

BUDGET

2015-16

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

A large, stylized handwritten signature in blue ink, consisting of a long vertical stroke followed by a loop and a horizontal stroke.

Mathias Cormann
Minister for Finance

7 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nfp	not for publication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.

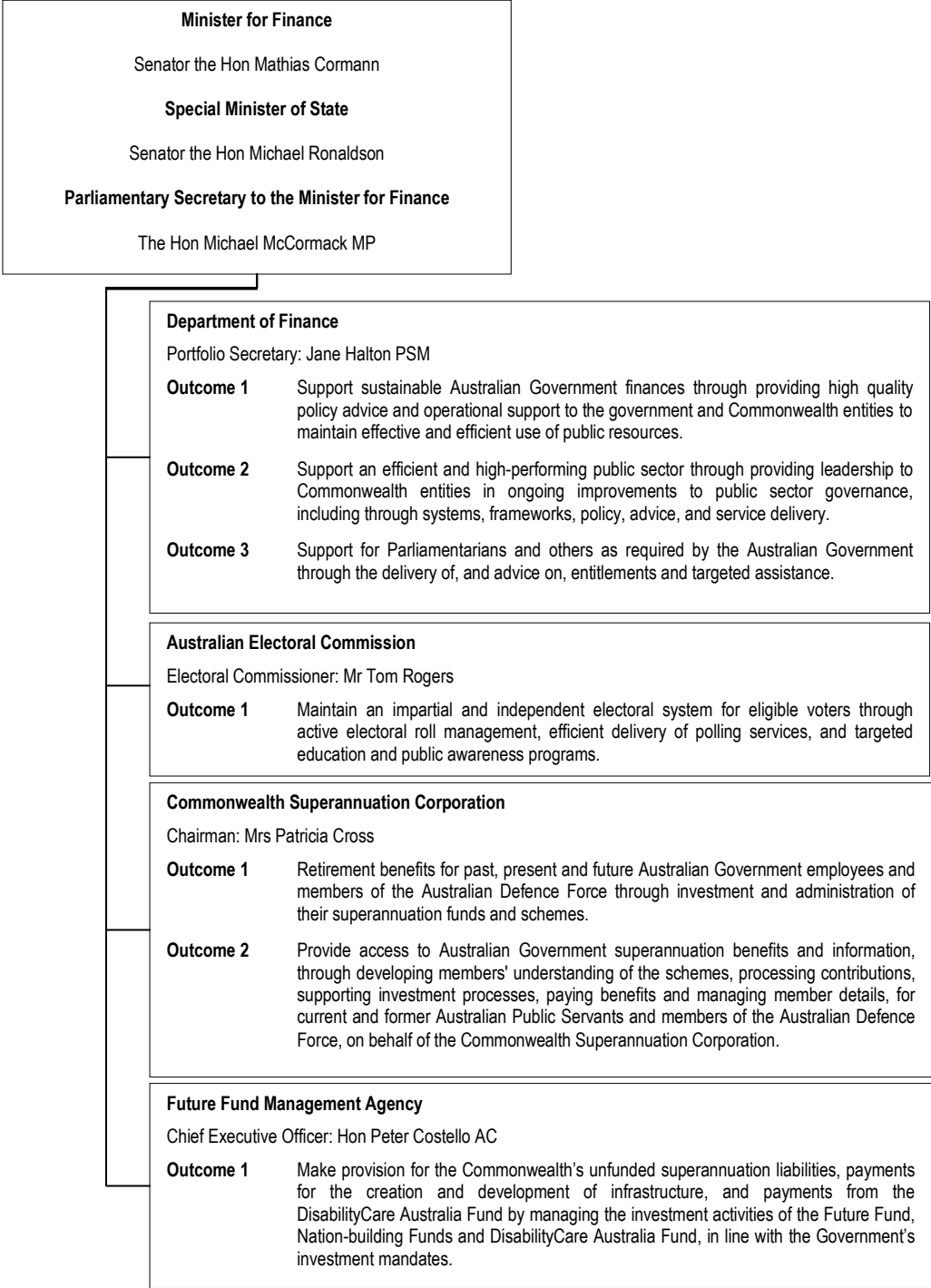
Future Fund Management Agency

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



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

	Bill No. 1	Appropriation Bill No. 2	Special	Receipts	Total
	\$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

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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;

