

**Portfolio Budget Statements 2015‑16**

**Budget Related Paper No. 1.8**

Finance Portfolio

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

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**SENATOR THE HON MATHIAS CORMANN**

**Minister for Finance**

Speaker

House of Representatives

Parliament House

CANBERRA ACT 2600

President of the Senate

Australian Senate

Parliament House

CANBERRA ACT 2600

Dear Madam Speaker and Mr President

I hereby submit Portfolio Budget Statements in support of the 2015-16 Budget for the Finance portfolio.

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

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

Kind regards

Mathias Cormann

**Minister for Finance**

May 2015

**Abbreviations and conventions**

The following notation may be used:

NEC/nec not elsewhere classified

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

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

**Enquiries**

Should you have any enquiries regarding this publication please contact the Chief Finance Officer of the Department of Finance on (02) 6215 2222.

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

**User Guide**

**to the**

**Portfolio Budget Statements**

User Guide

The purpose of the 2015-16 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2015-16 (or Appropriation Bill [Parliamentary Departments] No. 1 2015-16 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non‑general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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# Portfolio Overview

**Finance Portfolio Overview**

**Ministers and Portfolio Responsibilities**

The Ministers and Parliamentary Secretary responsible for the Finance portfolio and its entities are:

* Senator the Hon Mathias Cormann, Minister for Finance;
* Senator the Hon Michael Ronaldson, Special Minister of State; and
* the Hon Michael McCormack MP, Parliamentary Secretary to the Minister for Finance.

The Minister for Finance has overall responsibility for the Finance portfolio, and particular responsibility for the following:

* budget policy advice and process, and review of Australian Government (government) programmes;
* government financial accountability, governance and financial management frameworks, including grants and procurement policy and services;
* shareholder advice on Australian Government Business Enterprises (GBEs) and commercial entities treated as GBEs;
* superannuation arrangements for current and former government employees;
* asset sales;
* government on-line delivery and Information and Communications Technology (ICT) management; and
* policy advice on the government’s investment funds.

The Special Minister of State is responsible for:

* the administration of parliamentary entitlements;
* the *Members of Parliament (Staff) Act 1984* employment framework (shared responsibility with the Hon Tony Abbott MP, Prime Minister);
* government campaign advertising; and
* electoral matters.

The Parliamentary Secretary assists the Minister for Finance with the following matters:

* discretionary compensation mechanisms, including Act of Grace payments and waivers of debts owed to the Commonwealth;
* the Commonwealth’s self-managed insurance fund (Comcover);
* correspondence relating to the administration of superannuation arrangements for government civilian employees; and
* the Commonwealth’s non-Defence property portfolio.

**Entity Overview**

**Department of Finance**

The key purpose of the Department of Finance (Finance) is to support the government’s objectives of responsible expenditure and oversight of public sector improvement.

As one of the government’s central agencies, Finance assists the government to shape and deliver its agenda by providing high quality advice and support in respect of the Budget, public sector resource management, advertising, asset sales, as well as oversight of the government’s investment funds and GBEs.

Finance also provides a range of professional services relating to property management, ICT management, the Commonwealth’s insurance and superannuation arrangements and entitlement administration for parliamentarians and their staff.

**Australian Electoral Commission**

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

**Commonwealth Superannuation Corporation**

The Commonwealth Superannuation Corporation (CSC) manages and invests the monies of four regulated superannuation schemes:

* Public Superannuation Scheme Accumulation Plan;
* Public Sector Superannuation Scheme;
* Commonwealth Superannuation Scheme; and
* Military Superannuation and Benefits Scheme.

CSC also administers the related Acts and Trust Deeds for these schemes.

In addition, CSC administers five ‘unfunded’ superannuation schemes:

* Defence Forces Retirement Benefits Scheme;
* Defence Force Retirement and Death Benefits Scheme;
* Defence Force (Superannuation) (Productivity Benefit) Scheme;
* 1922 Scheme under the *Superannuation Act 1922*; and
* Papua New Guinea Scheme under the *Papua New Guinea (Staffing Assistance) Act 1973.*

CSC also provides administrative services for the superannuation schemes for the government’s public sector and Australian Defence Force employees.

**Future Fund Management Agency**

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

**Changes Impacting on the Portfolio**

The Australian Government announced the merger of ComSuper into CSC in the May 2014 Federal Budget. CSC will continue to be trustee of the public sector and defence force superannuation schemes. The merger is subject to legislation passing in Parliament. The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 was introduced into the House of Representatives on 19 March 2015.**Figure 1: Finance Portfolio Structure and Outcomes**

**Minister for Finance**

Senator the Hon Mathias Cormann

**Special Minister of State**

Senator the Hon Michael Ronaldson

**Parliamentary Secretary to the Minister for Finance**

The Hon Michael McCormack MP

**Department of Finance**

Portfolio Secretary: Jane Halton PSM

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

**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.

**Outcome 3** Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.

**Commonwealth Superannuation Corporation**

Chairman: Mrs Patricia Cross

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

**Outcome 2** Provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.

**Australian Electoral Commission**

Electoral Commissioner: Mr Tom Rogers

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

**Future Fund Management Agency**

Chief Executive Officer: Hon Peter Costello AC

**Outcome 1** Make provision for the Commonwealth’s unfunded superannuation liabilities, payments for the creation and development of infrastructure, and payments from the DisabilityCare Australia Fund by managing the investment activities of the Future Fund, Nation-building Funds and DisabilityCare Australia Fund, in line with the Government’s investment mandates.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Portfolio Resources**

Table 1 shows the total new resources provided to the portfolio in the 2015-16 Budget Year by entity.

##### Table 1: Portfolio Resources 2015-16

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Appropriation | | | | |  | Receipts |  | Total |
|  | Bill No. 1 |  | Bill No. 2 |  | Special |  |  |  |  |
|  | $m |  | $m |  | $m |  | $m |  | $m |
| **Department of Finance** |  |  |  |  |  |  |  |  |  |
| Administered appropriations | 290 |  | 2 |  | 10,355 |  | 23,532 |  | 34,179 |
| Departmental appropriations | 269 |  | 155 |  | - |  | 538 |  | 962 |
| **Total** |  |  |  |  |  |  |  |  | **35,141** |
|  |  |  |  |  |  |  |  |  |  |
| **Australian Electoral Commission** | |  |  |  |  |  |  |  |  |
| Administered appropriations | - |  | - |  | - |  | - |  | - |
| Departmental appropriations | 118 |  | - |  | 9 |  | 11 |  | 138 |
| **Total** |  |  |  |  |  |  |  |  | **138** |
|  |  |  |  |  |  |  |  |  |  |
| **Commonwealth Superannuation** | |  |  |  |  |  |  |  |  |
| **Corporation** |  |  |  |  |  |  |  |  |  |
| Administered appropriations | - |  | - |  | - |  | 2,767 |  | 2,767 |
| Departmental appropriations | - |  | - |  | - |  | 77 |  | 77 |
| **Total** |  |  |  |  |  |  |  |  | **2,844** |
|  |  |  |  |  |  |  |  |  |  |
| **Future Fund Management Agency** | |  |  |  |  |  |  |  |  |
| Administered appropriations | - |  | - |  | - |  | 666 |  | 666 |
| Departmental appropriations | - |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  | **666** |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  | **Resources available within portfolio:** | | | | |  | **38,789** |

# Entity Resources and Planned Performance

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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 agencies, Finance assists the government to shape and deliver its agenda by providing high quality advice, policies, governance arrangements and professional services.

Finance has reviewed its outcome statements and strategies for 2015-16 to better reflect its purpose.

***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 and efficiency of the use of public resources.

***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 Government Business Enterprises and other commercial entities;
* develops and administers key government policies in relation to Commonwealth land, public works and property management, advertising and the government’s use of Information and Communications Technology (ICT) 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), and key Whole of Australian Government (WoAG) purchasing arrangements (such as travel, office equipment, stationery) to ensure efficient and effective management of government resources; 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, entitlements and targeted assistance.*

To achieve Outcome 3, Finance provides entitlements, 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 resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

##### Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual |  | Estimate |  | Proposed |  | Total |
|  |  | available |  | of prior | + | at Budget | = | estimate |
|  |  | appropriation |  | year amounts |  |  |  |  |
|  |  |  |  | available in |  |  |  |  |
|  |  | 2014-15 |  | 2015-16 |  | 2015-16 |  | 2015-16 |
|  |  | $'000 |  | $'000 |  | $'000 |  | $'000 |
| **Ordinary annual services 1** |  |  |  |  |  |  |  |  |
| **Departmental appropriation** |  |  |  |  |  |  |  |  |
| Departmental appropriation 2 |  | 324,004 |  | 97,313 | 3 | 268,966 |  | 366,279 |
| s74 Retained revenue receipts 4 |  | 18,456 |  | - |  | 17,232 |  | 17,232 |
| **Total** |  | **342,460** |  | **97,313** |  | **286,198** |  | **383,511** |
|  |  |  |  |  |  |  |  |  |
| **Administered expenses** |  |  |  |  |  |  |  |  |
| Outcome 1 |  | 13,652 |  | - |  | - |  | - |
| Outcome 2 |  | 694 |  | - |  | 12,205 |  | 12,205 |
| Outcome 3 5 |  | 277,236 |  | - |  | 277,650 |  | 277,650 |
| **Total** |  | **291,582** |  | **-** |  | **289,855** |  | **289,855** |
|  |  |  |  |  |  |  |  |  |
| **Total ordinary annual services** | **A** | **634,042** |  | **97,313** |  | **576,053** |  | **673,366** |
|  |  |  |  |  |  |  |  |  |
| **Other services 6** |  |  |  |  |  |  |  |  |
| **Departmental non-operating** |  |  |  |  |  |  |  |  |
| Equity injections |  | 213,877 |  | 42,357 |  | 155,084 |  | 197,441 |
| **Total** |  | **213,877** |  | **42,357** |  | **155,084** |  | **197,441** |
|  |  |  |  |  |  |  |  |  |
| **Administered non-operating** |  |  |  |  |  |  |  |  |
| Administered assets and liabilities |  | 1,556 |  | - |  | 1,606 |  | 1,606 |
| **Total** |  | **1,556** |  | **-** |  | **1,606** |  | **1,606** |
|  |  |  |  |  |  |  |  |  |
| **Total other services** | **B** | **215,433** |  | **42,357** |  | **156,690** |  | **199,047** |
|  |  |  |  |  |  |  |  |  |
| **Total available annual** |  |  |  |  |  |  |  |  |
| **appropriations** |  |  |  |  |  |  |  |  |
| A+B |  | **849,475** |  | **139,670** |  | **732,743** |  | **872,413** |

*Table continues on next page*

##### Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015 (continued)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual |  | Estimate |  | Proposed |  | Total |
|  |  | available |  | of prior | + | at Budget | = | estimate |
|  |  | appropriation |  | year amounts |  |  |  |  |
|  |  |  |  | available in |  |  |  |  |
|  |  | 2014-15 |  | 2015-16 |  | 2015-16 |  | 2015-16 |
|  |  | $'000 |  | $'000 |  | $'000 |  | $'000 |
| **Special appropriations** |  |  |  |  |  |  |  |  |
| **Special appropriations limited** |  |  |  |  |  |  |  |  |
| **by criteria/entitlement** |  |  |  |  |  |  |  |  |
| *Federal Circuit Court* |  |  |  |  |  |  |  |  |
| *of Australia Act 1999* |  | 729 |  | - |  | 741 |  | 741 |
| *Governance of Australian* |  |  |  |  |  |  |  |  |
| *Government Superannuation* |  |  |  |  |  |  |  |  |
| *Schemes Act 2011* |  | 1,400 |  | - |  | 1,400 |  | 1,400 |
| *Governor-General Act 1974* |  | 893 |  | - |  | 1,244 |  | 1,244 |
| *Judges' Pensions Act 1968* |  | 84,100 |  | - |  | 82,100 |  | 82,100 |
| *Medibank Private Sale Act 2006* |  | 3,327,182 |  | - |  | - |  | - |
| *Members of Parliament (Life* |  |  |  |  |  |  |  |  |
| *Gold Pass) Act 2002* |  | 1,065 |  | - |  | 1,120 |  | 1,120 |
| *Parliamentary Contributory* |  |  |  |  |  |  |  |  |
| *Superannuation Act 1948* |  | 51,629 |  | - |  | 54,417 |  | 54,417 |
| *Parliamentary Entitlements* |  |  |  |  |  |  |  |  |
| *Act 1990* |  | 166,610 |  | - |  | 175,064 |  | 175,064 |
| *Parliamentary Superannuation* |  |  |  |  |  |  |  |  |
| *Act 2004* |  | 5,769 |  | - |  | 5,887 |  | 5,887 |
| *Public Governance, Performance and* | |  |  |  |  |  |  |  |
| *Accountability Act 2013* - s77 7 |  | - |  | - |  | 2,300 |  | 2,300 |
| *Same-Sex Relationships* |  |  |  |  |  |  |  |  |
| *(Equal Treatment in* |  |  |  |  |  |  |  |  |
| *Commonwealth Laws -* |  |  |  |  |  |  |  |  |
| *General Law Reform) Act 2008* |  | 50 |  | - |  | 57 |  | 57 |
| *Superannuation Act 1922* |  | 32,106 |  | - |  | 37,341 |  | 37,341 |
| *Superannuation Act 1976* |  | 3,060,701 |  | - |  | 3,510,317 |  | 3,510,317 |
| *Superannuation Act 1990* |  | 5,394,180 |  | - |  | 4,494,556 |  | 4,494,556 |
|  |  |  |  |  |  |  |  |  |
| **Special appropriations limited** |  |  |  |  |  |  |  |  |
| **by amount** |  |  |  |  |  |  |  |  |
| *Commonwealth of Australia* |  |  |  |  |  |  |  |  |
| *Constitution Act* (s66) |  | 4,825 |  | - |  | 4,825 |  | 4,825 |
|  |  |  |  |  |  |  |  |  |
| **Special appropriations limited** |  |  |  |  |  |  |  |  |
| **by capital** |  |  |  |  |  |  |  |  |
| Special capital appropriations |  | 2,722,008 |  | - |  | 1,983,404 |  | 1,983,404 |
|  |  |  |  |  |  |  |  |  |
| **Total special appropriations** | **C** | **14,853,247** |  | **-** |  | **10,354,773** |  | **10,354,773** |
|  |  |  |  |  |  |  |  |  |
| **Total appropriations excluding** |  |  |  |  |  |  |  |  |
| **special accounts** |  | **15,702,722** |  | **139,670** |  | **11,087,516** |  | **11,227,186** |

*Table continues on next page*

##### Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015 (continued)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual |  | Estimate |  | Proposed |  | Total |
|  |  | available |  | of prior | + | at Budget | = | estimate |
|  |  | appropriation |  | year amounts |  |  |  |  |
|  |  |  |  | available in |  |  |  |  |
|  |  | 2014-15 |  | 2015-16 |  | 2015-16 |  | 2015-16 |
|  |  | $'000 |  | $'000 |  | $'000 |  | $'000 |
| **Special accounts** |  |  |  |  |  |  |  |  |
| Opening balance 8 |  | 690,124 |  | - |  | 639,148 |  | 639,148 |
| Appropriation receipts |  | 113,657 |  | - |  | 68,301 |  | 68,301 |
| Equity injection |  | 189,983 |  | - |  | 49,346 |  | 49,346 |
| Non-appropriation receipts to |  |  |  |  |  |  |  |  |
| special accounts |  | 4,454,060 |  | - |  | 23,935,494 |  | 23,935,494 |
| **Total special accounts** | **D** | **5,447,824** |  | **-** |  | **24,692,289** |  | **24,692,289** |
|  |  |  |  |  |  |  |  |  |
| **Total resourcing** |  |  |  |  |  |  |  |  |
| A+B+C+D |  | **21,150,546** |  | **139,670** |  | **35,779,805** |  | **35,919,475** |
|  |  |  |  |  |  |  |  |  |
| Less appropriations drawn from |  |  |  |  |  |  |  |  |
| annual or special appropriations above |  |  |  |  |  |  |  |  |
| and credited to special accounts |  |  |  |  |  |  |  |  |
| and/or payments to corporate entities |  |  |  |  |  |  |  |  |
| through annual appropriations 9 |  | (303,640) |  | - |  | (117,647) |  | (117,647) |
|  |  |  |  |  |  |  |  |  |
| **Total net resourcing for Finance** |  | **20,846,906** |  | **139,670** |  | **35,662,158** |  | **35,801,828** |

1. Appropriation Bill (No. 1) 2015-16.
2. Includes an amount of $11.050m in 2014-15 and $10.926m in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as ‘contributions by owners’. Also includes interest equivalency payments of $9.1m in 2014-15 and $10.2m in 2015-16.
3. Estimated adjusted balance carried forward from previous year.
4. Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
5. Includes an amount of $4.810m in 2014-15 and $4.832m in 2015-16 for the Administered Capital Budget (refer to table 3.2.10 for further details). For accounting purposes this amount has been designated as ‘contributions by owners’.
6. Appropriation Bill (No. 2) 2015-16.
7. Repayments not provided for under other appropriations.
8. Estimated opening balance for special accounts (less ‘Special Public Money’ held in accounts like Other Trust Monies (OTM) accounts, Services for Other Government and Non-agency Bodies (SOG) accounts, or Services for Other Entities and Trust Moneys (SOETM) accounts). For further information on special accounts, see Table 3.1.2.
9. ‘Corporate entities’ are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

Reader note: All figures are GST exclusive.

##### Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015 (continued)

##### Third party payments from and on behalf of other entities

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | 2014-15 |  | 2015-16 |
|  |  |  |  |  | $'000 |  | $'000 |
| **Payments made on behalf of other entities** | | |  |  |  |  |  |
| (disclosed in the respective Entity Resource Statement) | | |  |  |  |  |  |
| Attorney-General's Department |  |  |  |  |  |  |  |
| *Law Officers Act 1964* |  |  |  |  | 450 |  | 450 |
|  |  |  |  |  |  |  |  |
| Australian Security Intelligence Organisation |  |  |  |  |  |  |  |
| Appropriation Act (No.2) |  |  |  |  | 11,926 |  | 3,251 |
|  |  |  |  |  |  |  |  |
| **Payments made by other entities on behalf of Finance** | | | |  |  |  |  |
| Attorney-General's Department |  |  |  |  |  |  |  |
| *Parliamentary Entitlements Act 1990* |  |  |  |  | 1,650 |  | 300 |
|  |  |  |  |  |  |  |  |
| Commonwealth Superannuation Corporation 1 |  |  |  |  |  |  |  |
| *Governance of Australian Government* |  |  |  |  |  |  |  |
| *Superannuation Schemes Act 2011* |  |  |  |  | 1,400 |  | 1,400 |
| *Same-Sex Relationships (Equal Treatment in* |  |  |  |  |  |  |  |
| *Commonwealth Laws - General Law Reform) Act 2008* |  |  |  |  | 50 |  | 57 |
| *Superannuation Act 1922* |  |  |  |  | 32,106 |  | 37,341 |
| *Superannuation Act 1976* |  |  |  |  | 3,060,701 |  | 3,510,316 |
| *Superannuation Act 1990* |  |  |  |  | 5,394,180 |  | 4,494,556 |
| Appropriation Act (No.1) 2 |  |  |  |  | 500 |  | 500 |
| Appropriation Act (No.1) 3 |  |  |  |  | 3,308 |  | 546 |
| Appropriation Act (No.2) 3 |  |  |  |  | 541 |  | 592 |
|  |  |  |  |  |  |  |  |
| Department of Defence |  |  |  |  |  |  |  |
| *Parliamentary Entitlements Act 1990* |  |  |  |  | - |  | - |
|  |  |  |  |  |  |  |  |
| Department of the House of Representatives |  |  |  |  |  |  |  |
| *Commonwealth of Australia* |  |  |  |  |  |  |  |
| *Constitution Act* (s66) |  |  |  |  | 3,390 |  | 3,390 |
| *Parliamentary Entitlements Act 1990* |  |  |  |  | 450 |  | 300 |
| *Parliamentary Superannuation Act 2004* |  |  |  |  | 3,774 |  | 3,812 |
|  |  |  |  |  |  |  |  |
| Department of Parliamentary Services |  |  |  |  |  |  |  |
| Appropriation Act (No.1) |  |  |  |  | 400 |  | 225 |
| *Parliamentary Entitlements Act 1990* |  |  |  |  | 16,645 |  | 24,334 |
|  |  |  |  |  |  |  |  |
| Department of the Senate |  |  |  |  |  |  |  |
| *Commonwealth of Australia* |  |  |  |  |  |  |  |
| *Constitution Act* (s66) |  |  |  |  | 1,434 |  | 1,434 |
| *Parliamentary Entitlements Act 1990* |  |  |  |  | 736 |  | 200 |
| *Parliamentary Superannuation Act 2004* |  |  |  |  | 1,995 |  | 2,075 |
|  |  |  |  |  |  |  |  |
| Fair Work Commission |  |  |  |  |  |  |  |
| *Judges' Pensions Act 1968* |  |  |  |  | 4,817 |  | 5,014 |

1. ComSuper will make these payments until 30 June 2015, with Commonwealth Superannuation Corporation assuming responsibility from 1 July 2015.
2. Compensation and legal payments.
3. Act of Grace payments.

