. More information can be found in Table 2.2.1.3 on page 32.
- (f) The Education Investment Fund is to be closed by 31 December 2017, subject to the passage of legislation. More information can be found in Table 2.2.1.4 on page 33.

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

**Table 2.2.1.1: DisabilityCare Australia Fund (DCAF) – Estimates of fund balances**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>DisabilityCare Australia Fund (a)</b>					
Opening balance	6,084,040	7,007,811	6,643,721	1,427,207	-
Revenue and gains					
Additional Medicare Levy - Equity	4,162,500	4,002,500	4,182,500	4,387,500	4,627,500
Investment earnings and gains	150,650	152,498	76,373	798	-
Expenses					
Management fees	(4,986)	(5,448)	(2,747)	(24)	-
Transfers to reimburse accounts for DisabilityCare Australia expenditure (b)					
Commonwealth - Equity	(3,044,155)	(3,975,658)	(6,291,852)	(4,470,614)	(3,613,364)
States and Territories - Expense	(340,238)	(537,982)	(3,180,788)	(1,344,867)	(1,014,136)
<b>Closing balance</b>	<b>7,007,811</b>	<b>6,643,721</b>	<b>1,427,207</b>	<b>-</b>	<b>-</b>

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

(b) The transfers relate to reimbursing the Commonwealth and the States and Territories for the costs of the operations of the National Disability Insurance Scheme (NDIS).

Note: The expenses figure for 2016-17 does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.1.2: Medical Research Future Fund (MRFF) – Estimates of fund balances**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Medical Research</b>					
<b>Future Fund (a)</b>					
Opening balance	3,206,407	4,585,802	6,906,371	9,248,245	17,232,903
Investment credits (b)	1,277,358	2,242,200	2,288,550	7,830,490	2,767,097
Revenue and gains					
Investment earnings and gains	175,948	229,122	307,616	613,280	812,793
Expenses					
Management fees	(13,035)	(29,188)	(39,379)	(72,739)	(85,740)
Transfers to Portfolio Special Accounts for project payments MRFF Health Portfolio Special Account - Expense	(60,876)	(121,565)	(214,913)	(386,373)	(642,886)
<b>Closing balance</b>	<b>4,585,802</b>	<b>6,906,371</b>	<b>9,248,245</b>	<b>17,232,903</b>	<b>20,084,167</b>

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

(b) Credits consist of uncommitted funds from the Health and Hospitals Fund (HHF), plus further contributions consisting of amounts equivalent to the estimated value of health function savings published in the 2014-15 Budget adjusted for any subsequent associated government decisions, until the capital value of the MRFF reaches \$20 billion.

**Note:** The expenses figure for 2016-17 does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.1.3: Building Australia Fund (BAF) – Estimates of fund balances**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Building Australia Fund (a)</b>					
Opening balance	3,695,480	3,784,751	-	-	-
Revenue and gains					
Investment earnings and gains	92,760	42,484	-	-	-
Expenses					
Management fees	(3,489)	(1,724)	-	-	-
Transfers to Portfolio Special accounts for project payments (b)					
BAF Infrastructure Portfolio Special Account - Expense	-	-	-	-	-
BAF Infrastructure Portfolio Special Account - Equity	-	(339,000)	-	-	-
Closure: Transfer to Consolidated Revenue Fund - Equity	-	(3,486,511)	-	-	-
<b>Closing balance</b>	<b>3,784,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (a) The 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. The BAF will continue to pay existing commitments until it is abolished by 31 December 2017 through a repeal of the *Nation-building Funds Act 2008*, and remaining funds will be transferred to the Consolidated Revenue Fund (CRF). After the fund is abolished, committed funds will continue to be paid from the CRF and administered by the Department of Infrastructure and Regional Development. Uncommitted funds will be transferred from the CRF to the National Disability Insurance Scheme Savings Fund Special Account on its establishment.
- (b) 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.

**Note:** The expenses figure for 2016-17 does not include losses made on investments; rather this amount has been applied against investment earnings and gains.



**Table 2.2.1.4: Education Investment Fund (EIF) – Estimates of fund balances**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Education Investment</b>					
<b>Fund (a)</b>					
Opening balance	3,719,974	3,786,419	-	-	-
Revenue and gains					
Investment earnings and gains	92,781	43,338	-	-	-
Expenses					
Management fees	(3,743)	(1,889)	-	-	-
Transfers to Portfolio Special accounts for project payments (b)					
EIF Education Portfolio Special Account - Expense	(22,593)	(2,000)	-	-	-
Closure: Transfer to Consolidated Consolidated Revenue					
Fund - Equity	-	(3,825,868)	-	-	-
<b>Closing balance</b>	<b>3,786,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (a) The 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. The EIF will continue to pay existing commitments until it is abolished by 31 December 2017 through a repeal of the *Nation-building Funds Act 2008*, and remaining funds will be transferred to the Consolidated Revenue Fund (CRF). After the fund is abolished, committed funds will continue to be paid from the CRF and administered by the Department of Education and Training. Uncommitted funds will be transferred from the CRF to the National Disability Insurance Scheme Savings Fund Special Account on its establishment.
- (b) 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 relevant EIF Portfolio Special Account, to the COAG Reform Fund Special Account. Amounts also include payments classified as equity transfers in the budgeted financial statements.

**Note:** The expenses figure for 2016-17 does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.2: Performance criteria for Outcome 2**

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 2 – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</b>	
<b>Program 2.1 - Public Sector Governance</b> This program contributes to the outcome through developing and maintaining the public sector resource management framework; improving the standard of governance, performance and accountability, and undertaking shareholder oversight of Government Business Enterprises (GBEs) and other commercial entities.	
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice on policy and implementation issues to the government in relation to the financial and procurement framework, in particular:             <ul style="list-style-type: none"> <li>– Relevant legislation and rules.</li> <li>– Procurement and Grant policy and related matters.</li> <li>– Developing and managing AusTender.</li> <li>– Act of Grace requests, waiver of debt applications and set off matters.</li> <li>– Guidance material.</li> <li>– Training and communication.</li> </ul> </li> <li>• Undertaking Assurance Reviews of major projects and programs over their lifecycle, to provide assurance to the government regarding delivery and implementation.</li> <li>• Deploying public financial management advisory staff to partner countries as agreed with the governments of these countries, in line with the government's overseas development assistance priorities.</li> <li>• Paying Grants in Aid funding to approved organisations.</li> <li>• Providing advice on strategy, governance, operations, financial forecasts and performance to GBEs and other commercial entities.</li> <li>• Strengthening public sector capability through regular capacity-building activities.</li> </ul>

