



# Budget 2018-19

## **Portfolio Budget Statements 2018-19 Budget Related Paper No. 1.7**

Finance Portfolio

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

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**SENATOR THE HON MATHIAS CORMANN**

**Minister for Finance**

**Leader of the Government in the Senate**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2018-19 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.

Yours sincerely

A large, stylized handwritten signature in blue ink, consisting of a large 'M' and 'C'.

Mathias Cormann  
Minister for Finance

3 May 2018

## Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
*	a reliable estimate cannot be provided
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nfp	not for publication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, Department of Finance on (02) 6215 2222.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: [www.budget.gov.au](http://www.budget.gov.au).

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**USER GUIDE  
To THE  
PORTFOLIO BUDGET STATEMENTS**

## USER GUIDE

The purpose of the *2018-19 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, 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) 2018-19 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2018-19 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*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriations acts.

### **The Enhanced Commonwealth Performance Framework**

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

## Enhanced Commonwealth Performance Framework - key components of relevant publications

### Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

### Corporate Plan (August) *Entity based*

**Primary planning document** of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



### Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.



# **PORTFOLIO OVERVIEW**



# FINANCE PORTFOLIO OVERVIEW

## Ministers and portfolio responsibilities

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 government programs.
- Government financial accountability, governance and financial management frameworks, including grants and procurement policy and services.
- Shareholder advice on Government Business Enterprises (GBEs) and commercial entities treated as GBEs.
- Policy guidance and management of act of grace requests and waiver of debts owed to the Commonwealth.
- General policy guidelines for Commonwealth statutory authorities.
- Superannuation arrangements for Australian Government civilian employees and parliamentarians and retirement benefits for Governors-General, Federal Judges and Federal Court Judges.
- Asset sales.
- Policy advice on the Future Fund and Australian Government Investment Funds and authorisation of payments from Australian Government Investment Funds to entities.

The Special Minister of State has responsibility for the following:

- Administration of Parliamentary entitlements.
- *Members of Parliament (Staff) Act 1984* (MOP(S)) Act employment framework<sup>1</sup>.
- Electoral administration and electoral policy.

<sup>1</sup> Shared responsibility with the Hon Malcolm Turnbull MP, Prime Minister

*Portfolio overview*

The Assistant Minister for Finance assists the Finance Minister in performing functions in relation to:

- Whole-of-Government property policy and administration, including non Defence owned estate.
- The Public Works Committee.
- Western Sydney Airport (excluding appointments).
- Moorebank Intermodal Terminal (excluding appointments).
- Government campaign advertising.
- Service Delivery and Coordination Committee (SDCC) on the government's campaign advertising.
- Requests for act of grace payments and waivers of debt under the *Public Governance, Performance and Accountability Act 2013*.
- Comcover, the government's self-managed insurance fund.
- Responding to correspondence relating to the administration of government superannuation.

For information on resourcing across the portfolio, please refer to part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Finance portfolio structure and outcomes

<b>Minister for Finance</b> <b>Special Minister of State</b> Senator the Hon Mathias Cormann  <b>Assistant Minister for Finance</b> The Hon David Coleman MP	
	<b>Department of Finance</b> Portfolio Secretary: Rosemary Huxtable PSM  <b>Outcome 1</b> Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.  <b>Outcome 2</b> Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.  <b>Outcome 3</b> Support for Parliamentarians and others as required by the Australian Government through the delivery of and advice on, work expenses and allowances, entitlements and targeted programs.
	<b>Australian Electoral Commission</b> Electoral Commissioner: Tom Rogers  <b>Outcome 1</b> 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.
	<b>Commonwealth Superannuation Corporation</b> Chair: Patricia Cross  <b>Outcome 1</b> Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.
	<b>Future Fund Management Agency</b> Chair: Hon Peter Costello AC  <b>Outcome 1</b> Make provision for the Commonwealth's unfunded superannuation liabilities, payments for the creation and development of infrastructure and payments from the DisabilityCare Australia Fund and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, DisabilityCare Australia Fund and Medical Research Future Fund, in line with the Government's investment mandates.
	<b>Independent Parliamentary Expenses Authority</b> CEO: Annwyn Godwin  <b>Outcome 1</b> Support for current and former Parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.



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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 Department of Finance (Finance) assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, the government.

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

To achieve Outcome 1, Finance:

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

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

To achieve Outcome 2, Finance:

- contributes to, and fosters, leading practice in public sector governance and accountability, encompassing the public resource management framework, procurement and grants policies and the oversight of GBEs and other commercial entities;
- develops and administers key government policies in relation to Commonwealth land, public works and property management and advertising to ensure leading practice and ongoing improvement in the public sector management of government resources;

- delivers professional services in respect of the government's: non-Defence property portfolio within Australia (including major capital works projects), risk management and insurance arrangements (Comcover), key Whole of Australian Government (WoAG) purchasing arrangements (such as travel, office equipment, stationery) to ensure efficient and effective management of government resources and certain corporate functions delivered by the Service Delivery Office; and
- advises on the government's Investment Funds and administers superannuation arrangements for the government's civilian employees, politicians and judges to support efficient and effective management of government resources.

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

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

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Finance resource statement — Budget estimates for 2018-19 as at Budget May 2018**

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	102,980	109,941
Departmental appropriation (c)	269,057	264,149
s 74 retained revenue receipts (d)	147,323	95,167
Departmental capital budget (e)	6,480	6,479
Annual appropriations - other services - non-operating (f)		
Equity injection	74,853	42,211
Total departmental annual appropriations	600,693	517,947
Special accounts (g)		
Opening balance	807,072	715,262
Appropriation receipts (h)	131,914	91,891
Non-appropriation receipts	308,275	259,870
<i>Total special accounts</i>	1,247,261	1,067,023
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(131,914)	(91,891)
<b>Total departmental resourcing</b>	<b>1,716,040</b>	<b>1,493,079</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	-	-
Outcome 2	13,358	12,456
Outcome 3	260,221	261,729
Administered capital budget (i)	4,983	5,054
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	512,546	191,024
<i>Total administered annual appropriations</i>	791,108	470,263
<i>Total administered special appropriations (g)</i>	8,662,529	8,387,440
Special accounts (g)		
Non-appropriation receipts	21,777,981	17,043,402
<i>Total special account receipts</i>	21,777,981	17,043,402
<b>Total administered resourcing</b>	<b>31,231,618</b>	<b>25,901,105</b>
<b>Total resourcing for Department of Finance</b>	<b>32,947,658</b>	<b>27,394,184</b>
	2017-18	2018-19
<b>Average staffing level (number)</b>	1,256	1,250

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

(a) Appropriation Bill (No. 1) 2018-19.

(b) Represents estimated unspent appropriations available from 2016-17.

- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2018-19.
- (g) For further information on special appropriations and special accounts, please refer to *Budget Paper No.4 - Agency Resourcing*. Please also refer to Table 2.1.1, 2.2.1 and 2.3.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from another entity's annual and special appropriations.
- (i) Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.

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

**Table 1.1: Department of Finance resource statement — Budget estimates for 2018-19 as at Budget May 2018 (continued)**

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

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
Attorney-General's Department		
<i>Law Officers Act 1964</i>	450	450
Payments made by other entities on behalf of Department of Finance (disclosed above)		
Attorney-General's Department		
<i>Parliamentary Entitlements Act 1990</i>	507	-
<i>Parliamentary Business Resources Act 2017</i>	193	400
Commonwealth Superannuation Corporation		
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	64	66
<i>Superannuation Act 1922</i>	74,802	69,188
<i>Superannuation Act 1976</i>	4,430,703	4,515,281
<i>Superannuation Act 1990</i>	2,088,975	2,129,139
Appropriation Act (No.1) (a)	500	500
Appropriation Act (No.1) (b)	309	391
Appropriation Act (No.2) (b)	992	987
Department of Defence		
<i>Parliamentary Entitlements Act 1990</i>	-	-
Department of the House of Representatives		
<i>Commonwealth of Australia Constitution Act (s66)</i>	3,459	3,596
<i>Parliamentary Entitlements Act 1990</i>	163	-
<i>Parliamentary Business Resources Act 2017</i>	20,694	42,142
<i>Parliamentary Superannuation Act 2004</i>	4,730	5,207
Department of Parliamentary Services		
Appropriation Act (No.1)	15	-
<i>Parliamentary Entitlements Act 1990</i>	9,031	-
<i>Parliamentary Business Resources Act 2017</i>	11,292	20,338
Department of the Senate		
<i>Commonwealth of Australia Constitution Act (s66)</i>	1,637	1,500
<i>Parliamentary Entitlements Act 1990</i>	83	-
<i>Parliamentary Business Resources Act 2017</i>	10,296	20,919
<i>Parliamentary Superannuation Act 2004</i>	2,379	2,565
Comcare		
<i>Parliamentary Entitlements Act 1990</i>	-	-
<i>Parliamentary Business Resources Act 2017</i>	-	100
Fair Work Commission		
<i>Judges' Pensions Act 1968</i>	7,240	7,421

(a) Compensation and legal payments.

(b) Act of Grace payments.

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



### 1.3 BUDGET MEASURES

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

**Table 1.2: Department of Finance 2018-19 Budget measures**

**Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Revenue measures</b>						
National Disability Insurance Scheme — continuity of support (a)	2.8					
Administered revenues		51	66	12	-	-
National Disability Insurance Scheme Jobs and Market Fund (b)	2.8					
Administered revenues		-	(280)	(140)	-	-
Aboriginal and Torres Strait Islander Land and Sea Future Fund (c)	2.8					
Administered revenue		-	*	*	*	*
<b>Total</b>		<b>51</b>	<b>(214)</b>	<b>(128)</b>	<b>-</b>	<b>-</b>
<b>Total revenue measures</b>						
Administered		51	(214)	(128)	-	-
Departmental		-	-	-	-	-
<b>Total</b>		<b>51</b>	<b>(214)</b>	<b>(128)</b>	<b>-</b>	<b>-</b>

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

**Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Expense measures</b>						
Aboriginal and Torres Strait Islander Land and Sea Future Fund (c)	2.8					
Administered expenses		-	*	*	*	*
Delivering Australia's Digital Future — Veteran Centric Reform — continuation (d)	2.1					
Departmental expenses		-	100	-	-	-
Delivering Australia's Digital Future — Welfare Payment Infrastructure Transformation — Tranche Three (e)	2.1					
Departmental expenses		-	118	-	-	-
Guaranteeing Medicare — modernising the health and aged care payments systems (f)	2.1					
Administered expenses		-	77	-	-	-
More Choices for a Longer Life — healthy ageing and high quality care (g)	2.1					
Departmental expenses		-	100	100	-	-
Integrated Carer Support Services (h)	2.1					
Departmental expenses		-	-	-	-	-
Large Electorates — reimbursement of lease costs (i)	3.1					
Administered expenses		420	430	441	452	463
National Disability Insurance Scheme — continuity of support (a)	2.8					
Administered expenses		2	2	1	-	-
National Disability Insurance Scheme Jobs and Market Fund (b)	2.8					
Administered expenses		-	(10)	(5)	-	-
Finance — additional resourcing (j)	1.1, 2.1, 2.2					
Departmental expenses		-	5,000	5,000	-	-
Community Development Program — reform (k)	2.1					
Departmental expenses		-	135	135	135	135
Powering Forward — delivering more affordable, reliable and sustainable energy (l)	2.1					
Departmental expenses		-	-	-	-	-
Voter Information Protection (m)	3.1					
Administered expenses		-	-	-	-	-
<b>Total</b>		<b>422</b>	<b>5,952</b>	<b>5,672</b>	<b>587</b>	<b>598</b>
<b>Total expense measures</b>						
Administered		422	499	437	452	463
Departmental		-	5,453	5,235	135	135
<b>Total</b>		<b>422</b>	<b>5,952</b>	<b>5,672</b>	<b>587</b>	<b>598</b>

**Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	2017-18	2018-19	2019-20	2020-21	2021-22
Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital measures</b>					
Australian Naval Infrastructure Pty Ltd — equity injection	2.2				
Administered capital	nfp	nfp	nfp	nfp	nfp
<b>Total</b>	-	-	-	-	-
<b>Total capital measures</b>					
Administered	-	-	-	-	-
Departmental	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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

- (a) The lead entity for measure *National Disability Insurance Scheme — continuity of support* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No.2* under the Social Services portfolio.
- (b) The lead entity for measure *National Disability Insurance Scheme Jobs and Market Fund* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No.2* under the Social Services portfolio.
- (c) The Government will establish the *Aboriginal and Torres Strait Islander Land and Sea Future Fund* (ATSILSFF) in the Finance portfolio from 1 July 2018. The balance of the current *Aboriginal and Torres Strait Islander Land Account* will be transferred from the Department of Prime Minister and Cabinet to the ATSILSFF. A new *Indigenous Land Corporation Funding Special Account* will be established for the Department of the Prime Minister and Cabinet to continue payments to the Indigenous Land Corporation. Following passage of enabling legislation by the Australian Parliament, the new special accounts will be reported in the next budget update. For further information, see the expense measure named *Aboriginal and Torres Strait Islander Land and Sea Future Fund* for the Prime Minister and Cabinet portfolio in *Budget Paper No.2*.
- (d) The lead entity for measure *Delivering Australia's Digital Future — Veteran Centric Reform — continuation* is the Department of Veterans' Affairs. The full measure description and package details appear in *Budget Paper No.2* under the Defence portfolio.
- (e) The lead entity for measure *Delivering Australia's Digital Future — Welfare Payment Infrastructure Transformation — Tranche Three* is the Department of Human Services. The full measure description and package details appear in *Budget Paper No.2* under the Human Services portfolio.
- (f) The lead entity for measure *Guaranteeing Medicare — modernising the health and aged care payments systems* is the Department of Human Services. The full measure description and package details appear in *Budget Paper No.2* under the Health portfolio.
- (g) The lead entity for measure *More Choices for a Longer Life — healthy ageing and high quality care* is the Department of Health. The full measure description and package details appear in *Budget Paper No.2* under the Health portfolio.
- (h) The lead entity for measure *Integrated Carer Support Services* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No.2* under the Social Services portfolio.
- (i) Finance will receive funding through the measure, *Large Electorates — reimbursement of lease costs*. The full measure description and package details appear in *Budget Paper No.2* under the Finance portfolio.
- (j) Finance will receive funding through the measure, *Finance — additional resourcing*. The full measure description and package details appear in *Budget Paper No.2* under the Finance portfolio.
- (k) The lead entity for measure *Community Development Program — reform* is the Department of Prime Minister and Cabinet. The full measure description and package details appear in *Budget Paper No.2* under the Prime Minister and Cabinet portfolio.
- (l) The lead entity for the measure *Powering Forward — delivering more affordable, reliable and sustainable energy* is the Department of Environment and Energy. The full measure description and package details appear in *Budget Paper No.2* under the Environment and Energy portfolio.
- (m) Finance will receive funding through the measure, *Voter Information Protection*. The full measure description and package details appear in *Budget Paper No.2* under the Finance portfolio.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for Finance can be found at:  
<https://www.finance.gov.au/publications/corporate-plan/2017-18/>.

The most recent annual performance statement can be found at:  
<https://www.finance.gov.au/publications/annual-reports/16-17/performance-statement-introduction/>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Budgeted expenses for Outcome 1

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 1.1: Budget and Financial Management</b>					
Departmental expenses					
Departmental appropriation (a)					
Budget Advice	51,261	52,934	55,029	53,894	53,412
Financial Reporting	29,791	30,335	30,709	28,232	24,734
Expenses not requiring appropriation in the Budget year (b)	7,243	11,339	11,610	11,501	11,526
<b>Departmental total</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>
<b>Total expenses for Program 1.1</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation (a)	81,051	83,269	85,738	82,126	78,146
Expenses not requiring appropriation in the Budget year (b)	7,243	11,339	11,610	11,501	11,526
<b>Departmental total</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>
<b>Total expenses for Outcome 1</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>

	2017-18	2018-19
<b>Average staffing level (number)</b>	<b>415</b>	<b>419</b>

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

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

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

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

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

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

Table continues on next page

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

Performance information: Program 1.1 – Budget and Financial Management		
Year	Performance criteria	Targets
2017-18 (a)	Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and Appropriation Bills are accurate, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	<p>On track - all of the Budget papers and related updates due to 30 March 2018 have been produced in accordance with the timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i> including:</p> <ul style="list-style-type: none"> <li>• Final Budget Outcome was released on 26 September 2017.</li> <li>• The Mid-Year Economic and Fiscal Outlook was released on 18 December 2017.</li> </ul> <p>The accuracy of estimates is yet to be determined as the Final Budget Outcome is not due for release until the end of September 2018.</p>
	The government's financial statements, including monthly statements, are complete, accurate and released publicly on timeframes agreed with the government.	<p>On track - the Monthly Financial Statements have been prepared on average within 21 days of the end of the month since the release of the Final Budget Outcome.</p> <p>Achieved - the government's 2016-17 financial statements were signed by the Auditor-General and Finance Minister on 27 November 2017.</p>
	Commonwealth entities have access to cash made available by Parliament on a daily basis.	On track - The cash needs of each and every Commonwealth entity have been met every day of the available reporting period (up to 30 March 2018).