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- 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 available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'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 available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Federal Circuit Court of Australia Act 1999</i>	729	-	741	741
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,400	-	1,400	1,400
<i>Governor-General Act 1974</i>	893	-	1,244	1,244
<i>Judges' Pensions Act 1968</i>	84,100	-	82,100	82,100
<i>Medibank Private Sale Act 2006</i>	3,327,182	-	-	-
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	1,065	-	1,120	1,120
<i>Parliamentary Contributory Superannuation Act 1948</i>	51,629	-	54,417	54,417
<i>Parliamentary Entitlements Act 1990</i>	166,610	-	175,064	175,064
<i>Parliamentary Superannuation Act 2004</i>	5,769	-	5,887	5,887
<i>Public Governance, Performance and Accountability Act 2013 - s77⁷</i>	-	-	2,300	2,300
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	50	-	57	57
<i>Superannuation Act 1922</i>	32,106	-	37,341	37,341
<i>Superannuation Act 1976</i>	3,060,701	-	3,510,317	3,510,317
<i>Superannuation Act 1990</i>	5,394,180	-	4,494,556	4,494,556
Special appropriations limited by amount				
<i>Commonwealth of Australia Constitution Act (s66)</i>	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 available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'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 Monies (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 \$'000	2015-16 \$'000
Payments made on behalf of other entities (disclosed in the respective Entity Resource Statement)		
Attorney-General's Department		
<i>Law Officers Act 1964</i>	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		
<i>Parliamentary Entitlements Act 1990</i>	1,650	300
Commonwealth Superannuation Corporation ¹		
<i>Governance of Australian Government</i>		
<i>Superannuation Schemes Act 2011</i>	1,400	1,400
<i>Same-Sex Relationships (Equal Treatment in</i>		
<i>Commonwealth Laws - General Law Reform) Act 2008</i>	50	57
<i>Superannuation Act 1922</i>	32,106	37,341
<i>Superannuation Act 1976</i>	3,060,701	3,510,316
<i>Superannuation Act 1990</i>	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		
<i>Parliamentary Entitlements Act 1990</i>	-	-
Department of the House of Representatives		
<i>Commonwealth of Australia</i>		
<i>Constitution Act (s66)</i>	3,390	3,390
<i>Parliamentary Entitlements Act 1990</i>	450	300
<i>Parliamentary Superannuation Act 2004</i>	3,774	3,812
Department of Parliamentary Services		
Appropriation Act (No.1)	400	225
<i>Parliamentary Entitlements Act 1990</i>	16,645	24,334
Department of the Senate		
<i>Commonwealth of Australia</i>		
<i>Constitution Act (s66)</i>	1,434	1,434
<i>Parliamentary Entitlements Act 1990</i>	736	200
<i>Parliamentary Superannuation Act 2004</i>	1,995	2,075
Fair Work Commission		
<i>Judges' Pensions Act 1968</i>	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 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Revenue measures						
Departmental revenues						
Smaller Government - Property Divestment Programme - general office accommodation Canberra	2.1	-	nfp	nfp	-	-
Smaller Government - Property Divestment Programme - Mount Macedon Property	2.3	-	-	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 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'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	2.2	-	(3,468)	(488)	-	-
Digital Transformation Agenda - Stage One and establishment of the Digital Transformation Office ¹⁰	2.2	-	(824)	(761)	(958)	(773)
Smaller Government - Property Divestment Programme - general office accommodation Canberra	2.2	-	(4,375)	(434)	-	-
Public Sector Savings - Enterprise Resource Planning Systems	2.2	-	-	-	14,103	17,298
Smaller Government - Australian Securities and Investments Commission Registry Function - commercialisation	2.2	-	(11,602)	-	-	-
Smaller Government - Australian Rail Track Corporation Limited - scoping study	2.2	-	-	-	-	-
Smaller Government - Finance Portfolio	2.2	-	-	-	-	-
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	2.5	-	(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 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'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.

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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	<i>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.</i>
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:	
<i>Informed decisions on Government finances through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.</i>	
New Outcome 2	<i>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.</i>
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:	
<i>Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.</i>	
New Outcome 3	<i>Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.</i>
Description of change:	
The statement was revised to better reflect Finance's purpose.	
Old Statement:	
<i>Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.</i>	

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.
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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 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.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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
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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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.
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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 public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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

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Table 2.1.2: Budgeted Expenses for Outcome 2 (continued)

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.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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		
<i>Federal Circuit Court of Australia</i>		
Act 1999	729	741
<i>Governance of Australian Government</i>		
Superannuation Schemes Act 2011	1,400	1,400
<i>Governor-General Act 1974</i>	893	1,244
<i>Judges' Pensions Act 1968</i>	84,100	82,100
<i>Parliamentary Contributory</i>		
Superannuation Act 1948	51,629	54,417
<i>Parliamentary Superannuation</i>		
Act 2004	5,769	5,887
<i>Same-Sex Relationships (Equal</i>		
<i>Treatment in Commonwealth Laws</i>		
- General Law Reform) Act 2008	50	57
<i>Superannuation Act 1922</i>	32,106	37,341
<i>Superannuation Act 1976</i>	3,060,701	3,510,316
<i>Superannuation Act 1990</i>	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