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

Performance information: Program 2.1 - Public Sector Governance		
Year	Performance Criteria	Targets
2016-17	<p><u>Financial Framework</u> <u>Performance Framework</u></p> <ul style="list-style-type: none"> <li>• Successful integration of the 2015-16 Annual Performance Statement with the 2015-16 Annual Report.</li> <li>• Support entities through the provision of guidance and information to assist them in the delivery of all aspects of the enhanced Commonwealth performance framework.</li> </ul> <p><u>Procurement Framework</u></p> <ul style="list-style-type: none"> <li>• Timely and relevant advice on procurement policy matters is provided.</li> </ul> <p><u>Government Shareholder Oversight</u></p> <ul style="list-style-type: none"> <li>• Commonwealth's GBE Governance and Oversight Guidelines are up-to-date and relevant, and exemplify best practice commercial practices and standards.</li> </ul> <p><u>Special Financial Claims</u></p> <ul style="list-style-type: none"> <li>• Timely completion of all Act of Grace and waiver of debt requests on receipt of required documentation from relevant parties.</li> <li>• Compliance with timeframes in the <i>Administrative Decisions (Judicial Review) Act 1977</i>.</li> </ul>	<p><u>Financial Framework</u> <u>Performance Framework</u></p> <ul style="list-style-type: none"> <li>• On track – 100% of Commonwealth entities, who were required to publish Annual Performance Statements, published Annual Performance Statements in the 2015-16 Annual Report.</li> <li>• Finance will advise in its 2016-17 Annual Performance Statement whether or not Commonwealth entities complied with the performance standards.</li> </ul> <p><u>Procurement Framework</u></p> <ul style="list-style-type: none"> <li>• On track – 98% of entity queries to the procurement advice inbox have been responded to within 3 days in 2016-17.</li> <li>• AusTender has been available for 100% of the time during business hours so far in 2016-17.</li> </ul> <p><u>Government Shareholder Oversight</u></p> <ul style="list-style-type: none"> <li>• On track - Advice has been provided to the government regarding Commonwealth GBEs and other entities, including with respect to Corporate Planning, financial and operational performance and other significant programs of work. Commonwealth GBE Guidelines have been reviewed.</li> </ul> <p><u>Special Financial Claims</u></p> <ul style="list-style-type: none"> <li>• On track – 77% of Act of Grace and waiver of debt requests have been completed within 60 days and there has been a 100% compliance with the <i>Administrative Decisions (Judicial Review) Act 1977</i> timeframes. There have been no adverse findings by the Commonwealth Ombudsman.</li> </ul>

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

Performance information: Program 2.1 - Public Sector Governance		
Year	Performance Criteria	Targets
2017-18	<p>An efficient and high performing APS with improved productivity and better management practices is supported by Finance by:</p> <ul style="list-style-type: none"> <li>• developing and maintaining the public sector resource management framework;</li> <li>• fostering improvements to standards of governance, performance and accountability; and</li> <li>• undertaking shareholder oversight of Government Business Enterprises and other commercial entities.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of entities comply with the performance reporting requirements of the PGPA Act.</li> <li>• The independent review of the PGPA Act is undertaken and endorsed.</li> <li>• Advice regarding the strategy, governance, operations and performance of GBEs and other commercial entities is provided to government within agreed timeframes and consistent with agreed processes and expectations.</li> <li>• Completion of 50% of all Act of Grace and waiver of debt requests within 60 days.</li> <li>• 100% compliance of Special Financial Claims with timeframes in the <i>Administrative Decisions (Judicial Review) Act 1977</i>.</li> <li>• No adverse findings from the Commonwealth Ombudsman in respect of Special Financial Claims.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purpose</b>	Governance	

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Outcome 2</b> – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</p>		
<p><b>Program 2.2 - Transforming Government</b> This program contributes to the outcome by providing leadership in the development and delivery of reforms and initiatives that support the modernisation of government, and increase public sector productivity.</p>		
<p><b>Delivery</b></p>	<p><u>Transforming the Public Sector</u></p> <ul style="list-style-type: none"> <li>• Supporting the government’s transformation agenda through key projects, including the Efficiency through Contestability Program; the Shared and Common Services project; and advising the government on delivering its Smaller Government objectives.</li> <li>• Providing advice to the government on the efficient and effective delivery of government activities.</li> <li>• Delivering scoping studies to the government and implementing agreed scoping study outcomes.</li> <li>• Implementing recommendations from the Independent Review of the Whole of Government Internal Regulations for the government.</li> </ul> <p><u>Improving Whole of Australian Government (WoAG) ICT</u></p> <ul style="list-style-type: none"> <li>• Informing ICT investment decisions through the Budget process.</li> <li>• Providing appropriate WoAG ICT services, including communications networks and online services to entities.</li> </ul>	
<p><b>Performance information: Program 2.2 - Transforming Government</b></p>		
<p><b>Year</b></p>	<p><b>Performance Criteria</b></p>	<p><b>Targets</b></p>
<p>2016-17</p>	<p><u>Transforming Public Sector</u></p> <ul style="list-style-type: none"> <li>• Drive the government’s transformation agenda through supporting entities to become more effective and efficient.</li> </ul> <p><u>Improving WoAG ICT</u></p> <ul style="list-style-type: none"> <li>• Providing appropriate WoAG ICT services to entities.</li> </ul>	
		<p><u>Transforming Public Sector</u></p> <p>On track – Finance is driving the government’s transformation agenda as demonstrated by:</p> <ul style="list-style-type: none"> <li>• Coordination activities and regular engagement with entities to implement the recommendations of the Belcher Red tape review and other red tape reduction initiatives internal to the government;</li> <li>• Over the next four years, approximately 90 per cent of in-scope Average Staffing Levels (ASL), covering at least 65 non-corporate Commonwealth entities have committed to transition to a shared service provider;</li> <li>• 21 Functional and Efficiency Reviews have been completed. Functional and Efficiency Review outcomes announced as at the 2016-17 Budget have delivered savings of approximately \$2.7 billion, with savings continuing to build over time; and</li> <li>• Grant Connect is currently available for agencies to advertise grant opportunities.</li> </ul> <p><u>Improving WoAG ICT</u></p> <ul style="list-style-type: none"> <li>• On track – At 1 January 2017, 119 websites were using the GovCMS platform.</li> </ul>

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance Information: Program 2.2 - Transforming Government</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2017-18	<p>An efficient and high performing Australian Public Service through better management practices and enhanced public sector productivity is supported by Finance through:</p> <ul style="list-style-type: none"> <li>• providing leadership on APS transformation, including whole-of-government efficiency improvement initiatives, and innovative programs that promote collaboration, and centres of excellence including shared and common services.</li> </ul>	<ul style="list-style-type: none"> <li>• A more efficient and connected public sector delivered through whole-of-government reforms, innovations, and collaboration.</li> <li>• Benefits realised from the Public Service Modernisation Fund, with all projects receiving funding in 2017-18 commencing.</li> <li>• Ten non-corporate entities and 41 grants programs from 5 entities consolidate and standardise corporate services and grant administration service respectively into centres of excellence.</li> <li>• A whole-of-government records management solution is developed and piloted with selected agencies.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Transformation	

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Outcome 2 – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</b></p>		
<p><b>Program 2.3 - Property and Construction</b>                  This program contributes to the outcome by providing policy advice, guidance and support on managing Commonwealth property, land and public works across the government; and managing specified major capital works projects and the government’s non-Defence property portfolio within Australia.</p>		
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Providing advice to the government on property management issues such as ownership, construction, divesting and management of residual issues from previous divestments, leasing and acquisition.</li> <li>• Assisting entities to use the Commonwealth Property Management Framework.</li> <li>• Collecting property data for the government on Commonwealth leasing trends and assisting in the disposal of Commonwealth property.</li> <li>• Managing properties within the Finance-managed portfolio for the government through adoption of effective property management systems and processes.</li> <li>• Providing advice and support to the government and entities in relation to the <i>Lands Acquisition Act 1989</i>, the <i>Public Works Committee Act 1969</i>, relevant sections of the <i>Native Title Act 1993</i>, the National Land Ordinance and the Commonwealth Property Disposal Policy.</li> </ul>	
<p><b>Performance information: Program 2.3 – Property and Construction</b></p>		
<p><b>Year</b></p>	<p><b>Performance Criteria</b></p>	<p><b>Targets</b></p>
<p>2016-17</p>	<ul style="list-style-type: none"> <li>• Responsible oversight and management of the Commonwealth’s leased and Finance owned property interests that is informed by evidence-based advice.</li> <li>• Finance-owned properties are maintained to agreed standards and in compliance with relevant safety and environmental legislative requirements.</li> <li>• Property divestment and acquisition, including capital works projects, meet government and legislative requirements.</li> </ul>	
	<ul style="list-style-type: none"> <li>• On track - property data indicates an overall improvement in efficient use of property by entities, especially in reducing vacant space and demonstrates an increase in the number of tenancies achieving the occupational density target.</li> <li>• On track – Finance-owned properties have been maintained in accordance with relevant safety, heritage and environmental requirements and in a condition fit for purpose.</li> <li>• On track – major capital works, divestments and land contamination remediation projects are being delivered within agreed parameters.</li> </ul>	

