

# **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 *DisabilityCare Australia Fund Act 2013*, the *Medical Research Future Fund Act 2015*, the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018*, the *Future Drought Fund Act 2019* and the *Emergency Response Fund Act 2019* to include the management of investments to grow other Australian Government Investment 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, DisabilityCare Australia Fund (DCAF), Medical Research Future Fund (MRFF), Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF), Future Drought Fund (FDF) and the Emergency Response Fund (ERF).

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 2018-19 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 DCAF, MRFF, ATSILSFF, FDF and ERF and is focused on developing and implementing investment strategies consistent with the legislation and mandates. The investment strategies and approach for the DisabilityCare Australia Fund, the Medical Research Future Fund and Aboriginal and Torres Strait Islander Land and Sea Future Fund are detailed in the 2018-19 Future Fund Annual Report.

Investment policies for the funds managed by the Board are available at [www.futurefund.gov.au/investment/how-we-invest/investment-policies](http://www.futurefund.gov.au/investment/how-we-invest/investment-policies).

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to the 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. 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: Future Fund Management Agency resource statement — Budget estimates for 2020-21 as at Budget October 2020**

	<i>2019-20</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	<i>2020-21</i> <i>Estimate</i>  <i>\$'000</i>
<b>Departmental</b>		
Special accounts		
Opening balance	-	-
Appropriation receipts	-	-
Non-appropriation receipts	393,889	380,105
Total special accounts	393,889	380,105
<b>Total departmental resourcing</b>	<b>393,889</b>	<b>380,105</b>
<b>Total resourcing for Future Fund Management Agency</b>	<b>393,889</b>	<b>380,105</b>
<b>Average staffing level (number)</b>	<i>2019-20</i> <i>161</i>	<i>2020-21</i> <i>198</i>

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

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

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 2019-20 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 Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measures 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 a complete picture of an entity's planned and actual performance.

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

The most recent annual performance statement can be found at: <https://www.futurefund.gov.au/about-us/annual-reports>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Strengthen the Commonwealth's financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their 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 Program</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: Strengthen the Commonwealth's financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their Investment Mandates.</b>					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated	Budget	Forw ard	Forw ard	Forw ard
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Management of the Investment of the Future Fund</b>					
Departmental expenses					
Special accounts					
Future Fund Special Account	90,767	130,370	137,384	141,095	146,403
<b>Departmental total</b>	<b>90,767</b>	<b>130,370</b>	<b>137,384</b>	<b>141,095</b>	<b>146,403</b>
<b>Total expenses for program 1.1</b>	<b>90,767</b>	<b>130,370</b>	<b>137,384</b>	<b>141,095</b>	<b>146,403</b>
<b>Program 1.2: Management of the Investment of the Australian Government Investment Funds</b>					
Departmental expenses					
Special accounts					
Future Fund Special Account	7,802	10,093	10,204	10,369	10,561
<b>Departmental total</b>	<b>7,802</b>	<b>10,093</b>	<b>10,204</b>	<b>10,369</b>	<b>10,561</b>
<b>Total expenses for program 1.2</b>	<b>7,802</b>	<b>10,093</b>	<b>10,204</b>	<b>10,369</b>	<b>10,561</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Special accounts					
Future Fund Special Account	98,569	140,463	147,588	151,464	156,964
<b>Departmental total</b>	<b>98,569</b>	<b>140,463</b>	<b>147,588</b>	<b>151,464</b>	<b>156,964</b>
<b>Total expenses for Outcome 1</b>	<b>98,569</b>	<b>140,463</b>	<b>147,588</b>	<b>151,464</b>	<b>156,964</b>
<b>Average staffing level (number)</b>					
	2019-20	2020-21			
	161	198			

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 measure for Outcome 1**

Table 2.1.3 below details the performance measure for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Strengthen the Commonwealth’s financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their 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 measure</b>	<b>2019-20 Actual Achievement/Targets</b>
2019-20	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 30 June 2020 the actual return was 9.2% over the last 10 years against a target benchmark return of 6.1%.
2020-21	<i>As per 2019-20</i>	To achieve a return in line with the long-term target return with acceptable but not excessive risk.
2021-22 and beyond	<i>As per 2019-20</i>	<i>As per 2020-21</i>
<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.	