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Table 2.1.2: Budgeted Expenses for Outcome 2 (continued)

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.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Special appropriations expenses:					
<i>Medibank Private Sale Act 2006</i> (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;

Finance Budget Statements

- 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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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:					
<i>Federal Circuit Court of Australia Act 1999</i>	729	741	796	835	958
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,400	1,400	1,400	1,400	1,400
<i>Governor-General Act 1974</i>	893	1,244	1,233	1,221	7,064
<i>Judges' Pensions Act 1968</i>	84,100	82,100	83,900	86,900	90,600
<i>Parliamentary Contributory Superannuation Act 1948</i>	51,629	54,417	54,643	54,987	53,491
<i>Parliamentary Superannuation Act 2004</i>	5,769	5,887	6,732	7,001	7,281
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	50	57	57	57	47
<i>Superannuation Act 1922</i>	32,106	37,341	34,232	31,351	28,686
<i>Superannuation Act 1976</i>	3,060,701	3,510,316	3,481,685	3,448,258	3,409,368
<i>Superannuation Act 1990</i>	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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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.
3. 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.
4. 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.
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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 required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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		
<i>Commonwealth of Australia Constitution Act (s66)</i>	4,825	4,825
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	1,065	1,119
<i>Parliamentary Entitlements Act 1990</i>	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
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 entitlements.

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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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:					
<i>Commonwealth of Australia Constitution Act (s66)</i>	4,825	4,825	4,825	4,825	4,825
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	1,065	1,119	1,170	1,062	1,079
<i>Parliamentary Entitlements Act 1990</i>	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 Act or 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 balance 2015-16	Receipts 2015-16	Payments 2015-16	Adjustments 2015-16	Closing balance 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 Account	2	6,157 687	- 5,470	- -	- -	6,157 6,157
Comcover Special Account ⁵	2	357,326 360,673	136,101 110,468	(143,730) (113,815)	- -	349,697 357,326
Coordinated Procurement Contracting Special Account	2	44,184 48,378	117,785 123,660	(120,852) (127,854)	- -	41,117 44,184
Property Special Account ⁶	2	- 280,386	109,570 131,121	- (66,387)	- (345,120)	109,570 -
Property Special Account 2014 ⁶	2	231,481 -	157,775 103,982	(275,511) (217,621)	- 345,120	113,745 231,481
Total special accounts						
2015-16 Budget estimate		639,148	24,053,141	(24,072,003)	-	620,286
<i>Total special accounts</i>						
<i>2014-15 estimated actual</i>		<i>690,124</i>	<i>4,757,700</i>	<i>(4,808,676)</i>	-	<i>639,148</i>

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.
3. 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.
4. 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
5. Interest Equivalency Payment for Comcover increases from \$9.1m (2014-15) to \$10.2m (2015-16).
6. 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 actual 2014-15 Outcome	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
DisabilityCare Australia Fund ¹	2				
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 actual 2014-15 Outcome	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 Outcome	Budget estimate 2015-16	Forward estimate 2016-17	Forward estimate 2017-18	Forward estimate 2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000
Medical Research Future Fund ¹	2				
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 actual 2014-15 Outcome	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 Outcome	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
Education Investment Fund ¹	2				
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 actual 2014-15 Outcome	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
Health and Hospitals Fund ¹	2				
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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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
Total Items	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					Total
	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and 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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 estimates 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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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, plant and equipment	Intangibles	Total
	\$'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 annual services	3,440	1,392	-	4,832
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 available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'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				
<i>Public Governance, Performance and Accountability Act 2013 - s77 ⁴</i>	2	-	-	-
<i>Commonwealth Electoral Act 1918 (D)</i>	9,000	-	9,000	9,000
<i>Commonwealth Electoral Act 1918 (A)</i>	-	-	-	-
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 electoral system for eligible voters through active electoral roll management, efficient delivery of polling services, and targeted education and public awareness programs	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Special appropriations expenses:					
<i>Commonwealth Electoral Act 1918</i> (A)	-	-	76,000	-	-
<i>Commonwealth Electoral Act 1918</i> (D)	9,000	9,000	9,000	9,000	9,000
<i>Public Governance, Performance and Accountability Act 2013 - s77</i> ¹	2	-	-	-	-
Annual departmental expenses:					
Departmental expenses	119,563	117,504	229,874	113,039	116,077
Expenses not requiring 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 Act or 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 balance 2015-16 2014-15	Receipts 2015-16 2014-15	Payments 2015-16 2014-15	Adjustments 2015-16 2014-15	Closing balance 2015-16 2014-15
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Monies	1	-	-	-	-	-
		1,504	-	-	(1,504)	-
Total special accounts						
2015-16 Budget estimate		-	-	-	-	-
<i>Total special accounts</i>						
<i>2014-15 estimated actual</i>		1,504	-	-	(1,504)	-