Table continues on next page

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

Performance information: Program 1.1 – Budget and Financial Management		
Year	Performance Criteria	Targets
2018-19 (b)	Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and Appropriation Bills are accurate, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	<p>Budget papers and related updates are produced in accordance with the timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i>.</p> <p>Appropriation Bills are introduced into Parliament at times intended by government and in accordance with legislative requirements.</p> <p>Budget estimates are based on external reporting standards and any departures from external reporting standards are identified, consistent with requirements set out in the <i>Charter of Budget Honesty Act 1998</i>.</p> <p>Budget estimates are accurate (taking into account, to the fullest extent possible, all government decisions and other circumstances that may have a material effect) and explanations are provided where:</p> <p>≤ 2% difference between first forward year estimated expenses and Final Budget Outcome for first forward year.</p> <p>≤ 1.5% difference between budget estimated expenses and Final Budget Outcome for budget year.</p> <p>≤ 1.0% difference between the revised current year estimates at Mid-Year Fiscal Outlook and final budget outcome for the current year.</p> <p>≤ 0.5% difference between the current year estimates at budget time and Final Budget Outcome for the current year.</p> <p>≤ 1.5% difference between budget estimated expenses and Final Budget Outcome for budget year.</p> <p>≤ 1.0% difference between the revised current year estimates at Mid-Year Fiscal Outlook and final budget outcome for the current year.</p> <p>≤ 0.5% difference between the current year estimates at budget time and Final Budget Outcome for the current year.</p>

Table continues on next page



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

<b>Performance information: Program 1.1 – Budget and Financial Management</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

### Linked programs

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

**Budgeted expenses for Outcome 2**

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 2.1: Public Sector Governance</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Grant in Aid - Australian Institute of Policy and Science	37	38	39	39	40
Grant in Aid - Chifley Research Centre	232	237	243	249	255
Grant in Aid - Green Institute	87	89	91	93	96
Grant in Aid - Menzies Research Centre	232	237	243	249	255
Grant in Aid - Page Research Centre	87	89	91	93	96
Grant in Aid - Royal Humane Society of Australasia	27	27	28	29	29
Grant in Aid - RSPCA Australia Inc	37	38	39	39	40
<b>Administered total</b>	<b>740</b>	<b>755</b>	<b>774</b>	<b>791</b>	<b>811</b>
Departmental expenses					
Departmental appropriation (a)					
Financial Framework	16,140	13,239	13,098	12,455	11,717
Government Shareholder Oversight	4,054	3,166	3,291	3,196	2,871
Special Financial Claims	2,419	2,746	2,861	2,890	2,637
Expenses not requiring appropriation in the Budget year (b)	1,064	947	985	989	992
<b>Departmental total</b>	<b>23,677</b>	<b>20,098</b>	<b>20,235</b>	<b>19,530</b>	<b>18,217</b>
<b>Total expenses for Program 2.1</b>	<b>24,417</b>	<b>20,854</b>	<b>21,008</b>	<b>20,321</b>	<b>19,028</b>

Table continues on next page

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 2.2: Transforming Government</b>					
Departmental expenses					
Departmental appropriation (a)					
Transforming the Public Sector	28,388	27,497	23,650	14,323	12,092
Expenses not requiring appropriation in the Budget year (b)	2,211	783	709	655	656
<b>Departmental total</b>	<b>30,599</b>	<b>28,280</b>	<b>24,359</b>	<b>14,978</b>	<b>12,748</b>
<b>Total expenses for Program 2.2</b>	<b>30,599</b>	<b>28,280</b>	<b>24,359</b>	<b>14,978</b>	<b>12,748</b>
<b>Program 2.3: Property and Construction</b>					
Departmental expenses					
Special accounts					
Property Special Account	88,249	127,488	106,039	108,194	98,568
<b>Departmental total</b>	<b>88,249</b>	<b>127,488</b>	<b>106,039</b>	<b>108,194</b>	<b>98,568</b>
<b>Total expenses for Program 2.3</b>	<b>88,249</b>	<b>127,488</b>	<b>106,039</b>	<b>108,194</b>	<b>98,568</b>
<b>Program 2.4: Insurance and Risk Management</b>					
Departmental expenses					
Special accounts					
Comcover Special Account	120,616	152,554	157,004	161,609	166,241
<b>Departmental total</b>	<b>120,616</b>	<b>152,554</b>	<b>157,004</b>	<b>161,609</b>	<b>166,241</b>
<b>Total expenses for Program 2.4</b>	<b>120,616</b>	<b>152,554</b>	<b>157,004</b>	<b>161,609</b>	<b>166,241</b>
<b>Program 2.5: Technology and Procurement Services</b>					
Departmental expenses					
Departmental appropriation (a)					
Technology Transformation	22,573	21,651	17,254	15,152	14,856
Procurement Framework	12,653	13,002	13,404	13,064	12,893
Special accounts					
Coordinated Procurement Contracting Special Account	19,412	20,176	18,983	19,218	19,132
Expenses not requiring appropriation in the Budget year (b)	3,103	3,997	4,039	3,980	3,989
<b>Departmental total</b>	<b>57,741</b>	<b>58,826</b>	<b>53,681</b>	<b>51,414</b>	<b>50,870</b>
<b>Total expenses for Program 2.5</b>	<b>57,741</b>	<b>58,826</b>	<b>53,681</b>	<b>51,414</b>	<b>50,870</b>
<b>Program 2.6: Service Delivery Office</b>					
Departmental expenses					
Departmental appropriation (a)					
Service Delivery Office	39,572	31,002	31,739	29,557	24,865
Expenses not requiring appropriation in the Budget year (b)	1,139	985	1,044	1,061	1,063
<b>Departmental total</b>	<b>40,711</b>	<b>31,987</b>	<b>32,782</b>	<b>30,618</b>	<b>25,928</b>
<b>Total expenses for Program 2.6</b>	<b>40,711</b>	<b>31,987</b>	<b>32,782</b>	<b>30,618</b>	<b>25,928</b>

Table continues on next page

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 2.7: Public Sector Superannuation</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Act of Grace	2,309	1,891	1,891	1,402	1,402
Compensation and legal expenses	500	500	500	500	500
Superannuation administration costs	9,308	9,308	9,308	9,308	9,308
Special appropriations					
<i>Federal Circuit Court of Australia Act 1999</i>	893	764	765	753	771
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000	1,000	1,000	1,000
<i>Governor-General Act 1974</i>	744	8,335	1,257	1,231	1,207
<i>Judges' Pensions Act 1968</i>	82,735	90,473	94,120	97,825	103,415
<i>Parliamentary Contributory Superannuation Act 1948</i>	45,822	48,648	46,703	46,240	46,226
<i>Parliamentary Superannuation Act 2004</i>	7,109	7,772	8,083	8,083	8,083
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws General Law Reform) Act 2008</i>	51	46	46	44	43
<i>Superannuation Act 1922</i>	18,702	24,687	22,604	20,674	18,888
<i>Superannuation Act 1976</i>	2,532,877	3,171,108	3,120,110	3,066,239	3,010,395
<i>Superannuation Act 1990</i>	5,777,691	4,806,158	5,012,316	5,159,268	5,298,809
<b>Administered total</b>	<b>8,479,741</b>	<b>8,170,690</b>	<b>8,318,703</b>	<b>8,412,567</b>	<b>8,500,047</b>
Departmental expenses					
Departmental appropriation (a)					
Public Sector Superannuation	5,267	3,997	3,417	3,399	3,220
Expenses not requiring appropriation in the Budget year (b)	192	180	184	187	188
<b>Departmental total</b>	<b>5,459</b>	<b>4,177</b>	<b>3,601</b>	<b>3,586</b>	<b>3,407</b>
<b>Total expenses for Program 2.7</b>	<b>8,485,200</b>	<b>8,174,867</b>	<b>8,322,304</b>	<b>8,416,153</b>	<b>8,503,454</b>

Table continues on next page

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 2.8: Australian Government Investment Funds</b>					
Administered expenses					
Special accounts					
DisabilityCare Australia Fund Special Account (c)	646,902	3,387,913	1,379,168	1,003,004	1,043,928
Medical Research Future Fund Special Account (d)	138,883	254,941	460,059	728,686	733,012
Building Australia Fund Special Account (e)	3,747	-	-	-	-
Education Investment Fund Special Account (f)	6,015	-	-	-	-
<b>Administered total</b>	<b>795,547</b>	<b>3,642,854</b>	<b>1,839,227</b>	<b>1,731,690</b>	<b>1,776,940</b>
<b>Total expenses for Program 2.8</b>	<b>795,547</b>	<b>3,642,854</b>	<b>1,839,227</b>	<b>1,731,690</b>	<b>1,776,940</b>
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	12,857	12,454	12,473	12,001	12,021
Special appropriations	8,467,624	8,158,991	8,307,004	8,401,357	8,488,837
Special accounts	795,547	3,642,854	1,839,227	1,731,690	1,776,940
<b>Administered total</b>	<b>9,276,028</b>	<b>11,814,299</b>	<b>10,158,704</b>	<b>10,145,048</b>	<b>10,277,798</b>
Departmental expenses					
Departmental appropriation (a)	131,066	116,300	108,714	94,035	85,151
Special accounts	228,277	300,218	282,026	289,021	283,941
Expenses not requiring appropriation in the Budget year (b)	7,708	6,892	6,961	6,872	6,887
<b>Departmental total</b>	<b>367,051</b>	<b>423,410</b>	<b>397,701</b>	<b>389,928</b>	<b>375,979</b>
<b>Total expenses for Outcome 2</b>	<b>9,643,079</b>	<b>12,237,710</b>	<b>10,556,405</b>	<b>10,534,977</b>	<b>10,653,777</b>
	2017-18	2018-19			
<b>Average staffing level (number)</b>	<b>669</b>	<b>657</b>			

- (a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 Retained revenue receipts'.
- (b) Expenses not requiring appropriation in the Budget year' is made up of Depreciation Expenses and Amortisation Expenses.
- (c) More information on the DisabilityCare Australia Fund can be found in Table 2.2.1.1 on page 31.
- (d) More information on the Medical Research Future Fund can be found in Table 2.2.1.2 on page 32.
- (e) The Building Australia Fund is to be closed by 30 June 2018, subject to the passage of legislation. More information can be found in Table 2.2.1.3 on page 33.
- (f) The Education Investment Fund is to be closed by 30 June 2018, subject to the passage of legislation. More information can be found in Table 2.2.1.4 on page 34.

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>DisabilityCare Australia Fund (a)</b>					
Opening balance	10,399,085	7,468,462	1,975,548	-	-
Revenue and gains					
Additional Medicare Levy - Equity	4,002,500	4,215,000	4,447,500	4,682,500	4,957,500
Investment earnings and gains	202,275	81,619	4,055	-	-
Expenses					
Management fees	(6,785)	(3,190)	(132)	-	-
Transfers to reimburse accounts for DisabilityCare					
Australia expenditure (b)					
Commonw ealth - Equity	(6,488,496)	(6,401,620)	(5,047,935)	(3,679,496)	(3,913,572)
States and Territories - Expense	(640,117)	(3,384,723)	(1,379,036)	(1,003,004)	(1,043,928)
<b>Closing balance</b>	<b>7,468,462</b>	<b>1,975,548</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.1.2: Medical Research Future Fund (MRFF) - Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Medical Research Future Fund (a)</b>					
Opening balance	4,608,816	7,055,724	9,471,000	17,590,524	20,182,099
Investment credits (b)	2,242,199	2,288,550	7,830,490	2,409,476	-
Revenue and gains					
Investment earnings and gains	343,592	381,667	749,093	910,785	968,904
Expenses					
Management fees	(17,318)	(40,028)	(73,686)	(85,800)	(87,061)
Transfers to Portfolio Special Accounts for project payments MRFF Health Portfolio Special Account - Expense	(121,565)	(214,913)	(386,373)	(642,886)	(645,951)
<b>Closing balance</b>	<b>7,055,724</b>	<b>9,471,000</b>	<b>17,590,524</b>	<b>20,182,099</b>	<b>20,417,991</b>

- (a) The MRFF consists of the MRFF Special Account and investments of the MRFF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the MRFF, including interest received and payments.
- (b) Credits consist of uncommitted funds from the Health and Hospitals Fund (HHF), plus further contributions consisting of amounts equivalent to the estimated value of health function savings published in the 2014-15 Budget adjusted for any subsequent associated government decisions, until the capital value of the MRFF reaches \$20 billion.

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.



**Table 2.2.1.3: Building Australia Fund (BAF) - Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Building Australia Fund (a)</b>					
Opening balance	3,785,188	-	-	-	-
Revenue and gains					
Investment earnings and gains	83,299	-	-	-	-
Expenses					
Management fees	(3,747)	-	-	-	-
Transfers to Portfolio Special accounts for project payments (b)					
BAF Infrastructure Portfolio Special Account - Expense	-	-	-	-	-
BAF Infrastructure Portfolio Special Account - Equity	-	-	-	-	-
Closure: Transfer to Consolidated Revenue Fund - Equity	(3,864,740)	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

- (a) The BAF consists of the BAF Special Account and investments of the BAF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the BAF, including interest received and payments. After the fund is abolished, expected to be by 30 June 2018, through a repeal of the Nation-building Funds Act 2008, the balance of the fund will be transferred from the CRF to the National Disability Insurance Scheme Savings Fund Special Account on its establishment. There are no current commitments for the BAF.
- (b) The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the relevant BAF Portfolio Special Account, to the COAG Reform Fund Special Account. Amounts also include payments classified as equity transfers in the budgeted financial statements.

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.1.4: Education Investment Fund (EIF) - Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Education Investment Fund (a)</b>					
Opening balance	3,785,895	-	-	-	-
Revenue and gains					
Investment earnings and gains	81,424	-	-	-	-
Expenses					
Management fees	(4,015)	-	-	-	-
Transfers to Portfolio Special accounts for project payments (b)					
EIF Education Portfolio Special Account - Expense	(2,000)	-	-	-	-
Closure: Transfer to Consolidated Consolidated Revenue Fund - Equity	(3,861,304)	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

(a) The EIF consists of the EIF Special Account and investments of the EIF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the EIF, including interest received and payments. The EIF will continue to pay existing commitments until it is abolished by 30 June 2018 through a repeal of the Nation-building Funds Act 2008 and remaining funds will be transferred to the Consolidated Revenue Fund (CRF). After the fund is abolished, committed funds will continue to be paid from the CRF and administered by the Department of Education and Training. Uncommitted funds will be transferred from the CRF to the National Disability Insurance Scheme Savings Fund Special Account on its establishment.

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

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.

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

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 2 – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</b>	
<b>Program 2.1 – Public Sector Governance</b> This program contributes to the outcome through developing and maintaining the public sector resource management framework and improving the standard of governance, performance and accountability of Commonwealth entities.	
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice on policy and implementation issues to the government in relation to the financial framework, in particular: <ul style="list-style-type: none"> <li>– Relevant legislation and rules.</li> <li>– Grant policy and related matters.</li> <li>– Act of Grace requests, waiver of debt applications and set off matters.</li> <li>– Guidance material.</li> <li>– Training and communication.</li> </ul> </li> <li>• Undertaking Assurance Reviews of major projects and programs over their lifecycle, to provide assurance to the government regarding delivery and implementation.</li> <li>• Implementing recommendations from the Independent Review of the <i>Public Governance, Performance and Accountability Act 2013</i> and Rule.</li> <li>• Paying Grants in Aid funding to approved organisations.</li> <li>• Providing advice on strategy, governance, operations, financial forecasts and performance on GBEs and other commercial entities.</li> <li>• Strengthening public sector capability through regular capacity-building activities.</li> </ul>

Table continues on next page

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

<b>Performance information: Program 2.1 – Public Sector Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Commonwealth entities and companies understand their obligations under the PGPA Act and are equipped and supported to meet them.	On track – The annual CFO survey for 2017 was sent to CFOs on 4 December 2017. 26 Commonwealth entities and companies responded. No significant issues identified.
	The government and key Parliamentary committees have confidence that public resources are used efficiently, effectively, economically and ethically.	On track - As at 30 March 2018 there were no ANAO reports including adverse findings on the PGPA Act and associated rules.
	Independent statutory review of the PGPA Act and Rule identifies the level of effectiveness of the Act and associated rules in supporting a robust resource management framework.	On track - The independent review is underway. Mr David Thodey AO and Ms Elizabeth Alexander AM have been appointed by the Minister to conduct the review. Sixty-nine submissions were received from stakeholders and stakeholder consultations have been undertaken to inform a draft report. The draft report is scheduled for release and public comment in May 2018 with the final report to be provided to the Minister by mid-2018.

Table continues on next page

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

Performance information: Program 2.1 – Public Sector Governance		
Year	Performance criteria	Targets
2017-18 (a) (continued)	<p>Better performance information is available to the Australian Parliament and the public.</p> <p>Governance and assurance are effective in supporting accountable authorities meet their obligations under the PGPA Act.</p>	<p>On track - The ANAO has tabled two performance reports on the performance framework. JCPAA report 469 contained no adverse findings and Finance is preparing a response to the recommendations, to be tabled on 6 June 2018. Finance's analysis of 2017-18 corporate plans and 2016-17 annual performance statements has identified an improvement in quality of performance reporting. The Corporate Plan Lessons Learned report was published in December 2017. The APS Lessons Learned Paper was published in April 2018.</p> <p>The Secretary has written to nine new accountable authorities to advise of their duties and responsibilities under the PGPA Act. Where requested by new accountable authorities, face to face meetings with SES officers occurred between November 2017 and April 2018. Guidance on these duties (RMG 200) is also available on the Finance website.</p>

Table continues on next page

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

Performance information: Program 2.1 – Public Sector Governance		
Year	Performance criteria	Targets
2017-18 (a) (continued)	Facilitate and monitor GBE delivery of the government's key infrastructure priorities, including Western Sydney Airport, Inland Rail and Naval Shipbuilding.	On track - Finance, in conjunction with the relevant Shareholder Departments, have implemented governance arrangements to facilitate the Government's key infrastructure projects. The governance arrangements include regular meetings between Shareholder Departments, the GBE and other key stakeholders. Emerging issues and key risks for each of the projects are monitored and reported on at the regular governance meetings and escalated as required. Shareholder Departments provide regular update briefs to Shareholder Ministers.
	Continue to encourage ongoing efficiency and financial sustainability in GBEs.	On track - Finance continues to provide advice to Commonwealth Government Business Enterprises with respect to corporate planning, financial and operational performance and other significant programs of work. Advice is provided on a regular basis to Shareholder Ministers on the compliance and performance of the GBEs, based on information provided in Corporate Plans, Quarterly Reports, Annual Reports as well as regular interactions with the GBEs. A review of the Commonwealth GBE Governance and Oversight Guidelines was conducted and revised guidelines were published on Finance's website in January 2018. Further work is being undertaken to ensure best practice regarding both the oversight of GBEs and the consistency and quality of analysis and briefing.