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

<p><b>Outcome 1 – Strengthen the Commonwealth’s financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their Investment Mandates.</b></p>		
<p><b>Program 1.2 – Management of the Investment of the Australian Government Investment Funds</b>                  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 <i>Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018</i> established the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) on 1 February 2019. The <i>Future Drought Fund Act 2019</i> established the Future Drought Fund on 1 September 2019. The <i>Emergency Response Fund Act 2019</i> established the Emergency Response Fund on 12 December 2019. The role of the FFMA was extended to include supporting the Board in the investment of the assets of these funds.</p>		
<p><b>Delivery</b></p>	<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>	
<p><b>Performance information: Program 1.2 – Management of the Investment of the Australian Government Investment Funds</b></p>		
<p><b>Year</b></p>	<p><b>Performance measure</b></p>	<p><b>2019-20 Actual Achievement/Targets</b></p>
<p>2019-20</p>	<p>Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target returns as follows:</p> <ul style="list-style-type: none"> <li>• For the DCAF 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> <li>• 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; and</li> <li>• For the ATSILSFF an average return over the long term of at least the consumer price index +2.0% to 3.0% per annum, net of costs with an acceptable but not excessive level of risk including having regard to the plausible capital loss from investment returns over a three-year period.</li> </ul>	<p>As at 30 June 2020 the actual return was 1.3% compared to the target benchmark return 1.1%.</p> <p>As at 30 June 2020 the actual return was 3.6% compared to the target return of 2.9% since 22 September 2015.</p> <p>As at 30 June 2020 the actual return was -1.3% compared to the target return of 0.6% since 1 October 2019.</p>

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

<b>Performance information: Program 1.2 – Management of the Investment of the Australian Government Investment Funds</b>		
<b>Year</b>	<b>Performance measure</b>	<b>2019-20 Actual Achievement/Targets</b>
2019-20	<ul style="list-style-type: none"> <li>For the FDF and ERF an average return over the long term of at least the consumer price index +2.0% to 3.0% per annum, net of costs with an acceptable but not excessive level of risk including having regard to the plausible capital loss from investment returns over a three-year period. During the initial transition period (up to 31 March 2020) a return lower than the benchmark return is anticipated.</li> </ul>	<p>As at 30 June 2020 the actual return for FDF was 3.4% since 1 April 2020.</p> <p>As at 30 June 2020 the actual return for ERF was 3.4% since 1 April 2020.</p>
2020-21	<i>As per 2019-20</i>	To achieve a return in line with the target return and with regard to the risk parameters of the mandate for the DCAF, MRFF, ATSILSFF, FDF & ERF as per 2019-20.
Table 2021-22 and beyond	<i>As per 2019-20</i>	To achieve a return in line with the target return and with regard to the risk parameters of the mandate.
<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 2020-21 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 2020-21 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 2020-21 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**

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000	2023-24 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	51,438	59,017	61,391	63,233	65,130
Suppliers	40,894	69,359	72,551	76,433	80,651
Depreciation and amortisation	6,278	11,030	12,364	10,518	9,903
Other expenses	153	1,213	1,437	1,437	1,437
<b>Total expenses</b>	<b>98,763</b>	<b>140,619</b>	<b>147,743</b>	<b>151,621</b>	<b>157,121</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	98,738	140,463	147,587	151,465	156,965
<b>Total own-source revenue</b>	<b>98,738</b>	<b>140,463</b>	<b>147,587</b>	<b>151,465</b>	<b>156,965</b>
<b>Gains</b>					
Other	25	156	156	156	156
<b>Total gains</b>	<b>25</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>156</b>
<b>Total own-source income</b>	<b>98,763</b>	<b>140,619</b>	<b>147,743</b>	<b>151,621</b>	<b>157,121</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)**

	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated	Budget	Forw ard	Forw ard	Forw ard
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	92	92	92	92	92
Trade and other receivables	32,956	28,834	32,149	35,689	38,472
<b>Total financial assets</b>	<b>33,048</b>	<b>28,926</b>	<b>32,241</b>	<b>35,781</b>	<b>38,564</b>
<b>Non-financial assets</b>					
Land and buildings	16,426	49,806	42,626	37,292	32,573
Property, plant and equipment	2,751	14,100	14,100	14,100	14,100
Intangibles	2,088	1,453	1,453	1,453	1,453
<b>Total non-financial assets</b>	<b>21,265</b>	<b>65,359</b>	<b>58,179</b>	<b>52,845</b>	<b>48,126</b>
<b>Total assets</b>	<b>54,313</b>	<b>94,285</b>	<b>90,420</b>	<b>88,626</b>	<b>86,690</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5,533	9,354	9,924	10,584	11,291
Other payables	22,873	22,916	23,425	23,817	24,222
<b>Total payables</b>	<b>28,406</b>	<b>32,270</b>	<b>33,349</b>	<b>34,401</b>	<b>35,513</b>
<b>Interest bearing liabilities</b>					
Leases	16,622	50,884	44,849	40,920	36,676
<b>Total interest bearing liabilities</b>	<b>16,622</b>	<b>50,884</b>	<b>44,849</b>	<b>40,920</b>	<b>36,676</b>
<b>Provisions</b>					
Employee provisions	9,285	11,131	12,222	13,305	14,501
<b>Total provisions</b>	<b>9,285</b>	<b>11,131</b>	<b>12,222</b>	<b>13,305</b>	<b>14,501</b>
<b>Total liabilities</b>	<b>54,313</b>	<b>94,285</b>	<b>90,420</b>	<b>88,626</b>	<b>86,690</b>
<b>Net assets</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)**