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.3 – Property and Construction</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2017-18	<p>An efficient and high performing APS with improved productivity and better management practices is supported by Finance by:</p> <ul style="list-style-type: none"> <li>• providing policy advice, guidance and support on managing Commonwealth property, land, including acquisitions and divestment across the government; and</li> <li>• managing specified major public works projects and the government's non-Defence property portfolio within Australia.</li> </ul>	<ul style="list-style-type: none"> <li>• Property data information collected from qualifying entities is fit for purpose, targeted and continues to inform and support the government's property efficiency objectives.</li> <li>• WoAG property data supports improved efficiencies in Commonwealth projects and property management.</li> <li>• WoAG purchasing arrangements for property services achieve efficiencies with consistent service standards and pricing for entities.</li> <li>• Divestment activities are completed within expected budgets and timeframes and residual issues are minimised and managed to protect the Commonwealth's interests.</li> <li>• Major capital works projects and major land contamination remediation projects are completed in close consultation with</li> </ul>
2017-18	<ul style="list-style-type: none"> <li>• Client entities and within the time, cost and quality parameters agreed by the government.</li> </ul>	
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Governance, Transformation and Services	

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Outcome 2</b> – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.		
<b>Program 2.4 – Insurance and Risk Management</b> This program contributes to the outcome by providing general insurance services and promoting risk management across the government through the Comcover Special Account.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing a self-managed insurance fund (Comcover) to protect Commonwealth entities against the impact and volatility of insurable losses.</li> <li>• Providing a consistent whole-of-government approach to managing legal liability claims against Commonwealth entities.</li> <li>• Providing risk management and education services to entities to support best practice risk management across the government.</li> </ul>	
<b>Performance information: Program 2.4 – Insurance and Risk Management</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• Improved risk management capability of Commonwealth entities supporting the proper use and management of public resources through participation in risk capability and education programs.</li> </ul>	<ul style="list-style-type: none"> <li>• On track – Since 1 July a number of entities have participated in Comcover's education program.</li> </ul>
2017-18	<p>An efficient and high performing APS with improved productivity and better management practices is supported by Finance by:</p> <ul style="list-style-type: none"> <li>• providing general insurance services; and</li> <li>• promoting risk management across the government.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 risk management and education programs will be delivered by 30 June 2018.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Services	

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Outcome 2</b> – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</p>		
<p><b>Program 2.5 – Technology and Procurement Services</b>                  This program contributes to the outcome through providing timely and relevant procurement policy advice; providing advice to the government on advertising; establishing and maintaining WoAG procurement arrangements for common goods and services; and establishing, developing and maintaining whole of government and cross-entity ICT infrastructure, platforms, systems and services.</p>		
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Developing and managing WoAG procurement arrangements for entities.</li> <li>• Providing assistance and advice to Commonwealth entities on the process of developing government advertising campaigns.</li> </ul>	
<p><b>Performance information: Program 2.5 – Technology and Procurement Services</b></p>		
<p><b>Year</b></p>	<p><b>Performance Criteria</b></p>	<p><b>Targets</b></p>
<p>2016-17</p>	<ul style="list-style-type: none"> <li>• WoAG arrangements are well managed.</li>   <li>• Government advertising is conducted in accordance with government advertising policies.</li> </ul>	<ul style="list-style-type: none"> <li>• On track – Finance has progressed scoping studies and tender processes in accordance with the agreed timeframes and Budget WoAG procurement arrangement contracts are being managed in accordance with contract management plans.</li>   <li>• On track – All government advertising campaigns over the applicable threshold (with a total estimated cost of \$250,000) have been reviewed by the Independent Communications Committee for compliance with the Government’s Guidelines on Information and Advertising Campaigns by non-corporate entities and no compliance issues were identified. All of the campaigns were also certified by the relevant Accountable Authority as being compliant with the government’s advertising Guidelines.</li> </ul>

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**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.5 – Technology and Procurement Services</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2017-18	<p>An efficient and high performing APS with improved productivity and better management practices is supported by Finance by:</p> <ul style="list-style-type: none"> <li>• providing timely and relevant procurement policy advice;</li> <li>• providing advice to the government on advertising;</li> <li>• establishing and maintaining WoAG procurement arrangements for common goods and services; and</li> <li>• establishing developing and maintaining whole-of-government and cross-entity ICT infrastructure, platforms, systems and services.</li> </ul>	<ul style="list-style-type: none"> <li>• Government communications networks, online systems and ICT infrastructure are developed and delivered to maximise the benefit for consuming entities and to address existing and emerging WoAG needs.</li> <li>• WoAG procurement arrangements meet Special Account requirements, deliver net savings to Commonwealth entities, and generate sufficient income to cover administrative expenses.</li> <li>• 80% of entity queries to the procurement advice inbox responded to within 3 days.</li> <li>• AusTender is available 99% of the time during business hours (ACT local time). As at 1 January 2017, 119 websites were using the GovCMS platform.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Services	

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Outcome 2</b> – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.		
<b>Program 2.6 – Service Delivery Office</b> This program contributes to the outcome through providing certain corporate services to client Australian Government entities.		
<b>Delivery</b>	Providing the following services to client Australian Government entities: <ul style="list-style-type: none"> <li>• Accounts payable and receivable</li> <li>• Credit Card Management.</li> <li>• Domestic Travel Contract Management and Overseas Travel Facilitation.</li> <li>• Payroll and payroll systems administration.</li> <li>• ICT functions supporting the SAP Enterprise Resource Planning (ERP) Solution.</li> </ul>	
<b>Performance information: Program 2.6 – Service Delivery</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• The Service Delivery Office is transitioned to Finance.</li> </ul>	<ul style="list-style-type: none"> <li>• On track – The business continuity of the service delivery was maintained. The invoices and salaries were paid as per business as usual.</li> </ul>
2017-18	<ul style="list-style-type: none"> <li>• An efficient and high performing APS with improved productivity and better management practices is supported by Finance by delivering agreed corporate services to client entities.</li> </ul>	<ul style="list-style-type: none"> <li>• All services agreed for delivery between Finance and client entities delivered in accordance with agreed service standards.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Services	