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

<b>Performance information: Program 2.1 – Public Sector Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19 (b)	Commonwealth entities and companies understand their obligations under the PGPA Act and are equipped and supported to meet them.	Survey of entities to measure entity awareness of their obligations under the PGPA, the implementation of the PGPA and the effectiveness of the support and guidance provided by Finance.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

<b>Program 2.2 - Transforming Government</b> This program contributes to the outcome by providing leadership in the development and delivery of reforms and initiatives that support the modernisation of government and increase public sector productivity.	
<b>Delivery</b>	<u>Transforming the Public Sector</u> <ul style="list-style-type: none"> <li>• Supporting the government's transformation agenda through key projects, including Implementation of the <i>Improving Public Sector Productivity: Roadmap</i>; the Shared and Common Services Program and the delivery of projects supported by the Modernisation Fund; and advising the government on delivering its Smaller Government objectives.</li> <li>• Providing advice to the government on the efficient and effective delivery of government activities.</li> <li>• Delivering scoping studies to the government and implementing agreed scoping study outcomes.</li> <li>• Implementing recommendations from the Independent Review of the Whole of Government Internal Regulations for the government.</li> <li>• Providing appropriate WoAG ICT services, including communications networks and online services to entities.</li> </ul>

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

Performance information: Program 2.2 - Transforming Government		
Year	Performance criteria	Targets
2017-18 (a)	Finance participation in the Data Integration Partnership for Australia will contribute to an increase in data analytics capability across Commonwealth entities.	On track - A Government Business Analytical Unit has been established in Finance. The Department of the Prime Minister and Cabinet, as the Data Integration Partnership for Australia (DIPA) Project Management Office, established governance and reporting arrangements to oversee all DIPA investments. Three DIPA analytical units were funded to undertake analytical projects in 2017-18 – projects in the three units have commenced.
	Finance's management of the Modernisation Fund process ensures that the projects delivered modernise the public service.	On track - Responsibility for delivery of Modernisation Fund projects lies with entities. Overall Modernisation Fund projects are on track against final timeframes. Status reports indicate 36 projects are on track and six projects have identified milestones at risk of delay, but are expected to deliver within project timeframes.
	Back office functions (e.g. financial, human resources and associated IT systems) for 60 agencies are consolidated into six shared service hubs.	On track - as at 30 March 2018, the six shared services hubs were providing one or more services to 35 agencies across the APS including five corporate entities that have opted into the program.
	Finance facilitates: <ul style="list-style-type: none"> <li>the streamlining of and improving access to government services;</li> <li>an increase in data analytics capability across Commonwealth entities; and</li> <li>investment of Commonwealth entities to place their operations on a more sustainable basis.</li> </ul>	On track - Responsibility for delivery of Modernisation Fund projects lies with entities. Overall Modernisation Fund projects are on track against final timeframes. Status reports indicate 36 projects are on track and six projects have identified milestones at risk of delay, but are expected to deliver within project timeframes.

Table continues on next page

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

<b>Performance information: Program 2.2 - Transforming Government</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a) (continued)	Entities participating in the Streamlining Government Grants Administration Program adopt the common grants management processes being delivered via the two grants administration hubs (Community and Business Grants Hubs), replacing the multiple ICT systems and business processes currently in operation.	On track - As at 30 March 2018, 86% of existing grant programs are on a grants hub or scheduled to transition to a grants hub.
2018-19 (b)	Finance participation in the Public Service Modernisation Fund's Data Integration Partnership for Australia will contribute to an increase in data analytics capability across Commonwealth entities.	Evidence of the use of increased data analytics capability to design better targeted and more effective services in sectors including education, social services, health and aged care.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

<b>Program 2.3 - Property and Construction</b>		
This program contributes to the outcome by providing policy advice, guidance and support on managing Commonwealth property, land and public works across the government; and managing specified major capital works projects and the government's non-Defence property portfolio within Australia.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice to the government on property management issues such as ownership, construction, divestment and management of residual issues from previous divestments, leasing and acquisition.</li> <li>• Assisting entities to use the Commonwealth Property Management Framework.</li> <li>• Collecting property data for the government on Commonwealth leasing trends and assisting in the disposal of Commonwealth property.</li> <li>• Managing properties within the Finance-managed portfolio for the government through adoption of effective property management systems and processes.</li> <li>• Providing advice and support to the government and entities in relation to the 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.</li> </ul>	
<b>Performance information: Program 2.3 - Property and Construction</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	<p>In accordance with government targets:</p> <ul style="list-style-type: none"> <li>• Absorb Commonwealth entities' lease requirements into existing vacant office accommodation where it is feasible to do so (Operation Tetris).</li> <li>• Ensure that leases and other property services are delivered through coordinated procurements.</li> <li>• Continued rationalisation of the property portfolio in 2017-18 to ensure it continues to meet contemporary requirements.</li> </ul>	<p>On track - The 2016-17 PRODAC data collection was released in May 2018. The results showed that since 2014 the number of tenancies meeting the office occupational density target has doubled to 25%. Over the same period, the Commonwealth's overall footprint has reduced by nearly 10%. The coordinated procurement arrangements for leasing and property services have been established and entities commenced transitioning to the new arrangements from January 2018. These arrangements will, where feasible, facilitate the ongoing absorption of entities into existing vacant space (Operation Tetris). The divestment program is ongoing. Since 2014 there have been 116 sales returning \$173m for Budget repair. An additional 36 properties are being prepared for sale and are expected to generate around \$80m in proceeds.</p>

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

Performance information : Program 2.3 - Property and Construction		
Year	Performance Criteria	Targets
2018-19 (b)	<p>In accordance with government targets:</p> <ul style="list-style-type: none"> <li>• Absorb Commonwealth entities' lease requirements into existing vacant office accommodation where it is feasible to do so (Operation Tetris).</li> <li>• Ensure that leases and other property services are delivered through coordinated procurements.</li> <li>• Continued rationalisation of the property portfolio in 2018-19 to ensure it continues to meet contemporary requirements.</li> </ul>	<p>Better utilisation of office space leased by non-corporate Commonwealth entities. Property efficiencies delivered through the whole-of-Australian Government (WoAG) property services coordinated procurement arrangements (leasing and facilities management).</p> <p>Proceeds from divestments are returned to the Budget and savings delivered through the reduction in ongoing property management and maintenance costs.</p> <p>Ensure the newly established online Australian Government Property Register remains an accurate source of all Commonwealth land holdings and assists in identifying those landholdings that could be considered surplus to requirements.</p>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

- (a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.
- (b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

Program 2.4 – Insurance and Risk Management		
This program contributes to the outcome by providing general insurance services and promoting risk management across the government through the Comcover Special Account.		
Delivery	<ul style="list-style-type: none"><li>• Providing a self-managed insurance fund (Comcover) to protect Commonwealth entities against the impact and volatility of insurable losses.</li><li>• Providing a consistent whole-of-Australian government (WoAG) approach to managing legal liability claims against Commonwealth entities.</li><li>• Providing risk management and education services to entities to support best practice risk management across the government.</li></ul>	
Performance information: Program 2.4 – Insurance and Risk Management		
Year	Performance criteria	Targets
2017-18 (a)	<p>Comcover assists Commonwealth entities to ensure the appropriate treatment of insurable risks and provides a consistent, WoAG approach to the management of claims against the Commonwealth.</p> <p>Comcover is financially sustainable.</p>	<p>On track - It is anticipated that 80% of Comcover fund members will have achieved their identified level of risk maturity following the completion of the 2018 Benchmarking program.</p> <p>On track - Comcover is self-funded. It is sustained through the collection of annual fund member contributions.</p>
2018-19 (b)	Comcover assists Commonwealth entities to ensure the appropriate treatment of insurable risks and provides a consistent, WoAG approach to the management of claims against the Commonwealth.	Stakeholder satisfaction with the professionalism, skills and service provided. Litigation is undertaken honestly and fairly as a model litigant.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
Purpose	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

Program 2.5 – Technology and Procurement		
This program contributes to the outcome through providing timely and relevant procurement policy advice; providing advice to the government on advertising; establishing and maintaining whole-of-Australian government (WoAG) procurement arrangements for common goods and services; and establishing, developing and maintaining whole of government and cross-entity ICT infrastructure, platforms, systems and services.		
Delivery	<ul style="list-style-type: none"><li>• Developing and managing WoAG procurement arrangements for entities.</li><li>• Providing assistance and advice to Commonwealth entities on the process of developing government advertising campaigns.</li><li>• Procurement policy advice.</li><li>• Developing and managing AusTender and GrantConnect.</li></ul>	
Performance information: Program 2.5 – Technology and Procurement		
Year	Performance criteria	Targets
2017-18 (a)	<p>Finance works with external stakeholders to develop, implement and maintain systems and policies to support a fair, efficient and transparent procurement framework for the Australian Government and its suppliers.</p> <p>WoAG procurement arrangements for non-ICT corporate services (e.g. travel bookings and major office equipment) generate savings for Commonwealth entities that access these arrangements.</p>	<p>On track - Finance will continue to work proactively with Commonwealth entities through a variety of fora to improve procurement practices.</p> <p>On track - WoAG procurement arrangements continue to deliver savings through discounted pricing.</p>
2018-19 (b)	Finance works with external stakeholders to develop, implement and maintain systems and policies to support a fair, efficient and transparent procurement framework for the Australian Government and its suppliers.	Finance advisory services, forums, training and other support mechanisms are well attended or utilised. Regular engagement with domestic and international stakeholders supports information exchange on advances in procurement policy.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
Purpose	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

<b>Program 2.6 – Service Delivery Office</b> This program contributes to the outcome through providing certain corporate services to client Australian Government entities.		
<b>Delivery</b>	Providing the following services to client Australian Government entities: <ul style="list-style-type: none"><li>• Accounts payable and receivable.</li><li>• Credit Card Management.</li><li>• Domestic Travel Contract Management and Overseas Travel Facilitation.</li><li>• Payroll and payroll systems administration.</li><li>• ICT functions supporting the SAP Enterprise Resource Planning (ERP) Solution.</li></ul>	
<b>Performance information: Program 2.6 – Service Delivery Office</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Meet client needs for services including: <ul style="list-style-type: none"><li>• accounts payable.</li><li>• accounts receivable.</li><li>• ledger maintenance.</li><li>• credit card management.</li><li>• transactional elements.</li><li>• pay and conditions and payroll administration.</li><li>• ERP software.</li></ul>	On track - The SDO continues to deliver on the agreed Service Level Outcomes for each client.  The SDO continues to work with existing and new clients in supporting them to fully transition to the SDO's shared service offering.

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

<b>Performance information: Program 2.6 – Service Delivery Office</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19 (b)	As a Shared Service hub, the Service Delivery Office provides quality services to client entities in accordance with its service catalogue.	<p>Service level agreements with client entities are met.</p> <p>The benefits of consolidation and optimisation of shared service corporate functions will be assessed by:</p> <ul style="list-style-type: none"> <li>• the uptake of a shared ERP technology platform.</li> <li>• the utilisation of common business processes to drive efficiencies.</li> </ul>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

- (a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.
- (b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

<b>Program 2.7 – Public Sector Superannuation</b> This program contributes to the outcome through advising the government on managing the Future Fund, the stability of the government's unfunded superannuation liabilities and its associated administered expense items and superannuation arrangements for government employees. This includes the administration and management of superannuation arrangements for parliamentarians, as well as current and former Governors-General, Federal Judges and Federal Circuit Court Judges.		
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Providing policy advice to the government on the Future Fund, including the investment mandate and other governance matters.</li><li>• Providing policy advice to the government on its unfunded superannuation liability and associated administered expenses.</li><li>• Providing policy advice and analysis on government superannuation arrangements and administering the superannuation arrangements for pre October 2004 parliamentarians, current and former Governors-General, Federal Judges and certain former Federal Circuit Court Judges.</li></ul>	
<b>Performance information: Program 2.7 – Public Sector Superannuation</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Investments of managed funds create returns within the agreed level of risk.	On track - The Future Fund Management Agency has advised that the benchmark rate of return for the Future Fund was met for the year to date to 31 December 2017.  On track - Finance has supported the government with advice regarding public sector superannuation policy, governance and administration matters.
2018-19 (b)	A policy framework that contributes to investments of the managed funds generating returns within the agreed level of risk.	Investment mandates for the managed funds issued by the Australian Government are met.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

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

<b>Program 2.8 – Australian Government Investment Funds</b> This program contributes to the outcome through providing advice on investment mandates and governance arrangements for the government's Investment Funds, to maximise the value of the funds to the government. This includes advice on credit of amounts to the Funds and debits for payments from the Funds. The Funds are: <ul style="list-style-type: none"><li>• DisabilityCare Australia Fund (DCAF).</li><li>• Medical Research Future Fund (MRFF).</li><li>• Building Australia Fund (BAF).</li><li>• Education Investment Fund (EIF).</li></ul> The BAF and EIF will be closed, subject to the passage of legislation.		
<b>Delivery</b>	Providing advice to the government on the Australian Government Investment Funds, including investment mandates, governance matters, credits to, and payments from the Funds.	
<b>Performance information: Program 2.8 – Australian Government Investment Funds</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Investments of managed funds create returns within the agreed level of risk.	On track - The Future Fund Management Agency has advised that the benchmark rate of return for the Future Fund, the Medical Research Future Fund, the DisabilityCare Australia Fund, the Building Australia Fund and the Education Investment Fund were met for the year to date to 31 December 2017.
2018-19 (b)	A policy framework that contributes to investments of the Australian Government Investment Funds generating returns within the agreed level of risk.	Investment mandates for the managed funds issued by the Australian Government are met.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

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

### Budgeted expenses for Outcome 3

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 3.1: Ministerial and Parliamentary Services</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Electorate and ministerial support costs	261,835	264,198	267,300	267,622	267,622
Australian Political Exchange Program	914	927	940	954	941
Australian Political Parties for Democracy Program	2,200	2,200	2,200	2,200	2,200
Special appropriations					
Commonwealth of Australia Constitution Act (s66) (a)	5,096	5,096	5,096	5,096	5,096
Parliamentary Entitlements Act 1990	76,850	1,000	-	-	-
Parliamentary Retirement Travel Act 2002	250	-	-	-	-
Parliamentary Business Resources Act 2017	110,409	220,053	221,952	225,267	228,959
Expenses not requiring appropriation in the Budget year (b)	3,619	1,514	1,516	1,469	4,670
<b>Administered total</b>	<b>461,173</b>	<b>494,988</b>	<b>499,004</b>	<b>502,608</b>	<b>509,488</b>
Departmental expenses					
Departmental appropriation (c)					
Services to Senators, Members and their staff	36,406	29,732	29,495	27,786	27,568
Car-with-driver and associated transport services	638	653	681	688	682
Expenses not requiring appropriation in the Budget year (b)	2,112	1,998	1,959	1,869	1,873
<b>Departmental total</b>	<b>39,156</b>	<b>32,384</b>	<b>32,135</b>	<b>30,343</b>	<b>30,123</b>
<b>Total expenses for Program 3.1</b>	<b>500,329</b>	<b>527,372</b>	<b>531,139</b>	<b>532,951</b>	<b>539,611</b>

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Outcome 3 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	264,949	267,325	270,440	270,776	270,763
Special appropriations	192,605	226,149	227,048	230,363	234,055
Expenses not requiring appropriation in the Budget year (b)	3,619	1,514	1,516	1,469	4,670
<b>Administered total</b>	<b>461,173</b>	<b>494,988</b>	<b>499,004</b>	<b>502,608</b>	<b>509,488</b>
Departmental expenses					
Departmental appropriation (c)	37,044	30,385	30,177	28,475	28,250
Expenses not requiring appropriation in the Budget year (b)	2,112	1,998	1,959	1,869	1,873
<b>Departmental total</b>	<b>39,156</b>	<b>32,384</b>	<b>32,135</b>	<b>30,343</b>	<b>30,123</b>
<b>Total expenses for Outcome 3</b>	<b>500,329</b>	<b>527,372</b>	<b>531,139</b>	<b>532,951</b>	<b>539,611</b>

	2017-18	2018-19
<b>Average staffing level (number)</b>	<b>173</b>	<b>174</b>

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

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

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

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

**Table 2.3.2: Performance criteria for Outcome 3**

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 3 – Support for Parliamentarians and others as required by the Australian Government through the delivery of and advice on, work expenses and allowances, entitlements and targeted programs.</b>		
<b>Program 3.1 – Ministerial and Parliamentary Services</b>		
This program contributes to the outcome through the provision of advice on, access to, and payment of parliamentary and post-parliamentary, work expenses, allowances and entitlements and targeted programs.		
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Providing advice and support to clients and stakeholders.</li><li>• Paying accounts relating to work expenses, allowances and entitlements.</li><li>• Managing and maintaining the <i>Members of Parliament (Staff) Act 1984</i> employment framework.</li><li>• Providing client and event transport (car-with-driver) and associated ground transport services to eligible recipients.</li><li>• Managing Commonwealth Parliament Offices and the ministerial wing of Parliament House.</li><li>• Managing the Australian Political Exchange Program and the Australian Political Parties for Democracy Program.</li><li>• Providing property and office facilities management.</li></ul>	
<b>Performance information Program 3.1 – Ministerial and Parliamentary Services</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Services meet the needs of Parliamentarians, their employees and others as required by the Australian Government.	<p>On track - Service standards met, or exceeded, for the period ending 31 March 2018 include:</p> <ul style="list-style-type: none"><li>• 95.54% client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li><li>• 99.44% of payments (including payroll) were made within agreed timeframes.</li><li>• 100% of office establishments and relocation projects delivered within their approved budget.</li><li>• 99.66% of reservations were completed without service failure.</li></ul>

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

Performance information Program 3.1 – Ministerial and Parliamentary Services		
Year	Performance criteria	Targets
2017-18 (a) (continued)	The timeliness, efficiency, clarity and transparency of the administration of parliamentary work expenses is improved.	On track - the Parliamentary Expenses Management System (PEMS) Project has commenced and is on track to deliver milestones in accordance with PEMS second pass business case for an integrated ICT solution to manage and report parliamentarians' work expenses. Expenditure of \$38.1m was approved for PEMS through the 2017-18 MYEFO process.
2018-19 (b)	Services meet the needs of Parliamentarians, their employees and others as required by the Australian Government.	The following service standards are met or exceeded: <ul style="list-style-type: none"> <li>• 95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>• 95% of payments (including payroll) will be made within agreed timeframes.</li> <li>• 100% of office establishment and relocation projects will be delivered within their approved budget.</li> <li>• 99% of COMCAR reservations will be completed without service failure.</li> </ul>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

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

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

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

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

Finance is forecasting expenses of \$494.5 million in 2017-18, a decrease from the \$545.3 million forecast in the 2017-18 Portfolio Additional Estimates Statements (PAES). This change is primarily due to revisions of special account estimates.

Finance is forecasting total own source income of \$356.3 million, an increase from the \$313.0 million forecast in the 2017-18 PAES. This is primarily due to revisions of special account estimates.

###### **2018-19**

Finance is budgeting for a surplus of \$33.6 million, an increase from the \$26.5 million forecast in the 2017-18 PAES. This is primarily due to a revision of special account estimates.

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

The budgeted net asset position as at 30 June 2019 of \$2,101.6 million represents a decrease from the \$2,200.0 million forecast in the 2017-18 PAES. This is primarily due to a revision in special account estimates.

**Budgeted Schedule of Comprehensive Income – Administered**

**2017-18**

Estimated administered income for 2017-18 has increased slightly to \$1,970.0 million from the \$1,913.9 million reported in the 2017-18 PAES. This is primarily due to revisions in estimates for the Australian Government Investment Funds.