#### 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 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Programme | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  |  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Revenue measures** |  |  |  |  |  |  |
| Departmental revenues |  |  |  |  |  |  |
| Smaller Government - Property |  |  |  |  |  |  |
| Divestment Programme - general |  |  |  |  |  |  |
| office accommodation Canberra | 2 | - | nfp | nfp | - | - |
| Smaller Government - Property |  |  |  |  |  |  |
| Divestment Programme - |  |  |  |  |  |  |
| Mount Macedon Property | 2 | - | - | nfp | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |  |
| **Total revenue measures** |  |  |  |  |  |  |
| Departmental |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |  |
| **Expense measures** |  |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |  |
| Information technology security |  |  |  |  |  |  |
| enhancements for Parliamentarians | 3.1 | - | (1,685) | (1,714) | (1,745) | (1,776) |
| Parliamentary Departments - |  |  |  |  |  |  |
| additional funding | 3.1 | - | (708) | (727) | (691) | (709) |
| Simplifying Parliamentary Budgets | 3.1 | - | (174) | (111) | (103) | (96) |
| Departmental Expenses |  |  |  |  |  |  |
| Central Budget Management System - |  |  |  |  |  |  |
| further redevelopment | 1.1 | nfp | nfp | nfp | nfp | nfp |
| Aged Care - Home Care Programme - |  |  |  |  |  |  |
| increasing consumer choice 1 | 2.1 | - | (135) | (135) | (135) | (135) |
| Australian Bureau of Statistics |  |  |  |  |  |  |
| - business transformation 2 | 2.1 | - | - | - | - | - |
| Families Package - child care - |  |  |  |  |  |  |
| workforce participation stream 3 | 2.1 | - | (72) | - | - | - |
| Intercountry Adoption - national |  |  |  |  |  |  |
| support service 4 | 2.1 | (72) | - | - | - | - |

*Table continues on next page*

##### Table 1.2: Department of Finance 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 MYEFO (continued)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Programme | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  |  | $'000 | $'000 | $'000 | $'000 | $'000 |
| My Health Record - a new |  |  |  |  |  |  |
| direction for electronic |  |  |  |  |  |  |
| health records in Australia 5 | 2.1 | - | 52 | 85 | 46 | - |
| National Disability Insurance Agency |  |  |  |  |  |  |
| Full Scheme ICT 6 | 2.1 | - | (135) | (135) | (135) | (135) |
| National Security - Australian Secret |  |  |  |  |  |  |
| Intelligence Service - strengthening |  |  |  |  |  |  |
| capabilities 7 | 2.1 | - | (90) | (90) | (90) | (90) |
| No Jab No Pay 8 | 2.1 | - | (72) | - | - | - |
| Welfare Payment Infrastructure |  |  |  |  |  |  |
| Transformation - Tranche One 9 | 2.1 | - | (115) | (57) | - | - |
| Defence Housing Australia - reform | 2 | - | (3,468) | (488) | - | - |
| Digital Transformation Agenda - |  |  |  |  |  |  |
| Stage One and establishment of |  |  |  |  |  |  |
| the Digital Transformation Office 10 | 2 | - | (824) | (761) | (958) | (773) |
| Smaller Government - Property |  |  |  |  |  |  |
| Divestment Programme - general |  |  |  |  |  |  |
| office accommodation Canberra | 2 | - | (4,375) | (434) | - | - |
| Public Sector Savings - Enterprise |  |  |  |  |  |  |
| Resource Planning Systems | 2 | - | - | - | 14,103 | 17,298 |
| Smaller Government - Australian Securities |  |  |  |  |  |  |
| and Investments Commission Registry |  |  |  |  |  |  |
| Function - commercialisation | 2 | - | (11,602) | - | - | - |
| Smaller Government - Australian Rail Track |  |  |  |  |  |  |
| Corporation Limited - scoping study | 2 | - | - | - | - | - |
| Smaller Government - |  |  |  |  |  |  |
| Finance Portfolio | 2 | - | - | - | - | - |
| Smaller Government - |  |  |  |  |  |  |
| Property Divestment Programme - |  |  |  |  |  |  |
| Mount Macedon Property | 2.3 | - | (300) | (200) | - | - |
| Whole-of-government procurement |  |  |  |  |  |  |
| arrangements - Information and |  |  |  |  |  |  |
| Communications Technologies (ICT) |  |  |  |  |  |  |
| products and services | 3 | - | (3,412) | (3,278) | (4,537) | (4,414) |
| **Total** |  | **(72)** | **(27,115)** | **(8,045)** | **5,755** | **9,170** |
|  |  |  |  |  |  |  |
| **Total expense measures** |  |  |  |  |  |  |
| Administered |  | - | (2,567) | (2,552) | (2,539) | (2,581) |
| Departmental |  | (72) | (24,548) | (5,493) | 8,294 | 11,751 |
| **Total** |  | **(72)** | **(27,115)** | **(8,045)** | **5,755** | **9,170** |

*Table continues on next page*

##### Table 1.2: Department of Finance 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 MYEFO (continued)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Programme | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  |  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Capital measures** |  |  |  |  |  |  |
| Administered capital |  |  |  |  |  |  |
| Information technology security |  |  |  |  |  |  |
| enhancements for Parliamentarians | 3.1 | - | (6,020) | - | - | - |
| Departmental capital |  |  |  |  |  |  |
| Central Budget Management System - |  |  |  |  |  |  |
| further redevelopment | 1.1 | nfp | nfp | nfp | nfp | nfp |
| Families Package - child care - |  |  |  |  |  |  |
| workforce participation stream 3 | 2.1 | - | - | - | - | - |
| National Security - Australian Secret |  |  |  |  |  |  |
| Intelligence Service - strengthening |  |  |  |  |  |  |
| capabilities 7 | 2.1 | - | - | - | - | - |
| Welfare Payment Infrastructure |  |  |  |  |  |  |
| Transformation - Tranche One 9 | 2.1 | - | - | - | - | - |
| Streamlining and improving the |  |  |  |  |  |  |
| Sustainability of Courts 11 | 2.3 | - | (7,864) | (11,404) | (6,138) | (4,590) |
| **Total** |  | **-** | **(13,884)** | **(11,404)** | **(6,138)** | **(4,590)** |
|  |  |  |  |  |  |  |
| **Total capital measures** |  |  |  |  |  |  |
| Administered |  | - | (6,020) | - | - | - |
| Departmental |  | - | (7,864) | (11,404) | (6,138) | (4,590) |
| **Total** |  | **-** | **(13,884)** | **(11,404)** | **(6,138)** | **(4,590)** |

1. The lead entity for the measure *Aged Care – Home Care Programme – increasing consumer choice* is the Department of Social Services. The full measure description and package details appear in Budget Paper 2 under the Social Services portfolio.
2. The lead entity for the measure *Australian Bureau of Statistics – business transformation* is the Australian Bureau of Statistics. The full measure description and package details appear in Budget Paper 2 under the Treasury portfolio.
3. The lead entity for the measure *Families Package – child care - workforce participation stream* is the Department of Social Services. The full measure description and package details appear in Budget Paper 2 under the Social Services portfolio.
4. The lead entity for the measure *Intercountry Adoption – national support service* is the Department of Social Services. The full measure description and package details appear in Budget Paper 2 under the Social Services portfolio.
5. The lead entity for the measure *My Health Record – a new direction for electronic health records in Australia* is the Department of Health. The full measure description and package details appear in Budget Paper 2 under the Health portfolio. This measure will provide $485.1 million over four years to continue the operation of the eHealth system, make key system and governance improvements and implement trials, including of opt-out arrangements. Funding for this measure has already been provided for by the government in the 2014‑15 Budget.
6. The lead entity for the measure *National Disability Insurance Agency Full Scheme ICT* is the National Disability Insurance Scheme Launch Transition Entity. The full measure description and package details appear in Budget Paper 2 under the Social Services portfolio.
7. The lead entity for the measure *National Security – Australian Secret Intelligence Service – strengthening capabilities* is the Australian Secret Intelligence Service. The full measure description and package details appear in Budget Paper 2 under the Foreign Affairs and Trade portfolio.
8. The lead entity for the measure *No Jab No Pay* is the Department of Social Services. The full measure description and package details appear in Budget Paper 2 under the Social Services portfolio.
9. The lead entity for the measure Welfare Payment Infrastructure Transformation – Tranche One is the Department of Human Services. The full measure description and package details appear in Budget Paper 2 under the Human Services portfolio.
10. The lead entity for the measure *Digital Transformation Agenda - Stage One and establishment of the Digital Transformation Office* is the Digital Transformation Office. The full measure description and package details appear in Budget Paper 2 under the Communications portfolio.
11. The lead entity for the measure *Streamlining and improving the Sustainability of Courts* is the Family Court and Federal Circuit Court. The full measure description and package details appear in Budget Paper 2 under the Attorney-General’s portfolio.

Prepared on a Government Finance Statistics (fiscal) basis.

##### Table 2: Changes to the Outcome and Programme Structures Since the Last Portfolio Statement

Outcome Changes

|  |  |  |
| --- | --- | --- |
| **New 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.* | |
|  |  |  |
| Description of change: | |  |
|  | The statement was revised to better reflect Finance's purpose. The Public Sector Superannuation and Australian Government Investment Funds programmes, as well as the Financial Framework, Procurement Framework and Coordinated Procurement Contracting Special Account sub-programmes, have been moved from this Outcome to Outcome 2. | |
| Old Statement: | |  |
|  | *Informed decisions on Government finances through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.* | |
|  |  |  |
| **New 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.* | |
|  |  |  |
| Description of change: | |  |
|  | The statement was revised to better reflect Finance's purpose. The Public Sector Superannuation and Australian Government Investment Funds programmes, as well as the Financial Framework, Procurement Framework and Coordinated Procurement Contracting Special Account sub-programmes, have been moved to this Outcome from Outcome 1. | |
| Old Statement: | |  |
|  | *Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.* | |
|  |  |  |
| **New Outcome 3** | *Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.* | |
|  |  |  |
| Description of change: | |  |
|  | The statement was revised to better reflect Finance's purpose. | |
| Old Statement: | |  |
|  | *Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.* | |

### Section 2: Outcomes and Planned Performance

#### 2.1 Outcomes and Performance Information

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

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

|  |
| --- |
| **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.** |

##### Outcome 1 Strategy

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 and efficiency of the use of public resources.

##### Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by programme.

##### Table 2.1.1: Budgeted Expenses for Outcome 1

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Support sustainable Australian Government** | 2014-15 | 2015-16 |
| **finances through providing high quality policy advice and** | Estimated | Estimated |
| **operational support to the government and** | actual | expenses |
| **Commonwealth entities to maintain effective and** | expenses |  |
| **efficient use of public resources.** | $'000 | $'000 |
|  |  |  |
| **Programme 1.1: Budget and Financial Management** |  |  |
| Departmental expenses |  |  |
| Departmental appropriation 1 |  |  |
| Budget Advice | 50,658 | 49,739 |
| Financial Reporting | 26,625 | 29,880 |
| Expenses not requiring appropriation in the Budget year 2 | 3,563 | 11,293 |
|  |  |  |
| **Total for Programme 1.1** | **80,846** | **90,912** |
|  |  |  |
| **Outcome 1 Totals by appropriation type** |  |  |
| Departmental expenses |  |  |
| Departmental appropriation 1 | 77,283 | 79,619 |
| Expenses not requiring appropriation in the Budget year 2 | 3,563 | 11,293 |
|  |  |  |
| **Total expenses for Outcome 1** | **80,846** | **90,912** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average Staffing Level (number)** | 391 | 396 |

1. Departmental Appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘s.74 Retained revenue receipts’.
2. ‘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.

**Contributions to Outcome 1**

|  |
| --- |
| Programme 1.1: Budget and Financial Management |

##### Programme 1.1 Objective

This programme contributes to the outcome through:

* advising the Minister for Finance (Finance Minister) and the Expenditure Review Committee (ERC) of Cabinet on fiscal and economic policies and related matters so they can make informed resource allocation decisions;
* supporting the Finance Minister in meeting financial reporting responsibilities under the PGPA Act, the *Charter of Budget Honesty Act 1998* and the Annual Appropriation Acts; and
* supporting the delivery of the Budget.

##### Programme 1.1 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Annual departmental expenses: |  |  |  |  |  |
| Budget Advice | 50,658 | 49,739 | 49,016 | 49,636 | 50,004 |
| Financial Reporting | 26,625 | 29,880 | 31,841 | 25,271 | 25,088 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 1 | 3,563 | 11,293 | 11,373 | 11,367 | 11,367 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **80,846** | **90,912** | **92,230** | **86,274** | **86,459** |

1. ‘Expenses not requiring appropriation in the Budget year’ is made up of Depreciation Expenses and Amortisation Expenses.

##### Programme 1.1 Deliverables

The key deliverables for this programme are:

**Budget**

* provide effective, timely and accurate advice to entities on Budget processes;
* ensure the Budget framework effectively supports decision making;
* inform the Finance Minister and ERC on the use of government finances; and
* coordinate, prepare and deliver Budget estimates and documentation in an accurate and timely manner.

**Financial Management**

* monitor and report on the government’s cash balances;
* deliver monthly and annual WoAG financial statements and Final Budget Outcome (FBO);
* deliver financial reporting and accounting rules and advice for entities;
* produce appropriation bills and appropriation instruments; and
* maintain the Australian Government Organisations Register.

##### Programme 1.1 Key Performance Indicators

The key performance indicators for this programme are:

**Budget**

* analysis, advice and costing information is relevant, accurate, evidence-based and timely;
* advice is objective and based on a thorough understanding of issues from a WoAG perspective; and
* accurate budget estimates measured as follows (after allowing for the effects of policy decisions) movements in economic parameters and changes in accounting treatments:
  + 2.0% difference between first forward year estimated expenses and final outcome;
  + 1.5% difference between Budget estimated expenses and final outcome;
  + 1.0% difference between revised estimated expenses at MYEFO and FBO; and
  + 0.5% difference between revised estimated expenses at Budget and FBO.

**Financial Management**

* the government’s cash requirements are met on a daily basis.
* the derived underlying cash balance is provided to government within 5 days of the end of the financial year; and
* the government’s financial statements are accurate and delivered within legislated or agreed time frames, as follows:
  + the FBO;
  + monthly financial statements, on average, within 21 days of month end after release of the FBO; and
  + consolidated financial statements.

|  |
| --- |
| **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.** |

##### Outcome 2 Strategy

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 Government Business Enterprises and other commercial entities;
* develops and administers key government policies in relation to Commonwealth land, public works and property management, advertising and the government’s use of ICT 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), and key WoAG purchasing arrangements (such as travel, office equipment, stationery) to ensure efficient and effective management of government resources; 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.

The Programmes that support Outcome 2 are:

* 2.1: Public Sector Governance;
* 2.2: Transforming Government;
* 2.3: Property and Construction;
* 2.4: Insurance and Risk Management;
* 2.5: Procurement Services;
* 2.6: Public Sector Superannuation; and
* 2.7: Australian Government Investment Funds.

##### Outcome Expense Statement

Table 2.1.2 provides an overview of the total expenses for Outcome 2*,* by programme.

##### Table 2.1.2: Budgeted Expenses for Outcome 2

|  |  |  |
| --- | --- | --- |
| **Outcome 2: Support an efficient and high-performing** | 2014-15 | 2015-16 |
| **public sector through providing leadership to** | Estimated | Estimated |
| **Commonwealth entities in ongoing improvements to** | actual | expenses |
| **public sector governance, including through systems,** | expenses |  |
| **frameworks, policy, advice and service delivery.** | $'000 | $'000 |
| **Programme 2.1: Public Sector Governance** |  |  |
| Administered expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |
| Grant in Aid - Australian Institute of Policy and Science | 35 | 35 |
| Grant in Aid - Chifley Research Centre | 218 | 223 |
| Grant in Aid - Green Institute | 82 | 84 |
| Grant in Aid - Menzies Research Centre | 218 | 223 |
| Grant in Aid - Page Research Centre | 82 | 84 |
| Grant in Aid - Royal Humane Society of Australasia | 25 | 26 |
| Grant in Aid - RSPCA Australia Inc | 35 | 35 |
| Special appropriations |  |  |
| *Medibank Private Sale Act (2006)* (A) 1 | - | - |
| Departmental expenses |  |  |
| Departmental appropriations 2 |  |  |
| Financial Framework | 18,826 | 18,939 |
| Procurement Framework | 10,273 | 11,119 |
| Government Shareholder Oversight | 16,892 | 6,762 |
| Special Financial Claims | 2,205 | 2,245 |
| Special accounts |  |  |
| Business Services Special Account | - | - |
| Expenses not requiring appropriation in the Budget year 3 | 1,960 | 1,797 |
| **Total for Programme 2.1** | **50,851** | **41,572** |
| **Programme 2.2: Transforming Government** |  |  |
| Departmental expenses |  |  |
| Departmental appropriations 2 |  |  |
| Transforming the Public Sector | 15,689 | 28,751 |
| Digital Transformation Agenda | 26,303 | 23,714 |
| Special appropriations |  |  |
| *Medibank Private Sale Act 2006* (D) | 75,526 | - |
| Expenses not requiring appropriation in the Budget year 3 | 3,825 | 3,778 |
| **Total for Programme 2.2** | **121,343** | **56,243** |
| **Programme 2.3: Property and Construction** |  |  |
| Departmental expenses |  |  |
| Departmental appropriations 2 |  |  |
| Property and Construction | 9,325 | - |
| Special accounts |  |  |
| Property Special Account | 14,195 | - |
| Property Special Account 2014 | 100,127 | 119,587 |
| **Total for Programme 2.3** | **123,647** | **119,587** |

*Table continues on next page*

##### Table 2.1.2: Budgeted Expenses for Outcome 2 (continued)

|  |  |  |
| --- | --- | --- |
| **Outcome 2: Support an efficient and high-performing** | 2014-15 | 2015-16 |
| **public sector through providing leadership to** | Estimated | Estimated |
| **Commonwealth entities in ongoing improvements to** | actual | expenses |
| **public sector governance, including through systems,** | expenses |  |
| **frameworks, policy, advice and service delivery.** | $'000 | $'000 |
|  |  |  |
| **Programme 2.4: Insurance and Risk Management** |  |  |
| Departmental expenses |  |  |
| Special accounts |  |  |
| Comcover Special Account | 116,747 | 143,819 |
|  |  |  |
| **Total for Programme 2.4** | **116,747** | **143,819** |
|  |  |  |
| **Programme 2.5: Procurement Services** |  |  |
| Departmental expenses |  |  |
| Special accounts |  |  |
| Coordinated Procurement Contracting Special Account | 128,800 | 122,262 |
|  |  |  |
| **Total for Programme 2.5** | **128,800** | **122,262** |
|  |  |  |
| **Programme 2.6: Public Sector Superannuation** |  |  |
| Administered expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |
| Act of Grace nominal interests | 3,308 | 546 |
| Compensation and legal expenses | 500 | 500 |
| Superannuation administration costs | 9,845 | 10,448 |
| Special appropriations |  |  |
| *Federal Circuit Court of Australia* |  |  |
| *Act 1999* | 729 | 741 |
| *Governance of Australian Government* |  |  |
| *Superannuation Schemes Act 2011* | 1,400 | 1,400 |
| *Governor-General Act 1974* | 893 | 1,244 |
| *Judges' Pensions Act 1968* | 84,100 | 82,100 |
| *Parliamentary Contributory* |  |  |
| *Superannuation Act 1948* | 51,629 | 54,417 |
| *Parliamentary Superannuation* |  |  |
| *Act 2004* | 5,769 | 5,887 |
| *Same-Sex Relationships (Equal* |  |  |
| *Treatment in Commonwealth Laws* |  |  |
| *- General Law Reform) Act 2008* | 50 | 57 |
| *Superannuation Act 1922* | 32,106 | 37,341 |
| *Superannuation Act 1976* | 3,060,701 | 3,510,316 |
| *Superannuation Act 1990* | 5,394,180 | 4,494,556 |
| Departmental expenses |  |  |
| Departmental appropriations 2 |  |  |
| Public Sector Superannuation | 5,203 | 5,121 |
| Expenses not requiring appropriation in the Budget year 3 | 251 | 265 |
|  |  |  |
| **Total for Programme 2.6** | **8,650,664** | **8,204,939** |

*Table continues on next page*

##### Table 2.1.2: Budgeted Expenses for Outcome 2 (continued)

|  |  |  |
| --- | --- | --- |
| **Outcome 2: Support an efficient and high-performing** | 2014-15 | 2015-16 |
| **public sector through providing leadership to** | Estimated | Estimated |
| **Commonwealth entities in ongoing improvements to** | actual | expenses |
| **public sector governance, including through systems,** | expenses |  |
| **frameworks, policy, advice and service delivery.** | $'000 | $'000 |
|  |  |  |
| **Programme 2.7: Australian Government** |  |  |
| **Investment Funds** |  |  |
| Administered expenses |  |  |
| Special accounts |  |  |
| DisabilityCare Australia Fund Special Account | 655 | 69,892 |
| Asset Recycling Fund Special Account | - | 3,619 |
| Medical Research Future Fund Special Account | - | 11,716 |
| Building Australia Fund Special Account | 187,969 | 56,086 |
| Education Investment Fund Special Account | 217,723 | 38,754 |
| Health and Hospitals Fund Special Account | 721,850 | 35,327 |
|  |  |  |
| **Total for Programme 2.7** | **1,128,197** | **215,394** |
|  |  |  |
| **Outcome 2 Totals by appropriation type** |  |  |
| Administered expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 14,348 | 12,204 |
| Other services (Appropriation Bill No. 2) |  |  |
| Special appropriations | 8,631,557 | 8,188,059 |
| Special accounts | 1,128,197 | 215,394 |
| Departmental expenses |  |  |
| Departmental appropriations 2 | 104,716 | 96,651 |
| Special appropriations | 75,526 | - |
| Special accounts | 359,869 | 385,668 |
| Expenses not requiring appropriation in the Budget year 3 | 6,036 | 5,840 |
|  |  |  |
| **Total expenses for Outcome 2** | **10,320,249** | **8,903,816** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average Staffing Level (number)** | 712 | 709 |

(A) = Administered

(D) = Departmental

1. Estimates of expenses for the *Medibank Private Sale Act 2006* (A) are zero. Estimates of $3.3b in Table 1.1 primarily relate to refund of oversubscription on the Medibank Private sale.
2. Departmental Appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘s.74 Retained revenue receipts’.
3. ‘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.

**Contributions to Outcome 2**

|  |
| --- |
| Programme 2.1: Public Sector Governance |

##### Programme 2.1 Objective

This programme contributes to the outcome through:

* developing and maintaining the public sector resource management framework and ensuring it supports efficient, effective, ethical and economical government administration;
* undertaking shareholder oversight of GBEs and other commercial entities; and
* improving, as part of the transforming the government agenda, the standard of governance, performance and accountability as well as improve the quality of information provided to the parliament and the public through sound legal and policy settings and by influencing the behaviour of entities and companies.

##### Programme 2.1 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Annual administered expenses: |  |  |  |  |  |
| Grant in Aid - Australian Institute |  |  |  |  |  |
| of Policy and Science | 35 | 35 | 36 | 37 | 38 |
| Grant in Aid - Chifley Research Centre | 218 | 223 | 228 | 233 | 239 |
| Grant in Aid - Green Institute | 82 | 84 | 86 | 88 | 90 |
| Grant in Aid - Menzies Research Centre | 218 | 223 | 228 | 233 | 239 |
| Grant in Aid - Page Research Centre | 82 | 84 | 86 | 88 | 90 |
| Grant in Aid - Royal Humane |  |  |  |  |  |
| Society of Australasia | 25 | 26 | 26 | 27 | 28 |
| Grant in Aid - RSPCA Australia Inc | 35 | 35 | 36 | 37 | 38 |
| Special account expenses: |  |  |  |  |  |
| Business Services Special Account | - | - | - | - | - |
| Annual departmental expenses: |  |  |  |  |  |
| Financial Framework | 18,826 | 18,939 | 18,424 | 18,338 | 17,874 |
| Procurement Framework | 10,273 | 11,119 | 13,135 | 13,247 | 13,314 |
| Government Shareholder Oversight | 16,892 | 6,762 | 4,907 | 4,963 | 4,526 |
| Special Financial Claims | 2,205 | 2,245 | 2,211 | 2,240 | 2,257 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 1 | 1,960 | 1,797 | 1,836 | 1,850 | 1,850 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **50,851** | **41,572** | **41,239** | **41,381** | **40,583** |

1. ‘Expenses not requiring appropriation in the Budget year’ is made up of Depreciation Expenses and Amortisation Expenses.

##### Programme 2.1 Deliverables

The key deliverables for this programme are:

**Financial Framework**

Provide advice on policy and implementation issues in relation to the financial framework, to improve efficiencies government administration.

In particular:

* giving structure and support to the transforming government agenda through the following:
* legislation;
* rules;
* guidance material; and
* training and communication.
* providing policy advice and support to the government and Commonwealth entities on grants policy and related operational matters;
* undertaking Gateway Reviews and Implementation Readiness Assessments of major projects and programmes over their lifecycle, to provide assurance to Commonwealth entities regarding delivery and implementation;
* providing consistent and balanced policy guidance and management of Act of Grace requests, waiver of debt applications and set off matters;
* 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;
* paying Grants in Aid funding to approved organisations; and
* strengthening public sector capability through regular capacity building activities.

**Procurement Framework**

Provide advice on policy and implementation issues in relation to the procurement framework, to improve efficiencies government administration.

In particular:

* providing policy advice and support to the government and Commonwealth entities on procurement policy and related operational matters;
* developing and managing AusTender; and
* strengthening public sector capability through regular capacity building activities.

**Government Shareholder Oversight**

Promoting a robust governance and accountability framework for GBEs and other commercial entities and:

* providing advice to the government on strategy and governance; and
* providing advice to the government on their operations, financial forecasts and performance.

**Special Financial Claims**

Provide consistent and balanced policy guidance and management of Act of Grace requests, waiver of debt applications and set off matters.

##### Programme 2.1 Key Performance Indicators

The key performance indicators for this programme are:

**Financial Framework**

* an independent review of the operation of the PGPA Act and its rules is to be conducted under section 112 of the Act after 1 July 2017. The review is to be tabled in the Parliament;
* timely and relevant advice on grant policy matters;
* 90% of senior responsible officials identify that Gateway has contributed constructively to their project;
* 90% of Gateway review report recommendations are actioned or being actioned by entities;
* completion of 50% of all Act of Grace and waiver of debt requests within 60 days and 100% compliance with timeframes in the *Administrative Decisions (Judicial Review) Act 1977*;
* no adverse findings from the Commonwealth Ombudsman in respect of special claims; and
* contribute to the achievement of the government’s objectives in Papua New Guinea, the Pacific, and East Asia.

**Procurement Framework**

* timely and relevant advice on procurement policy matters is provided, with at least 80% of entity queries to the procurement advice inbox responded to within three days; and
* AusTender is available 99% of the time during business hours (ACT local time).

**Government Shareholder Oversight**

* advice to the Finance Minister is timely, relevant and of high quality;
* briefings on Corporate Plans and Progress Reports to be provided to the Finance Minister within four weeks of receipt; and
* quarterly meetings with GBEs.

**Special Financial Claims**

* completion of 50% of all Act of Grace and waiver of debt requests within 60 days and 100% compliance with timeframes in the *Administrative Decisions (Judicial Review) Act 1977*; and
* no adverse findings from the Commonwealth Ombudsman in respect of special claims.

|  |
| --- |
| Programme 2.2: Transforming Government |

##### Programme 2.2 Objective

This programme contributes to the outcome through:

* providing leadership and supporting decision making relating to the digital economy and use of technology in government operations, that enables the delivery of better and more efficient services for the Australian people, communities and business; and
* scoping divestment opportunities and managing asset sales and any residual issues arising from previous asset sales.

##### Programme 2.2 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special appropriations expenses: |  |  |  |  |  |
| *Medibank Private Sale Act 2006* (D) | 75,526 | - | - | - | - |
| Annual departmental expenses: |  |  |  |  |  |
| Transforming the Public Sector | 15,689 | 28,751 | 7,779 | 6,685 | 6,727 |
| Digital Transformation Agenda | 26,303 | 23,714 | 23,416 | 23,833 | 23,776 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 1 | 3,825 | 3,778 | 3,605 | 3,575 | 3,575 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **121,343** | **56,243** | **34,800** | **34,093** | **34,078** |

(D) = Departmental

1. ‘Expenses not requiring appropriation in the Budget year’ is made up of Depreciation Expenses and Amortisation Expenses.