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Outcome 2 – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</b></p>		
<p><b>Program 2.7 – Public Sector Superannuation</b>                  This program contributes to the outcome through advising the government on managing the Future Fund, the stability of the government's unfunded superannuation liabilities and its associated administered expense items and superannuation arrangements for government employees.                  This includes the administration and management of superannuation arrangements for parliamentarians, as well as current and former Governors-General, Federal Judges and Federal Circuit Court Judges.</p>		
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Providing policy advice and analysis for the government and administering the superannuation arrangements for government employees, parliamentarians, current and former Governors-General, Federal Judges and Federal Circuit Court Judges.</li> <li>• Providing policy advice to the government on its unfunded superannuation liability and associated administered expenses.</li> <li>• Providing policy advice to the government on the Future Fund, including the investment mandate and other governance matters.</li> </ul>	
<p><b>Performance information: Program 2.7 – Public Sector Superannuation</b></p>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• High quality and timely advice, analysis and support is provided to the government on public sector superannuation policy, investment fund policy and governance matters.</li> <li>• Benefit payments are accurate, paid in accordance with scheme timeframes and superannuation statements are issued in accordance with prescribed timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>• On track – Finance has supported the government with advice regarding public sector superannuation policy and governance matters.</li> <li>• On track – Over 99% of scheme statements and payments were made within prescribed time frames.</li> </ul>
2017-18	<p>An efficient and high performing APS with improved productivity and better management practices is supported by Finance by:</p> <ul style="list-style-type: none"> <li>• providing advice to the government regarding the management of the Future Fund, the stability of the government's unfunded superannuation liabilities and its associated administered expense items and superannuation arrangements for government employees; and</li> <li>• administering and managing the superannuation arrangements for parliamentarians, as well as current and former Governors-General, Federal Judges and Federal Circuit Court Judges.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy advice analysis and administration is provided within agreed timeframes and consistent with government-agreed processes and expectations.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Governance and Services	

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Outcome 2</b> – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</p>		
<p><b>Program 2.8 – Australian Government Investment Funds</b>                  This program contributes to the outcome through providing advice on investment mandates and governance arrangements for the government’s Investment Funds, to maximise the value of the funds to the government. This includes advice on credit of amounts to the Funds and debits for payments from the Funds. The Funds are:</p> <ul style="list-style-type: none"> <li>• DisabilityCare Australia Fund (DCAF).</li> <li>• Medical Research Future Fund (MRFF).</li> <li>• Building Australia Fund (BAF).</li> <li>• Education Investment Fund (EIF).</li> </ul> <p>The BAF and EIF will be closed, subject to the passage of legislation.</p>		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice to the government on the Australian Government Investment Funds, including investment mandates, governance matters, credits to and payments from the Funds.</li> </ul>	
<p><b>Performance information: Program 2.8 – Australian Government Investment Funds</b></p>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• High quality and timely advice and analysis is provided to the government on the Australian Government Investment Funds.</li> </ul>	<ul style="list-style-type: none"> <li>• On track – Finance has supported the government with advice regarding investment fund policy and governance matters.</li> </ul>
2017-18	<p>An efficient and high performing APS with improved productivity and better management practices is supported by Finance by providing advice on investment mandates and governance arrangements for the Government’s Investment Funds including:</p> <ul style="list-style-type: none"> <li>○ DisabilityCare Australia Fund</li> <li>○ Medical Research Future Fund</li> <li>○ Building Australia Fund</li> <li>○ Education Investment Fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy advice and analysis is provided within agreed timeframes and consistent with government-agreed processes and expectations.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Governance	

## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

**Outcome 3:** Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.

### Budgeted expenses for Outcome 3

This table shows how much Finance intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.3.1: Budgeted expenses for Outcome 3**

**Outcome 3: Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 3.1: Ministerial and Parliamentary Services</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Electorate and ministerial support costs	279,821	261,493	266,722	270,134	270,626
Australian Political Exchange Program	902	914	927	941	955
Australian Political Parties for Democracy Program	2,200	2,200	2,200	2,200	2,200
Special appropriations					
<i>Commonwealth of Australia     Constitution Act (s66) (a)</i>	5,030	4,998	4,998	4,998	4,998
<i>Parliamentary Retirement Travel     Act 2002</i>	800	-	-	-	-
<i>Parliamentary Entitlements Act     1990</i>	177,607	153,700	154,330	156,128	158,307
Expenses not requiring appropriation in the Budget year (b)	5,408	5,402	5,402	5,401	5,398
<b>Administered total</b>	<b>471,768</b>	<b>428,707</b>	<b>434,579</b>	<b>439,802</b>	<b>442,484</b>
Departmental expenses					
Departmental appropriation (c)					
Services to Senators, Members and their staff	39,976	30,017	29,418	29,301	29,410
Car-with-driver and associated transport services	680	668	665	662	665
Expenses not requiring appropriation in the Budget year (b)	3,668	2,077	2,077	2,077	2,078
<b>Departmental total</b>	<b>44,324</b>	<b>32,761</b>	<b>32,160</b>	<b>32,040</b>	<b>32,152</b>
<b>Total expenses for Program 3.1</b>	<b>516,092</b>	<b>461,468</b>	<b>466,739</b>	<b>471,842</b>	<b>474,636</b>

Table continues on next page.

**Table 2.3.1: Budgeted expenses for Outcome 3 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Outcome 3 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	282,923	264,607	269,849	273,275	273,781
Special appropriations	183,437	158,698	159,328	161,126	163,305
Expenses not requiring appropriation in the Budget year (b)	5,408	5,402	5,402	5,401	5,398
<b>Administered total</b>	<b>471,768</b>	<b>428,707</b>	<b>434,579</b>	<b>439,802</b>	<b>442,484</b>
Departmental expenses					
Departmental appropriation (c)	40,656	30,685	30,083	29,963	30,075
Expenses not requiring appropriation in the Budget year (b)	3,668	2,077	2,077	2,077	2,078
<b>Departmental total</b>	<b>44,324</b>	<b>32,761</b>	<b>32,160</b>	<b>32,040</b>	<b>32,152</b>
<b>Total expenses for Outcome 3</b>	<b>516,092</b>	<b>461,468</b>	<b>466,739</b>	<b>471,842</b>	<b>474,636</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>230</b>	<b>220</b>

(a) Estimates for this item are subject to the *Ministers of State Regulation 2012*.

(b) 'Expenses not requiring appropriation in the Budget year' is made up of Depreciation Expenses and Amortisation Expenses.

(c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 retained revenue receipts'.

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



**Table 2.3.2: Planned performance for Outcome 3**

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 3 – Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.</b>		
<b>Program 3.1 – Ministerial and Parliamentary Services</b> This program contributes to the outcome through the provision of advice on, access to and payment of parliamentary, and post-parliamentary, work expenses, allowances and entitlements and targeted programs.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice and support to clients and stakeholders.</li> <li>• Paying accounts relating to work expenses, allowances and entitlements.</li> <li>• Managing and maintaining the <i>Members of Parliament (Staff) Act 1984</i> employment framework.</li> <li>• Providing client and event transport (car-with-driver) and associated ground transport services to eligible recipients.</li> <li>• Managing Commonwealth Parliament Offices and the ministerial wing of Parliament House.</li> <li>• Managing the Australian Political Exchange Program and the Australian Political Parties for Democracy Program.</li> <li>• Providing property and office facilities management.</li> </ul>	
<b>Performance information: Program 3.1 – Ministerial and Parliamentary Services</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• Services to Ministers, Office-holders, Senators, Members and their staff meet agreed service standards.</li> <li>• COMCAR will continue to ensure sufficient driving, fleet, technical and administrative resources are available to ensure that 99% of COMCAR reservations are completed without service failure.</li> <li>• Establish a project team to manage the implementation of recommendations from the Independent Parliamentary Entitlements System Review.</li> </ul>	<ul style="list-style-type: none"> <li>• Underway – as at 31 March 2017: <ul style="list-style-type: none"> <li>• 96.85% of client contacts were acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>• 100% of office establishment and relocation projects were delivered within their approved budget.</li> <li>• 100% of Monthly Management Reports were distributed by the 15<sup>th</sup> of each month.</li> <li>• 92.16% of payments (including payroll) were made within agreed timeframes.</li> </ul> </li> <li>• On track – 99.6% of COMCAR reservations have been completed without service failure.</li> <li>• On track – An Implementation Working Group has been established, three recommendations have been implemented, and Finance is working together with the Remuneration Tribunal and the Department of the Prime Minister and Cabinet to implement the remaining Review Committee's recommendations.</li> </ul>