Estimated administered expenses for 2017-18 has decreased to \$9,737.2 million from the \$9,968.4 million reported in the 2017-18 PAES. This is primarily due to revisions in estimates on the Australian Government Investment Funds.

**2018-19**

Finance is budgeting for administered income of \$1,652.9 million in 2018-19, an increase from the \$1,580.1 million budgeted for in the 2017-18 PAES. This is primarily due to revisions in estimates for the Australian Government Investment Funds.

Finance is budgeting for administered expenses of \$12,309.3 million in 2018-19, an increase from the \$12,116.1 million budgeted for in the 2017-18 PAES. This is primarily due to revisions in estimates for superannuation and the Australian Government Investment Funds.

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

Administered assets are budgeted to total \$12,729.7 million by 30 June 2019, an increase from the \$12,657.3 million estimated in the 2017-18 PAES, due primarily to revisions in estimates for the Australian Government Investment Funds.

Administered liabilities are estimated to total \$134,534.5 million by 30 June 2019, an increase from the \$117,534.5 million estimated in the 2017-18 PAES, due primarily to revisions in superannuation estimates.



### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	161,599	162,753	163,424	161,366	161,458
Suppliers	185,573	178,726	161,276	136,305	128,830
Depreciation and amortisation (a)	31,544	33,979	34,182	34,089	35,148
Losses from asset sales (b)	-	-	415	-	-
Write-down and impairment of assets	193	26,469	14,600	24,400	8,000
Insurance claims	107,092	138,016	142,829	147,279	151,879
Other expenses	8,501	7,662	7,662	7,662	7,662
<b>Total expenses</b>	<b>494,502</b>	<b>547,605</b>	<b>524,388</b>	<b>511,101</b>	<b>492,977</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	71,485	68,675	59,607	59,380	59,417
Insurance premiums	140,484	144,364	149,292	153,876	158,565
Rental income	71,803	73,221	74,243	75,849	92,714
Other	8,759	8,265	8,265	6,888	6,888
<b>Total own-source revenue</b>	<b>292,531</b>	<b>294,525</b>	<b>291,407</b>	<b>295,993</b>	<b>317,584</b>
<b>Gains</b>					
Gains on valuation of investment property	16,498	4,410	4,900	11,651	14,709
Net gains from asset sales (b)	45,936	25,991	-	-	-
Other (c)	1,376	1,385	1,384	1,386	1,386
<b>Total gains</b>	<b>63,810</b>	<b>31,786</b>	<b>6,284</b>	<b>13,037</b>	<b>16,095</b>
<b>Total own-source income</b>	<b>356,341</b>	<b>326,311</b>	<b>297,691</b>	<b>309,030</b>	<b>333,679</b>
<b>Net (cost of)/contribution by services</b>	<b>(138,161)</b>	<b>(221,294)</b>	<b>(226,697)</b>	<b>(202,071)</b>	<b>(159,298)</b>
Revenue from Government	263,455	257,670	253,457	234,379	234,666
<b>Surplus/(deficit) before income tax</b>	<b>125,294</b>	<b>36,376</b>	<b>26,760</b>	<b>32,308</b>	<b>75,368</b>
Income tax expense	-	2,797	2,797	2,797	2,797
<b>Surplus/(deficit) after income tax</b>	<b>125,294</b>	<b>33,579</b>	<b>23,963</b>	<b>29,511</b>	<b>72,571</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>125,294</b>	<b>33,579</b>	<b>23,963</b>	<b>29,511</b>	<b>72,571</b>

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations</b>	<b>156,838</b>	<b>67,558</b>	<b>58,145</b>	<b>63,600</b>	<b>107,719</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	31,544	33,979	34,182	34,089	35,148
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>125,294</b>	<b>33,579</b>	<b>23,963</b>	<b>29,511</b>	<b>72,571</b>

Prepared on Australian Accounting Standards basis.

- (a) Depreciation and Amortisation Expenses highlighted under 'Expenses' represents total depreciation and amortisation expenses for Finance. The 'non appropriated' depreciation and amortisation figure at the bottom of this table is net of Depreciation Expenses associated with Finance's property portfolio and wholly contained within the Property Special Account.
- (b) Represents the net gain/loss from the government's non-Defence Property Divestment Program within Australia.
- (c) Other gains represent resources received free of charge for financial statement audit services from the Australian National Audit Office.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents (a)	604,017	604,017	604,017	604,017	604,017
Trade and other receivables	285,051	246,460	257,356	280,394	293,301
Other financial assets	22,745	22,745	22,745	22,745	22,745
<b>Total financial assets</b>	<b>911,813</b>	<b>873,222</b>	<b>884,118</b>	<b>907,156</b>	<b>920,063</b>
<b>Non-financial assets</b>					
Land and buildings (b)	858,570	801,006	775,838	737,232	714,555
Property, plant and equipment	69,462	95,608	113,439	125,726	137,461
Investment property (b)	865,580	870,706	875,606	887,257	901,966
Intangibles	107,126	142,075	146,138	146,147	146,159
Other non-financial assets	9,442	9,442	9,442	9,442	9,442
<b>Total non-financial assets</b>	<b>1,910,180</b>	<b>1,918,837</b>	<b>1,920,463</b>	<b>1,905,804</b>	<b>1,909,583</b>
<b>Total assets</b>	<b>2,821,993</b>	<b>2,792,059</b>	<b>2,804,581</b>	<b>2,812,960</b>	<b>2,829,646</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	84,010	90,558	97,106	103,654	103,654
Unearned Revenue	18,361	18,361	18,361	18,361	18,361
Return of equity	57,145	57,145	57,145	57,145	57,145
Other payables	10,998	11,765	12,532	13,299	13,299
<b>Total payables</b>	<b>170,514</b>	<b>177,829</b>	<b>185,144</b>	<b>192,459</b>	<b>192,459</b>
<b>Provisions</b>					
Employee provisions	62,670	65,102	67,534	69,966	69,966
Outstanding insurance claims	438,663	438,663	438,663	438,663	438,663
Other provisions	8,817	8,817	8,817	8,817	8,817
<b>Total provisions</b>	<b>510,150</b>	<b>512,582</b>	<b>515,014</b>	<b>517,446</b>	<b>517,446</b>
<b>Total liabilities</b>	<b>680,664</b>	<b>690,411</b>	<b>700,158</b>	<b>709,905</b>	<b>709,905</b>
<b>Net assets</b>	<b>2,141,329</b>	<b>2,101,648</b>	<b>2,104,423</b>	<b>2,103,055</b>	<b>2,119,741</b>
<b>EQUITY*</b>					
Contributed equity	1,473,038	1,504,083	1,516,250	1,524,971	1,533,731
Reserves	199,141	199,141	199,141	199,141	199,141
Retained surplus (accumulated deficit)	469,150	398,424	389,032	378,943	386,869
<b>Total equity</b>	<b>2,141,329</b>	<b>2,101,648</b>	<b>2,104,423</b>	<b>2,103,055</b>	<b>2,119,741</b>

Prepared on Australian Accounting Standards basis.

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

(a) Primarily represents appropriation receivable (including capital appropriation) and the special accounts.

(b) Primarily represents properties in the Australian Government's non-Defence property portfolio.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	469,150	199,141	1,473,038	2,141,329
<b>Adjusted opening balance</b>	<b>469,150</b>	<b>199,141</b>	<b>1,473,038</b>	<b>2,141,329</b>
Surplus/(deficit) for the period	33,579	-	-	33,579
<b>Total comprehensive income</b>	<b>33,579</b>	<b>-</b>	<b>-</b>	<b>33,579</b>
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns on capital:				
Returns of contributed equity	(104,305)	-	-	(104,305)
<b>Contributions by owners</b>				
Equity injection - Appropriation (a)	-	-	42,211	42,211
Departmental capital budget (DCB)	-	-	6,477	6,477
Restructuring (b)	-	-	(17,643)	(17,643)
<b>Sub-total transactions with owners</b>	<b>(104,305)</b>	<b>-</b>	<b>31,045</b>	<b>(73,260)</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>398,424</b>	<b>199,141</b>	<b>1,504,083</b>	<b>2,101,648</b>
<b>Closing balance attributable to the Australian Government</b>	<b>398,424</b>	<b>199,141</b>	<b>1,504,083</b>	<b>2,101,648</b>

Prepared on Australian Accounting Standards basis.

(a) Equity injections for construction and ICT projects.

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	271,000	142,168	134,122	135,501	136,461
Appropriations	244,137	295,989	242,289	211,069	221,759
Insurance premiums	140,484	144,364	149,292	153,876	158,565
Other	8,756	8,265	8,265	6,888	6,888
<b>Total cash received</b>	<b>664,377</b>	<b>590,786</b>	<b>533,968</b>	<b>507,334</b>	<b>523,673</b>
<b>Cash used</b>					
Employees	166,580	160,321	160,992	158,934	161,458
Suppliers	303,267	172,672	153,758	128,371	127,444
Insurance claims	107,092	138,016	142,829	147,279	151,879
s74 Retained revenue receipts transferred to OPA	61,516	104,305	33,355	39,600	48,975
Other	150,295	9,692	9,692	9,692	10,459
<b>Total cash used</b>	<b>788,750</b>	<b>585,006</b>	<b>500,626</b>	<b>483,876</b>	<b>500,215</b>
<b>Net cash from/(used by) operating activities</b>	<b>(124,373)</b>	<b>5,780</b>	<b>33,342</b>	<b>23,458</b>	<b>23,458</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	163,067	60,512	1,260	-	-
<b>Total cash received</b>	<b>163,067</b>	<b>60,512</b>	<b>1,260</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Construction/Purchase of land and buildings	32,596	32,733	4,440	-	-
Construction/Purchase of property, plant and equipment	44,732	39,478	31,165	25,069	25,079
Construction/Purchase of intangibles	20,085	42,053	11,164	7,110	7,139
Construction/Purchase of investment properties	1,379	716	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>98,792</b>	<b>114,980</b>	<b>46,769</b>	<b>32,179</b>	<b>32,218</b>
<b>Net cash from/(used by) investing activities</b>	<b>64,275</b>	<b>(54,468)</b>	<b>(45,509)</b>	<b>(32,179)</b>	<b>(32,218)</b>

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	(85,683)	48,688	12,167	8,721	8,760
<b>Total cash received</b>	<b>(85,683)</b>	<b>48,688</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>Net cash from/(used by) financing activities</b>	<b>(85,683)</b>	<b>48,688</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>Net increase/(decrease) in cash held</b>	<b>(145,781)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	749,798	604,017	604,017	604,017	604,017
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>604,017</b>	<b>604,017</b>	<b>604,017</b>	<b>604,017</b>	<b>604,017</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	6,480	6,479	6,495	6,538	6,577
Equity injections - Bill 2	74,853	42,211	5,672	2,183	2,183
<b>Total new capital appropriations</b>	<b>81,333</b>	<b>48,690</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>Provided for:</b>					
Purchase of non-financial assets	41,333	48,690	12,167	8,721	8,760
Other Items	40,000	-	-	-	-
<b>Total items</b>	<b>81,333</b>	<b>48,690</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB	6,480	6,479	6,495	6,538	6,577
Funded by equity injections	56,304	82,229	16,246	2,183	2,183
Funded internally from departmental resources (a)	36,008	26,272	24,028	23,458	23,458
<b>TOTAL</b>	<b>98,792</b>	<b>114,980</b>	<b>46,769</b>	<b>32,179</b>	<b>32,218</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total asset additions	98,792	114,980	46,769	32,179	32,218
<b>Total cash used to acquire assets</b>	<b>98,792</b>	<b>114,980</b>	<b>46,769</b>	<b>32,179</b>	<b>32,218</b>

Prepared on Australian Accounting Standards basis.

(a) Includes the following sources of funding:

- Current and prior year annual appropriation.
- Funds held in special accounts.

**Table 3.6: Statement of asset movements (Budget year 2018-19)**

	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>						
Gross book value	405,326	468,582	78,804	865,580	169,429	1,987,721
Accumulated depreciation/ amortisation and impairment	-	(15,338)	(9,343)	-	(62,303)	(86,984)
<b>Opening net book balance</b>	<b>405,326</b>	<b>453,244</b>	<b>69,462</b>	<b>865,580</b>	<b>107,126</b>	<b>1,900,738</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase/construction - appropriation equity (a)	8,102	24,631	36,990	716	38,062	108,501
By purchase/construction - appropriation ordinary annual services (b)	-	-	1,596	-	4,883	6,479
By purchase - internally funded	-	-	-	-	-	-
<b>Total additions</b>	<b>8,102</b>	<b>24,631</b>	<b>38,586</b>	<b>716</b>	<b>42,945</b>	<b>114,980</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(13,543)	(12,440)	-	(7,996)	(33,979)
Disposals (c)	(31,742)	(45,012)	-	-	-	(76,754)
Gains	-	-	-	4,410	-	4,410
<b>Total other movements</b>	<b>(31,742)</b>	<b>(58,555)</b>	<b>(12,440)</b>	<b>4,410</b>	<b>(7,996)</b>	<b>(106,323)</b>
<b>As at 30 June 2019</b>						
Gross book value	381,686	448,201	117,390	870,706	212,374	2,030,357
Accumulated depreciation/ amortisation and impairment	-	(28,881)	(21,783)	-	(70,299)	(120,963)
<b>Closing net book balance</b>	<b>381,686</b>	<b>419,320</b>	<b>95,608</b>	<b>870,706</b>	<b>142,075</b>	<b>1,909,395</b>

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018-19 for depreciation/amortisation expenses, DCBs or other operational expenses.
- (c) Net proceeds may be returned to the OPA.



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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	286,986	323,961	327,100	328,611	331,181
Suppliers	192,467	200,662	232,137	246,212	251,783
Superannuation (a)	8,466,573	8,157,944	8,305,958	8,400,313	8,487,794
Distributions from the Investment Funds (b)	763,681	3,599,634	1,765,409	1,645,890	1,689,878
Grants	2,941	2,957	2,975	2,993	3,012
Depreciation and amortisation	20,691	20,691	20,691	20,691	20,691
Other expenses	3,862	3,439	3,439	2,948	2,947
<b>Total expenses administered on behalf of Government</b>	<b>9,737,200</b>	<b>12,309,286</b>	<b>10,657,707</b>	<b>10,647,656</b>	<b>10,787,284</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Rendering of services	3,839	3,904	3,904	3,904	3,904
Interest and dividends (c)	523,672	440,972	703,020	846,517	894,929
Superannuation contributions (d)	1,203,478	1,148,576	1,109,724	1,059,259	1,018,787
Other revenue	23,310	9,310	9,310	9,310	9,310
<b>Total non-taxation revenue</b>	<b>1,754,299</b>	<b>1,602,762</b>	<b>1,825,958</b>	<b>1,918,990</b>	<b>1,926,930</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>1,754,299</b>	<b>1,602,762</b>	<b>1,825,958</b>	<b>1,918,990</b>	<b>1,926,930</b>
<b>Gains</b>					
Gain on sale of investments	211,276	45,649	75,040	90,878	96,690
Other gains	4,455	4,455	4,455	4,455	4,455
<b>Total gains administered on behalf of Government</b>	<b>215,731</b>	<b>50,104</b>	<b>79,495</b>	<b>95,333</b>	<b>101,145</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>1,970,030</b>	<b>1,652,866</b>	<b>1,905,453</b>	<b>2,014,323</b>	<b>2,028,075</b>
<b>Net (cost of)/contribution by services</b>	<b>(7,767,169)</b>	<b>(10,656,420)</b>	<b>(8,752,254)</b>	<b>(8,633,333)</b>	<b>(8,759,209)</b>
<b>Total comprehensive income/(loss)</b>	<b>(7,767,169)</b>	<b>(10,656,420)</b>	<b>(8,752,254)</b>	<b>(8,633,333)</b>	<b>(8,759,209)</b>

Prepared on Australian Accounting Standards basis.

- (a) In accordance with accounting standards, the superannuation expenses for 2017-18 were calculated using the long-term government bond rate as at 1 July 2017 that best matches each individual scheme's liability duration. These rates were broadly between 3.0 and 3.5 per cent per annum. Forward years are estimated based on the discount rate recommended by the superannuation scheme actuaries in preparing the latest Long Term Cost Reports (5 per cent). This is lower than the rate of 6 per cent applied in previous Budgets and reflects the actuaries' view that long term borrowing costs have decreased.
- (b) Represents estimates of expenses to be transferred from the Australian Government Investment Funds. This item does not include equity payments. For more detail on each fund, refer to Tables 2.2.1.1-4.
- (c) Estimates of interest include interest earnings for the Australian Government Investment Funds. Dividend revenue represents revenue from corporate Commonwealth entities which are treated as administered receipts of the department.
- (d) Principally CSS and PSS notional employer superannuation contributions.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	161,727	176,189	197,797	215,051	237,749
Investments (a)	14,904,874	12,465,818	18,952,497	21,555,071	21,811,962
Other financial assets	2,210	2,210	2,210	2,210	2,210
<b>Total financial assets</b>	<b>15,068,811</b>	<b>12,644,217</b>	<b>19,152,504</b>	<b>21,772,332</b>	<b>22,051,921</b>
<b>Non-financial assets</b>					
Buildings	20,576	17,599	14,574	11,604	8,689
Property, plant and equipment	68,945	63,231	57,515	51,821	46,150
Intangibles	1,070	1,070	1,070	1,070	1,070
Other non-financial assets	3,549	3,549	3,549	3,549	3,549
<b>Total non-financial assets</b>	<b>94,140</b>	<b>85,449</b>	<b>76,708</b>	<b>68,044</b>	<b>59,458</b>
<b>Total assets administered on behalf of Government</b>	<b>15,162,951</b>	<b>12,729,666</b>	<b>19,229,212</b>	<b>21,840,376</b>	<b>22,111,379</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	11,171	11,171	11,171	11,171	11,171
Other payables	11,895	11,895	11,895	11,895	11,895
<b>Total payables</b>	<b>23,066</b>	<b>23,066</b>	<b>23,066</b>	<b>23,066</b>	<b>23,066</b>
<b>Provisions</b>					
Employee provisions (b)	237,009	237,009	237,009	237,009	237,009
Superannuation (c)	131,115,653	134,259,196	137,287,847	140,226,089	143,013,963
Other provisions	15,220	15,192	15,152	15,110	15,054
<b>Total provisions</b>	<b>131,367,882</b>	<b>134,511,397</b>	<b>137,540,008</b>	<b>140,478,208</b>	<b>143,266,026</b>
<b>Total liabilities administered on behalf of Government</b>	<b>131,390,948</b>	<b>134,534,463</b>	<b>137,563,074</b>	<b>140,501,274</b>	<b>143,289,092</b>
<b>Net assets/(liabilities)</b>	<b>(116,227,997)</b>	<b>(121,804,797)</b>	<b>(118,333,862)</b>	<b>(118,660,898)</b>	<b>(121,177,713)</b>

Prepared on Australian Accounting Standards basis.