The FFMA does not have any changes in equity.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000	2023-24 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	95,395	143,679	144,273	147,924	154,181
<b>Total cash received</b>	<b>95,395</b>	<b>143,679</b>	<b>144,273</b>	<b>147,924</b>	<b>154,181</b>
<b>Cash used</b>					
Employees	49,890	56,222	59,792	61,757	63,529
Suppliers	43,066	65,383	71,825	75,617	79,787
Other	153	1,213	1,437	1,437	1,437
<b>Total cash used</b>	<b>93,109</b>	<b>122,818</b>	<b>133,054</b>	<b>138,811</b>	<b>144,753</b>
<b>Net cash from/(used by) operating activities</b>	<b>2,286</b>	<b>20,861</b>	<b>11,219</b>	<b>9,113</b>	<b>9,428</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	1,207	15,256	5,184	5,184	5,184
<b>Total cash used</b>	<b>1,207</b>	<b>15,256</b>	<b>5,184</b>	<b>5,184</b>	<b>5,184</b>
<b>Net cash from/(used by) investing activities</b>	<b>(1,207)</b>	<b>(15,256)</b>	<b>(5,184)</b>	<b>(5,184)</b>	<b>(5,184)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Principal payments on lease liability	1,762	5,605	6,035	3,929	4,244
<b>Total cash used</b>	<b>1,762</b>	<b>5,605</b>	<b>6,035</b>	<b>3,929</b>	<b>4,244</b>
<b>Net cash from/(used by) financing activities</b>	<b>(1,762)</b>	<b>(5,605)</b>	<b>(6,035)</b>	<b>(3,929)</b>	<b>(4,244)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(683)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	775	92	92	92	92
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>

Prepared on Australian Accounting Standards basis.



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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000	2023-24 Forw ard estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	1,207	15,256	5,184	5,184	5,184
<b>TOTAL</b>	<b>1,207</b>	<b>15,256</b>	<b>5,184</b>	<b>5,184</b>	<b>5,184</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,207	15,256	5,184	5,184	5,184
<b>Total cash used to acquire assets</b>	<b>1,207</b>	<b>15,256</b>	<b>5,184</b>	<b>5,184</b>	<b>5,184</b>

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2020-21)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2020</b>				
Gross book value	-	11,275	9,967	21,242
Gross book value - ROU assets	19,640	-	-	19,640
Accumulated depreciation/amortisation and impairment	-	(8,524)	(7,879)	(16,403)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,214)	-	-	(3,214)
<b>Opening net book balance</b>	<b>16,426</b>	<b>2,751</b>	<b>2,088</b>	<b>21,265</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - other	-	15,256	-	15,256
<b>Total additions</b>	<b>-</b>	<b>15,256</b>	<b>-</b>	<b>15,256</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(3,907)	(635)	(4,542)
Depreciation/amortisation on ROU assets	(6,488)			(6,488)
Other - ROU assets	39,868			39,868
<b>Total other movements</b>	<b>33,380</b>	<b>(3,907)</b>	<b>(635)</b>	<b>28,838</b>

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2021</b>				
Gross book value	-	26,531	9,967	36,498
Gross book value - ROU assets	59,508	-	-	59,508
Accumulated depreciation/amortisation and impairment	-	(12,431)	(8,514)	(20,945)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,702)	-	-	(9,702)
<b>Closing net book balance</b>	<b>49,806</b>	<b>14,100</b>	<b>1,453</b>	<b>65,359</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)**

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000	2023-24 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	966	995	1,025	1,055	1,086
Suppliers	339,817	439,239	467,137	489,402	515,077
Net losses on financial instruments	5,946,150	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>6,286,933</b>	<b>440,234</b>	<b>468,162</b>	<b>490,457</b>	<b>516,163</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Interest (a)	(24,159)	303,656	321,980	341,407	362,575
Dividends	4,899,015	3,894,671	4,117,641	4,353,374	4,623,283
<b>Total non-taxation revenue</b>	<b>4,874,856</b>	<b>4,198,327</b>	<b>4,439,621</b>	<b>4,694,781</b>	<b>4,985,858</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>4,874,856</b>	<b>4,198,327</b>	<b>4,439,621</b>	<b>4,694,781</b>	<b>4,985,858</b>
<b>Gains</b>					
Other gains	-	7,332,579	5,991,872	6,340,490	7,459,008
<b>Total gains administered on behalf of Government</b>	<b>-</b>	<b>7,332,579</b>	<b>5,991,872</b>	<b>6,340,490</b>	<b>7,459,008</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>4,874,856</b>	<b>11,530,906</b>	<b>10,431,493</b>	<b>11,035,271</b>	<b>12,444,866</b>
<b>Net (cost of)/contribution by services</b>	<b>(1,412,077)</b>	<b>11,090,672</b>	<b>9,963,331</b>	<b>10,544,814</b>	<b>11,928,703</b>
<b>Surplus/(deficit) before income tax</b>	<b>(1,412,077)</b>	<b>11,090,672</b>	<b>9,963,331</b>	<b>10,544,814</b>	<b>11,928,703</b>
Income tax expense	88,231	-	-	-	-
<b>Surplus/(deficit) after income tax</b>	<b>(1,500,308)</b>	<b>11,090,672</b>	<b>9,963,331</b>	<b>10,544,814</b>	<b>11,928,703</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,500,308)</b>	<b>11,090,672</b>	<b>9,963,331</b>	<b>10,544,814</b>	<b>11,928,703</b>