3.1.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	Approp Bill No. 1 \$'000 2015-16 <i>2014-15</i>	Approp Bill No. 2 \$'000 2015-16 <i>2014-15</i>	Special Approp \$'000 2015-16 <i>2014-15</i>	Total Approp \$'000 2015-16 <i>2014-15</i>	Total \$'000 2015-16 <i>2014-15</i>	Programme
Australian Electoral Commission						
Outcome 1						
Departmental	3,315	-	-	3,315	3,315	1
	<i>3,382</i>	-	-	<i>3,382</i>	<i>3,382</i>	<i>1</i>
Total Outcome 1	3,315	-	-	3,315	3,315	1
	<i>3,382</i>	-	-	<i>3,382</i>	<i>3,382</i>	<i>1</i>
Total AGIE	3,315	-	-	3,315	3,315	1
	<i>3,382</i>	-	-	<i>3,382</i>	<i>3,382</i>	<i>1</i>

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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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.

- Does not include annual finance lease costs. Include purchases from current and previous years' DCBs.
- 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

	Asset Category			Total
	Buildings	Other property, plant and equipment	Computer software and 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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 available appropriation 2014-15 \$'000	Estimate of prior year amounts available in 2015-16 \$'000	Proposed at Budget = 2015-16 \$'000	Total estimate 2015-16 \$'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 \$'000	2015-16 \$'000
Payments made on behalf of other entities		
Department of Finance - Superannuation Special Appropriations:		
<i>Superannuation Act 1922</i>	32,106	37,341
<i>Superannuation Act 1976</i>	3,060,701	3,510,316
<i>Superannuation Act 1990</i>	5,394,180	4,494,556
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008</i>	50	57
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,400	1,400
Department of Defence - Superannuation Special Appropriations:		
<i>Defence Forces Retirement Benefits Act 1948</i>	50,046	47,982
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,520,643	1,566,142
<i>Military Superannuation and Benefits Act 1991</i>	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.
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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 and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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.
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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 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. ¹	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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

2. 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. 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 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward 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 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward 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 Act or 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 balance 2015-16 <i>2014-15</i>	Receipts 2015-16 <i>2014-15</i>	Payments 2015-16 <i>2014-15</i>	Adjustments 2015-16 <i>2014-15</i>	Closing balance 2015-16 <i>2014-15</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys (A)	2	26,009 6,370	2,766,623 2,766,623	(2,766,623) (2,746,984)	-	26,009 26,009
ComSuper Special Account (D) ¹	2	29,082 37,176	72,705 80,190	(72,523) (88,284)	-	29,264 29,082
Total special accounts						
2015-16 Budget estimate		55,091	2,839,328	(2,839,146)	-	55,273
<i>Total special accounts</i>						
<i>2014-15 estimated actual</i>		43,546	2,846,813	(2,835,268)	-	55,091

(A) = Administered

(D) = Departmental

- 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 actual ¹ 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'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 actual ¹ 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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			Total
	Leasehold Improvements \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'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 available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'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.
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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 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.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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 Act or 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 balance 2015-16 <i>2014-15</i>	Receipts 2015-16 <i>2014-15</i>	Payments 2015-16 <i>2014-15</i>	Adjustments 2015-16 <i>2014-15</i>	Closing balance 2015-16 <i>2014-15</i>
	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)	-	-
<i>Total special accounts</i>						
<i>2014-15 estimated actual</i>		-	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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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		Total
	Other property, plant and equipment \$'000	Computer software and intangibles \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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 actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'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)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>

ACRONYMS

Acronym	Description
AAO	Administrative Arrangements Order
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	<i>Commonwealth Authorities and Companies Act 1997</i>
Charter of Budget Honesty	<i>Charter of Budget Honesty Act 1998</i>
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

Acronyms

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	<i>Financial Management and Accountability Act 1997</i>
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	<i>Members of Parliament (Staff) Act 1984</i>
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	<i>Public Governance, Performance and Accountability Act 2013</i>
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