- (a) Represents investments in the Australian Government Investment Funds. Also represented are investments in other Commonwealth entities that are 100% owned by the Commonwealth and assets of former superannuation schemes administered by the Australian Government.
- (b) Represents Life Gold Pass Holders liabilities and employee provisions for staff employed under the *Members of Parliament (Staff) Act 1984*.
- (c) For budget reporting purposes, the discount rate used by actuaries in preparing Long-Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. This rate is 5 per cent, reflecting the actuaries' view that the long-term cost of borrowing is lower than the previously used 6 per cent. Consistent with Australian Accounting Standards, the superannuation liability for the 2016-17 FBO was calculated using the long-term government bond rate as at 30 June 2017 that best matched each individual scheme's liability duration. These rates were broadly between 3.0 and 3.5 per cent per annum.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	3,837	3,902	3,902	3,902	3,902
Interest and dividends (a)	529,199	435,356	697,911	841,597	890,194
Superannuation contributions - employees (b)	1,190,780	1,127,144	1,080,793	1,034,480	988,022
Superannuation funds contributions (c)	2,006,944	1,894,747	1,983,848	2,077,341	2,183,115
Other	16,810	2,810	2,810	2,810	2,811
<b>Total cash received</b>	<b>3,747,570</b>	<b>3,463,959</b>	<b>3,769,264</b>	<b>3,960,130</b>	<b>4,068,044</b>
<b>Cash used</b>					
Employees (d)	234,898	270,695	274,597	276,113	266,837
Suppliers	193,894	196,119	227,641	241,757	247,328
Distributions from the investment funds (e)	1,221,335	3,175,150	1,732,239	1,645,890	1,689,878
Grants	2,941	2,957	2,975	2,993	3,012
Superannuation (f)	6,697,903	6,821,753	7,102,762	7,425,530	7,915,431
Other	3,954	3,465	3,477	2,988	3,001
<b>Total cash used</b>	<b>8,354,924</b>	<b>10,470,140</b>	<b>9,343,691</b>	<b>9,595,271</b>	<b>10,125,487</b>
<b>Net cash from/(used by) operating activities</b>	<b>(4,607,354)</b>	<b>(7,006,181)</b>	<b>(5,574,427)</b>	<b>(5,635,141)</b>	<b>(6,057,443)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of investments	16,768,076	10,078,311	6,877,929	5,723,774	5,802,874
Repayments of advances and loans	11,944	12,180	12,400	12,444	12,801
<b>Total cash received</b>	<b>16,780,020</b>	<b>10,090,491</b>	<b>6,890,329</b>	<b>5,736,218</b>	<b>5,815,675</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	11,371	12,200	12,150	12,227	12,305
Investments	7,972,840	7,228,162	13,144,587	8,224,270	5,941,875
Other	326,000	311,000	151,000	11,000	21,000
<b>Total cash used</b>	<b>8,310,211</b>	<b>7,551,362</b>	<b>13,307,737</b>	<b>8,247,497</b>	<b>5,975,180</b>
<b>Net cash from/(used by) investing activities</b>	<b>8,469,809</b>	<b>2,539,129</b>	<b>(6,417,408)</b>	<b>(2,511,279)</b>	<b>(159,505)</b>

Table continues on next page

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributions to the Investment Funds	6,568,666	6,761,750	12,321,140	7,308,482	4,845,805
<b>Total cash received</b>	<b>6,568,666</b>	<b>6,761,750</b>	<b>12,321,140</b>	<b>7,308,482</b>	<b>4,845,805</b>
<b>Cash used</b>					
Distributions from the Investment Funds (e)	14,232,460	6,547,066	4,881,765	3,982,775	3,913,573
<b>Total cash used</b>	<b>14,232,460</b>	<b>6,547,066</b>	<b>4,881,765</b>	<b>3,982,775</b>	<b>3,913,573</b>
<b>Net cash from/(used by) financing activities</b>	<b>(7,663,794)</b>	<b>214,684</b>	<b>7,439,375</b>	<b>3,325,707</b>	<b>932,232</b>
<b>Net increase/(decrease) in cash held</b>	<b>(3,801,340)</b>	<b>(4,252,368)</b>	<b>(4,552,460)</b>	<b>(4,820,713)</b>	<b>(5,284,716)</b>
Cash and cash equivalents at beginning of reporting period (g)	1,159	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	7,150,258	7,307,451	7,592,506	7,906,722	8,409,377
<b>Total cash from Official Public Account</b>	<b>7,150,258</b>	<b>7,307,451</b>	<b>7,592,506</b>	<b>7,906,722</b>	<b>8,409,377</b>
Cash to Official Public Account for:					
- Appropriations	(3,350,077)	(3,055,083)	(3,040,046)	(3,086,009)	(3,124,661)
<b>Total cash to Official Public Account</b>	<b>(3,350,077)</b>	<b>(3,055,083)</b>	<b>(3,040,046)</b>	<b>(3,086,009)</b>	<b>(3,124,661)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

- (a) Estimates include interest earnings for the Australian Government Investment Funds. For more detail on the interest estimates for each fund, refer to Tables 2.2.1.1-4.
- (b) Primarily represents the CSS and PSS notional employer contributions.
- (c) Primarily represents offsets from the CSS and PSS funds and return of overpaid benefits.
- (d) Represents expenditure on staff employed under the *Members of Parliament (Staff) Act 1984*.
- (e) Distributions from the Investment Funds represents estimates of cash payments from the Funds to other entities and the Consolidated Revenue Fund.
- (f) Expenditure associated with unfunded liabilities for the government's civilian superannuation schemes.
- (g) The 2017-18 figures for cash at the beginning and end of the reporting period excludes cash held in the Official Public Account as this is not included as part of our estimates.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered Capital Budget (ACB) - Bill 1 (a)	4,983	5,054	5,140	5,217	5,295
Administered Assets and Liabilities - Bill 2 (b)	511,943	191,024	96,034	11,033	11,044
<b>Total new capital appropriations</b>	<b>516,926</b>	<b>196,078</b>	<b>101,174</b>	<b>16,250</b>	<b>16,339</b>
<b>Provided for:</b>					
Purchase of non-financial assets	5,846	5,070	5,156	5,233	5,311
Other Items	511,080	191,008	96,018	11,017	11,028
<b>Total items</b>	<b>516,926</b>	<b>196,078</b>	<b>101,174</b>	<b>16,250</b>	<b>16,339</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by Administered Assets and Liabilities - Act 2	863	16	16	16	16
Funded by ACB - Bill 1	4,983	5,054	5,140	5,217	5,295
Funded by special appropriations	5,524	7,130	6,994	6,994	6,994
<b>TOTAL</b>	<b>11,370</b>	<b>12,200</b>	<b>12,150</b>	<b>12,227</b>	<b>12,305</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total asset additions	11,370	12,200	12,150	12,227	12,305
<b>Total cash used to acquire assets</b>	<b>11,370</b>	<b>12,200</b>	<b>12,150</b>	<b>12,227</b>	<b>12,305</b>

Prepared on Australian Accounting Standards basis.

(a) The ACB is used to fund the replacement of assets purchased through administered annual appropriations.

(b) Administered Assets and Liabilities includes a capital injection for Acts of Grace and liabilities and an injection for capital works on the Intra Government Communications Network, which is offset through entity contributions that are returned to the budget.

Note: This table previously reported as Special Capital Appropriations, funding for superannuation expenditure. These appropriations are shown by Act in Table 1.1 Department of Finance resource statement.

**Table 3.11: Statement of administered asset movements (Budget year 2018-19)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>				
Gross book value	32,783	77,550	3,238	113,571
Accumulated depreciation/amortisation and impairment	(12,207)	(8,605)	(2,168)	(22,980)
<b>Opening net book balance</b>	<b>20,576</b>	<b>68,945</b>	<b>1,070</b>	<b>90,591</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	9,309	2,891	-	12,200
<b>Total additions</b>	<b>9,309</b>	<b>2,891</b>	<b>-</b>	<b>12,200</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(12,086)	(8,605)	-	(20,691)
Disposals	(200)	-	-	(200)
<b>Total other movements</b>	<b>(12,286)</b>	<b>(8,605)</b>	<b>-</b>	<b>(20,891)</b>
<b>As at 30 June 2019</b>				
Gross book value	41,892	80,441	3,238	125,571
Accumulated depreciation/amortisation and impairment	(24,293)	(17,210)	(2,168)	(43,671)
<b>Closing net book balance</b>	<b>17,599</b>	<b>63,231</b>	<b>1,070</b>	<b>81,900</b>

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 Electoral Act dealing with political funding and disclosure. The AEC must also provide a range of electoral information and education programs both in Australia and in support of Australia's 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.*

#### 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to AEC for its operations and to deliver programs and services on behalf of the Government. The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for AEC's operations) classification.

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Australian Electoral Commission resource statement - Budget estimates for 2018-19 as at Budget May 2018**

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation (b)	142,298	385,692
s74 Retained revenue receipts (c)	11,038	11,038
Departmental capital budget (d)	22,370	13,572
Total departmental annual appropriations	175,706	410,302
Total departmental special appropriations (e)	14,900	14,900
<b>Total departmental resourcing</b>	<b>190,606</b>	<b>425,202</b>
<b>Administered</b>		
Total administered special appropriations	644	76,000
Special accounts		
Opening balance	1,338	1,338
<i>Total special account receipts</i>	1,338	1,338
<b>Total administered resourcing</b>	<b>1,982</b>	<b>77,338</b>
<b>Total resourcing for Australian Electoral Commission</b>	<b>192,588</b>	<b>502,540</b>
	2017-18	2018-19
<b>Average staffing level (number)</b>	<b>795</b>	<b>788</b>

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

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

- (a) Appropriation Bill (No. 1) 2018-19.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Excludes trust money and "other CRF money" held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

### 1.3 BUDGET MEASURES

No budget measures have been announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact AEC.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for Australian Electoral Commission can be found at: [http://www.aec.gov.au/About\\_AEC/Publications/corporate-plan/index.htm](http://www.aec.gov.au/About_AEC/Publications/corporate-plan/index.htm).

The most recent annual performance statement can be found at: <http://annualreport.aec.gov.au/annual-reports.html>.

**2.1 BUDGETED EXPENSES AND PERFORMANCE 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.**

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1 Budgeted expenses for Outcome 1**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 1.1: Deliver Electoral Events</b>					
Administered expenses					
Special appropriations					
<i>Commonwealth Electoral Act 1918</i>	644	76,000	-	-	76,000
<b>Administered total</b>	644	76,000	-	-	76,000
Departmental expenses					
Departmental appropriation	142,298	385,692	107,777	140,158	379,216
s74 Retained revenue receipts (a)	11,038	11,038	11,038	11,038	11,038
Special appropriations					
<i>Commonwealth Electoral Act 1918</i>	14,900	14,900	14,900	14,900	14,900
Expenses not requiring appropriation in the Budget year (b)	8,291	8,821	9,612	12,051	12,051
<b>Departmental total</b>	176,527	420,451	143,327	178,147	417,205
<b>Total expenses for program 1.1</b>	<b>177,171</b>	<b>496,451</b>	<b>143,327</b>	<b>178,147</b>	<b>493,205</b>
<b>Total expenses for Outcome 1</b>	<b>177,171</b>	<b>496,451</b>	<b>143,327</b>	<b>178,147</b>	<b>493,205</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Special appropriations	644	76,000	-	-	76,000
<b>Administered total</b>	644	76,000	-	-	76,000
Departmental expenses					
Departmental appropriation	142,298	385,692	107,777	140,158	379,216
s74 Retained revenue receipts (a)	11,038	11,038	11,038	11,038	11,038
Special appropriations	14,900	14,900	14,900	14,900	14,900
Expenses not requiring appropriation in the Budget year (b)	8,291	8,821	9,612	12,051	12,051
<b>Departmental total</b>	176,527	420,451	143,327	178,147	417,205
<b>Total expenses for Outcome 1</b>	<b>177,171</b>	<b>496,451</b>	<b>143,327</b>	<b>178,147</b>	<b>493,205</b>
	2017-18	2018-19			
<b>Average staffing level (number)</b>	795	788			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.

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

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

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>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.</b>		
<b>Program 1.1 – Deliver Electoral Events</b>		
<b>Delivery</b>	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.	
<b>Performance information: Program 1.1 – Deliver Electoral Events</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18	<p><b>Elections, By-elections and Referendums</b></p> <ul style="list-style-type: none"><li>• Federal electoral events are successfully delivered.</li><li>• Maintain ability to conduct a federal electoral event within a timeframe.</li><li>• Timely conduct of redistribution activities.</li><li>• Industrial elections, Protected Action Ballots and Torres Strait Regional Authority elections are delivered in accordance with the relevant legislation and rules.</li></ul> <p><b>Electoral Roll Management</b></p> <ul style="list-style-type: none"><li>• High level of confidence in the Electoral Roll.</li></ul> <p><b>Party Registrations and Financial Disclosure</b></p> <ul style="list-style-type: none"><li>• Party registration processed in accordance with the Electoral Act.</li><li>• Financial disclosures obtained and placed on the public record in accordance with the Electoral Act.</li></ul> <p><b>Public Awareness</b></p> <ul style="list-style-type: none"><li>• Deliver communication, education and public awareness activities to inform all Australians of electoral matters.</li></ul>	<ul style="list-style-type: none"><li>• The AEC continues to remain ready and capable of delivering a federal electoral event within required timeframes.</li><li>• Redistributions were finalised within required timeframes.</li><li>• Successful industrial elections, Protected Action Ballots and Torres Strait Regional Authority elections were delivered in accordance with relevant legislation and rules.</li><li>• A complete and accurate Electoral Roll.</li><li>• The Register of Political Parties is maintained in accordance with the Electoral Act.</li><li>• Annual and election financial disclosure returns were published on the AEC website by the required dates.</li><li>• Appropriate strategies were implemented to deliver communication, education and public awareness activities to inform all Australians of electoral matters.</li></ul>

Table continues on next page

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

<b>Performance information: Program 1.1 – Deliver Electoral Events</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19	<p><b>Elections, By-elections and Referendums</b></p> <ul style="list-style-type: none"> <li>• Federal electoral events are successfully delivered.</li> <li>• Maintain ability to conduct a federal electoral event within a timeframe.</li> <li>• Timely conduct of redistribution activities.</li> <li>• Industrial elections, Protected Action Ballots and Torres Strait Regional Authority elections are delivered in accordance with the relevant legislation and rules.</li> </ul> <p><b>Electoral Roll Management</b></p> <ul style="list-style-type: none"> <li>• High level of confidence in the Electoral Roll.</li> </ul> <p><b>Party Registrations and Financial Disclosure</b></p> <ul style="list-style-type: none"> <li>• Party registration processed in accordance with the Electoral Act.</li> <li>• Financial disclosures obtained and placed on the public record in accordance with the Electoral Act.</li> </ul> <p><b>Public Awareness</b></p> <ul style="list-style-type: none"> <li>• Deliver communication, education and public awareness activities to inform all Australians of electoral matters.</li> </ul>	<ul style="list-style-type: none"> <li>• Details about how each criterion is measured will be available in the AEC's 2018–22 Corporate Plan.</li> </ul>
2019-20 and beyond	<ul style="list-style-type: none"> <li>• As per 2018-19</li> </ul>	<ul style="list-style-type: none"> <li>• As per 2018-19</li> </ul>
<b>Purposes</b>	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.	



## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

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

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

The AEC's expected actual revenue and expenses for this financial year have changed from the amounts published in the Portfolio Additional Estimates Statements 2017-18 (PAES).