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**Table 2.3.2: Performance criteria for Outcome 3 (continued)**

<b>Performance information: Program 3.1 – Ministerial and Parliamentary Services</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2017-18	<p>Parliamentarians, and others as required by the Australian Government, are supported by Finance by:</p> <ul style="list-style-type: none"> <li>• providing policy advice to government on parliamentary work expenses and post-parliamentary entitlements;</li> <li>• providing advice on access to, and payment of, parliamentary work expenses and post-parliamentary entitlements to eligible recipients; and</li> <li>• providing targeted assistance to eligible recipients as required.</li> </ul>	<ul style="list-style-type: none"> <li>• 95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>• 95% of payments (including payroll) will be made within agreed timeframes.</li> <li>• 100% of office establishment and relocation projects will be delivered within their approved budget.</li> <li>• 100% of Monthly Management Reports are being distributed by the 15th of each month.</li> <li>• 99% of COMCAR reservations will be completed without service failure.</li> </ul>
2018-19 and beyond	<ul style="list-style-type: none"> <li>• All criteria for 2017-18 to apply.</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2017-18.</li> </ul>
<b>Purposes</b>	Services	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of Budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

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

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

##### **Budgeted Statement of Comprehensive Income – Departmental**

###### **2016-17**

Finance is forecasting expenses of \$605.7 million in 2016-17, a decrease from the \$640.1 million forecast in the 2016-17 Portfolio Additional Estimates Statements (PAES). This change is primarily due to revisions of special account estimates.

Finance is forecasting total own source income of \$436.5 million, an increase from the \$390.8 million forecast in the 2016-17 PAES. This is primarily due to revisions of special account estimates.

###### **2017-18**

Finance is budgeting for a surplus of \$47.1 million, an increase from the \$31.0 million forecast in the 2016-17 PAES. This is primarily due to a revision of special account estimates and the impact of Machinery of Government changes.

##### **Budgeted Balance Sheet – Departmental**

The budgeted net asset position as at 30 June 2018 of \$2,250.6 million represents an increase from the \$2,161.3 million forecast in the 2016-17 PAES. This is primarily due to a revision in special account estimates.

##### **Budgeted Schedule of Comprehensive Income – Administered**

###### **2016-17**

Estimated administered income for 2016-17 has increased slightly to \$1,826.2 million from the \$1,798.5 million reported in the 2016-17 PAES. This is primarily due to revisions in estimates for the Australian Government Investment Funds.

### *Finance Budget Statements*

Estimated administered expenses for 2016-17 has decreased to \$9,903.3 million from the \$10,048.4 million reported in the 2016-17 PAES. This is primarily due to revisions in estimates on the Australian Government Investment Funds.

#### **2017-18**

Finance is budgeting for administered income of \$1,718.2 million in 2017-18, a decrease from the \$1,741.5 million budgeted for in the 2016-17 PAES. This is primarily due to revisions in estimates for superannuation and the Australian Government Investment Funds.

Finance is budgeting for administered expenses of \$9,133.2 million in 2017-18, a decrease from the \$9,313.8 million budgeted for in the 2016-17 PAES. This is primarily due to a Machinery of Government changes, and revisions to estimates for superannuation and the Australian Government Investment Funds.

#### **Budgeted Schedule of Assets and Liabilities – Administered**

Administered assets are budgeted to total \$14,733.2 million by 30 June 2018, an increase from the \$14,178.0 million estimated in the 2016-17 PAES, due primarily to revisions in estimates for the Australian Government Investment Funds.

Administered liabilities are estimated to total \$114,311.1 million by 30 June 2018, a small increase from \$114,273.2 million estimated in the 2016-17 PAES, due primarily to revisions in superannuation estimates.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	175,148	163,910	163,994	163,521	163,521
Suppliers	301,406	163,981	161,131	151,099	139,244
Depreciation and amortisation (a)	24,082	32,041	32,127	32,506	32,916
Losses from asset sales (b)	-	-	732	-	-
Write-down and impairment of assets	2,300	16,729	11,896	8,709	7,690
Insurance claims	94,013	136,594	140,959	145,349	149,879
Other expenses	8,767	8,767	8,767	8,767	8,767
<b>Total expenses</b>	<b>605,716</b>	<b>522,022</b>	<b>519,606</b>	<b>509,951</b>	<b>502,017</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Rendering of services	197,708	62,448	55,072	54,912	54,742
Insurance premiums	141,115	142,441	147,226	151,233	155,232
Rental income	71,514	79,332	80,206	82,225	84,296
Other	5,977	6,888	8,265	8,265	6,888
<b>Total own-source revenue</b>	<b>416,314</b>	<b>291,109</b>	<b>290,769</b>	<b>296,635</b>	<b>301,158</b>
<b>Gains</b>					
Gains on valuation of investment property	17,278	-	8,078	10,794	12,098
Net gains from asset sales (b)	1,536	20,591	-	-	-
Other (c)	1,374	1,385	1,385	1,385	1,385
<b>Total gains</b>	<b>20,188</b>	<b>21,976</b>	<b>9,463</b>	<b>12,179</b>	<b>13,483</b>
<b>Total own-source income</b>	<b>436,502</b>	<b>313,085</b>	<b>300,232</b>	<b>308,814</b>	<b>314,641</b>
<b>Net (cost of)/contribution by services</b>	<b>(169,214)</b>	<b>(208,937)</b>	<b>(219,374)</b>	<b>(201,137)</b>	<b>(187,376)</b>
Revenue from Government	276,524	256,930	248,628	244,201	233,363
<b>Surplus/(deficit) before income tax</b>	<b>107,310</b>	<b>47,993</b>	<b>29,254</b>	<b>43,064</b>	<b>45,987</b>
Income tax expense	893	887	887	887	887
<b>Surplus/(deficit) after income tax</b>	<b>106,417</b>	<b>47,106</b>	<b>28,367</b>	<b>42,177</b>	<b>45,100</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>106,417</b>	<b>47,106</b>	<b>28,367</b>	<b>42,177</b>	<b>45,100</b>

Table continues on next page

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

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

	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>116,413</b>	<b>67,757</b>	<b>48,892</b>	<b>62,995</b>	<b>65,949</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	9,996	20,651	20,525	20,818	20,849
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>106,417</b>	<b>47,106</b>	<b>28,367</b>	<b>42,177</b>	<b>45,100</b>

Prepared on Australian Accounting Standards basis.