##### Programme 2.2 Deliverables

The key deliverables for this programme are:

**Transforming the Public Sector**

* supporting the government’s transformation agenda through key projects including:
* the Efficiency through Contestability Programme encouraging entities to improve their performance;
* the Shared and Common Services project driving reform through public sector resource management; and
* advising the government on delivering its Smaller Government objectives through identifying opportunities for short to medium-term savings.
* providing advice to the government on the efficient and effective delivery of government activities through consideration of the recommendations of scoping studies; and
* implementing agreed scoping study outcomes.

**Improving WoAG ICT**

* providing advice to government and Commonwealth entities on ICT investment, delivery and implementation of ICT policies to deliver better value for money, increase productivity and deliver better services across government;
* providing appropriate WoAG ICT services, including communications networks and online services; and
* delivering high quality ICT Entry Level Programmes to support entity capability and address ICT skills shortages.

##### Programme 2.2 Key Performance Indicators

The key performance indicators for this programme are:

**Transforming the Public Sector**

* support entities to design and implement initiatives to improve the efficient delivery of government functions; and
* delivering to government agreed scoping studies that report on their respective terms of reference.

**Improving WoAG ICT**

* 75% of relevant entities access the internet through their shared internet gateway;
* 70% of students annually accepted for the government ICT Apprenticeships Programme remain in the government after one year, and 50% remain after two years;
* govCMS is providing useful capability for entities; and
* usage of the National Telepresence System increases by 10% annually.

|  |
| --- |
| Programme 2.3: Property and Construction |

##### Programme 2.3 Objective

This programme 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.

##### Programme 2.3 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Property Special Account | 14,195 | - | - | - | - |
| Property Special Account 2014 | 100,127 | 119,587 | 109,215 | 100,503 | 109,366 |
| Annual departmental expenses |  |  |  |  |  |
| Property and Construction | 9,325 | - | - | - | - |
|  |  |  |  |  |  |
| **Total Programme expenses** | **123,647** | **119,587** | **109,215** | **100,503** | **109,366** |

##### Programme 2.3 Deliverables

The key deliverables for this programme are:

* providing advice to the government on property management issues;
* assisting Commonwealth entities to use the Commonwealth Property Management Framework to achieve best practice in property management and planning. This role includes collecting property data on Commonwealth leasing trends and assisting in the disposal of Commonwealth property;
* providing advice and support to the government on decisions to own, lease, divest or acquire properties using whole-of-life cost‑benefit analysis, an annual WoAG property capability plan, and the two-stage process for approval of major capital works;
* acquiring properties as required by government, divesting properties that are surplus to the government’s needs, and managing residual issues arising from previous Commonwealth property interests;
* managing properties within the Finance-managed property portfolio to meet their intended purposes, maintain their condition to agreed standards and meet legislative requirements, including environment, heritage, health and safety obligations, through the adoption of effective property management systems and process;
* providing advice and support to the government and officials in relation to the *Lands Acquisition Act 1989*, *the Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinance and the Commonwealth Property Disposal Policy; and
* developing, delivering, and providing expert advice on, significant government construction and land remediation projects, including:
* the post entry quarantine facility for the Department of Agriculture in Mickleham, Victoria;
* site remediation and maintenance works at Malabar Headland, Cox Peninsula and the Industrial Waste Collection site at Lucas Heights;
* redevelopment of the Villawood Immigration Detention Centre;
* finalisation of the Australian Security Intelligence Organisation central office construction project including the Australian Cyber Security Centre;
* refurbishment of the John Gorton Building façade; and
* other projects allocated to Property and Construction Division by the government with respect to the management of the government’s non‑Defence domestic portfolio including on a WoAG basis.

##### Programme 2.3 Key Performance Indicators

The key performance indicators for this programme are:

* sustainable property management practices and tools are promulgated to relevant entities and assisted in using these tools to achieve more efficient, effective and sustainable property outcomes on a whole-of-life basis;
* WoAG property data is collected, analysed and used as the evidence base to inform government property management policy and entity property decisions;
* cost-benefit analysis, an annual WoAG Property Capability Plan, and the two-stage process for approval of major capital works are systematically applied to better inform government and entity decisions to own, lease, divest or acquire properties;
* advice and support is provided to the government and Commonwealth entities in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy;
* major capital works projects and major land contamination remediation projects are completed in close consultation with clients and within the time, cost and quality parameters agreed by the government for the project;
* properties within the government’s non-Defence domestic property portfolio are strategically managed to meet their intended purposes and legislative requirements; and
* properties are acquired and divested as appropriate and desired by the government, and residual issues are managed to protect the government’s interests.

|  |
| --- |
| Programme 2.4: Insurance and Risk Management |

##### Programme 2.4 Objective

This programme contributes to the outcome through providing general insurance services and promoting risk management across the government through the Comcover Special Account.

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

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

##### Programme 2.4 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Comcover Special Account | 116,747 | 143,819 | 145,126 | 148,423 | 151,927 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **116,747** | **143,819** | **145,126** | **148,423** | **151,927** |

##### Programme 2.4 Deliverables

The key deliverables for this programme are:

* managing the Comcover fund to protect Commonwealth entities against the impact and volatility of insurable losses;
* providing fund members with risk management advice and education services that build capability and supports best practice risk management across the fund;
* providing fund members with comprehensive insurance for all normally insurable risks and ensure efficient and effective management of all claims; and
* managing fire services arrangements with the states and territories for the protection of government property.

##### Programme 2.4 Key Performance Indicators

The key performance indicator for this programme is:

* 80% of Comcover fund members have achieved their identified level of risk maturity as measured in the Comcover Benchmarking Programme.

|  |
| --- |
| Programme 2.5: Procurement Services |

##### Programme 2.5 Objective

This programme contributes to the outcome through establishing WoAG arrangements for common goods and services to maximise market benefits for Commonwealth entities and providing advice to the government on advertising.

##### Programme 2.5 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Coordinated Procurement |  |  |  |  |  |
| Contracting Special Account | 128,800 | 122,262 | 108,941 | 105,408 | 98,109 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **128,800** | **122,262** | **108,941** | **105,408** | **98,109** |

##### Programme 2.5 Deliverables

The key deliverables for this programme are:

* developing and manage WoAG procurement arrangements; and
* providing assistance and advice to Commonwealth entities on the process of developing government advertising campaigns.

##### Programme 2.5 Key Performance Indicators

The key performance indicators for this programme are:

* WoAG arrangements are well managed. In particular, scoping studies and tender processes are conducted within agreed timeframes and budget; and contracts are managed in accordance with appropriate contract management plans; and
* government advertising is conducted in accordance with government advertising policies.

|  |
| --- |
| Programme 2.6: Public Sector Superannuation |

##### Programme 2.6 Objective

This programme 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.

**Linked to:**

Commonwealth Superannuation Corporation (CSC) is the trustee that manages the government’s main superannuation schemes, including the Public Sector Superannuation Accumulation Plan, the Public Sector Superannuation Scheme and the Commonwealth Superannuation Scheme. Subject to the passage of legislation, CSC will undertake the administration functions currently performed by ComSuper. Legislation to merge ComSuper with CSC from 1 July 2015 was introduced into the Parliament on 19 March 2015.

The Future Fund Management Agency supports and advises the Future Fund Board of Guardians in its task of investing the assets of the Future Fund. Finance provides advice to the government on the investment mandates and governance arrangements for the Future Fund.

##### Programme 2.6 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Annual administered expenses: |  |  |  |  |  |
| Act of Grace nominal interests | 3,308 | 546 | 500 | 450 | 398 |
| Compensation and legal expenses | 500 | 500 | 500 | 500 | 500 |
| Superannuation administration costs | 9,845 | 10,448 | 10,448 | 10,448 | 10,448 |
| Special appropriations expenses: |  |  |  |  |  |
| *Federal Circuit Court of Australia* |  |  |  |  |  |
| *Act 1999* | 729 | 741 | 796 | 835 | 958 |
| *Governance of Australian Government* |  |  |  |  |  |
| *Superannuation Schemes Act 2011* | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 |
| *Governor-General Act 1974* | 893 | 1,244 | 1,233 | 1,221 | 7,064 |
| *Judges' Pensions Act 1968* | 84,100 | 82,100 | 83,900 | 86,900 | 90,600 |
| *Parliamentary Contributory* |  |  |  |  |  |
| *Superannuation Act 1948* | 51,629 | 54,417 | 54,643 | 54,987 | 53,491 |
| *Parliamentary Superannuation* |  |  |  |  |  |
| *Act 2004* | 5,769 | 5,887 | 6,732 | 7,001 | 7,281 |
| *Same-Sex Relationships (Equal* |  |  |  |  |  |
| *Treatment in Commonwealth Laws* |  |  |  |  |  |
| *- General Law Reform) Act 2008* | 50 | 57 | 57 | 57 | 47 |
| *Superannuation Act 1922* | 32,106 | 37,341 | 34,232 | 31,351 | 28,686 |
| *Superannuation Act 1976* | 3,060,701 | 3,510,316 | 3,481,685 | 3,448,258 | 3,409,368 |
| *Superannuation Act 1990* | 5,394,180 | 4,494,556 | 4,721,154 | 4,947,898 | 5,174,066 |
| Annual departmental expenses: |  |  |  |  |  |
| Public Sector Superannuation | 5,203 | 5,121 | 4,896 | 4,951 | 4,986 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 1 | 251 | 265 | 270 | 273 | 273 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **8,650,664** | **8,204,939** | **8,402,446** | **8,596,530** | **8,789,566** |

1. ‘Expenses not requiring appropriation in the Budget year’ is made up of Depreciation Expenses and Amortisation Expenses.

##### Programme 2.6 Deliverables

The key deliverables for this programme are:

* providing policy advice and analysis on the superannuation arrangements for government employees, parliamentarians, as well as current and former Governors-General, Federal Judges and Federal Circuit Court Judges;
* administer the superannuation schemes for parliamentarians, as well as current and former Governors-General, Federal Judges and Federal Circuit Court Judges;
* providing policy advice to ensure the stability of the government’s unfunded superannuation liability and associated administered expenses;
* providing policy advice on the Future Fund, including the investment mandate and other governance matters; and
* providing policy advice on the governance of Sovereign Wealth Funds.

##### Programme 2.6 Key Performance Indicators

The key performance indicators for this programme are:

* advice, analysis and support provided to the government and Commonwealth entities on public sector superannuation policy and governance matters is provided in a timely manner, and is assessed by key stakeholders as high quality and robust and as meeting their timeframes; and
* members of schemes administered are satisfied with service provision, in particular:
  + payments are accurate and in accordance with scheme timeframes; and
  + superannuation statements are issued in accordance with prescribed timeframes.

|  |
| --- |
| Programme 2.7: Australian Government Investment Funds |

##### Programme 2.7 Objective

This programme contributes to the outcome through providing advice on investment mandates and governance arrangements for the government’s Investment Funds. This includes advice on credit of amounts to the Funds and debits for payments from the Funds. The Funds are:

* DisabilityCare Australia Fund (DCAF).
* Asset Recycling Fund (ARF);
* Medical Research Future Fund (MRFF);
* Building Australia Fund (BAF);
* Education Investment Fund (EIF); and
* Health and Hospitals Fund (HHF).

The ARF and MRFF are subject to the passage of legislation. The BAF, EIF and HHF will be closed, subject to the passage of legislation.

**Linked to:**

The advice provided by Finance is complemented by the work of the Future Fund Management Agency, which supports and advises the Future Fund Board of Guardians in its task of investing the assets of the Investment Funds, and implements the Board’s investment decisions.

##### Programme 2.7 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| DisabilityCare Australia Fund |  |  |  |  |  |
| Special Account 1 | 655 | 69,892 | 188,968 | 323,981 | 1,814,546 |
| Asset Recycling Fund |  |  |  |  |  |
| Special Account 2 | - | 3,619 | 2,620,497 | 2,639,202 | 1,904,405 |
| Medical Research Future |  |  |  |  |  |
| Fund Special Account 2 | - | 11,716 | 56,770 | 136,169 | 233,773 |
| Building Australia Fund |  |  |  |  |  |
| Special Account 3 | 187,969 | 56,086 | - | - | - |
| Education Investment Fund |  |  |  |  |  |
| Special Account 3 | 217,723 | 38,754 | - | - | - |
| Health and Hospitals Fund |  |  |  |  |  |
| Special Account 4 | 721,850 | 35,327 | - | - | - |
|  |  |  |  |  |  |
| **Total Programme expenses** | **1,128,197** | **215,394** | **2,866,235** | **3,099,352** | **3,952,724** |

1. More information on the DisabilityCare Australia Fund can be found in Table 3.1.2.1.
2. The Asset Recycling Fund and the Medical Research Future Fund are subject to the passage of legislation. More information on:

* The Asset Recycling Fund can be found in Table 3.1.2.2; and
* The Medical Research Future Fund can be found in Table 3.1.2.3.

1. The Building Australia Fund and Education Investment Fund will be closed by 31 December 2015, subject to the passage of legislation. More information on:

* The Building Australia Fund can be found in Table 3.1.2.4; and
* The Education Investment Fund can be found in Table 3.1.2.5.

1. The Health and Hospitals Fund will be closed by 31 July 2015, subject to the passage of legislation. More information on the Health and Hospitals Fund can be found in Table 3.1.2.6.

##### Programme 2.7 Deliverables

The key deliverable for this programme is:

* providing policy advice to the government on the Australian Government Investment Funds, including investment mandates, governance matters, credits to and payments from the Funds.

##### Programme 2.7 Key Performance Indicators

The key performance indicators for this programme are:

* advice and analysis provided to the government on the Australian Government Investment Funds is provided in a timely manner, and is assessed by key stakeholders as high quality and robust and meeting their timeframes; and
* credits to and payments from the Funds are timely and consistent with legislation.

|  |
| --- |
| **Outcome 3 Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.** |

##### Outcome 3 Strategy

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

##### Outcome Expense Statement

Table 2.1.3 provides an overview of the total expenses for Outcome 3, by programme.

##### Table 2.1.3: Budgeted Expenses for Outcome 3

|  |  |  |
| --- | --- | --- |
| **Outcome 3: Support for Parliamentarians and others as** | 2014-15 | 2015-16 |
| **required by the Australian Government through the** | Estimated | Estimated |
| **delivery of, and advice on, entitlements and targeted** | actual | expenses |
| **assistance.** | expenses |  |
|  | $'000 | $'000 |
|  |  |  |
| **Programme 3.1: Ministerial and Parliamentary Services** |  |  |
| Administered expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |
| Electorate and ministerial support costs | 270,452 | 271,927 |
| Australian Political Exchange Programme | 877 | 889 |
| Special appropriations |  |  |
| *Commonwealth of Australia Constitution Act* (s66) | 4,825 | 4,825 |
| *Members of Parliament (Life Gold Pass) Act 2002* | 1,065 | 1,119 |
| *Parliamentary Entitlements Act 1990* | 167,645 | 175,064 |
| Expenses not requiring appropriation in the Budget year 1 | 8,825 | 9,652 |
| Departmental expenses |  |  |
| Departmental appropriation 2 |  |  |
| Services to Senators, Members and their staff | 39,362 | 36,482 |
| Car-with-driver and associated transport services | 2,790 | 2,906 |
| Expenses not requiring appropriation in the Budget year 1 | 2,633 | 2,690 |
|  |  |  |
| **Total for Programme 3.1** | **498,474** | **505,554** |
|  |  |  |
| **Outcome 3 Totals by appropriation type** |  |  |
| Administered expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 271,329 | 272,816 |
| Special appropriations | 173,535 | 181,008 |
| Expenses not requiring appropriation in the Budget year 1 | 8,825 | 9,652 |
| Departmental expenses |  |  |
| Departmental appropriation 2 | 42,152 | 39,388 |
| Expenses not requiring appropriation in the Budget year 1 | 2,633 | 2,690 |
|  |  |  |
| **Total expenses for Outcome 3** | **498,474** | **505,554** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average Staffing Level (number)** | 244 | 244 |

1. ‘Expenses not requiring appropriation in the Budget year’ is made up of Depreciation Expenses and Amortisation Expenses.
2. 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.

**Contributions to Outcome 3**

|  |
| --- |
| Programme 3.1: Ministerial and Parliamentary Services |

##### Programme 3.1 Objective

This programme contributes to the outcome through the provision of advice on, access to and payment of parliamentary and post-parliamentary entitlements and targeted assistance to entitlees.

The range of services, facilities and assistance provided includes:

* central service centre for provision of advice and support to clients and stakeholders;
* provision of third party provider contracts for access to entitlements;
* property and office facilities management;
* travel services;
* employment and personnel-services;
* payment and reporting of parliamentary and post-parliamentary entitlement expenditure;
* management of the Commonwealth Parliament Offices and the Ministerial Wing of Parliament House;
* car-with-driver services and related ground transport services; the Australian Political Exchange Programme;
* Australian Political Parties for Democracy Programme; and
* ministerial salaries.

##### Programme 3.1 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Annual administered expenses: |  |  |  |  |  |
| Electorate and ministerial support costs | 270,452 | 271,927 | 275,942 | 277,283 | 278,445 |
| Australian Political Exchange Programme | 877 | 889 | 904 | 919 | 934 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 1 | 8,825 | 9,652 | 9,657 | 9,658 | 9,654 |
| Special appropriations expenses: |  |  |  |  |  |
| *Commonwealth of Australia Constitution* |  |  |  |  |  |
| *Act* (s66) | 4,825 | 4,825 | 4,825 | 4,825 | 4,825 |
| *Members of Parliament (Life Gold Pass)* |  |  |  |  |  |
| *Act 2002* | 1,065 | 1,119 | 1,170 | 1,062 | 1,079 |
| *Parliamentary Entitlements Act 1990* | 167,645 | 175,064 | 176,696 | 174,499 | 177,277 |
| Annual departmental expenses: |  |  |  |  |  |
| Services to Senators, Members and |  |  |  |  |  |
| their staff | 39,362 | 36,482 | 35,973 | 36,428 | 36,697 |
| Car-with-driver and associated transport |  |  |  |  |  |
| services | 2,790 | 2,906 | 2,863 | 2,899 | 2,921 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 1 | 2,633 | 2,690 | 2,739 | 2,759 | 2,759 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **498,474** | **505,554** | **510,769** | **510,332** | **514,591** |

1. ‘Expenses not requiring appropriation in the Budget year’ is made up of Depreciation Expenses and Amortisation Expenses.

##### Programme 3.1 Deliverables

The key deliverables for this programme are:

* management of contracted services to deliver effective and efficient parliamentary and post parliamentary entitlements (entitlements);
* provision of advice and support relating to entitlements;
* provision of work, health and safety advice and support to clients and stakeholders;
* payment of financial accounts relating to entitlement expenditure;
* management and maintenance of the *Members of Parliament (Staff) Act 1984* employment framework;
* reporting the expenditure of entitlements;
* audit and checking the use of entitlements;
* provision of client and event transport (car-with-driver) and associated ground transport services;
* provision and maintenance of property and facilities relating to entitlement; and
* management and support of the approved Political Party Programmes within the entitlement framework.

##### Programme 3.1 Key Performance Indicators

The key performance indicators for this programme are:

* 93% of client contacts are acknowledged within 24 hours and responded to within agreed timeframes;
* 95% of payments (including payroll) are made within agreed timeframes;
* 100% of office establishment and relocation projects are delivered within their approved budget;
* 100% of Monthly Management Reports are distributed by the 15th of each month; and
* 99% of COMCAR reservations are completed without service failure.

### Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

#### 3.1 Explanatory Tables

**3.1.1 Movement of Administered Funds Between Years**

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

**3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Finance.

##### Table 3.1.2: Estimates of Special Account Flows and Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Opening |  |  |  | Closing |
|  |  | balance | Receipts | Payments | Adjustments | balance |
|  |  | **2015-16** | **2015-16** | **2015-16** | **2015-16** | **2015-16** |
|  |  | *2014-15* | *2014-15* | *2014-15* | *2014-15* | *2014-15* |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| DisabilityCare Australia | 2 | **-** | **4,150,214** | **(4,150,214)** | **-** | **-** |
| Fund Special Account 1 |  | *-* | *2,898,225* | *(2,898,225)* | *-* | *-* |
| Asset Recycling Fund | 2 | **-** | **6,848,464** | **(6,848,464)** | **-** | **-** |
| Special Account 2 |  | *-* | *-* | *-* | *-* | *-* |
| Medical Research Future Fund | 2 | **-** | **3,503,528** | **(3,503,528)** | **-** | **-** |
| Special Account 2 |  | *-* | *-* | *-* | *-* | *-* |
| Building Australia Fund | 2 | **-** | **3,719,408** | **(3,719,408)** | **-** | **-** |
| Special Account 3 |  | *-* | *289,111* | *(289,111)* | *-* | *-* |
| Education Investment Fund | 2 | **-** | **3,794,554** | **(3,794,554)** | **-** | **-** |
| Special Account 3 |  | *-* | *321,449* | *(321,449)* | *-* | *-* |
| Health and Hospitals Fund | 2 | **-** | **1,515,742** | **(1,515,742)** | **-** | **-** |
| Special Account 3 |  | *-* | *774,214* | *(774,214)* | *-* | *-* |
| Services for Other Entities and |  | **-** | **-** | **-** | **-** | **-** |
| Trust Monies Special Account 4 | | *-* | *-* | *-* | *-* | *-* |
| Business Services Special | 2 | **6,157** | **-** | **-** | **-** | **6,157** |
| Account |  | *687* | *5,470* | *-* | *-* | *6,157* |
| Comcover Special Account 5 | 2 | **357,326** | **136,101** | **(143,730)** | **-** | **349,697** |
|  |  | *360,673* | *110,468* | *(113,815)* | *-* | *357,326* |
|  |  |  |  |  |  |  |
| Coordinated Procurement | 2 | **44,184** | **117,785** | **(120,852)** | **-** | **41,117** |
| Contracting Special Account |  | *48,378* | *123,660* | *(127,854)* | *-* | *44,184* |
| Property Special Account 6 | 2 | **-** | **109,570** | **-** | **-** | **109,570** |
|  |  | *280,386* | *131,121* | *(66,387)* | *(345,120)* | *-* |
| Property Special Account 2014 6 | 2 | **231,481** | **157,775** | **(275,511)** | **-** | **113,745** |
|  |  | *-* | *103,982* | *(217,621)* | *345,120* | *231,481* |
| **Total special accounts** |  |  |  |  |  |  |
| **2015-16 Budget estimate** |  | **639,148** | **24,053,141** | **(24,072,003)** | **-** | **620,286** |
| *Total special accounts* |  |  |  |  |  |  |
| *2014-15 estimated actual* |  | *690,124* | *4,757,700* | *(4,808,676)* | *-* | *639,148* |

1. The DisabilityCare Australia Fund has been established for holding and investing the additional Medicare Levy proceeds for the purpose of making payments to reimburse the Commonwealth and the States and Territories for costs incurred in relation to the National Disability Insurance Scheme (NDIS). More information on the DisabilityCare Australia Fund can be found in Table 3.1.2.1.
2. The Asset Recycling Fund and Medical Research Future Fund Special Accounts are subject to the passage of legislation, and are therefore not included in Budget Paper 4. More information on:

* The Asset Recycling Fund can be found in Table 3.1.2.2; and
* The Medical Research Future Fund can be found in Table 3.1.2.3.

1. These Special Accounts form part of the Nation-building Funds. More information on:

* The Building Australia Fund can be found in Table 3.1.2.4;
* The Education Investment Fund can be found in Table 3.1.2.5; and
* The Health and Hospitals Fund can be found in Table 3.1.2.6.

1. Represents monies held in trust for other persons and is therefore not included in Finance’s estimates. Budget and forward estimates are not included as future transactions cannot be anticipated
2. Interest Equivalency Payment for Comcover increases from $9.1m (2014-15) to $10.2m (2015-16).
3. The Property Special Account 2014 replaces the former Property Special Account 2000/15, which was repealed on 17 October 2014.

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

##### Table 3.1.2.1: DisabilityCare Australia Fund (DCAF) - Estimates of Fund Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Estimated | Budget | Forward | Forward | Forward |
|  |  | actual | estimate | estimate | estimate | estimate |
|  |  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| **DisabilityCare Australia** | 2 |  |  |  |  |  |
| **Fund 1** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Opening balance |  | - | 2,134,649 | 5,107,461 | 6,863,672 | 6,119,534 |
|  |  |  |  |  |  |  |
| Revenue and gains |  |  |  |  |  |  |
| Additional Medicare Levy - Equity | | 2,486,250 | 3,449,500 | 3,677,000 | 3,855,250 | 4,055,000 |
| Investment earnings and gains | | 33,820 | 117,908 | 183,583 | 189,610 | 93,575 |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Management fees |  | (655) | (1,710) | (2,660) | (2,745) | (1,352) |
|  |  |  |  |  |  |  |
| Transfers to reimburse accounts for | |  |  |  |  |  |
| DisabilityCare Australia expenditure 2 | |  |  |  |  |  |
| Commonwealth - Equity |  | (384,766) | (524,704) | (1,915,404) | (4,465,017) | (7,101,026) |
| States and Territories |  |  |  |  |  |  |
| - Expense |  | - | (68,182) | (186,308) | (321,236) | (1,813,195) |
|  |  |  |  |  |  |  |
| **Closing balance** |  | **2,134,649** | **5,107,461** | **6,863,672** | **6,119,534** | **1,352,536** |

1. 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.
2. 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).