The changes reflect additional departmental funding for the AEC to support the next federal election, driven by an increase in voter numbers, complexity and operational costs, as well as the movement of Administered funding from 2019-20 to 2018-19. Preparation by the AEC for the next federal election reflects that a normal House of Representative and half-Senate election can take place in the 2018-19 financial year.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	83,850	178,239	78,787	86,365	178,239
Suppliers	84,386	233,391	54,928	79,731	226,915
Depreciation and amortisation (a)	8,206	8,736	9,527	11,966	11,966
Other expenses	85	85	85	85	85
<b>Total expenses</b>	<b>176,527</b>	<b>420,451</b>	<b>143,327</b>	<b>178,147</b>	<b>417,205</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	11,038	11,038	11,038	11,038	11,038
<b>Total own-source revenue</b>	<b>11,038</b>	<b>11,038</b>	<b>11,038</b>	<b>11,038</b>	<b>11,038</b>
<b>Gains</b>					
Other	85	85	85	85	85
<b>Total gains</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>
<b>Total own-source income</b>	<b>11,123</b>	<b>11,123</b>	<b>11,123</b>	<b>11,123</b>	<b>11,123</b>
<b>Net (cost of)/contribution by services</b>	<b>(165,404)</b>	<b>(409,328)</b>	<b>(132,204)</b>	<b>(167,024)</b>	<b>(406,082)</b>
Revenue from Government	157,198	400,592	122,677	155,058	394,116
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(8,206)</b>	<b>(8,736)</b>	<b>(9,527)</b>	<b>(11,966)</b>	<b>(11,966)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(8,206)</b>	<b>(8,736)</b>	<b>(9,527)</b>	<b>(11,966)</b>	<b>(11,966)</b>

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

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	8,206	8,736	9,527	11,966	11,966
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(8,206)</b>	<b>(8,736)</b>	<b>(9,527)</b>	<b>(11,966)</b>	<b>(11,966)</b>

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,220	4,220	4,220	4,220	4,220
Trade and other receivables	85,541	85,541	85,541	85,541	85,541
<b>Total financial assets</b>	<b>89,761</b>	<b>89,761</b>	<b>89,761</b>	<b>89,761</b>	<b>89,761</b>
<b>Non-financial assets</b>					
Land and buildings	7,873	8,999	6,649	6,448	3,293
Property, plant and equipment	11,173	11,505	13,061	12,585	20,414
Intangibles	21,127	24,505	26,647	25,953	19,970
Inventories	3,909	3,909	3,909	3,909	3,909
Other non-financial assets	3,135	3,135	3,135	3,135	3,135
<b>Total non-financial assets</b>	<b>47,217</b>	<b>52,053</b>	<b>53,401</b>	<b>52,030</b>	<b>50,721</b>
<b>Total assets</b>	<b>136,978</b>	<b>141,814</b>	<b>143,162</b>	<b>141,791</b>	<b>140,482</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5,875	5,875	5,875	5,875	5,875
Other payables	6,154	6,154	6,154	6,154	6,154
<b>Total payables</b>	<b>12,029</b>	<b>12,029</b>	<b>12,029</b>	<b>12,029</b>	<b>12,029</b>
<b>Provisions</b>					
Employee provisions	25,563	25,563	25,563	25,563	25,563
Other provisions	1,570	1,570	1,570	1,570	1,570
<b>Total provisions</b>	<b>27,133</b>	<b>27,133</b>	<b>27,133</b>	<b>27,133</b>	<b>27,133</b>
<b>Total liabilities</b>	<b>39,162</b>	<b>39,162</b>	<b>39,162</b>	<b>39,162</b>	<b>39,162</b>
<b>Net assets</b>	<b>97,816</b>	<b>102,652</b>	<b>104,000</b>	<b>102,629</b>	<b>101,320</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	82,743	96,315	107,190	117,785	128,442
Reserves	22,674	22,674	22,674	22,674	22,674
Retained surplus (accumulated deficit)	(7,601)	(16,337)	(25,864)	(37,830)	(49,796)
<b>Total parent entity interest</b>	<b>97,816</b>	<b>102,652</b>	<b>104,000</b>	<b>102,629</b>	<b>101,320</b>
<b>Total equity</b>	<b>97,816</b>	<b>102,652</b>	<b>104,000</b>	<b>102,629</b>	<b>101,320</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2018</b>					
Balance carried forward from previous period	(7,601)	22,674	-	82,743	97,816
<b>Adjusted opening balance</b>	<b>(7,601)</b>	<b>22,674</b>	<b>-</b>	<b>82,743</b>	<b>97,816</b>
<b>Comprehensive income</b>					
Other comprehensive income					-
Surplus/(deficit) for the period	(8,736)	-	-	-	(8,736)
<b>Total comprehensive income</b>	<b>(8,736)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,736)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Departmental Capital Budget (DCB)	-	-	-	13,572	13,572
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,572</b>	<b>13,572</b>
<b>Estimated closing balance as at 30 June 2019</b>	<b>(16,337)</b>	<b>22,674</b>	<b>-</b>	<b>96,315</b>	<b>102,652</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(16,337)</b>	<b>22,674</b>	<b>-</b>	<b>96,315</b>	<b>102,652</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	157,198	400,592	122,677	155,058	394,116
Sale of goods and rendering of services	11,038	11,038	11,038	11,038	11,038
<b>Total cash received</b>	<b>168,236</b>	<b>411,630</b>	<b>133,715</b>	<b>166,096</b>	<b>405,154</b>
<b>Cash used</b>					
Employees	83,850	178,239	78,787	86,365	178,239
Suppliers	84,301	233,306	54,843	79,646	226,830
Other	85	85	85	85	85
<b>Total cash used</b>	<b>168,236</b>	<b>411,630</b>	<b>133,715</b>	<b>166,096</b>	<b>405,154</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	22,370	13,572	10,875	10,595	10,657
<b>Total cash used</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>
<b>Net cash from/(used by) investing activities</b>	<b>(22,370)</b>	<b>(13,572)</b>	<b>(10,875)</b>	<b>(10,595)</b>	<b>(10,657)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	22,370	13,572	10,875	10,595	10,657
<b>Total cash received</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>
<b>Net cash from/(used by) financing activities</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	4,220	4,220	4,220	4,220	4,220
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4,220</b>	<b>4,220</b>	<b>4,220</b>	<b>4,220</b>	<b>4,220</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	22,370	13,572	10,875	10,595	10,657
<b>Total new capital appropriations</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>
<b>Provided for:</b>					
Purchase of non-financial assets	22,370	13,572	10,875	10,595	10,657
<b>Total items</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB (a)	22,370	13,572	10,875	10,595	10,657
<b>TOTAL</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	22,370	13,572	10,875	10,595	10,657
<b>Total cash used to acquire assets</b>	<b>22,370</b>	<b>13,572</b>	<b>10,875</b>	<b>10,595</b>	<b>10,657</b>

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

**Table 3.6: Statement of departmental asset movements (Budget year 2018-19)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>				
Gross book value	10,760	13,760	69,428	93,948
Accumulated depreciation/ amortisation and impairment	(2,887)	(2,587)	(48,301)	(53,775)
<b>Opening net book balance</b>	<b>7,873</b>	<b>11,173</b>	<b>21,127</b>	<b>40,173</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new     or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	4,000	3,259	6,313	13,572
<b>Total additions</b>	<b>4,000</b>	<b>3,259</b>	<b>6,313</b>	<b>13,572</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(2,874)	(2,927)	(2,935)	(8,736)
<b>Total other movements</b>	<b>(2,874)</b>	<b>(2,927)</b>	<b>(2,935)</b>	<b>(8,736)</b>
<b>As at 30 June 2019</b>				
Gross book value	14,760	17,019	75,741	107,520
Accumulated depreciation/ amortisation and impairment	(5,761)	(5,514)	(51,236)	(62,511)
<b>Closing net book balance</b>	<b>8,999</b>	<b>11,505</b>	<b>24,505</b>	<b>45,009</b>

Prepared on Australian Accounting Standards basis.

(a) Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No. 1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Other expenses	644	76,000	-	-	76,000
<b>Total expenses administered on behalf of Government</b>	<b>644</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>76,000</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue					
Non-taxation revenue					
Fees and fines	33	2,000	66	33	2,000
<b>Total non-taxation revenue</b>	<b>33</b>	<b>2,000</b>	<b>66</b>	<b>33</b>	<b>2,000</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>33</b>	<b>2,000</b>	<b>66</b>	<b>33</b>	<b>2,000</b>
<b>Net (cost of)/contribution by services</b>	<b>(611)</b>	<b>(74,000)</b>	<b>66</b>	<b>33</b>	<b>(74,000)</b>
<b>Total comprehensive income/(loss)</b>	<b>(611)</b>	<b>(74,000)</b>	<b>66</b>	<b>33</b>	<b>(74,000)</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,560	3,560	3,560	3,560	3,560
<b>Total financial assets</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>
<b>Total assets administered on behalf of Government</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>
<b>Net assets/(liabilities)</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>

Prepared on Australian Accounting Standards basis.



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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	33	2,000	66	33	2,000
<b>Total cash received</b>	<b>33</b>	<b>2,000</b>	<b>66</b>	<b>33</b>	<b>2,000</b>
<b>Cash used</b>					
Other	644	76,000	-	-	76,000
<b>Total cash used</b>	<b>644</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>76,000</b>
<b>Net cash from/(used by) operating activities</b>	<b>(611)</b>	<b>(74,000)</b>	<b>66</b>	<b>33</b>	<b>(74,000)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(611)</b>	<b>(74,000)</b>	<b>66</b>	<b>33</b>	<b>(74,000)</b>
Cash and cash equivalents at beginning of reporting period	3,560	3,560	3,560	3,560	3,560
Cash from Official Public Account for:					
- Appropriations	644	76,000	-	-	76,000
<b>Total cash from Official Public Account</b>	<b>644</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>76,000</b>
Cash to Official Public Account for:					
- Appropriations	(33)	(2,000)	(66)	(33)	(2,000)
<b>Total cash to Official Public Account</b>	<b>(33)</b>	<b>(2,000)</b>	<b>(66)</b>	<b>(33)</b>	<b>(2,000)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>	<b>3,560</b>

Prepared on Australian Accounting Standards basis.

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

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

**Table 3.11: Statement of administered asset movements (Budget year 2018-19)**

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



# **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**

The Commonwealth Superannuation Corporation (CSC) is responsible for the investment of funds and administration of the Public Superannuation Scheme Accumulation Plan (PSSap); the Public Sector Superannuation Scheme (PSS); the Commonwealth Superannuation Scheme (CSS); the Military Superannuation and Benefits Scheme (MSBS); and the Australian Defence Force Superannuation Scheme (ADF Super). In addition, CSC administers six '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, the Papua New Guinea Scheme (PNG) and the Australian Defence Force Cover Scheme (ADF Cover).

CSC seeks to achieve its outcome agreed with the government by delivering consistently competitive and risk-managed investment performance, efficient scheme administration for contributors and beneficiaries and effective interaction with its other stakeholders.

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.

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

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Commonwealth Superannuation Corporation resource statement — Budget estimates for 2018-19 as at Budget May 2018**

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>44,685</b>	<b>29,577</b>
<b>Funds from Government</b>		
Special accounts		
CSC Special Account Departmental	91,396	73,068
Services for Other Entities and Trust Moneys CSC Special Account Administered	130,474	131,474
Total special accounts	221,870	204,542
<b>Total funds from Government</b>	<b>221,870</b>	<b>204,542</b>
<b>Funds from other sources</b>		
Interest	132	132
Sale of goods and services	38,427	30,656
<b>Total funds from other sources</b>	<b>38,559</b>	<b>30,788</b>
<b>Total net resourcing for Commonwealth Superannuation Corporation</b>	<b>305,114</b>	<b>264,907</b>
	2017-18	2018-19
<b>Average staffing level (number) (a)</b>	<b>466</b>	<b>476</b>

(a) Average staffing levels reflect all staff involved in the investment and administration of the schemes. All employee expenses are paid by CSC and CSC on-charges the scheme for the portion of expenses that are referable to the investment of the scheme funds.

**Table 1.1: Commonwealth Superannuation Corporation resource statement — Budget estimates for 2018-19 as at Budget May 2018 (continued)****Third party payments from and on behalf of other entities**

	2017-18 estimated actual \$'000	2018-19 estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
<b>Finance Superannuation Special Appropriations:</b>		
<i>Superannuation Act 1922</i>	74,802	69,188
<i>Superannuation Act 1976</i>	4,430,703	4,515,281
<i>Superannuation Act 1990</i>	2,088,975	2,129,139
<i>Same-Sex Relationships Act 2008</i> (Equal Treatment in Commonwealth Laws - Superannuation)	64	66
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000
<b>Defence Superannuation Special Appropriations:</b>		
<i>Defence Forces Retirement Benefits Act 1948</i>	43,124	39,132
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,614,241	1,613,340
<i>Military Superannuation and Benefits Act 1991</i>	777,110	783,704
<i>Australian Defence Force Cover Act 2015</i>	1,789	8,051
<b>CSC draws on the following Finance Annual Appropriations</b>		
<i>Appropriation Act (No. 1) (a)</i>	500	500
<i>Appropriation Act (No. 1) (b)</i>	309	391
<i>Appropriation Act (No.2) (b)</i>	992	987
<b>PNG Scheme</b>		
<i>Administered Appropriation Act</i>	6,181	5,587
(a) Compensation and Legal Payments		
(b) Act of Grace Payments		

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

### 1.3 BUDGET MEASURES

No budget measures have been announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact CSC.



## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for CSC can be found at: <http://www.csc.gov.au/about-us/governance/>.

The most recent annual performance statement can be found at: <http://www.csc.gov.au/reports-and-information/annual-reports/>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1:** Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.

### Linked programs

<b>Department of Finance</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.7 – Public Sector Superannuation</li> </ul>
<b>Department of Defence</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.14 – Defence Force Superannuation Benefits</li> <li>• Program 2.15 – Defence Force Superannuation Nominal Interest</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Finance and Department of Defence provide funding through third party access arrangements to Commonwealth Superannuation Corporation for the purpose of providing payments of retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force.</p>

### Budgeted expenses for Outcome 1

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

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

**Outcome 1: Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 1.1: Superannuation Scheme Governance</b>					
Revenue from Government					
Special accounts					
CSC Special Account	112,892	107,754	102,417	103,702	105,464
Revenues from other independent sources	132	132	132	132	132
<b>Total expenses for Program 1.1 (a)</b>	<b>113,024</b>	<b>107,886</b>	<b>102,549</b>	<b>103,834</b>	<b>105,596</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Special accounts	112,892	107,754	102,417	103,702	105,464
Revenues from other independent sources	132	132	132	132	132
<b>Total expenses for Outcome 1</b>	<b>113,024</b>	<b>107,886</b>	<b>102,549</b>	<b>103,834</b>	<b>105,596</b>
<b>Average staffing level (number) (b)</b>					
	466	476			

(a) Expenses reflect only the cost paid by CSC and do not reflect the total cost involved in the investment of funds and administration of the schemes.

(b) Average staffing levels reflect all staff involved in the investment and administration of the schemes. All employee expenses are paid by CSC and CSC on-charges the scheme for the portion of expenses that are referable to the investment of the scheme funds.

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

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.</b>		
<b>Program 1.1 – Superannuation Scheme Governance</b>		
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Risk managed investment of member's superannuation balances.</li><li>• Meeting licence obligations set out by APRA and ASIC.</li><li>• Development and implementation of industry standard administration services.</li><li>• Provision of information for scheme members including responding to member enquiries and publications, websites and seminars.</li></ul>	
<b>Performance information: Program 1.1 – Superannuation Scheme Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18	<ul style="list-style-type: none"><li>• CSC's investment performance for its default accumulation option over a rolling three-year period.</li><li>• CSC's investment portfolio is maintained within Board approved risk parameters, such that negative returns are expected in no more than 4 out of every 20 years for the default accumulation option.</li><li>• Achievement of operational objectives for benefit payments, pension and contributions processing and the dispatch of members' statements.</li><li>• Adequate satisfaction level of members, beneficiaries and employers with the service provided.</li></ul>	<ul style="list-style-type: none"><li>• Over the rolling three-year period to June 2018, CSC's default accumulation option is estimated to meet its annual return target of 3.5% within Board approved risk parameters.</li><li>• It is estimated that the target of achieving negative returns in no more than 4 out of every 20 years for the default accumulation option will be met.</li><li>• It is estimated that the target of achieving 90% of each operational objective will be met.</li><li>• It is estimated that the target of achieving a Net Promoter Score (industry standard satisfaction measure) survey result of +10 will not be met.</li></ul>

Table continues on next page

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

<b>Performance information: Program 1.1 – Superannuation Scheme Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19	<ul style="list-style-type: none"> <li>• CSC's investment performance for its default options over a rolling three-year period.</li> <li>• CSC's investment portfolio is maintained within Board approved risk parameters, such that negative returns are expected in no more than four out of every 20 years for the default options.</li> </ul>	<ul style="list-style-type: none"> <li>• Default option annual real return of 3.5% over a rolling three-year period.</li> <li>• Negative returns in no more than 4 out of every 20 years for the default options.</li> </ul>
	<ul style="list-style-type: none"> <li>• Achievement of operational objectives for contributions processing and benefit/pension payments.</li> <li>• Adequate satisfaction level of members, beneficiaries and employers with the service provided.</li> </ul>	<ul style="list-style-type: none"> <li>• 90% of each operational objective achieved.</li> <li>• Net Promoter Score (industry standard satisfaction measure) survey result of +10 for employers.</li> <li>• Annual increase in NPS survey result for members/beneficiaries of 4 points.</li> </ul>
2019-20 and beyond	As per 2018-19.	As per 2018-19.
<b>Purpose (a)</b>	CSC's purpose is to build, support and protect better retirement outcomes for all our members (being current and former Australian Government employees and members of the Australian Defence Force) and their families.	

(a) Refers to CSC's purpose from the 2017-18 Corporate Plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

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

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

CSC is the trustee for the PSSap, PSS, CSS, MSBS and ADF Super regulated superannuation schemes and six '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 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 investment of funds and administration of the schemes.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES (a)</b>					
Employee benefits	60,287	60,223	61,073	61,937	62,867
Suppliers	45,122	41,853	35,666	36,508	37,340
Depreciation and amortisation	7,597	5,792	5,792	5,371	5,371
Finance costs	12	12	12	12	12
Write-down and impairment of assets	6	6	6	6	6
<b>Total expenses</b>	<b>113,024</b>	<b>107,886</b>	<b>102,549</b>	<b>103,834</b>	<b>105,596</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	112,892	107,754	102,417	103,702	105,464
Interest	132	132	132	132	132
<b>Total own-source revenue</b>	<b>113,024</b>	<b>107,886</b>	<b>102,549</b>	<b>103,834</b>	<b>105,596</b>
<b>Total own-source income</b>	<b>113,024</b>	<b>107,886</b>	<b>102,549</b>	<b>103,834</b>	<b>105,596</b>
<b>Net (cost of)/contribution by services</b>	-	-	-	-	-
<b>Surplus/(deficit) attributable to the Australian Government</b>	-	-	-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	-	-	-	-	-

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

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less heritage and cultural depreciation expenses previously funded through revenue appropriations (a)					
<b>Total comprehensive income/(loss) - as per the Statement of comprehensive income</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Expenses reflect only the cost paid by CSC and do not reflect the total cost involved in the investment of funds and administration of the schemes.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	34,645	27,573	25,140	23,050	21,292
Trade and other receivables	8,162	8,162	8,162	8,162	8,162
<b>Total financial assets</b>	<b>42,807</b>	<b>35,735</b>	<b>33,302</b>	<b>31,212</b>	<b>29,454</b>
<b>Non-financial assets</b>					
Land and buildings	16,816	15,707	14,598	13,489	12,380
Property, plant and equipment	3,966	5,075	6,184	7,293	8,402
Intangibles	19,902	19,902	19,902	19,902	19,902
Other non-financial assets	3,015	3,018	3,018	3,018	3,018
<b>Total non-financial assets</b>	<b>43,699</b>	<b>43,702</b>	<b>43,702</b>	<b>43,702</b>	<b>43,702</b>
<b>Total assets</b>	<b>86,506</b>	<b>79,437</b>	<b>77,004</b>	<b>74,914</b>	<b>73,156</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	13,560	13,184	12,405	11,573	10,578
Other payables	5,517	1,493	1,493	1,493	1,493
<b>Total payables</b>	<b>19,077</b>	<b>14,677</b>	<b>13,898</b>	<b>13,066</b>	<b>12,071</b>
<b>Provisions</b>					
Employee provisions	12,784	12,784	12,784	12,784	12,784
Other provisions	12,790	9,521	6,967	4,409	1,846
<b>Total provisions</b>	<b>25,574</b>	<b>22,305</b>	<b>19,751</b>	<b>17,193</b>	<b>14,630</b>
<b>Total liabilities</b>	<b>44,651</b>	<b>36,982</b>	<b>33,649</b>	<b>30,259</b>	<b>26,701</b>
<b>Net assets</b>	<b>41,855</b>	<b>42,455</b>	<b>43,355</b>	<b>44,655</b>	<b>46,455</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	35,475	35,475	35,475	35,475	35,475
Reserves	979	1,579	2,479	3,779	5,579
Retained surplus	5,401	5,401	5,401	5,401	5,401
<b>Total parent entity interest</b>	<b>41,855</b>	<b>42,455</b>	<b>43,355</b>	<b>44,655</b>	<b>46,455</b>
<b>Total equity</b>	<b>41,855</b>	<b>42,455</b>	<b>43,355</b>	<b>44,655</b>	<b>46,455</b>

Prepared on Australian Accounting Standards basis.

