

# **Commonwealth Superannuation Corporation**

## **Entity Resources and Planned Performance**



# COMMONWEALTH SUPERANNUATION CORPORATION

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# COMMONWEALTH SUPERANNUATION CORPORATION

## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

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

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

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

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

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

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

(A) = Administered

(D) = Departmental

1. Estimated adjusted balance carried forward from previous year

Reader note: All figures are GST exclusive.

**Table 1.1: Commonwealth Superannuation Corporation Resource Statement Estimates for 2015-16 as at Budget May 2015 (continued)****Third party payments from and on behalf of other entities**

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

1. Compensation and Legal payments

2. Act of Grace payments

### 1.3 BUDGET MEASURES

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

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



## Section 2: Outcomes and Planned Performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

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

## Outcome Expense Statement

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

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

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

## CONTRIBUTIONS TO OUTCOME 1

### Programme 1.1: Superannuation Scheme Governance

#### Programme 1.1 Objective

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

#### Programme 1.1 Expenses

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

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

#### Programme 1.1 Deliverables

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

**Programme 1.1 Key Performance Indicators**

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

<b>Outcome 2</b>	<b>To provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Government employees and members of the Australian Defence Force.</b>
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### Outcome 2 Strategy

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

### Outcome Expense Statement

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

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

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

1. Formerly reported under ComSuper.

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

## CONTRIBUTIONS TO OUTCOME 2

### Programme 2.1: Superannuation Administration Services

#### Programme 2.1 Objective

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

#### Programme 2.1 Expenses

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

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

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

## **Programme 2.1 Deliverables**

CSC's administration service delivery requirements are driven by:

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

The administrative services CSC provides include:

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

**Programme 2.1 Deliverables (continued)**

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



**Programme 2.1 Key Performance Indicators**

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

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

## Section 3: Explanatory Tables and Budgeted Financial Statements

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

### 3.1 EXPLANATORY TABLES

#### 3.1.1 MOVEMENT OF ADMINISTERED FUNDS BETWEEN YEARS

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

#### 3.1.2 SPECIAL ACCOUNTS

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

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

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

(A) = Administered

(D) = Departmental

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

### **3.1.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE**

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

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 DIFFERENCES IN ENTITY RESOURCING AND FINANCIAL STATEMENTS**

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

### **3.2.2 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

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

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

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

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

### 3.2.3 BUDGETED FINANCIAL STATEMENTS TABLES

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

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

Prepared on Australian Accounting Standards basis.

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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



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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.