##### Table 3.1.2.2: Asset Recycling Fund (ARF) - Estimates of Fund Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Estimated | Budget | Forward | Forward | Forward |
|  |  | actual | estimate | estimate | estimate | estimate |
|  |  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Asset Recycling Fund** 1 | 2 |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Opening balance |  | - | - | 6,851,413 | 10,258,822 | 7,898,947 |
|  |  |  |  |  |  |  |
| Investment credits 2 |  | - | 6,753,169 | 5,678,699 | - | - |
|  |  |  |  |  |  |  |
| Revenue and gains |  |  |  |  |  |  |
| Investment earnings and gains | | - | 101,863 | 349,207 | 279,327 | 216,774 |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Management fees |  | - | (3,619) | (12,136) | (9,672) | (7,515) |
|  |  |  |  |  |  |  |
| Transfers to Portfolio Special |  |  |  |  |  |  |
| accounts for project payments 3 | |  |  |  |  |  |
| COAG Reform Fund |  |  |  |  |  |  |
| Special Account - Expense | | - | - | (2,608,361) | (2,629,530) | (1,896,890) |
|  |  |  |  |  |  |  |
| **Closing balance** |  | **-** | **6,851,413** | **10,258,822** | **7,898,947** | **6,211,316** |
|  |  |  |  |  |  |  |
| **Payments to be made through** | |  |  |  |  |  |
| **other appropriation** |  |  |  |  |  |  |
| **mechanisms 4** |  |  |  |  |  |  |
| Infrastructure Growth Package - | |  |  |  |  |  |
| New Investments |  | - | (1,088,199) | - | - | - |
| Infrastructure Growth Package - | |  |  |  |  |  |
| Asset Recycling Initiative |  | - | (1,028,000) | - | - | - |
| **Total** |  | **-** | **(2,116,199)** | **-** | **-** | **-** |

1. The ARF consists of the ARF Special Account and investments of the ARF. The investments will be managed by the Future Fund Board of Guardians. The special account will be used to record all transactions relating to the ARF, including interest received and payments.
2. Credits consist of uncommitted funds from the Building Australia Fund (BAF) and Education Investment Fund (EIF) transferred as at 1 January 2016 and the proceeds from the sale of Medibank Private transferred as at 1 July 2016. Further contributions to the ARF will consist of sale proceeds from privatisations.
3. The transfers relate to projects approved as at the time of the Budget.
4. Pending the establishment of the ARF, the government will provide funding of $2.1 billion in 2015-16 through the Treasury and Infrastructure portfolios using existing appropriation mechanisms. Payments from 2016-17 onwards will be made from the ARF Infrastructure Portfolio Special Account or the COAG Reform Fund Special Account.

##### Table 3.1.2.3: Medical Research Future Fund (MRFF) - Estimates of Fund Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Estimated | Budget | Forward | Forward | Forward |
|  |  | actual | estimate | estimate | estimate | estimate |
|  |  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Medical Research** | 2 |  |  |  |  |  |
| **Future Fund** 1 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Opening balance |  | - | - | 3,487,312 | 5,760,906 | 9,392,116 |
|  |  |  |  |  |  |  |
| Investment credits 2 |  | - | 3,426,864 | 2,181,611 | 3,511,727 | 4,777,648 |
|  |  |  |  |  |  |  |
| Revenue and gains |  |  |  |  |  |  |
| Investment earnings and gains | | - | 72,164 | 148,753 | 255,652 | 450,862 |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Management fees |  | - | (1,716) | (3,538) | (5,829) | (9,515) |
|  |  |  |  |  |  |  |
| Transfers to Portfolio Special |  |  |  |  |  |  |
| accounts for project payments | |  |  |  |  |  |
| MRFF Health Portfolio |  |  |  |  |  |  |
| Special Account - Expense | | - | (10,000) | (53,232) | (130,340) | (224,258) |
|  |  |  |  |  |  |  |
| **Closing balance** |  | **-** | **3,487,312** | **5,760,906** | **9,392,116** | **14,386,853** |

1. The MRFF consists of the MRFF Special Account and investments of the MRFF. The investments will be managed by the Future Fund Board of Guardians. The special account will be used to record all transactions relating to the MRFF, including interest received and payments.
2. Credits consist of uncommitted funds from the Health and Hospitals Fund (HHF) transferred as at 1 August 2015, plus further contributions consisting of amounts equivalent to the estimated value of health function savings published in the 2014-15 Budget and the 2014-15 MYEFO measure, ‘A strong and sustainable Medicare’, until the capital value of the MRFF reaches $20 billion.

##### Table 3.1.2.4: Building Australia Fund (BAF) - Estimates of Fund Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Estimated | Budget | Forward | Forward | Forward |
|  |  | actual | estimate | estimate | estimate | estimate |
|  |  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Building Australia Fund** 1 | 2 |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Opening balance |  | 3,691,510 | 3,616,414 | - | - | - |
|  |  |  |  |  |  |  |
| Revenue and gains |  |  |  |  |  |  |
| Investment earnings and gains | | 112,873 | 54,207 | - | - | - |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Management fees |  | (3,289) | (1,626) | - | - | - |
|  |  |  |  |  |  |  |
| Transfers to Portfolio Special |  |  |  |  |  |  |
| accounts for project payments 2 | |  |  |  |  |  |
| BAF Infrastructure Portfolio | |  |  |  |  |  |
| Special Account - Expense | | (184,680) | (54,460) | - | - | - |
|  |  |  |  |  |  |  |
| Closure: Transfer to Consolidated | |  |  |  |  |  |
| Revenue Fund - Equity |  | *-* | (3,614,535) | - | *-* | *-* |
|  |  |  |  |  |  |  |
| **Closing balance** |  | **3,616,414** | **-** | **-** | **-** | **-** |

1. 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 2015 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 Asset Recycling Fund (ARF) on 1 January 2016.
2. The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the relevant BAF Portfolio Special Account, to the COAG Reform Fund Special Account. Amounts also include payments classified as equity transfers in the budgeted financial statements.

##### Table 3.1.2.5: Education Investment Fund (EIF) - Estimates of Fund Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Estimated | Budget | Forward | Forward | Forward |
|  |  | actual | estimate | estimate | estimate | estimate |
|  |  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Education Investment** | 2 |  |  |  |  |  |
| **Fund** 1 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Opening balance |  | 3,796,756 | 3,689,238 | - | - | - |
|  |  |  |  |  |  |  |
| Revenue and gains |  |  |  |  |  |  |
| Investment earnings and gains | | 114,205 | 55,429 | - | - | - |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Management fees |  | (4,310) | (2,126) | - | - | - |
|  |  |  |  |  |  |  |
| Transfers to Portfolio Special |  |  |  |  |  |  |
| accounts for project payments 2 | |  |  |  |  |  |
| EIF Education Portfolio |  |  |  |  |  |  |
| Special Account - Expense | | (142,463) | (36,628) | - | - | - |
| EIF Research Portfolio |  |  |  |  |  |  |
| Special Account - Expense | | (70,950) | - | - | - | - |
| EIF Research Portfolio |  |  |  |  |  |  |
| Special Account - Equity |  | (4,000) | - | - | - | - |
|  |  |  |  |  |  |  |
| Closure: Transfer to Consolidated | |  |  |  |  |  |
| Revenue Fund - Equity |  | - | (3,705,913) | - | - | - |
|  |  |  |  |  |  |  |
| **Closing balance** |  | **3,689,238** | **-** | **-** | **-** | **-** |

1. 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 2015 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. Uncommitted funds will be transferred from the CRF to the Asset Recycling Fund (ARF) on 1 January 2016.
2. The transfers relate to projects approved as at the time of Budget. Amounts to be paid to the States and Territories may be transferred, through the 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.

##### Table 3.1.2.6: Health and Hospitals Fund (HHF) - Estimates of Fund Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Estimated | Budget | Forward | Forward | Forward |
|  |  | actual | estimate | estimate | estimate | estimate |
|  |  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Health and Hospitals** | 2 |  |  |  |  |  |
| **Fund** 1 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Opening balance |  | 2,169,532 | 1,507,981 | - | - | - |
|  |  |  |  |  |  |  |
| Revenue and gains |  |  |  |  |  |  |
| Investment earnings and gains | | 60,299 | 4,085 | - | - | - |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Management fees |  | (2,048) | (153) | - | - | - |
|  |  |  |  |  |  |  |
| Transfers to Portfolio Special |  |  |  |  |  |  |
| accounts for project payments | |  |  |  |  |  |
| HHF Health Portfolio 2 |  |  |  |  |  |  |
| Special Account - Expense | | (719,802) | (35,174) | - | - | - |
|  |  |  |  |  |  |  |
| Closure: Transfer to Consolidated | |  |  |  |  |  |
| Revenue Fund - Equity |  | - | (1,476,739) | - | - | - |
|  |  |  |  |  |  |  |
| **Closing balance** |  | **1,507,982** | **-** | **-** | **-** | **-** |

1. The HHF consists of the HHF Special Account and investments of the HHF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the HHF, including interest received and payments. The HHF will continue to pay existing commitments until it is abolished by 31 July 2015 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 Health. Uncommitted funds will be transferred from the CRF to the Medical Research Future Fund (MRFF) on 1 August 2015.
2. The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the HHF Health Portfolio Special Account, to the COAG Reform Fund Special Account.

**3.1.3 Australian Government Indigenous Expenditure**

The 2015-16 Australian Government Indigenous Statement is not applicable because the Department of Finance has no indigenous-specific expenses.

#### 3.2 Budgeted Financial Statements

**3.2.1 Differences in Entity Resourcing and Financial Statements**

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

**3.2.2 Analysis of Budgeted Financial Statements**

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

###### **2014-15**

Finance is forecasting expenses of $663.2 million in 2014-15, an increase of $8.5 million from expenditure forecast in the 2014-15 Additional Estimates. This change is primarily due to an increase in coordinated procurement expenses through increased entity engagement in procurements.

Finance is forecasting total own source income of $338.2 million, an increase of   
$10.6 million from own source income forecast in the 2014-15 Additional Estimates. This is primarily due to increased coordinated procurement revenue through increased entity engagement in procurements.

###### **2015-16**

Finance is budgeting for a surplus of $15.1 million, a decrease of $11.8 million from the surplus of $26.9 million forecast in the 2014-15 Additional Estimates. This is due primarily to revisions in special account estimates.

###### **Budgeted Balance Sheet - Departmental**

The budgeted net asset position as at 30 June 2016 of $2,112.7 million represents an increase of $65.5 million from that forecast in the 2014-15 Additional Estimates. This is primarily due to new capital measures.

###### **Schedule of Administered Activity**

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

###### **2014-15**

Estimated administered income for 2014-15 has decreased to $7,640.7 million from the $7,674.3 million reported in the 2014-15 Additional Estimates. This is primarily due to revisions in superannuation contributions and earnings on the Australian Government Investment Funds.

Estimated administered expenses for 2014-15 have decreased to $10,227.8 million from the $10,549.5 million reported in the 2014-15 Additional Estimates. This is primarily due to decreases in distributions from the Investment Funds due to movement of funds decisions.

###### **2015-16**

Finance is budgeting for administered income of $1,906.1 million in 2015-16, a decrease from the $2,003.1 million budgeted for in the 2014-15 Additional Estimates. This is primarily due to revisions in estimated earnings on the Australian Government Investment Funds.

Finance is budgeting for administered expenses of $8,879.1 million in 2015-16, a decrease from the $10,766.9 million budgeted for in the 2014-15 Additional Estimates. This is primarily due to revisions in estimated expenses on the Australian Government Investment Funds.

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

Administered assets are budgeted to total $16,169.6 million by 30 June 2016, down from $19,634.0 million estimated in the 2014-15 Additional Estimates. This is due to revisions in estimates on the Australian Government Investment Funds.

Administered liabilities are estimated to total $111,509.5 million by 30 June 2016, up from $107,298.6 million estimated in the 2014-15 Additional Estimates primarily due to revisions in superannuation estimates.

**3.2.3 Budgeted Financial Statements Tables**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 174,166 | 173,550 | 170,919 | 171,100 | 168,388 |
| Suppliers | 353,220 | 255,154 | 221,367 | 205,848 | 209,140 |
| Depreciation and amortisation 1 | 23,733 | 32,345 | 33,064 | 33,818 | 34,611 |
| Net losses from asset sales 2 | 423 | 1,190 | 1,047 | - | - |
| Insurance claims | 104,003 | 130,167 | 131,370 | 134,783 | 138,156 |
| Other expenses | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 |
| **Total expenses** | **663,156** | **600,017** | **565,378** | **553,160** | **557,906** |
|  |  |  |  |  |  |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Rendering of services | 138,953 | 138,624 | 124,018 | 113,009 | 104,030 |
| Insurance premiums | 102,866 | 126,990 | 133,278 | 138,328 | 141,782 |
| Rental income | 81,882 | 84,383 | 84,981 | 86,972 | 88,862 |
| Other revenue | 10,970 | 6,900 | 5,700 | 5,700 | 5,700 |
| **Total own-source revenue** | **334,671** | **356,897** | **347,977** | **344,009** | **340,374** |
|  |  |  |  |  |  |
| **Gains** |  |  |  |  |  |
| Gains on valuation of |  |  |  |  |  |
| investment property | 2,127 | 3,316 | 2,666 | 828 | 1,292 |
| Other gains 3 | 1,386 | 1,386 | 1,386 | 1,386 | 1,386 |
| **Total gains** | **3,513** | **4,702** | **4,052** | **2,214** | **2,678** |
|  |  |  |  |  |  |
| **Total own-source income** | **338,184** | **361,599** | **352,029** | **346,223** | **343,052** |
|  |  |  |  |  |  |
| **Net cost of (contribution by)** |  |  |  |  |  |
| **services** | **324,972** | **238,418** | **213,349** | **206,937** | **214,854** |
|  |  |  |  |  |  |
| Revenue from government | 388,552 | 257,970 | 246,817 | 243,837 | 248,509 |
|  |  |  |  |  |  |
| **Surplus (Deficit) before income tax** | **63,580** | **19,552** | **33,468** | **36,900** | **33,655** |
|  |  |  |  |  |  |
| Income tax expense | 4,417 | 4,417 | 4,417 | 4,417 | 4,417 |
|  |  |  |  |  |  |
| **Surplus (Deficit) after income tax** | **59,163** | **15,135** | **29,051** | **32,483** | **29,238** |
|  |  |  |  |  |  |
| **Total comprehensive income (loss)** | |  |  |  |  |
| **attributable to the Australian** |  |  |  |  |  |
| **Government** | **59,163** | **15,135** | **29,051** | **32,483** | **29,238** |

*Table continues on next page*

**Note: Impact of Net Cash Appropriation Arrangements**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Total Comprehensive Income** |  |  |  |  |  |
| **(loss) including depreciation /** |  |  |  |  |  |
| **amortisation expenses** |  |  |  |  |  |
| **previously funded through** |  |  |  |  |  |
| **revenue appropriations** | **71,396** | **34,959** | **48,875** | **52,307** | **49,062** |
|  |  |  |  |  |  |
| less depreciation/amortisation |  |  |  |  |  |
| expenses previously funded through |  |  |  |  |  |
| revenue appropriations 1 | 12,233 | 19,824 | 19,824 | 19,824 | 19,824 |
|  |  |  |  |  |  |
| **Total Comprehensive Income** |  |  |  |  |  |
| **(loss) - as per the Statement of** |  |  |  |  |  |
| **Comprehensive Income** | **59,163** | **15,135** | **29,051** | **32,483** | **29,238** |

Prepared on Australian Accounting Standards basis.

1. 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.
2. Represents the net gain/loss from the government’s non-Defence Property Divestment Programme within Australia.
3. Other gains represent resources received free of charge for Financial Statement Audit Services from the Australian National Audit Office (ANAO).

##### Table 3.2.2: Budgeted Balance Sheet – Departmental as at 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents 1 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Trade and other receivables 2 | 813,677 | 761,183 | 772,369 | 796,752 | 824,530 |
| Other financial assets | 14,663 | 14,663 | 14,663 | 14,663 | 14,663 |
| **Total financial assets** | **833,340** | **780,846** | **792,032** | **816,415** | **844,193** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings 3 | 1,248,189 | 1,092,970 | 1,111,580 | 1,098,529 | 1,078,965 |
| Property, plant and equipment | 22,170 | 39,787 | 58,216 | 68,155 | 72,294 |
| Investment property 3 | 664,074 | 672,786 | 675,452 | 676,280 | 677,572 |
| Intangibles | 81,119 | 105,326 | 112,825 | 116,351 | 119,718 |
| Other non-financial assets | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| **Total non-financial assets** | **2,026,552** | **1,921,869** | **1,969,073** | **1,970,315** | **1,959,549** |
|  |  |  |  |  |  |
| **Total assets** | **2,859,892** | **2,702,715** | **2,761,105** | **2,786,730** | **2,803,742** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 88,803 | 95,351 | 101,899 | 108,447 | 114,995 |
| Unearned revenue | 69,742 | 69,742 | 69,742 | 69,742 | 69,742 |
| Return of equity | 10,359 | 10,359 | 10,359 | 10,359 | 10,359 |
| Other payables | 2,912 | 3,679 | 4,446 | 5,213 | 5,980 |
| **Total payables** | **171,816** | **179,131** | **186,446** | **193,761** | **201,076** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 61,229 | 63,067 | 65,499 | 67,931 | 70,363 |
| Outstanding insurance claims | 336,726 | 336,726 | 336,726 | 336,726 | 336,726 |
| Other provisions | 23,106 | 11,106 | 7,606 | 7,606 | 7,606 |
| **Total provisions** | **421,061** | **410,899** | **409,831** | **412,263** | **414,695** |
|  |  |  |  |  |  |
| **Total liabilities** | **592,877** | **590,030** | **596,277** | **606,024** | **615,771** |
|  |  |  |  |  |  |
| **Net assets** | **2,267,015** | **2,112,685** | **2,164,828** | **2,180,706** | **2,187,971** |
| **EQUITY 4** |  |  |  |  |  |
| Contributed equity | 1,888,616 | 1,718,557 | 1,741,649 | 1,725,044 | 1,703,071 |
| Reserves | 135,684 | 135,684 | 135,684 | 135,684 | 135,684 |
| Retained surplus |  |  |  |  |  |
| (accumulated deficit) | 242,715 | 258,444 | 287,495 | 319,978 | 349,216 |
| **Total equity** | **2,267,015** | **2,112,685** | **2,164,828** | **2,180,706** | **2,187,971** |

Prepared on Australian Accounting Standards basis.

1. The departmental cash balance is maintained at $5m. Cash in excess of this balance is returned to the Official Public Account (OPA), recorded as a receivable and drawn down as required.
2. Primarily represents appropriation receivable (including capital appropriation) and the Special Accounts.
3. Primarily represents properties in the Australian Government’s non‑Defence property portfolio.
4. Equity is the residual interest in assets after deduction of liabilities.

##### Table 3.2.3: Budgeted Statement of Changes in Equity – Summary of Movement – Departmental for the period ended 30 June 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained | Asset | Contributed | Total |
|  | earnings | revaluation | equity/ | equity |
|  |  | reserve | capital |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **Opening balance as at 1 July 2015** |  |  |  |  |
| Balance carried forward from |  |  |  |  |
| previous period | 242,715 | 135,684 | 1,888,616 | 2,267,015 |
| **Adjusted opening balance** | **242,715** | **135,684** | **1,888,616** | **2,267,015** |
|  |  |  |  |  |
| **Comprehensive income** |  |  |  |  |
| Surplus (deficit) for the period | 15,135 | - | - | 15,135 |
| **Total comprehensive income** | **15,135** | **-** | **-** | **15,135** |
|  |  |  |  |  |
| **Transactions with owners** |  |  |  |  |
| **Distributions to owners** |  |  |  |  |
| Returns of capital: |  |  |  |  |
| Returns of contributed equity | - | - | (51,700) | (51,700) |
| **Contributions by owners** |  |  |  |  |
| Equity Injection - appropriations 1 | - | - | 155,084 | 155,084 |
| Departmental Capital Budget (DCB) | - | - | 10,924 | 10,924 |
| Restructuring 2 | 594 | - | (284,367) | (283,773) |
| **Sub-total transactions with owners** | **594** | **-** | **(170,059)** | **(169,465)** |
|  |  |  |  |  |
| **Estimated closing balance** |  |  |  |  |
| **as at 30 June 2016** | **258,444** | **135,684** | **1,718,557** | **2,112,685** |

Prepared on Australian Accounting Standards basis.

1. Equity injections for construction and ICT projects.
2. Represents transfers of assets and liabilities to other government entities.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 388,552 | 257,970 | 246,817 | 243,837 | 248,509 |
| Rendering of services | 220,567 | 222,735 | 208,727 | 199,709 | 192,620 |
| Insurance premiums | 102,866 | 126,990 | 133,278 | 138,328 | 141,782 |
| Net transfers from OPA | 94,395 | 37,956 | - | - | - |
| Other | 10,970 | 6,900 | 5,700 | 5,700 | 5,700 |
| **Total cash received** | **817,350** | **652,551** | **594,522** | **587,574** | **588,611** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Employees | 176,599 | 175,388 | 173,351 | 173,532 | 170,820 |
| Suppliers | 359,770 | 261,702 | 227,915 | 212,396 | 215,688 |
| Insurance claims | 104,003 | 130,167 | 131,370 | 134,783 | 138,156 |
| Net transfers to OPA | - | - | 7,536 | 13,485 | 16,880 |
| Other | 7,611 | 7,611 | 7,611 | 7,611 | 7,611 |
| **Total cash used** | **647,983** | **574,868** | **547,783** | **541,807** | **549,155** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **operating activities** | **169,367** | **77,683** | **46,739** | **45,767** | **39,456** |
|  |  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of assets | 4,205 | 16,719 | 7,771 | 5,071 | 5,071 |
| **Total cash received** | **4,205** | **16,719** | **7,771** | **5,071** | **5,071** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of land and buildings | 387,703 | 158,392 | 39,625 | 6,018 | 298 |
| Purchase of property, plant |  |  |  |  |  |
| and equipment | 25,738 | 29,441 | 30,253 | 21,763 | 15,964 |
| Purchase of intangibles | 14,399 | 32,202 | 15,493 | 11,522 | 11,364 |
| Purchase of investment properties | 12,851 | 5,396 | - | - | - |
| **Total cash used** | **440,691** | **225,431** | **85,371** | **39,303** | **27,626** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **investing activities** | **(436,486)** | **(208,712)** | **(77,600)** | **(34,232)** | **(22,555)** |

*Table continues on next page*

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 288,579 | 166,010 | 65,842 | 23,446 | 18,080 |
| **Total cash received** | **288,579** | **166,010** | **65,842** | **23,446** | **18,080** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Capital repayments | 25,760 | 34,981 | 34,981 | 34,981 | 34,981 |
| **Total cash used** | **25,760** | **34,981** | **34,981** | **34,981** | **34,981** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **financing activities** | **262,819** | **131,029** | **30,861** | **(11,535)** | **(16,901)** |
|  |  |  |  |  |  |
| **Net increase (decrease)** |  |  |  |  |  |
| **in cash held** | **(4,300)** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| Cash and cash equivalents at the |  |  |  |  |  |
| beginning of the reporting period | 9,300 | 5,000 | 5,000 | 5,000 | 5,000 |
|  |  |  |  |  |  |
| **Cash and cash equivalents at the** |  |  |  |  |  |
| **end of the reporting period** | **5,000** | **5,000** | **5,000** | **5,000** | **5,000** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Departmental Capital Budget (DCB) - Bill 1 | 11,050 | 10,926 | 10,917 | 11,104 | 11,180 |
| Equity injections - Bill 2 | 277,529 | 155,084 | 54,925 | 12,342 | 6,900 |
| **Total new capital appropriations** | **288,579** | **166,010** | **65,842** | **23,446** | **18,080** |
|  |  |  |  |  |  |
| **Provided for:** |  |  |  |  |  |
| Purchase of non-financial assets | 288,579 | 166,010 | 65,842 | 23,446 | 18,080 |
|  |  |  |  |  |  |
| **PURCHASE OF NON-FINANCIAL** |  |  |  |  |  |
| **ASSETS** |  |  |  |  |  |
| Funded by DCB | 11,050 | 10,925 | 10,917 | 11,104 | 11,179 |
| Funded by equity injections | 409,086 | 197,408 | 57,658 | 14,660 | 7,071 |
| Funded internally from |  |  |  |  |  |
| departmental resources 1 | 20,556 | 17,098 | 16,796 | 13,538 | 9,374 |
| **TOTAL** | **440,692** | **225,431** | **85,371** | **39,302** | **27,624** |
|  |  |  |  |  |  |
| **RECONCILIATION OF CASH** |  |  |  |  |  |
| **USED TO ACQUIRE ASSETS** |  |  |  |  |  |
| **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total asset additions | 440,692 | 225,431 | 85,371 | 39,302 | 27,624 |
|  |  |  |  |  |  |
| **Total cash used to acquire assets** | **440,692** | **225,431** | **85,371** | **39,302** | **27,624** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

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

##### Table 3.2.6: Budgeted Statement of Asset Movements – Departmental for the period ended 30 June 2016

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Asset Category** | | | | | |
|  | Land | Buildings | Other | Investment | Computer | Total |
|  |  |  | property, | property | software |  |
|  |  |  | plant and |  | and |  |
|  |  |  | equipment |  | intangibles |  |
|  | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2015** |  |  |  |  |  |  |
| Gross book value | 336,333 | 925,648 | 38,222 | 664,074 | 130,732 | 2,095,009 |
| Accumulated depreciation / |  |  |  |  |  |  |
| amortisation and impairment | - | (13,792) | (16,052) | - | (49,613) | (79,457) |
| **Opening net book balance** | **336,333** | **911,856** | **22,170** | **664,074** | **81,119** | **2,015,552** |
|  |  |  |  |  |  |  |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |  |  |
| **Estimated expenditure on** |  |  |  |  |  |  |
| **new or replacement assets** | |  |  |  |  |  |
| By purchase / construction |  |  |  |  |  |  |
| - appropriation equity 1 | - | 158,392 | 10,389 | 5,396 | 23,231 | 197,408 |
| By purchase / construction |  |  |  |  |  |  |
| - appropriation ordinary |  |  |  |  |  |  |
| annual services 2 | - | - | 1,955 | - | 8,971 | 10,926 |
| By purchase |  |  |  |  |  |  |
| - internally funded | - | - | 17,097 | - | - | 17,097 |
| **Total additions** | **-** | **158,392** | **29,441** | **5,396** | **32,202** | **225,431** |
|  |  |  |  |  |  |  |
| **Other movements** |  |  |  |  |  |  |
| Assets transferred in (out) | - | (284,367) | - | - | - | (284,367) |
| Disposals 3 | - | (16,719) | - | - | - | (16,719) |
| Gains | - | - | - | 3,316 | - | 3,316 |
| Depreciation / |  |  |  |  |  |  |
| amortisation expense | - | (12,525) | (11,824) | - | (7,996) | (32,345) |
| **Total other movements** | **-** | **(313,611)** | **(11,824)** | **3,316** | **(7,996)** | **(45,748)** |
|  |  |  |  |  |  |  |
| **As at 30 June 2016** |  |  |  |  |  |  |
| Gross book value | 336,333 | 782,954 | 67,663 | 672,786 | 162,934 | 2,022,670 |
| Accumulated depreciation / |  |  |  |  |  |  |
| amortisation and impairment | - | (26,317) | (27,876) | - | (57,609) | (111,802) |
| **Closing net book balance** | **336,333** | **756,637** | **39,787** | **672,786** | **105,325** | **1,910,868** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections provided through Appropriation Bill (No. 2) 2015‑16.
2. ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2015-16 for DCB and other operational expenses.
3. Net proceeds may be returned to the OPA.

##### Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of the Government for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 237,298 | 225,632 | 228,123 | 229,336 | 229,354 |
| Suppliers | 213,637 | 236,246 | 246,856 | 244,607 | 248,692 |
| Superannuation 1 | 8,630,109 | 8,186,603 | 8,384,375 | 8,578,451 | 8,771,513 |
| Distribution from the |  |  |  |  |  |
| investment funds 2 | 1,117,894 | 204,444 | 2,847,900 | 3,081,106 | 3,934,344 |
| Grants | 2,894 | 2,911 | 2,927 | 2,944 | 2,960 |
| Depreciation and amortisation | 20,698 | 20,689 | 20,691 | 20,691 | 20,691 |
| Write-down and |  |  |  |  |  |
| impairment of assets | 2 | 106 | 106 | 106 | 106 |
| Other expenses | 5,257 | 2,503 | 2,457 | 2,407 | 2,345 |
| **Total expenses** | **10,227,789** | **8,879,134** | **11,733,435** | **12,159,648** | **13,210,005** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Non-taxation revenue** |  |  |  |  |  |
| Rendering of services | 4,688 | 4,688 | 4,688 | 4,688 | 4,688 |
| Interest and dividends 3 | 559,859 | 398,457 | 646,104 | 684,155 | 716,384 |
| Superannuation contributions 4 | 1,428,717 | 1,450,224 | 1,395,475 | 1,344,426 | 1,293,123 |
| Other revenue | 8,136 | 8,136 | 8,136 | 8,136 | 8,136 |
| **Total non-taxation revenue** | **2,001,400** | **1,861,505** | **2,054,403** | **2,041,405** | **2,022,331** |
| **Gains** |  |  |  |  |  |
| Gains on sale of investments 5 | 1,678,998 | 40,365 | 67,954 | 72,258 | 75,921 |
| Other gains 5 | 3,960,312 | 4,198 | 4,198 | 4,198 | 4,198 |
| **Total gains** | **5,639,310** | **44,563** | **72,152** | **76,456** | **80,119** |
|  |  |  |  |  |  |
| **Total own-sourced income** |  |  |  |  |  |
| **administered on behalf of** |  |  |  |  |  |
| **government** | **7,640,710** | **1,906,068** | **2,126,555** | **2,117,861** | **2,102,450** |
| **Net cost of (contribution by)** |  |  |  |  |  |
| **services** | **2,587,079** | **6,973,066** | **9,606,880** | **10,041,787** | **11,107,555** |
| **Total comprehensive** |  |  |  |  |  |
| **income (loss)** | **(2,587,079)** | **(6,973,066)** | **(9,606,880)** | **(10,041,787)** | **(11,107,555)** |

Prepared on Australian Accounting Standards basis.

1. The 2014-15 estimate is calculated using the discount rate based on the long-term government bond rate at the commencement of the financial year in accordance with accounting standards. Budget and forward years are calculated using the discount rate applied in preparing the long-term cost reports.
2. Expenses incurred from the Investment Funds represent estimates of expenses to be transferred from the Australian Government Investment Funds. This item includes expenses, but not equity payments. For more detail on each fund refer to Tables 3.1.2.1, 3.1.2.2, 3.1.2.3, 3.1.2.4, 3.1.2.5 and 3.1.2.6.
3. Estimates of interest include interest earnings for the Australian Government Investment Funds. Dividend revenue represents revenue from corporate entities which are treated as administered receipts of the department.
4. Principally CSS and PSS notional employer superannuation contributions.
5. Amounts in 2014-15 primarily represent proceeds from sale of Medibank Private Ltd

##### Table 3.2.8: Budgeted Schedule of Assets and Liabilities Administered on Behalf of Government as at 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Trade and other receivables | 162,883 | 157,030 | 150,820 | 144,189 | 137,218 |
| Investments 1 | 11,371,294 | 15,867,945 | 23,305,160 | 23,830,885 | 22,370,994 |
| Other financial assets | 47,962 | 47,962 | 47,962 | 47,962 | 47,962 |
| **Total financial assets** | **11,582,139** | **16,072,937** | **23,503,942** | **24,023,036** | **22,556,174** |
|  |  |  |  |  |  |
| **Non-financial assets** |  |  |  |  |  |
| Buildings | 26,726 | 26,152 | 25,499 | 24,902 | 24,363 |
| Property, plant |  |  |  |  |  |
| and equipment | 68,676 | 64,384 | 60,081 | 55,801 | 50,697 |
| Intangibles | 2,491 | 2,491 | 2,491 | 2,491 | 2,491 |
| Other non-financial assets | 3,615 | 3,615 | 3,615 | 3,615 | 3,615 |
| **Total non-financial assets** | **101,508** | **96,642** | **91,686** | **86,809** | **81,166** |
|  |  |  |  |  |  |
| **Total assets administered** |  |  |  |  |  |
| **on behalf of government** | **11,683,647** | **16,169,579** | **23,595,628** | **24,109,845** | **22,637,340** |
|  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 11,403 | 11,403 | 11,403 | 11,403 | 11,403 |
| Other payables | 15,900 | 15,900 | 15,900 | 15,900 | 15,900 |
| **Total payables** | **27,303** | **27,303** | **27,303** | **27,303** | **27,303** |
|  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employees 2 | 234,396 | 234,396 | 234,396 | 234,396 | 234,396 |
| Superannuation 3 | 107,507,091 | 111,232,398 | 114,931,416 | 118,606,693 | 122,241,154 |
| Other provisions | 16,110 | 15,370 | 14,551 | 13,451 | 12,253 |
| **Total provisions** | **107,757,597** | **111,482,164** | **115,180,363** | **118,854,540** | **122,487,803** |
|  |  |  |  |  |  |
| **Total liabilities administered** |  |  |  |  |  |
| **on behalf of government** | **107,784,900** | **111,509,467** | **115,207,666** | **118,881,843** | **122,515,106** |
|  |  |  |  |  |  |
| **Net assets/(liabilities)** | **(96,101,253)** | **(95,339,888)** | **(91,612,038)** | **(94,771,998)** | **(99,877,766)** |

Prepared on Australian Accounting Standards basis.

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Rendering of services | 4,688 | 4,688 | 4,688 | 4,688 | 4,688 |
| Interest and dividends 1 | 554,378 | 393,010 | 640,713 | 678,842 | 711,175 |
| Superannuation contributions |  |  |  |  |  |
| - employers 2 | 1,372,346 | 1,460,215 | 1,500,258 | 1,445,194 | 1,389,848 |
| Superannuation funds |  |  |  |  |  |
| contributions 3 | 2,726,468 | 1,988,218 | 2,146,768 | 2,263,053 | 2,436,663 |
| Other | 3,135 | 3,135 | 3,137 | 3,136 | 3,135 |
| **Total cash received** | **4,661,014** | **3,849,266** | **4,295,564** | **4,394,913** | **4,545,509** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Employees 4 | 237,285 | 225,571 | 228,061 | 229,274 | 229,292 |
| Suppliers | 213,415 | 235,973 | 246,582 | 244,331 | 248,416 |
| Distributions from |  |  |  |  |  |
| the investment funds 5 | 1,117,894 | 204,444 | 2,847,900 | 3,081,106 | 3,934,344 |
| Grants | 694 | 711 | 727 | 744 | 760 |
| Superannuation 6 | 6,379,934 | 6,342,589 | 6,505,620 | 6,792,321 | 7,145,124 |
| **Total cash used** | **7,949,222** | **7,009,288** | **9,828,890** | **10,347,776** | **11,557,936** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **operating activities** | **(3,288,208)** | **(3,160,022)** | **(5,533,326)** | **(5,952,863)** | **(7,012,427)** |
|  |  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of |  |  |  |  |  |
| investments 7 | 1,516,962 | 9,537,286 | 4,781,638 | 7,564,369 | 11,053,751 |
| Payments from sale of |  |  |  |  |  |
| investments 8 | 5,678,699 | - | - | - | - |
| Repayments of |  |  |  |  |  |
| advances and loans | 11,728 | 12,550 | 11,601 | 13,415 | 12,180 |
| Other 8 | 3,251,656 | - | - | - | - |
| **Total cash received** | **10,459,045** | **9,549,836** | **4,793,239** | **7,577,784** | **11,065,931** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant |  |  |  |  |  |
| and equipment | 4,420 | 4,311 | 4,302 | 4,325 | 3,501 |
| Purchase of buildings | 12,162 | 11,712 | 11,633 | 11,689 | 11,747 |
| Purchase of investments 7 | 2,766,035 | 13,994,622 | 12,150,699 | 8,019,107 | 9,517,739 |
| Other 8 | 3,251,656 | - | - | - | - |
| **Total cash used** | **6,034,273** | **14,010,645** | **12,166,634** | **8,035,121** | **9,532,987** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **investing activities** | **4,424,772** | **(4,460,809)** | **(7,373,395)** | **(457,337)** | **1,532,944** |

*Table continues on next page*

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributions to the |  |  |  |  |  |
| Investment Funds | 2,486,250 | 13,629,533 | 11,537,310 | 7,366,977 | 8,832,648 |
| Appropriations |  |  |  |  |  |
| - contributed equity | 2,739,283 | 2,000,170 | 2,158,719 | 2,275,262 | 2,442,542 |
| **Total cash received** | **5,225,533** | **15,629,703** | **13,696,029** | **9,642,239** | **11,275,190** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Distributions from |  |  |  |  |  |
| the investment funds 5 | 388,766 | 9,321,893 | 1,915,404 | 4,465,017 | 7,101,026 |
| **Total cash used** | **388,766** | **9,321,893** | **1,915,404** | **4,465,017** | **7,101,026** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **financing activities** | **4,836,767** | **6,307,810** | **11,780,625** | **5,177,222** | **4,174,164** |
|  |  |  |  |  |  |
| **Net increase (decrease) in** |  |  |  |  |  |
| **cash held** | **5,973,331** | **(1,313,021)** | **(1,126,096)** | **(1,232,978)** | **(1,305,319)** |
|  |  |  |  |  |  |
| Cash and cash equivalents at |  |  |  |  |  |
| beginning of reporting period 9 | 4,920 | - | - | - | - |
|  |  |  |  |  |  |
| Cash from Official Public Account for: |  |  |  |  |  |
| - Appropriations | 7,358,033 | 4,817,491 | 4,827,648 | 4,997,183 | 5,185,960 |
|  |  |  |  |  |  |
| Cash to Official Public Account for: |  |  |  |  |  |
| - Appropriations | (13,336,284) | (3,504,470) | (3,701,552) | (3,764,205) | (3,880,641) |
|  |  |  |  |  |  |
| **Cash and cash equivalents at end** |  |  |  |  |  |
| **of reporting period** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

1. Estimates include interest earnings for the Australian Government Investment Funds. For more detail on the interest esktimates for each fund refer to Tables 3.1.2.1, 3.1.2.2, 3.1.2.3, 3.1.2.4, 3.1.2.5 and 3.1.2.6.
2. Primarily represents the CSS and PSS notional employer contributions.
3. Primarily represents offsets from the CSS and PSS funds and return of overpaid benefits.
4. Represents expenditure on staff employed under the MOP(s) Act.
5. ‘Distributions from the Investment Funds’ represents estimates of cash payments from the Funds to other entities and the Consolidated Revenue Fund.
6. Expenditure associated with unfunded liabilities for the government’s civilian superannuation schemes.
7. The 2014-15 figure relates to turnover of investments held relating to the Australian Government Investment Funds. Estimates from 2015-16 onwards do not include an estimate of the turnover as this is not possible to estimate.
8. Amounts in 2014-15 relate to oversubscription on the Medibank Private sale.
9. The 2014-15 figures for cash at the beginning and end of the reporting period excludes cash held in the OPA as this is not included as part of our estimates.

##### Table 3.2.10: Schedule of Administered Capital Budget for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Administered Capital Budget |  |  |  |  |  |
| (ACB) - Bill 1 1 | 4,810 | 4,832 | 4,929 | 5,008 | 5,089 |
| Administered assets and |  |  |  |  |  |
| liabilities - Bill 2 2 | 1,556 | 1,606 | 1,684 | 1,853 | 1,094 |
| Special capital appropriation 3 | 2,722,008 | 1,983,404 | 2,141,963 | 2,258,258 | 2,426,216 |
| **Total new capital appropriations** | **2,728,374** | **1,989,842** | **2,148,576** | **2,265,119** | **2,432,399** |
|  |  |  |  |  |  |
| **Provided for:** |  |  |  |  |  |
| Purchase of non-financial assets | 5,673 | 5,695 | 5,792 | 5,871 | 5,105 |
| Other Items | 2,722,701 | 1,984,147 | 2,142,784 | 2,259,248 | 2,427,294 |
| **Total Items** | **2,728,374** | **1,989,842** | **2,148,576** | **2,265,119** | **2,432,399** |
|  |  |  |  |  |  |
| **PURCHASE OF NON-FINANCIAL** |  |  |  |  |  |
| **ASSETS** |  |  |  |  |  |
| Funded by ACB - Bill 1 | 4,810 | 4,832 | 4,929 | 5,008 | 5,089 |
| Funded by Administered assets |  |  |  |  |  |
| and liabilities - Act 2 | 863 | 863 | 863 | 863 | 16 |
| Funded by special appropriations | 10,909 | 10,328 | 10,143 | 10,143 | 10,143 |
| **TOTAL** | **16,582** | **16,023** | **15,935** | **16,014** | **15,248** |
|  |  |  |  |  |  |
| **RECONCILIATION OF CASH** |  |  |  |  |  |
| **USED TO ACQUIRE ASSETS** |  |  |  |  |  |
| **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
|  |  |  |  |  |  |
| Total asset additions | 16,582 | 16,023 | 15,935 | 16,014 | 15,248 |
|  |  |  |  |  |  |
| **Total cash used to** |  |  |  |  |  |
| **acquire assets** | **16,582** | **16,023** | **15,935** | **16,014** | **15,248** |

Prepared on Australian Accounting Standards basis.

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

##### Table 3.2.11: Budgeted Schedule of Asset Movements – Administered for the period ended 30 June 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings | Other property, | Intangibles | Total |
|  |  | plant and |  |  |
|  |  | equipment |  |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2015** |  |  |  |  |
| Gross book value | 55,291 | 79,820 | 3,153 | 138,264 |
| Accumulated depreciation/amortisation |  |  |  |  |
| and impairment | (28,565) | (11,144) | (662) | (40,371) |
| **Opening net book balance** | **26,726** | **68,676** | **2,491** | **97,893** |
|  |  |  |  |  |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on** |  |  |  |  |
| **new or replacement assets** |  |  |  |  |
| By purchase - appropriation equity | - | 863 | - | 863 |
| By purchase - appropriation ordinary | 3,440 | 1,392 | - | 4,832 |
| annual services |  |  |  |  |
| By purchase - special appropriations | 8,272 | 2,056 | - | 10,328 |
| **Total additions** | **11,712** | **4,311** | **-** | **16,023** |
|  |  |  |  |  |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (12,086) | (8,603) | - | (20,689) |
| Disposals | (200) | - | - | (200) |
| **Total other movements** | **(12,286)** | **(8,603)** | **-** | **(20,889)** |
|  |  |  |  |  |
| **As at 30 June 2016** |  |  |  |  |
| Gross book value | 66,803 | 84,131 | 3,153 | 154,087 |
| Accumulated depreciation/amortisation |  |  |  |  |
| and impairment | (40,651) | (19,747) | (662) | (61,060) |
| **Closing net book balance** | **26,152** | **64,384** | **2,491** | **93,027** |

Prepared on Australian Accounting Standards basis.

Australian Electoral Commission

Entity Resources and Planned Performance

Australian Electoral Commission

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## Australian Electoral Commission

### Section 1: Entity Overview and Resources

#### 1.1 Strategic Direction Statement

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

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

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

During 2015-16 the AEC will continue to implement a range of reforms, supported by a new election planning framework, to ensure the success of the next federal election, due in the 2016-17 financial year.

#### 1.2 Entity Resource Statement

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

##### Table 1.1: Australian Electoral Commission Resource Statement Budget Estimates for 2015-16 as at Budget May 2015

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual |  | Estimate |  | Proposed |  | Total |
|  |  | available |  | of prior | + | at Budget | = | estimate |
|  |  | appropriation |  | year amounts |  |  |  |  |
|  |  |  |  | available in |  |  |  |  |
|  |  | 2014-15 |  | 2015-16 |  | 2015-16 |  | 2015-16 |
|  |  | $'000 |  | $'000 |  | $'000 |  | $'000 |
| **Ordinary annual services 1** |  |  |  |  |  |  |  |  |
| **Departmental appropriation** |  |  |  |  |  |  |  |  |
| Departmental appropriation 2 |  | 111,828 |  | - |  | 117,675 |  | 117,675 |
| s74 Retained revenue receipts 3 |  | 15,521 |  | - |  | 10,841 |  | 10,841 |
| **Total** |  | **127,349** |  | **-** |  | **128,516** |  | **128,516** |
|  |  |  |  |  |  |  |  |  |
| **Total ordinary annual services** | **A** | **127,349** |  | **-** |  | **128,516** |  | **128,516** |
|  |  |  |  |  |  |  |  |  |
| **Special appropriations** |  |  |  |  |  |  |  |  |
| **Special appropriations limited by** |  |  |  |  |  |  |  |  |
| **criteria / entitlement** |  |  |  |  |  |  |  |  |
| *Public Governance, Performance* |  |  |  |  |  |  |  |  |
| *and Accountability Act 2013* - s77 4 |  | 2 |  | - |  | - |  | - |
| *Commonwealth Electoral Act 1918* (D) |  | 9,000 |  | - |  | 9,000 |  | 9,000 |
| *Commonwealth Electoral Act 1918* (A) |  | - |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| **Total special appropriations** | **B** | **9,002** |  | **-** |  | **9,000** |  | **9,000** |
|  |  |  |  |  |  |  |  |  |
| **Total net resourcing for AEC** |  |  |  |  |  |  |  |  |
| A+B |  | **136,351** |  | **-** |  | **137,516** |  | **137,516** |

(A) = Administered

(D) = Departmental

1. Estimated adjusted balance carried forward from previous year.
2. Includes an amount of $7.300m in 2014-15 and $11.012m in 2015-16 for the Departmental Capital Budget (DCB) (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
3. Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
4. Repayments not provided for under other appropriations.

#### 1.3 Budget Measures

No budget measures have been announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact the AEC.

All budget measures have been previously reported in a portfolio statement.

### Section 2: Outcomes and Planned Performance

#### 2.1 Outcomes and Performance Information

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

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

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

**Outcome 1 Strategy**

During 2015-16 the AEC will focus on five Entity Directions:

* Delivering a changed model for Elections and Referenda;
* Governing the Entity for quality and assurance;
* Professionalising the workforce, including the temporary election workforce;
* Re-establishing the reputation of the Commission; and
* Building an agile and responsive organisation.

The AEC Corporate Plan for 2015 to 2019, as required under s35 of the PGPA Act, will provide further detail on the AEC’s approach to delivering its Outcome.

**Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

##### Table 2.1 Budgeted Expenses for Outcome 1

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Maintain an impartial and independent** | 2014-15 | 2015-16 |
| **electoral system for eligible voters through active** | Estimated | Estimated |
| **electoral roll management, efficient delivery of polling** | actual | expenses |
| **services, and targeted education and public awareness** | expenses |  |
| **programs** | $'000 | $'000 |
|  |  |  |
| **Programme 1.1** |  |  |
| Administered expenses |  |  |
| Special appropriations | 2 | - |
| Departmental expenses |  |  |
| Departmental appropriation 1 | 119,563 | 117,504 |
| Special appropriations | 9,000 | 9,000 |
| Expenses not requiring appropriation in the Budget year 2 | 8,128 | 8,080 |
|  |  |  |
| **Total for programme 1.1** | **136,693** | **134,584** |
|  |  |  |
| **Outcome 1 Totals by appropriation type** |  |  |
| Administered expenses |  |  |
| Special appropriations | 2 | - |
| Departmental expenses |  |  |
| Departmental appropriation 1 | 119,563 | 117,504 |
| Special appropriations | 9,000 | 9,000 |
| Expenses not requiring appropriation in the Budget year 2 | 8,128 | 8,080 |
|  |  |  |
| **Total expenses for Outcome 1** | **136,693** | **134,584** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average staffing level (number)** | 801 | 788 |

1. Departmental appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘s74 Retained revenue receipts’.
2. Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense and audit fees.

**Contributions to Outcome 1**

|  |
| --- |
| Programme 1.1: Deliver Electoral Events |

##### Programme 1.1 Objective

AEC’s programme objective is to maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services and targeted education and public awareness programmes.

##### Programme 1.1 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special appropriations expenses: |  |  |  |  |  |
| *Commonwealth Electoral Act 1918* (A) | - | - | 76,000 | - | - |
| *Commonwealth Electoral Act 1918* (D) | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| *Public Governance, Performance* |  |  |  |  |  |
| *and Accountability Act 2013* - s77 1 | 2 | - | - | - | - |
| Annual departmental expenses: |  |  |  |  |  |
| Departmental expenses | 119,563 | 117,504 | 229,874 | 113,039 | 116,077 |
| Expenses not requring appropriation in |  |  |  |  |  |
| the Budget year 2 | 8,128 | 8,080 | 8,804 | 8,291 | 8,821 |
|  |  |  |  |  |  |
| **Total programme expenses** | **136,693** | **134,584** | **323,678** | **130,330** | **133,898** |

(A) = Administered

(D) = Departmental

1. Repayments not provided for under other appropriations.
2. ‘Expenses not requiring appropriation in the Budget year’ is made up of depreciation expense, amortisation expense and audit fees.