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



**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2018</b>					
Balance carried forward from previous period	5,401	479	500	35,475	41,855
<b>Adjusted opening balance</b>	<b>5,401</b>	<b>479</b>	<b>500</b>	<b>35,475</b>	<b>41,855</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to/(from) reserves</b>	<b>-</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>600</b>
<b>Estimated closing balance as at 30 June 2019</b>	<b>5,401</b>	<b>479</b>	<b>1,100</b>	<b>35,475</b>	<b>42,455</b>
<b>Closing balance attributable to the Australian Government</b>	<b>5,401</b>	<b>479</b>	<b>1,100</b>	<b>35,475</b>	<b>42,455</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and rendering of services	107,498	103,724	102,411	103,696	105,458
Interest	131	132	132	132	132
<b>Total cash received</b>	<b>107,629</b>	<b>103,856</b>	<b>102,543</b>	<b>103,828</b>	<b>105,590</b>
<b>Cash used</b>					
Employees	59,870	60,223	61,073	61,937	62,867
Suppliers	45,297	42,232	36,445	37,340	38,335
Other	1,439	3,281	2,566	2,570	2,575
<b>Total cash used</b>	<b>106,606</b>	<b>105,736</b>	<b>100,084</b>	<b>101,847</b>	<b>103,777</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,023</b>	<b>(1,880)</b>	<b>2,459</b>	<b>1,981</b>	<b>1,813</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	18,061	5,792	5,792	5,371	5,371
<b>Total cash used</b>	<b>18,061</b>	<b>5,792</b>	<b>5,792</b>	<b>5,371</b>	<b>5,371</b>
<b>Net cash from/(used by) investing activities</b>	<b>(18,061)</b>	<b>(5,792)</b>	<b>(5,792)</b>	<b>(5,371)</b>	<b>(5,371)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Transfers to operational risk reserve	370	600	900	1,300	1,800
<b>Total cash received</b>	<b>370</b>	<b>600</b>	<b>900</b>	<b>1,300</b>	<b>1,800</b>
<b>Net cash from/(used by) financing activities</b>	<b>370</b>	<b>600</b>	<b>900</b>	<b>1,300</b>	<b>1,800</b>
<b>Net increase/(decrease) in cash held</b>	<b>(16,668)</b>	<b>(7,072)</b>	<b>(2,433)</b>	<b>(2,090)</b>	<b>(1,758)</b>
Cash and cash equivalents at the beginning of the reporting period	51,313	34,645	27,573	25,140	23,050
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>34,645</b>	<b>27,573</b>	<b>25,140</b>	<b>23,050</b>	<b>21,292</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	18,061	5,792	5,792	5,371	5,371
<b>TOTAL</b>	<b>18,061</b>	<b>5,792</b>	<b>5,792</b>	<b>5,371</b>	<b>5,371</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	18,061	5,792	5,792	5,371	5,371
<b>Total cash used to acquire assets</b>	<b>18,061</b>	<b>5,792</b>	<b>5,792</b>	<b>5,371</b>	<b>5,371</b>

Prepared on Australian Accounting Standards basis

**Table 3.6: Statement of asset movements (Budget year 2018-19)**

	Leasehold Improvements \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2018</b>				
Gross book value	24,701	7,711	30,926	63,338
Accumulated depreciation/ amortisation and impairment	(7,885)	(3,745)	(11,024)	(22,654)
<b>Opening net book balance</b>	<b>16,816</b>	<b>3,966</b>	<b>19,902</b>	<b>40,684</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - other	200	2,510	3,082	5,792
<b>Total additions</b>	<b>200</b>	<b>2,510</b>	<b>3,082</b>	<b>5,792</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(1,309)	(1,401)	(3,082)	(5,792)
<b>Total other movements</b>	<b>(1,309)</b>	<b>(1,401)</b>	<b>(3,082)</b>	<b>(5,792)</b>
<b>As at 30 June 2019</b>				
Gross book value	24,901	10,221	34,008	69,130
Accumulated depreciation/ amortisation and impairment	(9,194)	(5,146)	(14,106)	(28,446)
<b>Closing net book balance</b>	<b>15,707</b>	<b>5,075</b>	<b>19,902</b>	<b>40,684</b>

Prepared on Australian Accounting Standards basis.

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

CSC has no budgeted income and expenses administered on behalf of the Government.

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

CSC has no budgeted assets and liabilities administered on behalf of the Government.

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

CSC has no budgeted cash flows administered on behalf of the Government.

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

CSC has no budgeted capital administered on behalf of the Government.

**Table 3.11: Statement of administered asset movements (Budget year 2018-19)**

CSC has no budgeted non-financial assets administered on behalf of the Government.

# **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 *DisabilityCare Australia Fund Act 2013* and the *Medical Research Future Fund Act 2015* 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), DisabilityCare Australia Fund (DCAF) and Medical Research Future Fund (MRFF).

The government has announced that it intends to close the BAF and EIF and also set up the Aboriginal and Torres Strait Islander Land and Sea Future Fund to be managed by the Board.

The FFMA focuses on supporting and advising the Board of Guardians in developing and implementing appropriate investment strategies for the funds. Investing in global markets is a highly specialised and competitive commercial activity. Accordingly the Board and FFMA intend to continue to develop and invest in the Agency's skills, capabilities, resources and systems in order to keep up with the fast-evolving industry and to maintain the Agency's competitiveness within that industry in terms of finding good investments.

The Future Fund's portfolio will continue to evolve as the Board manages the portfolio in line with its mandate and strategy. The government revised the Future Fund mandate return in May 2017 and announced its intention to delay the drawdowns from the Future Fund until at least 2027. The approach to managing the portfolio is detailed in the 2016-17 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.



The FFMA provides support and advice to the Board in relation to the BAF, EIF, DCAF and MRFF 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, the DisabilityCare Australia Fund and the Medical Research Future Fund are detailed in the 2016-17 Future Fund Annual Report.

Investment policies for all of the public asset funds for which the Board is responsible are available at [www.futurefund.gov.au](http://www.futurefund.gov.au).

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Future Fund Management Agency resource statement — Budget estimates for 2018-19 as at Budget May 2018**

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
<b>Departmental</b>		
Special accounts		
Opening balance	-	-
Non-appropriation receipts	430,946	502,644
<i>Total special accounts</i>	430,946	502,644
<b>Total departmental resourcing</b>	<b>430,946</b>	<b>502,644</b>
<b>Total resourcing for Future Fund Management Agency</b>	<b>430,946</b>	<b>502,644</b>
<hr/>		
<b>Average staffing level (number)</b>	151	162

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

Please note:

- All figures shown above are GST exclusive – these may not match figures in the cash flow statement.
- 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 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact FFMA.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for FFMA can be found at: <http://www.futurefund.gov.au/about-us/access-to-information/parliamentary-and-statutory-reporting>.

The most recent FFMA Annual Report can be found at: <http://www.futurefund.gov.au/about-us/annual-reports>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE 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 and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, DisabilityCare Australia Fund and Medical Research Future Fund, in line with the Government's investment mandates.**

### Linked programs

<b>Department of Finance</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 2.7 – Public Sector Superannuation</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Future Fund Management Agency works with the Department of Finance to ensure that the management of the Australian Government Investment Funds is consistent with the relevant legislation and investment mandates.</p>

### Budgeted expenses for Outcome 1

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

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

<b>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 and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, DisabilityCare Australia Fund and Medical Research Future Fund, in line with the Government's investment mandates.</b>					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 1.1: Management of the Investment of the Future Fund</b>					
Departmental expenses					
Special accounts					
Future Fund Special Account	62,876	77,369	79,821	82,228	85,104
<b>Departmental total</b>	<b>62,876</b>	<b>77,369</b>	<b>79,821</b>	<b>82,228</b>	<b>85,104</b>
<b>Total expenses for program 1.1</b>	<b>62,876</b>	<b>77,369</b>	<b>79,821</b>	<b>82,228</b>	<b>85,104</b>
<b>Program 1.2: Management of the Investment of the Australian Government Investment</b>					
Departmental expenses					
Special accounts					
Future Fund Special Account	3,303	3,316	4,575	6,189	6,617
<b>Departmental total</b>	<b>3,303</b>	<b>3,316</b>	<b>4,575</b>	<b>6,189</b>	<b>6,617</b>
<b>Total expenses for program 1.2</b>	<b>3,303</b>	<b>3,316</b>	<b>4,575</b>	<b>6,189</b>	<b>6,617</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Special accounts	66,179	80,685	84,396	88,417	91,721
<b>Departmental total</b>	<b>66,179</b>	<b>80,685</b>	<b>84,396</b>	<b>88,417</b>	<b>91,721</b>
<b>Total expenses for Outcome 1</b>	<b>66,179</b>	<b>80,685</b>	<b>84,396</b>	<b>88,417</b>	<b>91,721</b>
<b>Average staffing level (number)</b>					
	2017-18 151	2018-19 162			

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

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>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 and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, DisabilityCare Australia Fund and Medical Research Future Fund, in line with the Government’s investment mandates.</b>		
<b>Program 1.1 – Management of the Investment of the Future Fund</b> 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.		
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Ensure all decisions of the Board of Guardians are given effect as directed by the Board within timeframes and quality levels agreed with the Board.</li><li>• Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions.</li><li>• Provide administrative services to the Board.</li><li>• Provide information and recommendations to the Board.</li><li>• Advise the Board about the performance of the Board’s functions.</li><li>• Make resources and facilities available to the Board.</li></ul>	
<b>Performance information: Program 1.1 – Management of the Investment of the Future Fund</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18	Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return over the long term (interpreted as rolling 10 year periods) with acceptable but not excessive risk.	As at 31 March 2018 the actual return was 8.5% over the last 10 years against a target benchmark return of 6.7%.
2018-19	As per 2017-18	To achieve a return above the long-term target return with acceptable but not excessive risk.
2019-20 and beyond	As per 2017-18	As per 2018-19
<b>Purposes</b>	The Agency supports the Board in maximising the returns on funds for which the Board is responsible in line with the Investment Mandate Directions for each fund.	

Table continues on next page.

**Table 2.1.3: Performance criteria for Outcome 1 (continued)**

<b>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 and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, DisabilityCare Australia Fund and Medical Research Future Fund, in line with the Government’s investment mandates.</b>		
<b>Program 1.2 – Management of the Investment of the Australian Government Investment Funds</b> The <i>Nation-building Funds Act 2008</i> established the Education Investment Fund and the Building Australia Fund on 1 January 2009. The <i>DisabilityCare Australia Fund Act 2013</i> established the DisabilityCare Australia Fund (DCAF) on 1 July 2014. The <i>Medical Research Future Fund Act 2015</i> established the Medical Research Future Fund (MRFF) on 27 August 2015. The role of the FFMA was extended to include supporting the Board in the investment of the assets of these funds.		
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Ensure all decisions of the Board of Guardians are given effect as directed by the Board within timeframes and quality levels agreed with the Board.</li><li>• Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions.</li><li>• Provide administrative services to the Board.</li><li>• Provide information and recommendations to the Board.</li><li>• Advise the Board about the performance of the Board’s functions.</li><li>• Make resources and facilities available to the Board.</li></ul>	
<b>Performance information: Program 1.2 – Management of the Investment of the Australian Government Investment Funds</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18	Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target returns as follows: <ul style="list-style-type: none"><li>• for each of the Nation-building Funds and the DCAF 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; and</li></ul>	As at 31 March 2018 actual returns: <ul style="list-style-type: none"><li>• Building Australia Fund 2.1%;</li><li>• Education Investment Fund 2.0%;</li><li>• DisabilityCare Australia Fund 2.0%; and</li><li>• Target benchmark return 2.0%.</li></ul>
	For the MRFF the Reserve Bank of Australia Cash Rate target +1.5 to 2.0% per annum, net of investment fees, over a rolling 10 year term with acceptable but not excessive risk.	As at 31 March 2018 the actual return was 4.2% compared to the target return of 3.1% since 22 September 2015.
2018-19	As per 2017-18.	To achieve a return above the target return and with regard to the risk parameters of the mandate.
2019-20 and beyond	As per 2017-18.	As per 2018-19.
<b>Purposes</b>	The Agency supports the Board in maximising the returns on funds for which the Board is responsible in line with the Investment Mandate Directions for each fund.	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of FFMA finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

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

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

Departmental expenditure will increase over the 2018-19 estimate year in line with maintaining and developing the Agency's ability to support the Board in managing the Future Fund and other Australian Government Investment Funds.

Administered expenditure will increase over the 2018-19 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. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	43,138	48,413	49,794	52,216	54,826
Suppliers	20,288	27,447	30,719	32,157	32,683
Depreciation and amortisation	2,898	4,970	4,028	4,189	4,357
<b>Total expenses</b>	<b>66,324</b>	<b>80,830</b>	<b>84,541</b>	<b>88,562</b>	<b>91,866</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	66,179	80,685	84,396	88,417	91,721
<b>Total own-source revenue</b>	<b>66,179</b>	<b>80,685</b>	<b>84,396</b>	<b>88,417</b>	<b>91,721</b>
<b>Gains</b>					
Other	145	145	145	145	145
<b>Total gains</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>
<b>Total own-source income</b>	<b>66,324</b>	<b>80,830</b>	<b>84,541</b>	<b>88,562</b>	<b>91,866</b>
<b>Net (cost of)/contribution by services</b>	-	-	-	-	-
<b>Surplus/(deficit) attributable to the Australian Government</b>	-	-	-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	670	670	670	670	670
Trade and other receivables	18,431	23,820	26,347	29,849	33,466
<b>Total financial assets</b>	<b>19,101</b>	<b>24,490</b>	<b>27,017</b>	<b>30,519</b>	<b>34,136</b>
<b>Non-financial assets</b>					
Property, plant and equipment	4,262	3,837	3,294	2,782	2,305
Intangibles	5,513	4,079	3,503	2,968	2,481
<b>Total non-financial assets</b>	<b>9,775</b>	<b>7,916</b>	<b>6,797</b>	<b>5,750</b>	<b>4,786</b>
<b>Total assets</b>	<b>28,876</b>	<b>32,406</b>	<b>33,814</b>	<b>36,269</b>	<b>38,922</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,589	2,758	2,926	3,095	3,264
Other payables	18,315	19,714	18,895	19,019	19,232
<b>Total payables</b>	<b>20,904</b>	<b>22,472</b>	<b>21,821</b>	<b>22,114</b>	<b>22,496</b>
<b>Provisions</b>					
Employee provisions	7,972	9,934	11,993	14,155	16,426
<b>Total provisions</b>	<b>7,972</b>	<b>9,934</b>	<b>11,993</b>	<b>14,155</b>	<b>16,426</b>
<b>Total liabilities</b>	<b>28,876</b>	<b>32,406</b>	<b>33,814</b>	<b>36,269</b>	<b>38,922</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)**

The FFMA does not have any changes in equity.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	67,431	75,296	81,869	84,915	88,104
<b>Total cash received</b>	<b>67,431</b>	<b>75,296</b>	<b>81,869</b>	<b>84,915</b>	<b>88,104</b>
<b>Cash used</b>					
Employees	42,960	44,765	48,267	49,643	52,055
Suppliers	19,649	27,420	30,693	32,130	32,656
<b>Total cash used</b>	<b>62,609</b>	<b>72,185</b>	<b>78,960</b>	<b>81,773</b>	<b>84,711</b>
<b>Net cash from/(used by) operating activities</b>	<b>4,822</b>	<b>3,111</b>	<b>2,909</b>	<b>3,142</b>	<b>3,393</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	4,822	3,111	2,909	3,142	3,393
<b>Total cash used</b>	<b>4,822</b>	<b>3,111</b>	<b>2,909</b>	<b>3,142</b>	<b>3,393</b>
<b>Net cash from/(used by) investing activities</b>	<b>(4,822)</b>	<b>(3,111)</b>	<b>(2,909)</b>	<b>(3,142)</b>	<b>(3,393)</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	670	670	670	670	670
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>670</b>	<b>670</b>	<b>670</b>	<b>670</b>	<b>670</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	4,822	3,111	2,909	3,142	3,393
<b>TOTAL</b>	<b>4,822</b>	<b>3,111</b>	<b>2,909</b>	<b>3,142</b>	<b>3,393</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	4,822	3,111	2,909	3,142	3,393
<b>Total cash used to acquire assets</b>	<b>4,822</b>	<b>3,111</b>	<b>2,909</b>	<b>3,142</b>	<b>3,393</b>

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of departmental asset movements (Budget year 2018-19)**