- (a) Depreciation and Amortisation Expenses highlighted under 'Expenses' represents 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 2014.
- (b) Represents the net gain/loss from the government's non-Defence Property Divestment Program within Australia.
- (c) Other gains represent resources received free of charge for financial statement audit services from the Australian National Audit Office.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents (a)	5,000	5,000	5,000	5,000	5,000
Trade and other receivables (b)	925,674	933,424	912,614	935,788	960,704
Other financial assets	33,861	33,861	33,861	33,861	33,861
<b>Total financial assets</b>	<b>964,535</b>	<b>972,285</b>	<b>951,475</b>	<b>974,649</b>	<b>999,565</b>
<b>Non-financial assets</b>					
Land and buildings (c)	1,144,226	1,107,906	1,087,106	1,066,488	1,046,317
Property, plant and equipment	82,628	111,566	133,765	146,060	157,789
Investment property (c)	647,594	648,958	657,036	667,830	679,928
Intangibles	104,276	111,191	115,667	116,829	116,825
Other non-financial assets	11,274	11,274	11,274	11,274	11,274
<b>Total non-financial assets</b>	<b>1,989,998</b>	<b>1,990,895</b>	<b>2,004,848</b>	<b>2,008,481</b>	<b>2,012,133</b>
<b>Total assets</b>	<b>2,954,533</b>	<b>2,963,180</b>	<b>2,956,323</b>	<b>2,983,130</b>	<b>3,011,698</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	99,720	106,268	112,816	119,364	125,912
Unearned Revenue	85,945	85,945	85,945	85,945	85,945
Return of equity	65,323	65,323	65,323	65,323	65,323
Other payables	12,714	13,481	14,248	15,015	15,782
<b>Total payables</b>	<b>263,702</b>	<b>271,017</b>	<b>278,332</b>	<b>285,647</b>	<b>292,962</b>
<b>Provisions</b>					
Employee provisions	65,301	67,733	70,165	72,597	75,029
Outstanding insurance claims	352,587	352,587	352,587	352,587	352,587
Other provisions	21,274	21,274	21,274	21,274	21,274
<b>Total provisions</b>	<b>439,162</b>	<b>441,594</b>	<b>444,026</b>	<b>446,458</b>	<b>448,890</b>
<b>Total liabilities</b>	<b>702,864</b>	<b>712,611</b>	<b>722,358</b>	<b>732,105</b>	<b>741,852</b>
<b>Net assets</b>	<b>2,251,669</b>	<b>2,250,569</b>	<b>2,233,965</b>	<b>2,251,025</b>	<b>2,269,846</b>
<b>EQUITY*</b>					
Contributed equity	1,695,121	1,704,354	1,704,604	1,714,468	1,723,170
Reserves	177,262	177,262	177,262	177,262	177,262
Retained surplus (accumulated deficit)	379,286	368,953	352,099	359,295	369,414
<b>Total equity</b>	<b>2,251,669</b>	<b>2,250,569</b>	<b>2,233,965</b>	<b>2,251,025</b>	<b>2,269,846</b>

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

Prepared on Australian Accounting Standards basis.

- (a) The departmental cash balance is maintained at \$5m. Cash in excess of this balance is returned to the Office of Public Account (OPA), recorded as a receivable and drawn down as required.
- (b) Primarily represents appropriation receivable (including capital appropriation) and the special accounts.
- (c) Primarily represents properties in the Australian Government's non-Defence property portfolio.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	379,286	177,262	1,695,121	2,251,669
<b>Adjusted opening balance</b>	<b>379,286</b>	<b>177,262</b>	<b>1,695,121</b>	<b>2,251,669</b>
Surplus/(deficit) for the period	47,106	-	-	47,106
<b>Total comprehensive income</b>	<b>47,106</b>	<b>-</b>	<b>-</b>	<b>47,106</b>
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns on capital:				
Returns of contributed equity	(48,827)	-	-	(48,827)
<b>Contributions by owners</b>				
Equity injection - Appropriation (a)	-	-	24,202	24,202
Departmental capital budget (DCB)	-	-	6,480	6,480
Restructuring (b)	-	-	(30,061)	(30,061)
<b>Sub-total transactions with owners</b>	<b>(48,827)</b>	<b>-</b>	<b>621</b>	<b>(48,206)</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>377,565</b>	<b>177,262</b>	<b>1,695,742</b>	<b>2,250,569</b>
<b>Closing balance attributable to the Australian Government</b>	<b>377,565</b>	<b>177,262</b>	<b>1,695,742</b>	<b>2,250,569</b>

Prepared on Australian Accounting Standards basis.

(a) Equity injections for construction and ICT projects.

(b) Represents transfers of assets and liabilities to other Commonwealth entities.



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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	269,494	142,052	135,550	137,409	139,310
Appropriations	368,734	248,908	269,166	220,755	208,175
Insurance premiums	141,115	142,441	147,226	151,233	155,232
Other	5,977	6,888	8,265	8,265	6,888
<b>Total cash received</b>	<b>785,320</b>	<b>540,289</b>	<b>560,207</b>	<b>517,662</b>	<b>509,605</b>
<b>Cash used</b>					
Employees	172,716	161,478	161,562	161,089	161,089
Suppliers	293,484	156,048	153,198	143,166	131,311
Insurance claims	94,013	136,594	140,959	145,349	149,879
s74 Retained revenue receipts transferred to OPA	79,652	97,439	45,221	34,981	34,981
Other	12,470	41,447	9,619	8,887	8,887
<b>Total cash used</b>	<b>652,335</b>	<b>593,006</b>	<b>510,559</b>	<b>493,472</b>	<b>486,147</b>
<b>Net cash from/(used by) operating activities</b>	<b>132,985</b>	<b>(52,717)</b>	<b>49,648</b>	<b>24,190</b>	<b>23,458</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	19,516	57,028	900	-	-
<b>Total cash received</b>	<b>19,516</b>	<b>57,028</b>	<b>900</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Construction/Purchase of land and buildings	83,741	25,953	21,331	162	-
Construction/Purchase of property, plant and equipment	61,911	41,377	34,638	24,734	24,167
Construction/Purchase of intangibles	36,051	10,011	7,951	7,966	7,993
Construction/Purchase of investment properties	3,879	1,364	-	-	-
Other	43,500	4,900	4,522	1,192	-
<b>Total cash used</b>	<b>229,082</b>	<b>83,605</b>	<b>68,441</b>	<b>34,054</b>	<b>32,160</b>
<b>Net cash from/(used by) investing activities</b>	<b>(209,566)</b>	<b>(26,577)</b>	<b>(67,541)</b>	<b>(34,054)</b>	<b>(32,160)</b>

Table continues on next page.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	78,261	79,294	17,893	9,864	8,702
<b>Total cash received</b>	<b>78,261</b>	<b>79,294</b>	<b>17,893</b>	<b>9,864</b>	<b>8,702</b>
<b>Net cash from/(used by) financing activities</b>					
	<b>78,261</b>	<b>79,294</b>	<b>17,893</b>	<b>9,864</b>	<b>8,702</b>
<b>Net increase/(decrease) in cash held</b>					
	<b>1,680</b>	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	3,320	5,000	5,000	5,000	5,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	6,480	6,473	6,489	6,519
Equity injections - Bill 2	69,808	64,202	11,422	3,375	2,183
<b>Total new capital appropriations</b>	<b>69,808</b>	<b>70,682</b>	<b>17,895</b>	<b>9,864</b>	<b>8,702</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>69,808</i>	<i>30,682</i>	<i>17,895</i>	<i>9,864</i>	<i>8,702</i>
<i>Other Items</i>	<i>-</i>	<i>40,000</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total items</b>	<b>69,808</b>	<b>70,682</b>	<b>17,895</b>	<b>9,864</b>	<b>8,702</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB	-	6,480	6,472	6,489	6,519
Funded by equity injections	126,342	45,875	36,995	3,537	2,183
Funded internally from departmental resources (a)	59,240	31,250	24,975	24,028	23,458
<b>TOTAL</b>	<b>185,582</b>	<b>83,605</b>	<b>68,442</b>	<b>34,054</b>	<b>32,160</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total asset additions	185,582	83,605	68,442	34,054	32,160
<b>Total cash used to acquire assets</b>	<b>185,582</b>	<b>83,605</b>	<b>68,442</b>	<b>34,054</b>	<b>32,160</b>

Prepared on Australian Accounting Standards basis.