##### Programme 1.1 Deliverables

**Federal Elections, By-elections and Referendums**

* Conduct of a federal election, and/or referendum.
* Conduct of Torres Strait Regional Authority (TSRA) elections in accordance with the *Aboriginal and Torres Strait Islander Act 2005*.

**Electoral Roll Management**

* An accurate Electoral Roll.

**Support Services for Electoral Redistributions**

* Provide support for redistribution committees.

**Party Registrations and Financial Disclosure**

* Maintain the Register of Political Parties in accordance with the Electoral Act.
* Publish annual and election financial disclosure returns.

**Industrial and Commercial Elections**

* Conduct industrial elections in accordance with the *Fair Work (Registered Organisations) Act 2009* and each organisation’s rules.
* Conduct Protected Action Ballots (PABs) in accordance with the provisions of the *Fair Work Act 2009* and the orders issued by the Fair Work Commission (FWC).
* Conduct of commercial, fee-for-service elections.

**Public Awareness**

* Deliver communication, education and public awareness activities to inform Australians of electoral and Parliamentary matters.
* Effective use of contemporary technology to deliver modern products and services.
* Deliver the Indigenous Electoral Participation Program.

##### Programme 1.1 Key Performance Indicators

**Federal Elections, By-elections and Referendums**

* Federal electoral events are successfully delivered.
* Maintain ability to conduct a federal electoral event within the timeframe determined by the Electoral Commissioner.

**Electoral Roll Management**

* High level of confidence in accuracy of the Electoral Roll.

**Support Services for Electoral Redistributions**

* Effective and timely conduct of redistribution activities.

**Party Registrations and Financial Disclosure**

* Party registration processed in accordance with the Electoral Act.
* Financial disclosures obtained and placed on the public record in accordance with the Electoral Act.

**Industrial and Commercial Elections**

* Industrial elections are delivered in accordance with the *Fair Work (Registered Organisations) Act 2009* and each organisation’s rules.
* TSRA elections are delivered in accordance with the *Aboriginal and Torres Strait Islander Act 2005*.
* PABs are delivered in accordance with the provisions of the *Fair Work Act 2009* and the orders issued by the Fair Work Commission (FWC).

**Public Awareness**

* Electoral education is provided to Australian schools through the operation of the National Electoral Education Centre, conduct of teacher professional development workshops and provision of education resources.
* Information is timely and accurate, uses appropriate technology and channels, and meets accessibility standards.
* Provide targeted and culturally appropriate electoral services to Aboriginal and Torres Strait Islander people through the delivery of the Indigenous Electoral Participation Program.

### Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

#### 3.1 Explanatory Tables

**3.1.1 Movement of Administered Funds Between Years**

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

**3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under s78 of the PGPA Actor under separate enabling legislation (s80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the AEC.

##### Table 3.1.2: Estimates of Special Account Flows and Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Opening |  |  |  | Closing |
|  |  | balance | Receipts | Payments | Adjustments | balance |
|  |  | **2015-16** | **2015-16** | **2015-16** | **2015-16** | **2015-16** |
|  |  | *2014-15* | *2014-15* | *2014-15* | *2014-15* | *2014-15* |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| Other Trust Monies | 1 | **-** | **-** | **-** | **-** | **-** |
|  |  | *1,504* | *-* | *-* | *(1,504)* | **-** |
|  |  |  |  |  |  |  |
| **Total special accounts** |  |  |  |  |  |  |
| **2015-16 Budget estimate** | | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |  |
| *Total special accounts* |  |  |  |  |  |  |
| *2014-15 estimated actual* |  | *1,504* | *-* | *-* | *(1,504)* | *-* |

**3.1.3 Australian Government Indigenous Expenditure**

##### Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Approp | Approp | Special | Total |  | Total | Programme |
|  | Bill No. 1 | Bill No. 2 | Approp | Approp |  |  |  |
|  | $'000 | $'000 | $'000 | $'000 |  | $'000 |  |
|  | **2015-16** | **2015-16** | **2015-16** | **2015-16** |  | **2015-16** |  |
|  | *2014-15* | *2014-15* | *2014-15* | *2014-15* |  | *2014-15* |  |
| **Australian Electoral** |  |  |  |  |  |  |  |
| **Commission** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Outcome 1** |  |  |  |  |  |  |  |
| Departmental | **3,315** | **-** | **-** | **3,315** |  | **3,315** | **1** |
|  | *3,382* | *-* | *-* | *3,382* |  | *3,382* | *1* |
|  |  |  |  |  |  |  |  |
| **Total Outcome 1** | **3,315** | **-** | **-** | **3,315** |  | **3,315** | **1** |
|  | *3,382* | *-* | *-* | *3,382* |  | *3,382* | *1* |
|  |  |  |  |  |  |  |  |
| **Total AGIE** | **3,315** | **-** | **-** | **3,315** |  | **3,315** | **1** |
|  | *3,382* | *-* | *-* | *3,382* |  | *3,382* | *1* |

#### 3.2 Budgeted Financial Statements

**3.2.1 Differences in Entity Resourcing and Financial Statements**

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

**3.2.2 Analysis of Budgeted Financial Statements**

###### **Budgeted Departmental Income Statement**

###### **2014-15**

The funding received in 2014-15 is more than we expect to receive in 2015-16. The AEC has started to review ways to reduce expenditure to ensure that we can operate within our allocation going forward.

###### **2015-16**

The AEC is anticipating a reduction in funding in 2015-16 as a result of previously approved budget measures. The AEC is also expecting a reduction in revenue from the sale of goods and rendering of services of approximately $4.6 million. The AEC has reduced Full-Time Equivalent (FTE) numbers to ensure that they can operate within allocated funding.

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

The AEC’s financial position is steady with financial assets averaging $49.3 million in the budget and forward estimates period. The AEC’s financial assets include $30.5 million relating to quarantined appropriation funding from 2013-14. The AEC’s most significant liability is employee entitlements, which is expected to be about $25.5 million over the forward estimates period.

###### **Budgeted Statement of Cashflows**

The cashflow decreases in 2015-16 due to the decrease in funding. There is increased investing activity conducted as we prepare for the 2016 Election. The focus on harnessing technology to modernise processes and engage more effectively with electors, results in increased cashflows for property, plant and equipment and intangibles.

###### **Schedule of Administered Activity**

###### **Schedule of Budgeted Income and Expenses Administered on behalf of Government**

The administered revenue for 2014-15 represent election related non-voter fines and penalties. These are expected to decrease in 2015-16 as most non-voters fines relating to the 2013 election event will be collected prior to 30 June 2015.

###### **Schedule of Budgeted Assets and Liabilities Administered on behalf of Government**

No administered assets or liabilities are held by the AEC.

###### **Schedule of Budgeted Administered Cashflows**

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 78,651 | 74,751 | 131,630 | 75,519 | 76,275 |
| Suppliers | 49,912 | 51,753 | 107,244 | 46,520 | 48,802 |
| Depreciation and amortisation | 8,043 | 7,995 | 8,719 | 8,206 | 8,736 |
| Other expenses | 85 | 85 | 85 | 85 | 85 |
| **Total expenses** | **136,691** | **134,584** | **247,678** | **130,330** | **133,898** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and |  |  |  |  |  |
| rendering of services | 15,521 | 10,841 | 10,952 | 11,038 | 11,038 |
| **Total own-source revenue** | **15,521** | **10,841** | **10,952** | **11,038** | **11,038** |
| **Gains** |  |  |  |  |  |
| Other gains | 85 | 85 | 85 | 85 | 85 |
| **Total gains** | **85** | **85** | **85** | **85** | **85** |
|  |  |  |  |  |  |
| **Total own-source income** | **15,606** | **10,926** | **11,037** | **11,123** | **11,123** |
| **Net cost of (contribution by)** |  |  |  |  |  |
| **services** | **121,085** | **123,658** | **236,641** | **119,207** | **122,775** |
| Revenue from government | 113,528 | 115,663 | 227,922 | 111,001 | 114,039 |
| **Surplus (deficit) attributable to the** |  |  |  |  |  |
| **Australian Government** | **(7,557)** | **(7,995)** | **(8,719)** | **(8,206)** | **(8,736)** |
| **Total comprehensive income (loss)** |  |  |  |  |  |
| **attributable to the Australian** |  |  |  |  |  |
| **Government** | **(7,557)** | **(7,995)** | **(8,719)** | **(8,206)** | **(8,736)** |

**Note: Impact of Net Cash Appropriation Arrangements**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Total Comprehensive Income** |  |  |  |  |  |
| **(loss) including depreciation /** |  |  |  |  |  |
| **amortisation expenses** |  |  |  |  |  |
| **previously funded through** |  |  |  |  |  |
| **revenue appropriations** | **486** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| less depreciation/amortisation |  |  |  |  |  |
| expenses previously funded through |  |  |  |  |  |
| revenue appropriations | (8,043) | (7,995) | (8,719) | (8,206) | (8,736) |
|  |  |  |  |  |  |
| **Total Comprehensive Income** |  |  |  |  |  |
| **(loss) - as per the Statement of** |  |  |  |  |  |
| **Comprehensive Income** | **(7,557)** | **(7,995)** | **(8,719)** | **(8,206)** | **(8,736)** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.2: Budgeted Balance Sheet – Departmental as at 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 1,518 | 1,518 | 1,518 | 1,518 | 1,518 |
| Trade and other receivables | 48,422 | 47,682 | 47,682 | 47,682 | 47,682 |
| **Total financial assets** | **49,940** | **49,200** | **49,200** | **49,200** | **49,200** |
|  |  |  |  |  |  |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 11,405 | 12,375 | 11,985 | 11,098 | 12,224 |
| Property, plant and equipment | 6,236 | 7,210 | 6,261 | 8,091 | 8,241 |
| Intangibles | 16,839 | 18,353 | 17,156 | 16,125 | 17,104 |
| Inventories | 1,898 | 1,898 | 1,898 | 1,898 | 1,898 |
| Other non-financial assets | 1,689 | 1,689 | 1,689 | 1,689 | 1,689 |
| **Total non-financial assets** | **38,067** | **41,525** | **38,989** | **38,901** | **41,156** |
|  |  |  |  |  |  |
| **Total assets** | **88,007** | **90,725** | **88,189** | **88,101** | **90,356** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 8,229 | 7,930 | 7,930 | 7,930 | 7,930 |
| Other payables | 5,124 | 5,124 | 5,124 | 5,124 | 5,124 |
| **Total payables** | **13,353** | **13,054** | **13,054** | **13,054** | **13,054** |
|  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 25,478 | 25,478 | 25,478 | 25,478 | 25,478 |
| Other provisions | 1,577 | 1,577 | 1,577 | 1,577 | 1,577 |
| **Total provisions** | **27,055** | **27,055** | **27,055** | **27,055** | **27,055** |
|  |  |  |  |  |  |
| **Total liabilities** | **40,408** | **40,109** | **40,109** | **40,109** | **40,109** |
|  |  |  |  |  |  |
| **Net assets** | **47,599** | **50,616** | **48,080** | **47,992** | **50,247** |
|  |  |  |  |  |  |
| **EQUITY** |  |  |  |  |  |
| Contributed equity | 43,190 | 54,202 | 60,385 | 68,503 | 79,494 |
| Reserves | 18,952 | 18,952 | 18,952 | 18,952 | 18,952 |
| Retained surplus (accumulated deficit) | (14,543) | (22,538) | (31,257) | (39,463) | (48,199) |
| **Total equity** | **47,599** | **50,616** | **48,080** | **47,992** | **50,247** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.3: Budgeted Statement of Changes in Equity – Summary of Movement – Departmental for the period ended 30 June 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained | Asset | Contributed | Total |
|  | earnings | revaluation | equity/ | equity |
|  |  | reserve | capital |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **Opening balance as at 1 July 2015** |  |  |  |  |
| Balance carried forward from |  |  |  |  |
| previous period | (14,543) | 18,952 | 43,190 | 47,599 |
| **Adjusted opening balance** | **(14,543)** | **18,952** | **43,190** | **47,599** |
|  |  |  |  |  |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (7,995) | - | - | (7,995) |
| **Total comprehensive income** | **(7,995)** | **-** | **-** | **(7,995)** |
|  |  |  |  |  |
| **Transactions with owners** |  |  |  |  |
| **Contributions by owners** |  |  |  |  |
| Departmental Capital Budget (DCB) | - | - | 11,012 | 11,012 |
| **Sub-total transactions with owners** | **-** | **-** | **11,012** | **11,012** |
|  |  |  |  |  |
| **Estimated closing balance** |  |  |  |  |
| **as at 30 June 2016** | **(22,538)** | **18,952** | **54,202** | **50,616** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 113,528 | 115,663 | 227,922 | 111,001 | 114,039 |
| Sale of goods and |  |  |  |  |  |
| rendering of services | 15,521 | 10,841 | 10,952 | 11,038 | 11,038 |
| **Total cash received** | **129,049** | **126,504** | **238,874** | **122,039** | **125,077** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Employees | 82,716 | 74,301 | 131,630 | 75,519 | 76,275 |
| Suppliers | 44,847 | 51,762 | 107,244 | 46,520 | 48,802 |
| **Total cash used** | **127,563** | **126,063** | **238,874** | **122,039** | **125,077** |
|  |  |  |  |  |  |
| **Net cash from/(used by)** |  |  |  |  |  |
| **operating activities** | **1,486** | **441** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, |  |  |  |  |  |
| plant and equipment | 8,786 | 11,453 | 6,183 | 8,150 | 11,099 |
| **Total cash used** | **8,786** | **11,453** | **6,183** | **8,150** | **11,099** |
|  |  |  |  |  |  |
| **Net cash from/(used by)** |  |  |  |  |  |
| **investing activities** | **(8,786)** | **(11,453)** | **(6,183)** | **(8,150)** | **(11,099)** |
|  |  |  |  |  |  |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 7,300 | 11,012 | 6,183 | 8,150 | 11,099 |
| **Total cash received** | **7,300** | **11,012** | **6,183** | **8,150** | **11,099** |
|  |  |  |  |  |  |
| **Net cash from/(used by)** |  |  |  |  |  |
| **financing activities** | **7,300** | **11,012** | **6,183** | **8,150** | **11,099** |
|  |  |  |  |  |  |
| **Net increase/(decrease)** |  |  |  |  |  |
| **in cash held** | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| Cash and cash equivalents at the |  |  |  |  |  |
| beginning of the reporting period | 1,518 | 1,518 | 1,518 | 1,518 | 1,518 |
|  |  |  |  |  |  |
| **Cash and cash equivalents at the** |  |  |  |  |  |
| **end of the reporting period** | **1,518** | **1,518** | **1,518** | **1,518** | **1,518** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Departmental Capital Budget (DCB) - Bill 1 | 7,300 | 11,012 | 6,183 | 8,118 | 10,991 |
| **Total new capital appropriations** | **7,300** | **11,012** | **6,183** | **8,118** | **10,991** |
|  |  |  |  |  |  |
| **Provided for:** |  |  |  |  |  |
| Purchase of non-financial assets | 7,300 | 11,012 | 6,183 | 8,118 | 10,991 |
| **Total Items** | **7,300** | **11,012** | **6,183** | **8,118** | **10,991** |
|  |  |  |  |  |  |
| **PURCHASE OF NON-FINANCIAL** |  |  |  |  |  |
| **ASSETS** |  |  |  |  |  |
| Funded by DCB 1 | 7,300 | 11,012 | 6,183 | 8,118 | 10,991 |
| Funded internally from |  |  |  |  |  |
| departmental resources 2 | 1,486 | 441 | - | - | - |
| **TOTAL** | **8,786** | **11,453** | **6,183** | **8,118** | **10,991** |
|  |  |  |  |  |  |
| **RECONCILIATION OF CASH** |  |  |  |  |  |
| **USED TO ACQUIRE ASSETS** |  |  |  |  |  |
| **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total asset additions | 8,786 | 11,453 | 6,183 | 8,118 | 10,991 |
|  |  |  |  |  |  |
| **Total cash used to acquire assets** | **8,786** | **11,453** | **6,183** | **8,118** | **10,991** |

Prepared on Australian Accounting Standards basis.

1. Does not include annual finance lease costs. Include purchases from current and previous years' DCBs.
2. Includes the following sources of funding:

* current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
* donations and contributions;
* gifts;
* internally developed assets;
* s74 relevant entity receipts; and
* proceeds from the sale of assets.

##### Table 3.2.6: Budgeted Statement of Asset Movements – Departmental for the period ended 30 June 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings | Other | Computer | Total |
|  |  | property, | software |  |
|  |  | plant and | and |  |
|  |  | equipment | intangibles |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2015** |  |  |  |  |
| Gross book value | 14,514 | 8,803 | 54,482 | 77,799 |
| Accumulated depreciation / |  |  |  |  |
| amortisation and impairment | (3,109) | (2,567) | (37,643) | (43,319) |
| **Opening net book balance** | **11,405** | **6,236** | **16,839** | **34,480** |
|  |  |  |  |  |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on** |  |  |  |  |
| **new or replacement assets** |  |  |  |  |
| By purchase - appropriation |  |  |  |  |
| ordinary annual services 1 | 3,600 | 3,653 | 4,200 | 11,453 |
| **Total additions** | **3,600** | **3,653** | **4,200** | **11,453** |
|  |  |  |  |  |
| **Other movements** |  |  |  |  |
| Depreciation / |  |  |  |  |
| amortisation expense | (2,630) | (2,679) | (2,686) | (7,995) |
| **Total other movements** | **(2,630)** | **(2,679)** | **(2,686)** | **(7,995)** |
|  |  |  |  |  |
| **As at 30 June 2016** |  |  |  |  |
| Gross book value | 18,114 | 12,456 | 58,682 | 89,252 |
| Accumulated depreciation / |  |  |  |  |
| amortisation and impairment | (5,739) | (5,246) | (40,329) | (51,314) |
| **Closing net book balance** | **12,375** | **7,210** | **18,353** | **37,938** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No.1) 2015-16 for depreciation / amortisation expenses, DCBs or other operational expenses.

##### Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of the Government for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Other expenses | 2 | - | 76,000 | - | - |
| **Total expenses administered** |  |  |  |  |  |
| **on behalf of government** | **2** | **-** | **76,000** | **-** | **-** |
|  |  |  |  |  |  |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Non-taxation revenue** |  |  |  |  |  |
| Fees and fines | 66 | 33 | 2,000 | 66 | 33 |
| **Total non-taxation revenue** | **66** | **33** | **2,000** | **66** | **33** |
|  |  |  |  |  |  |
| **Total own-sourced income** |  |  |  |  |  |
| **administered on behalf of** |  |  |  |  |  |
| **government** | **66** | **33** | **2,000** | **66** | **33** |
|  |  |  |  |  |  |
| **Net cost of (contribution by)** |  |  |  |  |  |
| **services** | **(64)** | **(33)** | **74,000** | **(66)** | **(33)** |
|  |  |  |  |  |  |
| **Total comprehensive** |  |  |  |  |  |
| **income (loss)** | **64** | **33** | **(74,000)** | **66** | **33** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.8: Budgeted Schedule of Assets and Liabilities Administered on Behalf of Government as at 30 June

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Other | 66 | 33 | 2,000 | 66 | 33 |
| **Total cash received** | **66** | **33** | **2,000** | **66** | **33** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Other | 2 | - | 76,000 | - | - |
| **Total cash used** | **2** | **-** | **76,000** | **-** | **-** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **operating activities** | **64** | **33** | **(74,000)** | **66** | **33** |
|  |  |  |  |  |  |
| **Net increase (decrease) in** |  |  |  |  |  |
| **cash held** | **64** | **33** | **(74,000)** | **66** | **33** |
|  |  |  |  |  |  |
| Cash and cash equivalents at |  |  |  |  |  |
| beginning of reporting period | - | - | - | - | - |
|  |  |  |  |  |  |
| Cash from Official Public Account for: | |  |  |  |  |
| - Appropriations | 2 | - | 76,000 | - | - |
|  |  |  |  |  |  |
| Cash to Official Public Account for: |  |  |  |  |  |
| - Appropriations | 66 | 33 | 2,000 | 66 | 33 |
|  |  |  |  |  |  |
| **Cash and cash equivalents at end** |  |  |  |  |  |
| **of reporting period** | **-** | - | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

Commonwealth Superannuation Corporation

Entity Resources and Planned Performance

Commonwealth Superannuation Corporation

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## Commonwealth Superannuation Corporation

### Section 1: Entity Overview and Resources

#### 1.1 Strategic Direction Statement

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

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

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

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

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

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

The Australian Government announced the merger of ComSuper into CSC in the May 2014 Federal Budget. CSC will continue to be trustee of the public sector and defence force super schemes. The merger is subject to legislation passing in Parliament. The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 was introduced into the House of Representatives on 19 March 2015 and was referred to the Senate Finance and Public Administration Legislation Committee for inquiry.

The Australian Government also announced that PSSap administration fees would be deducted from member accounts from 1 July 2015 in the 2014-15 Mid-year Economic and Fiscal Outlook. This change will mean that PSSap members will pay for a cost that to date has been paid by the Commonwealth. The new PSSap administration fee arrangements will also be implemented by the Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015.

#### 1.2 Entity Resource Statement

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

##### Table 1.1: Commonwealth Superannuation Corporation Resource Statement Estimates for 2015-16 as at Budget May 2015

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual |  | Estimate |  | Proposed |  | Total |
|  |  | available |  | of prior | + | at Budget | = | estimate |
|  |  | appropriation |  | year amounts |  |  |  |  |
|  |  |  |  | available in |  |  |  |  |
|  |  | 2014-15 |  | 2015-16 |  | 2015-16 |  | 2015-16 |
|  |  | $'000 |  | $'000 |  | $'000 |  | $'000 |
|  |  |  |  |  |  |  |  |  |
| **Opening balance/Reserves at bank** |  | - |  | - |  | - | - | - |
|  |  |  |  |  |  |  |  |  |
| **REVENUE FROM GOVERNMENT** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Payments from related entities** |  |  |  |  |  |  |  |  |
| Amounts from other entities |  | 10,632 |  | - |  | - |  | - |
| **Total** |  | **10,632** |  | **-** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |
| **Special accounts** |  |  |  |  |  |  |  |  |
| Opening balance 1 |  | 43,546 |  | 55,091 |  | - |  | 55,091 |
| Special accounts (A) |  | 2,766,623 |  | - |  | 2,766,623 |  | 2,766,623 |
| Special accounts (D) |  | 80,190 |  | - |  | 72,705 |  | 72,705 |
| **Total special accounts** |  | **2,890,359** | **-** | **55,091** |  | **2,839,328** |  | **2,894,419** |
|  |  |  |  |  |  |  |  | **-** |
| **Total funds from government** | **A** | **2,900,991** |  | **55,091** | **-** | **2,839,328** |  | **2,894,419** |
|  |  |  |  |  |  |  |  |  |
| **FUNDS FROM OTHER SOURCES** |  |  |  |  |  |  |  |  |
| Interest |  | 160 |  | - |  | - |  | - |
| Sale of goods and services |  | 2,606 |  | - |  | 4,181 |  | 4,181 |
| **Total** | **B** | **2,766** |  | **-** | **-** | **4,181** | **-** | **4,181** |
|  |  |  |  |  |  |  |  |  |
| **Total net resourcing for CSC** |  |  |  |  |  |  |  |  |
| A+B |  | **2,903,757** |  | **55,091** | **-** | **2,843,509** | **-** | **2,898,600** |

(A) = Administered

(D) = Departmental

1. Estimated adjusted balance carried forward from previous year

Reader note: All figures are GST exclusive.