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2018</b>			
Gross book value	10,381	11,231	21,612
Accumulated depreciation/ amortisation and impairment	(6,119)	(5,718)	(11,837)
<b>Opening net book balance</b>	<b>4,262</b>	<b>5,513</b>	<b>9,775</b>
<b>Capital asset additions</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase - other	1,405	1,706	3,111
<b>Total additions</b>	<b>1,405</b>	<b>1,706</b>	<b>3,111</b>
<b>Other movements</b>			
Depreciation/amortisation expense	(1,830)	(3,140)	(4,970)
<b>Total other movements</b>	<b>(1,830)</b>	<b>(3,140)</b>	<b>(4,970)</b>
<b>As at 30 June 2019</b>			
Gross book value	11,786	12,937	24,723
Accumulated depreciation/ amortisation and impairment	(7,949)	(8,858)	(16,807)
<b>Closing net book balance</b>	<b>3,837</b>	<b>4,079</b>	<b>7,916</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	847	872	898	925	953
Suppliers	457,061	524,577	538,022	568,387	603,419
<b>Total expenses administered on behalf of Government</b>	<b>457,908</b>	<b>525,449</b>	<b>538,920</b>	<b>569,312</b>	<b>604,372</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Non-taxation revenue</b>					
Interest	1,007,582	1,075,669	1,425,495	1,521,003	1,624,431
Dividends	3,336,340	3,226,627	3,255,459	3,473,575	3,709,778
<b>Total non-taxation revenue</b>	<b>4,343,922</b>	<b>4,302,296</b>	<b>4,680,954</b>	<b>4,994,578</b>	<b>5,334,209</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>4,343,922</b>	<b>4,302,296</b>	<b>4,680,954</b>	<b>4,994,578</b>	<b>5,334,209</b>
<b>Gains</b>					
Other gains	5,524,931	5,352,549	5,712,600	6,396,645	6,991,507
<b>Total gains administered on behalf of Government</b>	<b>5,524,931</b>	<b>5,352,549</b>	<b>5,712,600</b>	<b>6,396,645</b>	<b>6,991,507</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>9,868,853</b>	<b>9,654,845</b>	<b>10,393,554</b>	<b>11,391,223</b>	<b>12,325,716</b>
<b>Net (cost of)/contribution by services</b>	<b>9,410,945</b>	<b>9,129,396</b>	<b>9,854,634</b>	<b>10,821,911</b>	<b>11,721,344</b>
<b>Total comprehensive income/(loss)</b>	<b>9,410,945</b>	<b>9,129,396</b>	<b>9,854,634</b>	<b>10,821,911</b>	<b>11,721,344</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,539	4,675	4,815	4,959	5,108
Trade and other receivables	2,405,217	2,319,595	2,349,462	2,381,403	2,415,561
Other investments	142,536,271	151,677,986	161,536,507	172,358,471	184,077,767
<b>Total financial assets</b>	<b>144,946,027</b>	<b>154,002,256</b>	<b>163,890,784</b>	<b>174,744,833</b>	<b>186,498,436</b>
<b>Total assets administered on behalf of Government</b>	<b>144,946,027</b>	<b>154,002,256</b>	<b>163,890,784</b>	<b>174,744,833</b>	<b>186,498,436</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	17,332	22,510	24,722	27,821	31,331
Other payables	2,105,539	2,027,199	2,058,886	2,087,930	2,116,684
<b>Total payables</b>	<b>2,122,871</b>	<b>2,049,709</b>	<b>2,083,608</b>	<b>2,115,751</b>	<b>2,148,015</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,122,871</b>	<b>2,049,709</b>	<b>2,083,608</b>	<b>2,115,751</b>	<b>2,148,015</b>
<b>Net assets/(liabilities)</b>	<b>142,823,156</b>	<b>151,952,547</b>	<b>161,807,176</b>	<b>172,629,082</b>	<b>184,350,421</b>

Prepared on Australian Accounting Standards basis

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	985,516	1,075,669	1,425,495	1,521,003	1,624,431
Dividends	3,239,167	3,309,636	3,225,665	3,441,712	3,675,703
Net GST received	228	983	1,051	1,124	1,202
<b>Total cash received</b>	<b>4,224,911</b>	<b>4,386,288</b>	<b>4,652,211</b>	<b>4,963,839</b>	<b>5,301,336</b>
<b>Cash used</b>					
Suppliers	429,433	501,044	503,344	535,413	570,265
Net GST paid	681	729	780	834	891
Employees	832	871	897	924	952
<b>Total cash used</b>	<b>430,946</b>	<b>502,644</b>	<b>505,021</b>	<b>537,171</b>	<b>572,108</b>
<b>Net cash from/(used by) operating activities</b>	<b>3,793,965</b>	<b>3,883,644</b>	<b>4,147,190</b>	<b>4,426,668</b>	<b>4,729,228</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of investments	131,206,853	135,143,058	139,197,350	143,373,271	147,674,469
<b>Total cash received</b>	<b>131,206,853</b>	<b>135,143,058</b>	<b>139,197,350</b>	<b>143,373,271</b>	<b>147,674,469</b>
<b>Cash used</b>					
Investments	135,001,654	139,026,566	143,344,400	147,799,795	152,403,548
<b>Total cash used</b>	<b>135,001,654</b>	<b>139,026,566</b>	<b>143,344,400</b>	<b>147,799,795</b>	<b>152,403,548</b>
<b>Net cash from/(used by) investing activities</b>	<b>(3,794,801)</b>	<b>(3,883,508)</b>	<b>(4,147,050)</b>	<b>(4,426,524)</b>	<b>(4,729,079)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(836)</b>	<b>136</b>	<b>140</b>	<b>144</b>	<b>149</b>
Cash and cash equivalents at beginning of reporting period	5,375	4,539	4,675	4,815	4,959
<b>Cash and cash equivalents at end of reporting period</b>	<b>4,539</b>	<b>4,675</b>	<b>4,815</b>	<b>4,959</b>	<b>5,108</b>

Prepared on Australian Accounting Standards basis.

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

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

**Table 3.11: Statement of administered asset movements (Budget year 2018-19)**

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





# **INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY

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# **INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY**

## **Section 1: Entity overview and resources**

### **1.1 STRATEGIC DIRECTION STATEMENT**

The Independent Parliamentary Expenses Authority (IPEA) was established by the *Independent Parliamentary Expenses Authority Act 2017* (IPEA Act).

As an organisation, IPEA strives to deliver its primary functions as set out in the IPEA Act. These functions include:

- providing personal advice to members of parliament (parliamentarians) and persons employed under the *Members of Parliament (Staff) Act 1984* (MOP(S) staff) on travel expenses, allowances and related expenses;
- monitoring parliamentarians and MOP(S) staff regarding travel expenses, allowances and related expenses;
- administering travel expenses, allowances and related expenses, including processing of these claims;
- publicly reporting on work expenses under the applicable framework; and
- auditing work expense claims.

Consistent with its primary functions, IPEA's activities seek to provide:

- clear advice to parliamentarians and MOP(S) staff on travel and work related expenses to help support them in their respective roles; and
- independent oversight of the work expenses accessed by current and former parliamentarians and MOP(S) staff through IPEA's reporting and auditing activities.

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Independent Parliamentary Expenses Authority resource statement — Budget estimates for 2018-19 as at Budget May 2018**

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation	10,142	9,981
Total departmental annual appropriations	10,142	9,981
<b>Total departmental resourcing</b>	<b>10,142</b>	<b>9,981</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	34,543	35,111
Total administered annual appropriations	34,543	35,111
Total administered special appropriations (b)	30,974	31,728
<b>Total administered resourcing</b>	<b>65,517</b>	<b>66,839</b>
<b>Total resourcing for Independent Parliamentary Expenses Authority</b>	<b>75,659</b>	<b>76,820</b>
	2017-18	2018-19
<b>Average staffing level (number)</b>	<b>66</b>	<b>65</b>

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

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

(a) Appropriation Bill (No. 1) 2018-19.

(b) For further information on special appropriations, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations and special appropriations.

### **1.3 BUDGET MEASURES**

No Budget measures have been announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact IPEA.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for Independent Parliamentary Expenses Authority can be found at: [https://www.ipea.gov.au/corporate\\_plan/index.html](https://www.ipea.gov.au/corporate_plan/index.html).

The most recent annual performance statement can be found at: <https://www.ipea.gov.au/annual-reports/2016-2017/report>.

## **2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1**

**Outcome 1:** Support for current and former parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.

### **Linked programs**

<b>Department of Finance</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 3.1 – Ministerial and Parliamentary Services</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>IPEA administers and advises on travel related work expenses and provides independent oversight of the work expenses administered by the Department of Finance for current and former parliamentarians and their staff.</p>



### Budgeted expenses for Outcome 1

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

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

**Outcome 1: Support for current and former parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 1.1: Independent Parliamentary Expenses Authority – Travel Oversight and Reporting</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Members of Parliamentary Staff	34,543	35,111	35,617	36,201	36,745
Travel Costs					
Special appropriations					
<i>Parliamentary Business Resources Act 2017</i>	13,979	30,734	35,583	31,985	32,960
<i>Parliamentary Entitlements Act 1990</i>	16,800	500	250	125	50
<i>Parliamentary Retirement Travel Act 2002</i>	195	494	543	593	602
<b>Administered total</b>	<b>65,517</b>	<b>66,839</b>	<b>71,993</b>	<b>68,904</b>	<b>70,357</b>
Departmental expenses					
Departmental appropriation	10,142	9,981	10,065	8,737	8,775
<b>Departmental total</b>	<b>10,142</b>	<b>9,981</b>	<b>10,065</b>	<b>8,737</b>	<b>8,775</b>
<b>Total expenses for program 1.1</b>	<b>75,659</b>	<b>76,820</b>	<b>82,058</b>	<b>77,641</b>	<b>79,132</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	34,543	35,111	35,617	36,201	36,745
Special appropriations	30,974	31,728	36,376	32,703	33,612
<b>Administered total</b>	<b>65,517</b>	<b>66,839</b>	<b>71,993</b>	<b>68,904</b>	<b>70,357</b>
Departmental expenses					
Departmental appropriation	10,142	9,981	10,065	8,737	8,775
<b>Departmental total</b>	<b>10,142</b>	<b>9,981</b>	<b>10,065</b>	<b>8,737</b>	<b>8,775</b>
<b>Total expenses for Outcome 1</b>	<b>75,659</b>	<b>76,820</b>	<b>82,058</b>	<b>77,641</b>	<b>79,132</b>
<b>Average staffing level (number)</b>					
	2017-18 66	2018-19 65			

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

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

Table 2.1.2 below details the current performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1</b> - Support for current and former parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.		
<b>Program 1.1 – Independent Parliamentary Expenses Authority – Travel Oversight and Reporting</b> IPEA provides services to parliamentarians and their staff and publicly reports on their expenditure.		
<b>Delivery</b>	IPEA's objective is to administer and advise on travel related work expenses and provide independent oversight of the work expenses provided to current and former parliamentarians and their staff through its reporting and auditing activities.	
<b>Performance information: Program 1.1 – IPEA – Travel Oversight and Reporting</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2017-18	Services to Ministers, Office-holders, Senators, Members and their staff meet agreed service standards.	On target - <ul style="list-style-type: none"><li>• 95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li><li>• 95% of payments will be made within agreed timeframes.</li><li>• 100% of Monthly Management Reports are being distributed by the 15th of each month.</li><li>• 100% of parliamentary expenditure reports will be compiled and published within agreed timeframes.</li><li>• 100% of audits of individual parliamentarian's expenses are being completed within agreed timeframes.</li></ul>
2018-19	<p><b><u>Travel and Advice</u></b></p> <ul style="list-style-type: none"><li>• Provide clear and timely advice to parliamentarians and MOP(S) staff on travel and related expenses.</li><li>• Accurate and timely processing of claims for travel expenses and allowances.</li></ul> <p><b><u>Reporting</u></b></p> <ul style="list-style-type: none"><li>• Increasing transparency through the compilation of reports detailing the work resources of current and former parliamentarians and the travel resources of MOP(S) staff.</li></ul> <p><b><u>Audit and Assurance</u></b></p> <ul style="list-style-type: none"><li>• Auditing the work resources of parliamentarians and the travel for MOP(S) staff.</li></ul>	<ul style="list-style-type: none"><li>• 95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li><li>• 95% of payments will be made within agreed timeframes.</li><li>• 100% of reports on parliamentary expenditure are compiled and published within agreed timeframes.</li><li>• 100% of audits of individual parliamentarian's expenses are being completed within agreed timeframes.</li></ul>

Table continues on next page

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

<b>Performance information: Program 1.1 - Independent Parliamentary Expenses Authority – Travel Oversight and Reporting</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2019-20 and beyond	<p><b><u>Travel and Advice</u></b></p> <ul style="list-style-type: none"> <li>• Provide clear and timely advice to parliamentarians and MOP(S) staff on travel and related expenses.</li> <li>• Accurate and timely processing of claims for travel expenses and allowances.</li> </ul> <p><b><u>Reporting</u></b></p> <ul style="list-style-type: none"> <li>• Increasing transparency through the compilation of reports detailing the work resources of current and former parliamentarians and the travel resources of MOP(S) staff.</li> </ul> <p><b><u>Audit and Assurance</u></b></p> <ul style="list-style-type: none"> <li>• Auditing the work resources of parliamentarians and the travel resources of MOP(S) staff.</li> </ul>	<ul style="list-style-type: none"> <li>• 95% of client contacts acknowledged within 24 hours and responded to within agreed service level standards.</li> <li>• 95% of payments will be made within agreed service level standards.</li> <li>• 100% of reports on parliamentary expenditure are compiled and published within agreed service level standards.</li> <li>• 100% of audits of individual Parliamentarian's expenses are being completed within agreed service level standards.</li> </ul>
<b>Purpose</b>	Provide independent monitoring, auditing and reporting of the work resources accessed by current and former parliamentarians and MOP(S) staff. Deliver services relating to the administration of travel expenses, allowances and related expenses including advice on and processing of, these claims.	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

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

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

##### **Comprehensive Income Statement – Departmental**

IPEA is budgeting a break even result for 2018-19 and across the forward estimates. The decrease in revenue from government and expenses in 2020-21 and beyond primarily reflects the effect of the Parliamentary Expenses Management System (PEMS) measure that was published in the Portfolio Additional Estimates Statements 2017-18 (PAES).

##### **Schedule of budgeted income and expenses – Administered**

The administered supplier expenses reflect estimated work and travel expenses for current and former parliamentarians and MOP(S) staff. There has been no significant changes to administered expenses from the amounts published in the PAES.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	7,196	7,071	7,156	5,811	5,949
Suppliers	2,946	2,910	2,909	2,926	2,826
<b>Total expenses</b>	<b>10,142</b>	<b>9,981</b>	<b>10,065</b>	<b>8,737</b>	<b>8,775</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue					
<b>Total own-source income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (cost of)/contribution by services</b>	<b>(10,142)</b>	<b>(9,981)</b>	<b>(10,065)</b>	<b>(8,737)</b>	<b>(8,775)</b>
Revenue from Government	10,142	9,981	10,065	8,737	8,775
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	1,123	1,123	1,123	1,123	1,123
<b>Total financial assets</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>Total assets</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employee provisions	1,123	1,123	1,123	1,123	1,123
<b>Total provisions</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>Total liabilities</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EQUITY*</b>					
Retained surplus (accumulated deficit)	-	-	-	-	-
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)**

IPEA does not have any changes in equity.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	10,142	9,981	10,065	8,737	8,775
<b>Total cash received</b>	<b>10,142</b>	<b>9,981</b>	<b>10,065</b>	<b>8,737</b>	<b>8,775</b>
<b>Cash used</b>					
Employees	7,196	7,071	7,156	5,811	5,949
Suppliers	2,946	2,910	2,909	2,926	2,826
<b>Total cash used</b>	<b>10,142</b>	<b>9,981</b>	<b>10,065</b>	<b>8,737</b>	<b>8,775</b>
<b>Net cash from/(used by) operating activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

IPEA does not have any budgeted capital expenditure on behalf of the Government.

**Table 3.6: Statement of asset movements (Budget year 2018-19)**

IPEA does not have any budgeted non-financial assets on behalf of the Government.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>EXPENSES</b>					
Suppliers	65,517	66,839	71,993	68,904	70,357
<b>Total expenses administered on behalf of Government</b>	<b>65,517</b>	<b>66,839</b>	<b>71,993</b>	<b>68,904</b>	<b>70,357</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue					
<b>Total own-source revenue administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (cost of)/contribution by services</b>	<b>(65,517)</b>	<b>(66,839)</b>	<b>(71,993)</b>	<b>(68,904)</b>	<b>(70,357)</b>
<b>Total comprehensive income/(loss)</b>	<b>(65,517)</b>	<b>(66,839)</b>	<b>(71,993)</b>	<b>(68,904)</b>	<b>(70,357)</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	108	108	108	108	108
<b>Total financial assets</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>Total assets administered on behalf of Government</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,945	3,945	3,945	3,945	3,945
<b>Total payables</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>
<b>Provisions</b>					
Other provisions	3,619	3,619	3,619	3,619	3,619
<b>Total provisions</b>	<b>3,619</b>	<b>3,619</b>	<b>3,619</b>	<b>3,619</b>	<b>3,619</b>
<b>Total liabilities administered on behalf of Government</b>	<b>7,564</b>	<b>7,564</b>	<b>7,564</b>	<b>7,564</b>	<b>7,564</b>
<b>Net assets/(liabilities)</b>	<b>(7,456)</b>	<b>(7,456)</b>	<b>(7,456)</b>	<b>(7,456)</b>	<b>(7,456)</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
<i>Total cash received</i>	-	-	-	-	-
<b>Cash used</b>					
Suppliers	65,517	66,839	71,993	68,904	70,357
<i>Total cash used</i>	<b>65,517</b>	<b>66,839</b>	<b>71,993</b>	<b>68,904</b>	<b>70,357</b>
<b>Net cash from/(used by) operating activities</b>	<b>(65,517)</b>	<b>(66,839)</b>	<b>(71,993)</b>	<b>(68,904)</b>	<b>(70,357)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(65,517)</b>	<b>(66,839)</b>	<b>(71,993)</b>	<b>(68,904)</b>	<b>(70,357)</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	65,517	66,839	71,993	68,904	70,357
<i>Total cash from Official Public Account</i>	<b>65,517</b>	<b>66,839</b>	<b>71,993</b>	<b>68,904</b>	<b>70,357</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

IPEA has no budgeted capital administered on behalf of Government.

**Table 3.11: Statement of administered asset movements (Budget year 2018-19)**

IPEA has no budgeted non-financial assets administered on behalf of the Government.



## PORTFOLIO GLOSSARY

Term	Meaning
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
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	A law of the Australian Parliament that provides authority for Commonwealth entities to spend money from the Consolidated Revenue Fund for a particular purpose. Entities may not spend money without an appropriation authorising that expenditure and, where necessary, other legislation authorising the specified 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.

## Glossary

Term	Meaning
Charter of Budget Honesty Act	The <i>Charter of Budget Honesty Act 1998</i> provides a legislative framework for the conduct and reporting of fiscal policy.
Departmental terms	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 agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation and Amortisation	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.

<b>Term</b>	<b>Meaning</b>
Portfolio	A Minister's area of responsibility as a member of Cabinet. A portfolio consists of one or more Departments of State and a number of entities with similar general objectives and outcomes.
PGPA Act	Public Governance, Performance and Accountability Act 2013.
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	A type of special appropriation, limited by amount, criteria or time, which may be established under sections 78 and 80 of the PGPA Act.
Special Appropriations	Authority within an Act (other than an annual Appropriation Act) to spend money from the Consolidated Revenue Fund for particular purposes. The Social Security (Administration) Act 1999, for example, contains several special appropriations to make social security payments. Special appropriations support around 80 per cent of all government expenditure each year.