- (a) Includes the following sources of funding:
- Current and prior year annual appropriation,
  - Funds held in special accounts.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>						
Gross book value	413,298	743,460	102,485	647,594	159,211	2,066,048
Accumulated depreciation/ amortisation and impairment	-	(12,532)	(19,857)	-	(54,935)	(87,324)
<b>Opening net book balance</b>	<b>413,298</b>	<b>730,928</b>	<b>82,628</b>	<b>647,594</b>	<b>104,276</b>	<b>1,978,724</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase/construction- appropriation equity (a)	-	25,953	9,422	1,364	9,136	45,875
By purchase/construction - appropriation ordinary annual services (b)	-	-	705	-	5,775	6,480
By purchase - internally funded	-	-	31,250	-	-	31,250
<b>Total additions</b>	<b>-</b>	<b>25,953</b>	<b>41,377</b>	<b>1,364</b>	<b>14,911</b>	<b>83,605</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(11,606)	(12,439)	-	(7,996)	(32,041)
Disposals (c)	-	(33,938)	-	-	-	(33,938)
Gains	-	(16,729)	-	-	-	(16,729)
<b>Total other movements</b>	<b>-</b>	<b>(62,273)</b>	<b>(12,439)</b>	<b>-</b>	<b>(7,996)</b>	<b>(82,708)</b>
<b>As at 30 June 2018</b>						
Gross book value	413,298	718,746	143,862	648,958	174,122	2,098,986
Accumulated depreciation/ amortisation and impairment	-	(24,138)	(32,296)	-	(62,931)	(119,365)
<b>Closing net book balance</b>	<b>413,298</b>	<b>694,608</b>	<b>111,566</b>	<b>648,958</b>	<b>111,191</b>	<b>1,979,621</b>

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2016-17.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2016-17 for DCB and other operational expenses.
- (c) Net proceeds may be returned to the OPA.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	253,421	258,906	263,615	266,416	266,416
Suppliers	230,632	194,821	199,858	232,923	248,582
Superannuation (a)	8,967,553	7,990,255	8,177,524	8,346,666	8,477,061
Distributions from the Investment Funds (b)	423,707	661,547	3,395,701	1,731,240	1,657,022
Grants	2,927	2,941	2,958	2,974	2,994
Depreciation and amortisation	20,691	20,691	20,691	20,691	20,691
Write-down and impairment of assets	2	2	2	2	2
Other expenses	4,338	3,995	3,476	3,441	2,917
<b>Total expenses administered on behalf of Government</b>	<b>9,903,271</b>	<b>9,133,158</b>	<b>12,063,825</b>	<b>10,604,353</b>	<b>10,675,685</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Rendering of services	3,775	3,839	3,904	3,904	3,904
Interest and dividends (c)	408,125	445,122	371,583	578,441	757,125
Superannuation contributions (d)	1,258,824	1,203,510	1,148,607	1,109,747	1,059,283
Other revenue	17,636	14,831	9,636	9,636	9,636
<b>Total non-taxation revenue</b>	<b>1,688,360</b>	<b>1,667,302</b>	<b>1,533,730</b>	<b>1,701,728</b>	<b>1,829,948</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>1,688,360</b>	<b>1,667,302</b>	<b>1,533,730</b>	<b>1,701,728</b>	<b>1,829,948</b>
<b>Gains</b>					
Gain on sale of investments	133,531	46,543	38,197	61,205	81,079
Other gains	4,335	4,335	4,335	4,335	4,335
<b>Total gains administered on behalf of Government</b>	<b>137,866</b>	<b>50,878</b>	<b>42,532</b>	<b>65,540</b>	<b>85,414</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>1,826,226</b>	<b>1,718,180</b>	<b>1,576,262</b>	<b>1,767,268</b>	<b>1,915,362</b>
<b>Net (cost of)/contribution by services</b>	<b>(8,077,045)</b>	<b>(7,414,978)</b>	<b>(10,487,563)</b>	<b>(8,837,085)</b>	<b>(8,760,323)</b>
<b>Total comprehensive income/(loss)</b>	<b>(8,077,045)</b>	<b>(7,414,978)</b>	<b>(10,487,563)</b>	<b>(8,837,085)</b>	<b>(8,760,323)</b>

Prepared on Australian Accounting Standards basis.

- (a) The 2016-17 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.
- (b) Represents estimates of expenses to be transferred from the Australian Government Investment Funds. This item does not include equity payments. For more detail on each fund, refer to Tables 2.2.1.1-4.
- (c) Estimates of interest include interest earnings for the Australian Government Investment Funds. Dividend revenue represents revenue from corporate Commonwealth entities which are treated as administered receipts of the department.
- (d) Principally CSS and PSS notional employer superannuation contributions.

**Table 3.8: Schedule of budgeted asset and liabilities administered on behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	141,033	134,402	127,431	120,108	112,584
Investments (a)	19,606,709	14,502,098	11,788,462	18,441,912	21,304,175
Other financial assets	12,858	12,858	12,858	12,858	12,858
<b>Total financial assets</b>	<b>19,760,600</b>	<b>14,649,358</b>	<b>11,928,751</b>	<b>18,574,878</b>	<b>21,429,617</b>
<b>Non-financial assets</b>					
Buildings	16,451	12,138	8,971	5,950	2,980
Property, plant and equipment	71,832	66,625	60,863	55,148	49,454
Intangibles	1,518	1,518	1,518	1,518	1,518
Other non-financial assets	3,556	3,556	3,556	3,556	3,556
<b>Total non-financial assets</b>	<b>93,357</b>	<b>83,837</b>	<b>74,908</b>	<b>66,172</b>	<b>57,508</b>
<b>Total assets administered on behalf of Government</b>	<b>19,853,957</b>	<b>14,733,195</b>	<b>12,003,659</b>	<b>18,641,050</b>	<b>21,487,125</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	11,654	11,654	11,654	11,654	11,654
Other payables	10,487	10,487	10,487	10,487	10,487
<b>Total payables</b>	<b>22,141</b>	<b>22,141</b>	<b>22,141</b>	<b>22,141</b>	<b>22,141</b>
<b>Provisions</b>					
Employee provisions (b)	312,501	312,501	312,501	312,501	312,501
Superannuation (c)	110,665,060	113,965,453	117,262,040	120,492,028	123,626,532
Other provisions	14,521	10,963	10,361	9,695	8,979
<b>Total provisions</b>	<b>110,992,082</b>	<b>114,288,917</b>	<b>117,584,902</b>	<b>120,814,224</b>	<b>123,948,012</b>
<b>Total liabilities administered on behalf of Government</b>	<b>111,014,223</b>	<b>114,311,058</b>	<b>117,607,043</b>	<b>120,836,365</b>	<b>123,970,153</b>
<b>Net assets/(liabilities)</b>	<b>(91,160,266)</b>	<b>(99,577,863)</b>	<b>(105,603,384)</b>	<b>(102,195,315)</b>	<b>(102,483,028)</b>

Prepared on Australian Accounting Standards basis.