##### Table 1.1: Commonwealth Superannuation Corporation Resource Statement Estimates for 2015-16 as at Budget May 2015 (continued)

##### Third party payments from and on behalf of other entities

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | 2014-15 |  | 2015-16 |
|  |  |  |  |  |  | $'000 |  | $'000 |
| **Payments made on behalf of other entities** | | |  |  |  |  |  |  |
| Department of Finance - Superannuation Special Appropriations: | | | | |  |  |  |  |
| *Superannuation Act 1922* |  |  |  |  |  | 32,106 |  | 37,341 |
| *Superannuation Act 1976* |  |  |  |  |  | 3,060,701 |  | 3,510,316 |
| *Superannuation Act 1990* |  |  |  |  |  | 5,394,180 |  | 4,494,556 |
| *Same-Sex Relationships (Equal Treatment in* | | |  |  |  |  |  |  |
| *Commonwealth Laws - Superannuation) Act 2008* | | |  |  |  | 50 |  | 57 |
| *Governance of Australian Government Superannuation* | | | |  |  |  |  |  |
| *Schemes Act 2011* |  |  |  |  |  | 1,400 |  | 1,400 |
|  |  |  |  |  |  |  |  |  |
| Department of Defence - Superannuation Special Appropriations: | | | | |  |  |  |  |
| *Defence Forces Retirement Benefits Act 1948* | | |  |  |  | 50,046 |  | 47,982 |
| *Defence Force Retirement and Death Benefits Act 1973* | | | |  |  | 1,520,643 |  | 1,566,142 |
| *Military Superannuation and Benefits Act 1991* | | |  |  |  | 446,416 |  | 510,361 |
|  |  |  |  |  |  |  |  |  |
| CSC draws on the following Finance Annual Appropriations | | | |  |  |  |  |  |
| Appropriation Act (No.1) 1 |  |  |  |  |  | 500 |  | 500 |
| Appropriation Act (No.1) 2 |  |  |  |  |  | 3,308 |  | 546 |
| Appropriation Act (No.2) 2 |  |  |  |  |  | 541 |  | 592 |
|  |  |  |  |  |  |  |  |  |
| Department of Foreign Affairs and Trade - PNG Scheme: | | |  |  |  |  |  |  |
| Administered Appropriation Act |  |  |  |  |  | 7,812 |  | 7,656 |

1. Compensation and Legal payments
2. Act of Grace payments

#### 1.3 Budget Measures

No budget measures have been announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact CSC.

All budget measures have been previously reported in a portfolio statement.

### Section 2: Outcomes and Planned Performance

#### 2.1 Outcomes and Performance Information

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

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

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

##### Outcome 1 Strategy

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

##### Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by programme.

##### Table 2.1.1: Budgeted Expenses for Outcome 1

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Retirement benefits for past, present** | 2014-15 | 2015-16 |
| **and future Australian Government employees and** | Estimated | Estimated |
| **members of the Australian Defence Force through** | actual | expenses |
| **investment and administration of their superannuation** | expenses |  |
| **funds and schemes.** | $'000 | $'000 |
|  |  |  |
| **Programme 1.1: Superannuation Scheme Governance** |  |  |
| Departmental expenses |  |  |
| Funded by payments from related entities | 10,632 | - |
| Special accounts | - | 5,343 |
| Funded by payments from non-related entities | 2,766 | 4,181 |
|  |  |  |
| **Total for Programme 1.1** | **13,398** | **9,524** |
|  |  |  |
| **Outcome 1 Totals by resource type** |  |  |
| Departmental expenses |  |  |
| Funded by payments from related entities | 10,632 | - |
| Special accounts | - | 5,343 |
| Funded by payments from non-related entities | 2,766 | 4,181 |
|  |  |  |
| **Total expenses for Outcome 1** | **13,398** | **9,524** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average Staffing Level (number)** | 81 | 85 |

**Contributions to Outcome 1**

|  |
| --- |
| Programme 1.1: Superannuation Scheme Governance |

##### Programme 1.1 Objective

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

##### Programme 1.1 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Comsuper Special Account 1 | - | 5,343 | 5,318 | 5,318 | 5,321 |
| Annual departmental expenses: |  |  |  |  |  |
| Funded by payments from related entities | 10,632 | - | - | - | - |
| Funded by payments from |  |  |  |  |  |
| non-related entities | 2,766 | 4,181 | 4,192 | 4,224 | 4,267 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **13,398** | **9,524** | **9,510** | **9,542** | **9,588** |

1. Reported under ComSuper for 2014-15. To be replaced by the ‘CSC Special Account’ on 1 July 2015, subject to the passage of legislation.

##### Programme 1.1 Deliverables

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

##### Programme 1.1 Key Performance Indicators

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

|  |
| --- |
| **Outcome 2 To provide access to Australian Government superannuation benefits and information, through developing members’ understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Government employees and members of the Australian Defence Force.** |

##### Outcome 2 Strategy

To provide superannuation administration services required to collect superannuation contributions, maintain accurate records, pay timely and correct benefits, including pensions, and provide relevant information to members.

##### Outcome Expense Statement

Table 2.1.2 provides an overview of the total expenses for Outcome 2, by programme.

##### Table 2.1.2: Budgeted Expenses for Outcome 2

|  |  |  |
| --- | --- | --- |
| **Outcome 2: Provide access to Australian Government** | 2014-15 | 2015-16 |
| **superannuation benefits and information, through** | Estimated | Estimated |
| **developing members' understanding of the schemes,** | actual | expenses |
| **processing contributions, supporting investment** | expenses |  |
| **processes, paying benefits and managing member details,** | $'000 | $'000 |
| **for current and former Australian Government** |  |  |
| **employees and members of the Australian Defence Force. 1** | $'000 | $'000 |
|  |  |  |
| **Programme 2.1: Superannuation Administration Services** |  |  |
| Departmental expenses |  |  |
| Special accounts | 82,755 | 64,301 |
| Expenses not requiring appropriation in the Budget Year 2 | 105 | - |
|  |  |  |
| **Total for Programme 2.1** | **82,860** | **64,301** |
|  |  |  |
| **Outcome 2 Totals by resource type** |  |  |
| Departmental expenses |  |  |
| Special accounts | 82,755 | 64,301 |
| Expenses not requiring appropriation in the Budget Year 2 | 105 | - |
|  |  |  |
| **Total expenses for Outcome 2** | **82,860** | **64,301** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average Staffing Level (number)** | 410 | 391 |

1. Formerly reported under ComSuper.
2. Expenses not requiring appropriation in the Budget year is made up of resources received free of charge for a notional Audit Fee from the Australia National Audit Office.

**Contributions to Outcome 2**

|  |
| --- |
| Programme 2.1: Superannuation Administration Services |

##### Programme 2.1 Objective

To provide access to government superannuation benefits and information, through developing members’ understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former government employees and members of the Australian Defence Force.

##### Programme 2.1 Expenses

As the closed defined benefits schemes gradually decrease in membership over time, there will be a corresponding decrease in revenue. This will require careful cost management and a strong focus on improving overall operational efficiency.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Comsuper Special Account 1 | 82,755 | 64,301 | 61,841 | 62,242 | 62,445 |
| Expenses not requiring appropriation in |  |  |  |  |  |
| the Budget year 2 | 105 | - | - | - | - |
|  |  |  |  |  |  |
| **Total Programme expenses** | **82,860** | **64,301** | **61,841** | **62,242** | **62,445** |

1. Reported under ComSuper for 2014-15. To be replaced by the ‘CSC Special Account’ on 1 July 2015, subject to the passage of legislation.
2. Expenses not requiring appropriation in the Budget year is made up of resources received free of charge for a notional Audit Fee from the Australia National Audit Office.

##### Programme 2.1 Deliverables

CSC’s administration service delivery requirements are driven by:

* legislative change;
* demand associated with the numbers of scheme members and employing entities;
* regulators; and
* the portfolio entities responsible for the schemes’ policies and framework.

The administrative services CSC provides include:

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

##### Programme 2.1 Deliverables (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
| Maintain records and financial transactions for the schemes’ membership  (Total number of defined benefit contributor, preserver and pensioner members) | 588,200 | 579,300 | 569,700 | 561,200 | 553,500 |
| Accurate and timely payment of benefits to scheme members (Benefit applications processed) | 23,300 | 27,400 | 23,600 | 23,900 | 24,100 |
| Accurate and timely fortnightly pension payments  (Number of defined benefit pensioners) | 218,600 | 224,000 | 228,000 | 232,100 | 236,300 |
| Timely responses to inquiries by scheme members (Number of telephone, email and written inquiries through call centre) | 345,000 | 355,100 | 360,400 | 36,500 | 370,500 |
| Provide annual member statements to contributor and preserved members (Number of annual statements issued) | 369,600 | 355,300 | 341,700 | 329,100 | 317,200 |
| CSC will seek to comply with all scheme and regulatory requirements  (Number of main defined benefit schemes administered by CSC) | 4 | 4 | 4 | 4 | 4 |

##### Programme 2.1 Key Performance Indicators

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
| Achievement of service standards (Proportion of standards achieved) | 80% | 80% | 80% | 80% | 80% |
| Periodic member client satisfaction survey 1 (Quality Service Index) | 80% or Higher | 80% or Higher | 80% or Higher | 80% or Higher | 80% or Higher |
| Timeliness of member statements (Issued by the statutory deadline of  31 December) | 100% | 100% | 100% | 100% | 100% |
| Timeliness of new benefits processed 2 (Routine Benefit Payments within 5 working days) | 85% | 85% | 85% | 85% | 85% |
| Timeliness of fortnightly pension payroll  (Pension payments in bank accounts on time) | 100% | 100% | 100% | 100% | 100% |
| Compliance issues appropriately reported and actively managed (Issues reported and managed) | 100% | 100% | 100% | 100% | 100% |

1. A Quality Service Index rating of 75% is equivalent to every respondent being ‘satisfied’ with the service, whereas a rating of 100% is equivalent to every respondent being ‘very satisfied’ with the service. Traditionally, members' satisfaction for administration services is linked to their perceived performance of their investments, particularly during times of market volatility. Members are currently being surveyed on a biennial basis.
2. The calculation method for the KPI, “Timeliness of new benefits processed”, refers to the processing of routine benefits, rather than the payment of all benefits. This reflects the fact that some benefits involve highly complex processes that are unable to be completed and paid within 5 working days. Routine benefits are processed within 5 working days of receipt of all necessary documentation.

### Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

#### 3.1 Explanatory Tables

**3.1.1 Movement of Administered Funds between years**

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

**3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by CSC.

##### Table 3.1.2: Estimates of Special Account Flows and Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Opening |  |  |  | Closing |
|  |  | balance | Receipts | Payments | Adjustments | balance |
|  |  | **2015-16** | **2015-16** | **2015-16** | **2015-16** | **2015-16** |
|  |  | *2014-15* | *2014-15* | *2014-15* | *2014-15* | *2014-15* |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| Services for Other Entities | 2 | **26,009** | **2,766,623** | **(2,766,623)** | **-** | **26,009** |
| and Trust Moneys (A) |  | *6,370* | *2,766,623* | *(2,746,984)* | *-* | *26,009* |
| ComSuper Special | 2 | **29,082** | **72,705** | **(72,523)** | **-** | **29,264** |
| Account (D) 1 |  | *37,176* | *80,190* | *(88,284)* | *-* | *29,082* |
|  |  |  |  |  |  |  |
| **Total special accounts** |  |  |  |  |  |  |
| **2015-16 Budget estimate** |  | **55,091** | **2,839,328** | **(2,839,146)** | **-** | **55,273** |
|  |  |  |  |  |  |  |
| *Total special accounts* |  |  |  |  |  |  |
| *2014-15 estimated actual* |  | 43,546 | 2,846,813 | (2,835,268) | - | 55,091 |

(A) = Administered

(D) = Departmental

1. Reported under ComSuper for 2014-15. To be replaced by the ‘CSC Special Account’ on 1 July 2015, subject to the passage of legislation.

**3.1.3 Australian Government Indigenous Expenditure**

The 2015-16 Australian Government Indigenous Expenditure is not applicable because Commonwealth Superannuation Corporation has no indigenous-specific expenses.

#### 3.2 Budgeted Financial Statements

**3.2.1 Differences in Entity Resourcing and Financial Statements**

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

**3.2.2 Analysis of Budgeted Financial Statements**

CSC is the trustee for the PSSap, PSS, CSS and MSBS regulated superannuation schemes and five ‘unfunded’ superannuation schemes. The governance arrangements of these schemes are set out in the *Governance of Australian Government Superannuation Schemes Act 2011* and various scheme specific Acts, Trust Deeds, legislation*,* rules and determinations. These requirements prescribe which costs are to be paid from scheme funds, and which costs are to be borne by the fees levied upon Commonwealth entities.

CSC receives revenue through fees paid by Commonwealth entities, including the Department of Defence and some entities with residual membership in the schemes, such as the Northern Territory and Australian Capital Territory governments. All CSC fee revenue from Commonwealth entities is managed through a Special Account.

CSC’s budgeted departmental expenses shown in this document reflect only the costs paid, and income received, by CSC into its Special Account and does not reflect the total cost involved in the administration and management of the schemes.

CSC is projecting a surplus of $3 million in 2015-16. This surplus is due to savings measures announced in the 2009-10 Additional Estimates related to Superannuation Administration Reform Programme (SARP) savings. It is intended that a $3 million surplus will be returned to government in 2015-16 and in subsequent forward years.

**3.2.3 Budgeted Financial Statements Tables**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Estimated |  | Budget | Forward | Forward | Forward |
|  | actual | 1 | estimate | estimate | estimate | estimate |
|  | 2014-15 |  | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 |  | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES 2** |  |  |  |  |  |  |
| Employee benefits 3 | 44,270 |  | 40,234 | 40,331 | 40,781 | 41,171 |
| Suppliers | 35,612 |  | 27,926 | 26,242 | 26,565 | 26,424 |
| Depreciation and amortisation | 5,639 |  | 5,665 | 4,778 | 4,438 | 4,438 |
| Other expenses | 105 |  | - | - | - | - |
| **Total expenses** | **85,626** |  | **73,825** | **71,351** | **71,784** | **72,033** |
|  |  |  |  |  |  |  |
| **LESS:** |  |  |  |  |  |  |
| **OWN-SOURCE INCOME 2** |  |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |  |
| Sale of goods and |  |  |  |  |  |  |
| rendering of services | 91,096 |  | 76,825 | 74,351 | 74,784 | 75,033 |
| Interest | 160 |  | - | - | - | - |
| **Total own-source revenue** | **91,256** |  | **76,825** | **74,351** | **74,784** | **75,033** |
|  |  |  |  |  |  |  |
| **Gains** |  |  |  |  |  |  |
| Other | 105 |  | - | - | - | - |
| **Total gains** | **105** |  | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |  |
| **Total own-source income** | **91,361** |  | **76,825** | **74,351** | **74,784** | **75,033** |
|  |  |  |  |  |  |  |
| **Net cost of (contribution by)** |  |  |  |  |  |  |
| **services** | **(5,735)** |  | **(3,000)** | **(3,000)** | **(3,000)** | **(3,000)** |
|  |  |  |  |  |  |  |
| Revenue from government | - |  | - | - | - | - |
|  |  |  |  |  |  |  |
| **Surplus (Deficit) attributable to** |  |  |  |  |  |  |
| **the Australian Government 4** | **5,735** |  | **3,000** | **3,000** | **3,000** | **3,000** |
|  |  |  |  |  |  |  |
| **Total comprehensive income (loss)** |  |  |  |  |  |  |
| **attributable to the Australian** |  |  |  |  |  |  |
| **Government** | **5,735** |  | **3,000** | **3,000** | **3,000** | **3,000** |

Prepared on Australian Accounting Standards basis.

1. Estimated Actuals for 2014-15 are combined from CSC and ComSuper prior to merger and are net of eliminations of inter-entity revenues and expenses that are shown gross in the tables for Outcomes 1 and 2.
2. Expenses reflect only the costs paid, and income received, by CSC into its Special Account and do not reflect the total cost involved in the administration and management of the schemes.
3. Employee benefits in 2014-15 include amounts for redundancy payments.
4. The budgeted surpluses are required to meet the agreed return of capital to Government.

##### Table 3.2.2: Budgeted Balance Sheet – Departmental as at 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 9,159 | 9,083 | 9,016 | 8,758 | 8,434 |
| Trade and other receivables | 29,519 | 29,688 | 29,787 | 29,787 | 29,787 |
| **Total financial assets** | **38,678** | **38,771** | **38,803** | **38,545** | **38,221** |
|  |  |  |  |  |  |
| **Non-financial assets** |  |  |  |  |  |
| Leasehold improvements | 3,555 | 3,365 | 3,365 | 3,365 | 3,365 |
| Property, plant and equipment | 3,334 | 3,334 | 3,334 | 3,334 | 3,334 |
| Intangibles | 18,817 | 19,007 | 19,007 | 19,007 | 19,007 |
| Other non-financial assets | 1,564 | 1,567 | 1,569 | 1,572 | 1,575 |
| **Total non-financial assets** | **27,270** | **27,273** | **27,275** | **27,278** | **27,281** |
|  |  |  |  |  |  |
| **Total assets** | **65,948** | **66,044** | **66,078** | **65,823** | **65,502** |
|  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 14,959 | 15,132 | 15,178 | 14,923 | 14,602 |
| Accrued expenses | 89 | 12 | **-** | **-** | **-** |
| **Total payables** | **15,048** | **15,144** | **15,178** | **14,923** | **14,602** |
|  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 14,334 | 14,334 | 14,334 | 14,334 | 14,334 |
| **Total provisions** | **14,334** | **14,334** | **14,334** | **14,334** | **14,334** |
|  |  |  |  |  |  |
| **Total liabilities** | **29,382** | **29,478** | **29,512** | **29,257** | **28,936** |
|  |  |  |  |  |  |
| **Net assets** | **36,566** | **36,566** | **36,566** | **36,566** | **36,566** |
|  |  |  |  |  |  |
| **EQUITY 1** |  |  |  |  |  |
| Contributed equity | 14,357 | 14,357 | 14,357 | 14,357 | 14,357 |
| Reserves | 2,215 | 2,215 | 2,215 | 2,215 | 2,215 |
| Retained surplus |  |  |  |  |  |
| (accumulated deficit) | 19,994 | 19,994 | 19,994 | 19,994 | 19,994 |
|  |  |  |  |  |  |
| **Total equity** | **36,566** | **36,566** | **36,566** | **36,566** | **36,566** |

Prepared on Australian Accounting Standards basis.

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

##### Table 3.2.3: Budgeted Statement of Changes in Equity – Summary of Movement – Departmental for the period ended 30 June 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained | Asset | Contributed | Total |
|  | earnings | revaluation | equity/ | equity |
|  |  | reserve | capital |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **Opening balance as at 1 July 2015** |  |  |  |  |
| Balance carried forward from |  |  |  |  |
| previous period | 19,994 | 2,215 | 14,357 | 36,566 |
| **Adjusted opening balance** | **19,994** | **2,215** | **14,357** | **36,566** |
|  |  |  |  |  |
| **Comprehensive income** |  |  |  |  |
| Surplus (deficit) for the period | 3,000 | - | - | 3,000 |
| **Total comprehensive income** | **3,000** | **-** | **-** | **3,000** |
|  |  |  |  |  |
| **Transactions with owners** |  |  |  |  |
| **Distributions to owners** |  |  |  |  |
| Returns on capital: |  |  |  |  |
| Dividends | (3,000) | - | - | (3,000) |
| **Total transactions with owners** | **(3,000)** | **-** | **-** | **(3,000)** |
|  |  |  |  |  |
| **Estimated closing balance** |  |  |  |  |
| **as at 30 June 2016** | **19,994** | **2,215** | **14,357** | **36,566** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Estimated |  | Budget | Forward | Forward | Forward |
|  | actual | 1 | estimate | estimate | estimate | estimate |
|  | 2014-15 |  | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 |  | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |  |
| Transfers from the OPA | 88,284 |  | 72,523 | 70,127 | 70,818 | 71,090 |
| Sale of goods and |  |  |  |  |  |  |
| rendering of services | 89,025 |  | 76,825 | 74,351 | 74,784 | 75,033 |
| Interest | 160 |  | - | - | - | - |
| **Total cash received** | **177,469** |  | **149,348** | **144,478** | **145,602** | **146,123** |
|  |  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |  |
| Employees | 44,270 |  | 40,234 | 40,331 | 40,781 | 41,171 |
| Suppliers | 34,223 |  | 27,536 | 26,210 | 26,823 | 26,748 |
| Transfers to the OPA | 122,595 |  | 72,720 | 70,226 | 70,818 | 71,090 |
| Other | 837 |  | 269 | - | - | - |
| **Total cash used** | **201,925** |  | **140,759** | **136,767** | **138,422** | **139,009** |
|  |  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |  |
| **operating activities** | **(24,456)** |  | **8,589** | **7,711** | **7,180** | **7,114** |
|  |  |  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |  |
| Purchase of non-financial assets | 5,696 |  | 5,665 | 4,778 | 4,438 | 4,438 |
| **Total cash used** | **5,696** |  | **5,665** | **4,778** | **4,438** | **4,438** |
|  |  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |  |
| **investing activities** | **(5,696)** |  | **(5,665)** | **(4,778)** | **(4,438)** | **(4,438)** |
|  |  |  |  |  |  |  |
| **FINANCING ACTIVITIES** |  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |  |
| Other | 5,735 |  | 3,000 | 3,000 | 3,000 | 3,000 |
| **Total cash used** | **5,735** |  | **3,000** | **3,000** | **3,000** | **3,000** |
|  |  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |  |
| **financing activities** | **(5,735)** |  | **(3,000)** | **(3,000)** | **(3,000)** | **(3,000)** |
|  |  |  |  |  |  |  |
| **Net increase (decrease)** |  |  |  |  |  |  |
| **in cash held** | **(35,887)** |  | **(76)** | **(67)** | **(258)** | **(324)** |
|  |  |  |  |  |  |  |
| Cash and cash equivalents at the |  |  |  |  |  |  |
| beginning of the reporting period | 45,046 |  | 9,159 | 9,083 | 9,016 | 8,758 |
|  |  |  |  |  |  |  |
| **Cash and cash equivalents at the** |  |  |  |  |  |  |
| **end of the reporting period** | **9,159** |  | **9,083** | **9,016** | **8,758** | **8,434** |

Prepared on Australian Accounting Standards basis.

1. Estimated Actuals for 2014-15 are combined from CSC and ComSuper prior to merger and are net of eliminations of inter-entity cash receipts and payments that are shown gross in the tables for Outcomes 1 and 2.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **PURCHASE OF NON-FINANCIAL** |  |  |  |  |  |
| **ASSETS** |  |  |  |  |  |
| Funded internally from |  |  |  |  |  |
| departmental resources | 5,696 | 5,665 | 4,778 | 4,438 | 4,438 |
| **TOTAL** | **5,696** | **5,665** | **4,778** | **4,438** | **4,438** |
|  |  |  |  |  |  |
| **RECONCILIATION OF CASH** |  |  |  |  |  |
| **USED TO ACQUIRE ASSETS** |  |  |  |  |  |
| **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 5,696 | 5,665 | 4,778 | 4,438 | 4,438 |
|  |  |  |  |  |  |
| **Total cash used to acquire assets** | **5,696** | **5,665** | **4,778** | **4,438** | **4,438** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.6: Budgeted Statement of Asset Movements – Departmental for the period ended 30 June 2016

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Asset Category** | | | |
|  | Leasehold | Other property, | Computer | Total |
|  | Improvements | plant and | software and |  |
|  |  | equipment | intangibles |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2015** |  |  |  |  |
| Gross book value | 4,771 | 4,966 | 58,588 | 68,325 |
| Accumulated depreciation / |  |  |  |  |
| amortisation and impairment | (1,216) | (1,632) | (39,771) | (42,619) |
| **Opening net book balance** | **3,555** | **3,334** | **18,817** | **25,706** |
|  |  |  |  |  |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on** |  |  |  |  |
| **new or replacement assets** |  |  |  |  |
| By purchase - other | 468 | 1,125 | 4,072 | 5,665 |
| **Total additions** | **468** | **1,125** | **4,072** | **5,665** |
|  |  |  |  |  |
| **Other movements** |  |  |  |  |
| Depreciation / |  |  |  |  |
| amortisation expense | (658) | (1,125) | (3,882) | (5,665) |
| **Total other movements** | **(658)** | **(1,125)** | **(3,882)** | **(5,665)** |
|  |  |  |  |  |
| **As at 30 June 2016** |  |  |  |  |
| Gross book value | 5,239 | 6,091 | 62,660 | 73,990 |
| Accumulated depreciation / |  |  |  |  |
| amortisation and impairment | (1,874) | (2,757) | (43,653) | (48,284) |
| **Closing net book balance** | **3,365** | **3,334** | **19,007** | **25,706** |

Prepared on Australian Accounting Standards basis.

Future Fund Management Agency

Entity Resources and Planned Performance

Future Fund Management Agency

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## Future Fund Management Agency

### Section 1: Entity Overview and Resources

#### 1.1 Strategic Direction Statement

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

The scope of the FFMA and the Board was extended by the Nation-building Funds Act 2008 and subsequently by the National Disability Insurance Scheme Act 2013 to include the management of investments to grow other Australian Government Asset Funds as a means to provide financing sources for substantial future investments in the Australian economy. As a result the FFMA supports the Board in managing investments of the Future Fund, Building Australia Fund (BAF), Education Investment Fund (EIF), Health and Hospitals Fund (HHF) and DisabilityCare Australia Fund (DCAF).

Subject to the passage of legislation, the scope of the Board and FFMA is to be broadened by the establishment of two new Australian Government Investment Funds; the Asset Recycling Fund (ARF); and the Medical Research Future Fund (MRFF). The three Nation-building Funds will be abolished through a repeal of the Nation-building Funds Act 2008.