Prepared on Australian Accounting Standards basis.

(a) includes interest income/(expense) on fixed income securities and derivatives.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000	2023-24 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	53	55	57	59	61
Trade and other receivables	1,361,630	1,314,076	1,349,240	1,379,839	1,413,892
Other investments	161,260,574	171,423,310	181,356,472	191,873,900	203,772,136
<b>Total financial assets</b>	<b>162,622,257</b>	<b>172,737,441</b>	<b>182,705,769</b>	<b>193,253,798</b>	<b>205,186,089</b>
<b>Total assets administered on behalf of Government</b>	<b>162,622,257</b>	<b>172,737,441</b>	<b>182,705,769</b>	<b>193,253,798</b>	<b>205,186,089</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	102,685	160,129	165,125	168,339	171,926
Other payables	1,465,342	432,410	432,411	432,412	432,413
<b>Total payables</b>	<b>1,568,027</b>	<b>592,539</b>	<b>597,536</b>	<b>600,751</b>	<b>604,339</b>
<b>Provisions</b>					
Other provisions	8,049	8,049	8,049	8,049	8,049
<b>Total provisions</b>	<b>8,049</b>	<b>8,049</b>	<b>8,049</b>	<b>8,049</b>	<b>8,049</b>
<b>Total liabilities administered on behalf of Government</b>	<b>1,576,076</b>	<b>600,588</b>	<b>605,585</b>	<b>608,800</b>	<b>612,388</b>
<b>Net assets/(liabilities)</b>	<b>161,046,181</b>	<b>172,136,853</b>	<b>182,100,184</b>	<b>192,644,998</b>	<b>204,573,701</b>

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000	2023-24 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	3,601	302,935	321,980	341,407	362,575
Dividends	5,787,595	3,790,567	4,178,048	4,330,851	4,599,311
Net GST received	-	301	323	-	-
<b>Total cash received</b>	<b>5,791,196</b>	<b>4,093,803</b>	<b>4,500,351</b>	<b>4,672,258</b>	<b>4,961,886</b>
<b>Cash used</b>					
Suppliers	391,941	378,595	460,048	483,545	508,676
Net GST paid	1,072	-	-	76	81
Employees	976	994	1,024	1,054	1,085
<b>Total cash used</b>	<b>393,989</b>	<b>379,589</b>	<b>461,072</b>	<b>484,675</b>	<b>509,842</b>
<b>Net cash from/(used by) operating activities</b>	<b>5,397,207</b>	<b>3,714,214</b>	<b>4,039,279</b>	<b>4,187,583</b>	<b>4,452,044</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of investments	131,777,755	135,731,088	139,803,021	143,997,112	148,317,025
Other	-	-	-	-	-
<b>Total cash received</b>	<b>131,777,755</b>	<b>135,731,088</b>	<b>139,803,021</b>	<b>143,997,112</b>	<b>148,317,025</b>
<b>Cash used</b>					
Investments	132,554,924	139,445,300	143,842,298	148,184,693	152,769,067
Other	4,621,927	-	-	-	-
<b>Total cash used</b>	<b>137,176,851</b>	<b>139,445,300</b>	<b>143,842,298</b>	<b>148,184,693</b>	<b>152,769,067</b>
<b>Net cash from/(used by) investing activities</b>	<b>(5,399,096)</b>	<b>(3,714,212)</b>	<b>(4,039,277)</b>	<b>(4,187,581)</b>	<b>(4,452,042)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(1,889)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Cash and cash equivalents at beginning of reporting period	1,942	53	55	57	59
<b>Cash and cash equivalents at end of reporting period</b>	<b>53</b>	<b>55</b>	<b>57</b>	<b>59</b>	<b>61</b>

Prepared on Australian Accounting Standards basis.

*FFMA Budget Statements*

**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 2020-21)**

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