- (a) Represents investments in the Australian Government Investment Funds. Also represented are investments in other Commonwealth entities that are 100% owned by the Commonwealth and assets of former superannuation schemes administered by the Australian Government.
- (b) Represents Life Gold Pass Holders liabilities and employee provisions for staff employed under the *Members of Parliament (Staff) Act 1984*.
- (c) Represents the unfunded liabilities for the government's civilian superannuation schemes. The superannuation liabilities estimates are based on the Long Term Cost Report.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	3,775	3,839	3,904	3,902	3,902
Interest and dividends (a)	402,734	439,809	366,373	573,364	752,205
Superannuation contributions - employees (b)	1,255,437	1,190,812	1,127,175	1,080,817	1,034,504
Superannuation funds contributions (c)	2,077,261	1,884,657	1,894,747	1,983,848	2,077,341
Other	11,139	8,331	3,135	3,136	3,136
<b>Total cash received</b>	<b>3,750,346</b>	<b>3,527,448</b>	<b>3,395,334</b>	<b>3,645,067</b>	<b>3,871,088</b>
<b>Cash used</b>					
Employees (d)	253,359	258,844	263,553	266,416	266,416
Suppliers	230,221	194,408	199,448	228,588	244,247
Distributions from the investment funds (e)	423,707	661,547	3,395,701	1,731,240	1,657,022
Grants	2,927	2,941	2,958	2,974	2,994
Superannuation (f)	6,405,605	6,571,480	6,778,100	7,103,373	7,426,957
Other	4,923	4,448	3,975	4,105	3,634
<b>Total cash used</b>	<b>7,320,742</b>	<b>7,693,668</b>	<b>10,643,735</b>	<b>9,336,696</b>	<b>9,601,270</b>
<b>Net cash from/(used by) operating activities</b>	<b>(3,570,396)</b>	<b>(4,166,220)</b>	<b>(7,248,401)</b>	<b>(5,691,629)</b>	<b>(5,730,182)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of investments	3,493,115	12,326,829	9,729,678	6,274,616	5,356,127
Repayments of advances and loans	11,601	12,865	12,180	12,400	12,444
<b>Total cash received</b>	<b>3,504,716</b>	<b>12,339,694</b>	<b>9,741,858</b>	<b>6,287,016</b>	<b>5,368,571</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,811	3,398	2,844	2,890	2,911
Purchase of buildings	10,277	7,973	9,118	9,265	9,316
Purchase of investments	5,818,268	7,176,397	6,977,642	12,866,660	8,137,109
<b>Total cash used</b>	<b>5,833,356</b>	<b>7,187,768</b>	<b>6,989,604</b>	<b>12,878,815</b>	<b>8,149,336</b>
<b>Net cash from/(used by) investing activities</b>	<b>(2,328,640)</b>	<b>5,151,926</b>	<b>2,752,254</b>	<b>(6,591,799)</b>	<b>(2,780,765)</b>

Table continues on next page

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributions to the Investment Funds (e)	5,439,858	6,244,700	6,471,050	12,217,989	7,394,597
<b>Total cash received</b>	<b>5,439,858</b>	<b>6,244,700</b>	<b>6,471,050</b>	<b>12,217,989</b>	<b>7,394,597</b>
<b>Cash used</b>					
Distributions from the Investment Funds	3,044,155	11,627,035	6,291,852	4,470,612	3,613,364
<b>Total cash used</b>	<b>3,044,155</b>	<b>11,627,035</b>	<b>6,291,852</b>	<b>4,470,612</b>	<b>3,613,364</b>
<b>Net cash from/(used by) financing activities</b>	<b>2,395,703</b>	<b>(5,382,335)</b>	<b>179,198</b>	<b>7,747,377</b>	<b>3,781,233</b>
<b>Net increase/(decrease) in cash held</b>	<b>(3,503,333)</b>	<b>(4,396,629)</b>	<b>(4,316,949)</b>	<b>(4,536,051)</b>	<b>(4,729,714)</b>
Cash and cash equivalents at beginning of reporting period (g)	1,496	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	4,802,579	5,117,004	5,319,377	5,556,703	5,777,292
<b>Total cash from Official Public Account</b>	<b>4,802,579</b>	<b>5,117,004</b>	<b>5,319,377</b>	<b>5,556,703</b>	<b>5,777,292</b>
Cash to Official Public Account for:					
- Appropriations	(1,300,742)	(720,375)	(1,002,428)	(1,020,652)	(1,047,578)
<b>Total cash to Official Public Account</b>	<b>(1,300,742)</b>	<b>(720,375)</b>	<b>(1,002,428)</b>	<b>(1,020,652)</b>	<b>(1,047,578)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

- (a) Estimates include interest earnings for the Australian Government Investment Funds. For more detail on the interest estimates for each fund, refer to Tables 2.2.1.1-4.
- (b) Primarily represents the CSS and PSS notional employer contributions.
- (c) Primarily represents offsets from the CSS and PSS funds and return of overpaid benefits.
- (d) Represents expenditure on staff employed under the *Members of Parliament (Staff) Act 1984*.
- (e) 'Distributions from the Investment Funds' represents estimates of cash payments from the Funds to other entities and the Consolidated Revenue Fund.
- (f) Expenditure associated with unfunded liabilities for the government's civilian superannuation schemes.
- (g) The 2016-17 figures for cash at the beginning and end of the reporting period excludes cash held in the Official Public Account as this is not included as part of our estimates.



**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered Capital Budget (ACB) - Bill 1 (a)	4,919	4,983	5,054	5,145	5,217
Administered Assets and Liabilities - Bill 2 (b)	1,537	12,404	11,600	11,660	11,709
Special capital appropriation (c)	2,071,674	1,878,629	1,888,248	1,977,647	2,071,138
<b>Total new capital appropriations</b>	<b>2,078,130</b>	<b>1,896,016</b>	<b>1,904,902</b>	<b>1,994,452</b>	<b>2,088,064</b>
<b>Provided for:</b>					
<i>Purchase of non-financial assets</i>	5,782	5,846	5,070	5,161	5,233
<i>Other Items</i>	2,072,348	1,890,170	1,899,832	1,989,291	2,082,831
<b>Total items</b>	<b>2,078,130</b>	<b>1,896,016</b>	<b>1,904,902</b>	<b>1,994,452</b>	<b>2,088,064</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by ACB - Bill 1	4,919	4,983	5,054	5,145	5,217
Funded by Administered Assets and Liabilities - Act 2	1,710	863	16	16	16
Funded by special appropriations	8,458	5,524	6,892	6,994	6,994
<b>TOTAL</b>	<b>15,087</b>	<b>11,370</b>	<b>11,962</b>	<b>12,155</b>	<b>12,227</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total asset additions	15,087	11,370	11,962	12,155	12,227
<b>Total cash used to acquire assets</b>	<b>15,087</b>	<b>11,370</b>	<b>11,962</b>	<b>12,155</b>	<b>12,227</b>

- (a) The ACB is used to fund the replacement of assets purchased through administered annual appropriations.
- (b) Administered Assets and Liabilities includes a capital injection for Acts of Grace and liabilities and an injection for capital works on the Intra Government Communications Network, which is offset through entity contributions that are returned to the budget.
- (c) Represents appropriation to pay unfunded component of superannuation benefits under the PSS and CSS.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	62,704	89,651	3,183	155,538
Accumulated depreciation/amortisation and impairment	(46,253)	(17,819)	(1,665)	(65,737)
<b>Opening net book balance</b>	<b>16,451</b>	<b>71,832</b>	<b>1,518</b>	<b>89,801</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	863	-	863
By purchase - appropriation ordinary annual services	3,547	1,436	-	4,983
By purchase - special appropriations	4,425	1,100	-	5,525
<b>Total additions</b>	<b>7,973</b>	<b>3,398</b>	<b>-</b>	<b>11,371</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(12,086)	(8,605)	-	(20,691)
Disposals	(200)	-	-	(200)
<b>Total other movements</b>	<b>(12,286)</b>	<b>(8,605)</b>	<b>-</b>	<b>(20,891)</b>
<b>As at 30 June 2018</b>				
Gross book value	70,477	93,049	3,183	166,709
Accumulated depreciation/amortisation and impairment	(58,339)	(26,424)	(1,665)	(86,428)
<b>Closing net book balance</b>	<b>12,138</b>	<b>66,625</b>	<b>1,518</b>	<b>80,281</b>

Prepared on Australian Accounting Standards basis.