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

The Future Fund’s portfolio has now been significantly invested and will continue to evolve as the Board manages the portfolio in line with its mandate and strategy. The approach to managing the portfolio is detailed in the 2013-14 Future Fund Annual Report. Recognising the potential for continued volatility in investment markets, an important emphasis for the FFMA and the Board is maintaining a long term investment perspective and strategy that balances risk with expected return as required under the Future Fund Investment Mandate Directions 2006 (Investment Mandate).

The FFMA provides support and advice to the Board in relation to the BAF, EIF, HHF and DCAF and is focused on developing and implementing investment strategies consistent with the legislation and mandates. The investment strategies and approach for the Nation-building Funds are detailed in the 2013-14 Future Fund Annual Report.

#### 1.2 Entity Resource Statement

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

##### Table 1.1: Future Fund Management Agency Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Actual |  | Estimate |  | Proposed |  | Total |
|  |  | available |  | of prior | + | at Budget | = | estimate |
|  |  | appropriation |  | year amounts |  |  |  |  |
|  |  |  |  | available in |  |  |  |  |
|  |  | 2014-15 |  | 2015-16 |  | 2015-16 |  | 2015-16 |
|  |  | $'000 |  | $'000 |  | $'000 |  | $'000 |
| **Special accounts** |  |  |  |  |  |  |  |  |
| Opening balance |  | - |  | - |  | **-** |  | - |
| Non-appropriation receipts to |  |  |  |  |  |  |  |  |
| special accounts |  | 705,042 |  | - |  | 666,450 |  | 666,450 |
| **Total special accounts** |  | **705,042** |  | **-** |  | **666,450** |  | **666,450** |
|  |  |  |  |  |  |  |  |  |
| **Total net resourcing for FFMA** |  | **705,042** |  | **-** |  | **666,450** |  | **666,450** |

Reader note: All figures are GST exclusive.

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

#### 1.3 Budget Measures

No budget measures have been announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact FFMA.

All budget measures have been previously reported in a portfolio statement.

### Section 2: Outcomes and Planned Performance

#### 2.1 Outcomes and Performance Information

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

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

|  |
| --- |
| **Outcome 1 Make provision for the Commonwealth’s unfunded superannuation liabilities, payments for the creation and development of infrastructure, and payments from the DisabilityCare Australia Fund by managing the investment activities of the Future Fund, Nation-building Funds and DisabilityCare Australia Fund, in line with the Government’s investment mandates.** |

Outcome 1 Strategy

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

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

The specific investment strategies applied to the investment of assets, together with the overarching investment beliefs and principles of the organisation, are detailed in the 2013-14 Future Fund Annual Report.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

##### Table 2.1: Budgeted Expenses for Outcome 1

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Make provision for the Commonwealth’s** | 2014-15 | 2015-16 |
| **unfunded superannuation liabilities, payments for the** | Estimated | Estimated |
| **creation and development of infrastructure, and** | actual | expenses |
| **payments from the DisabilityCare Australia Fund by** | expenses |  |
| **managing the investment activities of the Future Fund,** | $'000 | $'000 |
| **Nation-building Funds and DisabilityCare Australia Fund,** |  |  |
| **in line with the Government’s investment mandates.** |  |  |
|  |  |  |
| **Programme 1.1: Management of the investment of** |  |  |
| **the Future Fund** |  |  |
| Special accounts | 44,363 | 47,326 |
|  |  |  |
| **Total for Programme 1.1** | **44,363** | **47,326** |
|  |  |  |
| **Programme 1.2: Management of the Investment of the** |  |  |
| **Building Australia Fund, Education Investment Fund,** |  |  |
| **Health and Hospitals Fund and DisabilityCare Australia** |  |  |
| **Fund** |  |  |
| Special accounts | 759 | 63 |
|  |  |  |
| **Total for Programme 1.2** | **759** | **63** |
|  |  |  |
| **Outcome 1 Totals by appropriation type** |  |  |
| Special accounts | 45,122 | 47,389 |
|  |  |  |
| **Total expenses for Outcome 1** | **45,122** | **47,389** |
|  |  |  |
|  | 2014-15 | 2015-16 |
| **Average Staffing Level (number)** | 104 | 122 |

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

**Contributions to Outcome 1**

|  |
| --- |
| Programme 1.1: Management of the Investment of the Future Fund |

Programme 1.1 Objective

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

Programme 1.1 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Future Fund Special Account | 44,363 | 47,326 | 47,564 | 48,244 | 49,309 |
|  |  |  |  |  |  |
| **Total Programme expenses** | **44,363** | **47,326** | **47,564** | **48,244** | **49,309** |

Programme 1.1 Deliverables

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

Programme 1.1 Key Performance Indicators

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

|  |
| --- |
| Programme 1.2: Management of the Investment of the Building Australia Fund, Education Investment Fund, Health and Hospitals Fund and DisabilityCare Australia Fund |

Programme 1.2 Objective

* The *Nation-building Funds Act 2008* established the Education Investment Fund, the Health and Hospitals Fund and the Building Australia Fund on 1 January 2009. The role of the FFMA was extended to include supporting the Board in the investment of the assets of these funds.
* The *National Disability Insurance Scheme Act 2013* established the DisabilityCare Australia Fund (DCAF) on 1 July 2014. The role of the FFMA was extended to include supporting the Board in the investment of the assets of this fund.

Programme 1.2 Expenses

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Special account expenses: |  |  |  |  |  |
| Future Fund Special Account | 759 | 63 | - | - | - |
|  |  |  |  |  |  |
| **Total Programme expenses** | **759** | **63** | **-** | **-** | **-** |

Programme 1.2 Deliverables

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

Programme 1.2 Key Performance Indicators

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

### Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget Year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

#### 3.1 Explanatory Tables

**3.1.1 Movement of Administered Funds Between Years**

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

**3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by FFMA.

##### Table 3.1.2: Estimates of Special Account Flows and Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Opening |  |  |  | Closing |
|  |  | balance | Receipts | Payments | Adjustments | balance |
|  |  | **2015-16** | **2015-16** | **2015-16** | **2015-16** | **2015-16** |
|  |  | *2014-15* | *2014-15* | *2014-15* | *2014-15* | *2014-15* |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| Future Fund Special | 1 | **-** | **666,450** | **(666,450)** | **-** | **-** |
| Account (A)(D) |  | *-* | *705,042* | *(705,042)* | *-* | *-* |
|  |  |  |  |  |  |  |
| **Total special accounts** |  |  |  |  |  |  |
| **2015-16 Budget estimate** |  | **-** | **666,450** | **(666,450)** | **-** | **-** |
|  |  |  |  |  |  |  |
| *Total special accounts* |  |  |  |  |  |  |
| *2014-15 estimated actual* |  | *-* | *705,042* | *(705,042)* | *-* | *-* |

(A) = Administered

(D) = Departmental

**3.1.3 Australian Government Indigenous Expenditure**

The 2014‑15 Australian Government Indigenous Statement is not applicable because FFMA has no indigenous-specific expenses.

#### 3.2 Budgeted Financial Statements

**3.2.1 Differences in Entity Resourcing and Financial Statements**

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

**3.2.2 Analysis of Budgeted Financial Statements**

Departmental expenditure will increase over the 2015-16 estimate year in line with maintaining and developing FFMA’s ability to support the Board in managing the Future Fund and other Australian Government Asset Funds.

Administered expenditure will increase over the 2015-16 estimate year as a result of the expected growth of the portfolio and the evolution of the asset allocation in line with the Board’s investment strategy.

**3.2.3 Budgeted Financial Statements Tables**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 31,492 | 31,170 | 31,684 | 32,354 | 33,004 |
| Suppliers | 12,195 | 14,526 | 13,726 | 13,937 | 14,302 |
| Depreciation and amortisation | 1,435 | 1,693 | 2,154 | 1,953 | 2,003 |
| **Total expenses** | **45,122** | **47,389** | **47,564** | **48,244** | **49,309** |
|  |  |  |  |  |  |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Other revenue | 44,972 | 47,239 | 47,414 | 48,094 | 49,159 |
| **Total own-source revenue** | **44,972** | **47,239** | **47,414** | **48,094** | **49,159** |
|  |  |  |  |  |  |
| **Gains** |  |  |  |  |  |
| Other gains | 150 | 150 | 150 | 150 | 150 |
| **Total gains** | **150** | **150** | **150** | **150** | **150** |
|  |  |  |  |  |  |
| **Total own-source income** | **45,122** | **47,389** | **47,564** | **48,244** | **49,309** |
|  |  |  |  |  |  |
| **Net cost of (contribution by)** |  |  |  |  |  |
| **services** | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| Revenue from government | - | - | - | - | - |
|  |  |  |  |  |  |
| **Surplus (Deficit) attributable to** |  |  |  |  |  |
| **the Australian Government** | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| **Total comprehensive income (loss)** |  |  |  |  |  |
| **attributable to the Australian** |  |  |  |  |  |
| **Government** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.2: Budgeted Balance Sheet – Departmental as at 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 180 | 180 | 180 | 180 | 180 |
| Trade and other receivables | 19,839 | 15,881 | 20,872 | 22,461 | 24,158 |
| **Total financial assets** | **20,019** | **16,061** | **21,052** | **22,641** | **24,338** |
|  |  |  |  |  |  |
| **Non-financial assets** |  |  |  |  |  |
| Property, plant and equipment | 854 | 3,655 | 2,844 | 2,134 | 1,475 |
| Intangibles | 1,663 | 2,892 | 2,299 | 1,806 | 1,212 |
| Other non-financial assets | 206 | 206 | 206 | 206 | 206 |
| **Total non-financial assets** | **2,723** | **6,753** | **5,349** | **4,146** | **2,893** |
|  |  |  |  |  |  |
| **Total assets** | **22,742** | **22,814** | **26,401** | **26,787** | **27,231** |
|  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Other payables | 6,367 | 5,813 | 8,626 | 8,161 | 7,735 |
| **Total payables** | **6,367** | **5,813** | **8,626** | **8,161** | **7,735** |
|  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 16,375 | 17,001 | 17,775 | 18,626 | 19,496 |
| **Total provisions** | **16,375** | **17,001** | **17,775** | **18,626** | **19,496** |
|  |  |  |  |  |  |
| **Total liabilities** | **22,742** | **22,814** | **26,401** | **26,787** | **27,231** |
|  |  |  |  |  |  |
| **Net assets** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.3: Budgeted Statement of Changes in Equity – Summary of Movement – Departmental for the period ended 30 June 2016

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Other | 46,314 | 55,140 | 50,358 | 51,315 | 52,379 |
| **Total cash received** | **46,314** | **55,140** | **50,358** | **51,315** | **52,379** |
|  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Employees | 29,073 | 30,508 | 30,876 | 31,468 | 32,097 |
| Suppliers | 12,073 | 14,412 | 14,008 | 14,356 | 14,723 |
| Net GST paid | 4,051 | 4,497 | 4,724 | 4,741 | 4,809 |
| **Total cash used** | **45,197** | **49,417** | **49,608** | **50,565** | **51,629** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **operating activities** | **1,117** | **5,723** | **750** | **750** | **750** |
|  |  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant |  |  |  |  |  |
| and equipment | 1,117 | 5,723 | 750 | 750 | 750 |
| **Total cash used** | **1,117** | **5,723** | **750** | **750** | **750** |
|  |  |  |  |  |  |
| **Net cash from (used by)** |  |  |  |  |  |
| **investing activities** | **(1,117)** | **(5,723)** | **(750)** | **(750)** | **(750)** |
|  |  |  |  |  |  |
| **Net increase (decrease)** |  |  |  |  |  |
| **in cash held** | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| Cash and cash equivalents at the |  |  |  |  |  |
| beginning of the reporting period | 180 | 180 | 180 | 180 | 180 |
|  |  |  |  |  |  |
| **Cash and cash equivalents at the** |  |  |  |  |  |
| **end of the reporting period** | **180** | **180** | **180** | **180** | **180** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
|  |  |  |  |  |  |
| **PURCHASE OF NON-FINANCIAL** |  |  |  |  |  |
| **ASSETS** |  |  |  |  |  |
| Funded internally from |  |  |  |  |  |
| departmental resources | 1,117 | 5,723 | 750 | 750 | 750 |
|  |  |  |  |  |  |
| **TOTAL** | **1,117** | **5,723** | **750** | **750** | **750** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.6: Budgeted Statement of Asset Movements – Departmental for the period ended 30 June 2016

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Asset Category** | | |
|  | Other property, | Computer | Total |
|  | plant and | software and |  |
|  | equipment | intangibles |  |
|  | $'000 | $'000 | $'000 |
| **As at 1 July 2015** |  |  |  |
| Gross book value | 7,019 | 3,912 | 10,931 |
| Accumulated depreciation / |  |  |  |
| amortisation and impairment | (6,165) | (2,249) | (8,414) |
| **Opening net book balance** | **854** | **1,663** | **2,517** |
|  |  |  |  |
| **CAPITAL ASSET ADDITIONS** |  |  |  |
| **Estimated expenditure on** |  |  |  |
| **new or replacement assets** |  |  |  |
| By purchase - other | 3,728 | 1,995 | 5,723 |
| **Total additions** | **3,728** | **1,995** | **5,723** |
|  |  |  |  |
| **Other movements** |  |  |  |
| Depreciation / |  |  |  |
| amortisation expense | (927) | (766) | (1,693) |
| **Total other movements** | **(927)** | **(766)** | **(1,693)** |
|  |  |  |  |
| **As at 30 June 2016** |  |  |  |
| Gross book value | 10,747 | 5,907 | 16,654 |
| Accumulated depreciation / |  |  |  |
| amortisation and impairment | (7,092) | (3,015) | (10,107) |
| **Closing net book balance** | **3,655** | **2,892** | **6,547** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of the Government for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 931 | 966 | 1,005 | 1,046 | 1,087 |
| Suppliers | 667,102 | 737,455 | 787,422 | 841,150 | 899,107 |
| **Total expenses** | **668,033** | **738,421** | **788,427** | **842,196** | **900,194** |
|  |  |  |  |  |  |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Non-taxation revenue** |  |  |  |  |  |
| Interest | 256,991 | 1,291,215 | 1,434,625 | 1,624,590 | 1,813,669 |
| Dividends | 3,195,484 | 2,519,470 | 2,682,645 | 2,866,839 | 3,073,492 |
| **Total non-taxation revenue** | **3,452,475** | **3,810,685** | **4,117,270** | **4,491,429** | **4,887,161** |
|  |  |  |  |  |  |
| **Gains** |  |  |  |  |  |
| Other gains | 12,741,983 | 5,311,991 | 5,664,112 | 5,989,784 | 6,357,075 |
| **Total gains** | **12,741,983** | **5,311,991** | **5,664,112** | **5,989,784** | **6,357,075** |
|  |  |  |  |  |  |
| **Total own-sourced income** |  |  |  |  |  |
| **administered on behalf of** |  |  |  |  |  |
| **government** | **16,194,458** | **9,122,676** | **9,781,382** | **10,481,213** | **11,244,236** |
|  |  |  |  |  |  |
| **Net cost of /** |  |  |  |  |  |
| **(contribution by) services** | **(15,526,425)** | **(8,384,255)** | **(8,992,955)** | **(9,639,017)** | **(10,344,042)** |
|  |  |  |  |  |  |
| **Total comprehensive** |  |  |  |  |  |
| **income (loss)** | **15,526,425** | **8,384,255** | **8,992,955** | **9,639,017** | **10,344,042** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.8: Budgeted Schedule of Assets and Liabilities Administered on Behalf of Government as at 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 1,192 | 1,192 | 1,192 | 1,192 | 1,192 |
| Trade and other receivables | 1,423,083 | 1,315,009 | 1,340,850 | 1,370,145 | 1,403,040 |
| Other investments | 116,338,226 | 124,907,236 | 133,953,072 | 143,643,141 | 154,040,194 |
| **Total financial assets** | **117,762,501** | **126,223,437** | **135,295,114** | **145,014,478** | **155,444,426** |
|  |  |  |  |  |  |
| **Total assets administered** |  |  |  |  |  |
| **on behalf of government** | **117,762,501** | **126,223,437** | **135,295,114** | **145,014,478** | **155,444,426** |
|  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 310,045 | 386,740 | 465,462 | 545,809 | 631,715 |
| Other payables | 385,803 | 385,803 | 385,803 | 385,803 | 385,803 |
| **Total payables** | **695,848** | **772,543** | **851,265** | **931,612** | **1,017,518** |
|  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 36 | 22 | 22 | 22 | 22 |
| **Total provisions** | **36** | **22** | **22** | **22** | **22** |
|  |  |  |  |  |  |
| **Total liabilities administered** | |  |  |  |  |
| **on behalf of government** | **695,884** | **772,565** | **851,287** | **931,634** | **1,017,540** |
|  |  |  |  |  |  |
| **Net assets/(liabilities)** | **117,066,617** | **125,450,872** | **134,443,827** | **144,082,844** | **154,426,886** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Interest | 274,499 | 1,291,215 | 1,434,625 | 1,624,590 | 1,813,669 |
| Dividends | 2,723,247 | 2,627,841 | 2,656,827 | 2,837,612 | 3,039,133 |
| Net GST received | 5,409 | 4,421 | 4,718 | 4,741 | 4,809 |
| **Total cash received** | **3,003,155** | **3,923,477** | **4,096,170** | **4,466,943** | **4,857,611** |
| **Cash used** |  |  |  |  |  |
| Suppliers | 659,302 | 609,816 | 666,277 | 714,299 | 765,740 |
| Employees | 931 | 966 | 1,005 | 1,046 | 1,087 |
| Other | 44,809 | 55,668 | 47,164 | 51,314 | 52,378 |
| **Total cash used** | **705,042** | **666,450** | **714,446** | **766,659** | **819,205** |
| **Net cash from (used by)** |  |  |  |  |  |
| **operating activities** | **2,298,113** | **3,257,027** | **3,381,724** | **3,700,284** | **4,038,406** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of |  |  |  |  |  |
| investments | 7,297,118 | 3,705,268 | 4,112,818 | 2,588,570 | 2,707,710 |
| **Total cash received** | **7,297,118** | **3,705,268** | **4,112,818** | **2,588,570** | **2,707,710** |
| **Cash used** |  |  |  |  |  |
| Investments | 9,595,231 | 6,962,295 | 7,494,542 | 6,288,854 | 6,746,116 |
| **Total cash used** | **9,595,231** | **6,962,295** | **7,494,542** | **6,288,854** | **6,746,116** |
| **Net cash from (used by)** |  |  |  |  |  |
| **investing activities** | **(2,298,113)** | **(3,257,027)** | **(3,381,724)** | **(3,700,284)** | **(4,038,406)** |
| **Net increase (decrease) in** |  |  |  |  |  |
| **cash held** | **-** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at |  |  |  |  |  |
| beginning of reporting period | 1,192 | 1,192 | 1,192 | 1,192 | 1,192 |
| **Cash and cash equivalents at** |  |  |  |  |  |
| **end of reporting period** | **1,192** | **1,192** | **1,192** | **1,192** | **1,192** |

Prepared on Australian Accounting Standards basis.

##### Table 3.2.10: Schedule of Administered Capital Budget for the period ended 30 June

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

##### Table 3.2.11: Budgeted Schedule of Asset Movements – Administered for the period ended 30 June 2016

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

# Glossary

|  |  |
| --- | --- |
| **Term** | **Meaning** |
| Accumulated Depreciation | The aggregate depreciation recorded for a particular depreciating asset. |
| Acts of Grace Payments | The primary method of providing compensation to persons who have been unfairly disadvantaged by the Commonwealth but who have no legal claim against it. |
| Administered Items | Expenses, revenues, assets or liabilities managed by entities on behalf of the Commonwealth. Entities do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs. |
| Additional Estimates | Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. |
| Additional Estimates Bills or Acts | These are Appropriation Bills (No.3) and (No.4), and a separate Bill for the Parliamentary Departments (Parliamentary Departments) Bill (No.2). These Bills are introduced into Parliament after the Budget Bills. |
| Appropriation | An authorisation by Parliament to spend monies from the Consolidated Revenue Fund for a particular purpose. |
| Annual Appropriation | Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the Additional Estimates. Parliamentary departments have their own appropriations. |
| Capital Expenditure | Expenditure by an entity on capital projects, for example purchasing a building. |
| Consolidated Revenue Fund | s81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF. |

|  |  |
| --- | --- |
| **Term** | **Meaning** |
| Departmental Items | Assets, liabilities, revenues and expenses that are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred. |
| Depreciation | Apportionment of an asset’s capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time. |
| Equity or Net Assets | Residual interest in the assets of an entity after deduction of its liabilities. |
| Expense | Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity. |
| Fair Value | Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder. |
| Measure | A new policy or savings decision of the government with financial impacts. |
| Operating Result | Equals income less expense. |
| Outcomes | The government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community influenced by the actions of the Australian Government. Actual outcomes are the results or impacts actually achieved. |
| Portfolio | A Minister’s area of responsibility as a member of Cabinet. A portfolio consists of one or more Departments of State (aka the Portfolio Departments) and a number of entities with similar general objectives and outcomes. |
| Programme | Entities deliver programmes which are the government’s actions taken to deliver the stated outcomes. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years. |
| **Term** | **Meaning** |
| Prescribed agencies | As per s.5 of the FMA Act, a prescribed entity means: a body, organisation or group of persons prescribed by the Regulations for the purposes of this definition. Prescribed agencies are made by the Governor-General by Regulation under the FMA Act. Prescribed legal authority and responsibility to manage their financial affairs. |
| Revenue | Total value of resources earned or received to cover the production of goods and services or increases in future economic benefits in the form of increases in assets or reductions in liabilities of an entity. |
| Special Accounts | Balances existing within the CRF that are supported by standing appropriations (FMA Act s20 or s21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account may only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (s20 of the FMA Act) or through an Act of Parliament (referred to in s21 of the FMA Act). |
| Special Appropriations (including Standing Appropriations) | An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from Consolidated Revenue Fund does not generally cease at the end of the financial year.  Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation. |

# Acronyms

|  |  |
| --- | --- |
| **Acronym** | **Description** |
| AAO | Administrative Arrangements Order |
| ACB | Administered Capital Budget |
| AEC | Australian Electoral Commission |
| AFS | Australian Financial Services |
| ANAO | Australian National Audit Office |
| APRA | Australian Prudential Regulation Authority |
| APS | Australian Public Service |
| ARF | Asset Recycling Fund |
| ASIC | Australian Securities and Investments Commission |
| BAF | Building Australia Fund |
| CAC Act | *Commonwealth Authorities and Companies Act 1997* |
| Charter of Budget Honesty | *Charter of Budget Honesty Act 1998* |
| COAG | Council of Australian Governments |
| CPI | Consumer Price Index |
| CRF | Consolidated Revenue Fund |
| CSC | Commonwealth Superannuation Corporation |
| CSS | Commonwealth Superannuation Scheme |
| DCAF | DisabilityCare Australia Fund |
| DCB | Departmental Capital Budget |
| DFRB | Defence Forces Retirement Benefits Scheme |

|  |  |
| --- | --- |
| **Acronym** | **Description** |
| DFRDB | Defence Force Retirement and Death Benefits Scheme |
| DFSPB | Defence Force (Superannuation) (Productivity Benefit) Scheme |
| EIF | Education Investment Fund |
| ERC | Expenditure Review Committee |
| FBO | Final Budget Outcome |
| FFMA | Future Fund Management Agency |
| Finance | Department of Finance |
| Finance Minister | Minister for Finance |
| FMA Act | *Financial Management and Accountability Act 1997* |
| FTE | Full-Time Equivalent |
| FWC | Fair Work Commission |
| GBEs | Government Business Enterprises |
| Government | Australian Government |
| HHF | Health and Hospitals Fund |
| ICON | Intra-Government Communications Network |
| ICT | Information and Communications Technology |
| KPI | Key Performance Indicator |
| MoP(S) Act | *Members of Parliament (Staff) Act 1984* |
| MRFF | Medical Research Future Fund |
| MSBS | Military Superannuation and Benefits Scheme |
| MYEFO | Mid-Year Economic Fiscal Outlook |
| NBF | Nation-building Funds |

|  |  |
| --- | --- |
| **Acronym** | **Description** |
| OPA | Official Public Account |
| PABs | Protected Action Ballots |
| PAES | Portfolio Additional Estimates Statements |
| PB Statements | Portfolio Budget Statements |
| PGPA Act | *Public Governance, Performance and Accountability Act 2013* |
| PM&C | Department of the Prime Minister and Cabinet |
| PNG | Papua New Guinea Scheme |
| PSS | Public Sector Superannuation Scheme |
| PSSap | Public Sector Superannuation Accumulation Plan |
| RSE | Registrable Superannuation Entity |
| SMOS | Special Minister of State |
| TSRA | Torres Strait Regional Authority |
| WoAG | Whole of Australian Government |