

Portfolio Budget Statements 2022–23
Budget Related Paper No. 1.5

Finance Portfolio

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

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Senator the Hon Simon Birmingham

Minister for Finance
Leader of the Government in the Senate
Senator for South Australia

Senator the Hon Slade Brockman
President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

The Hon Andrew Wallace MP
Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2022-23 Budget for the Finance Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Simon Birmingham', with a long, sweeping flourish extending to the right.

Simon Birmingham

25 March 2022

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

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

Enquiries

Should you have any enquiries regarding this publication please contact 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.

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**User Guide
to the
Portfolio Budget Statements**

User guide

The purpose of the 2022-23 *Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2022-23 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2022-23 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 appropriation acts.

The Commonwealth Performance Framework

The following diagram outlines the key components of the 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.

Commonwealth Performance Framework

Key components of relevant publications

Portfolio Budget Statements (March) *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**.

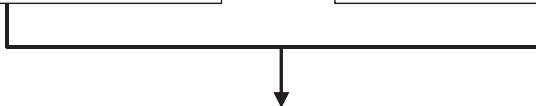


Annual Performance Statement (October following year) *Entity based*

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

Minister(s) 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.
- The Lands Acquisition Act review and reforms.
- Policy for, and management of, act of grace requests and waiver of debts owed to the Commonwealth.
- Policy for Comcover, the government's self-managed insurance fund, and risk policy.
- 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 particular responsibility for the following:

- *Parliamentary Business Resources Act 2017* expenses framework.
- *Members of Parliament (Staff) Act 1984* employment framework (shared with the Prime Minister).
- Electoral policy.
- Electoral matters (supported by the Australian Electoral Commission (AEC)).
- Government campaign advertising.
- Whole-of-Australian-Government (WoAG) property policy and administration, including non-Defence owned property (but excluding Lands Acquisition Act reform).
- Administration and operational matters for Comcover, the government's self-managed insurance fund.

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



Entity resources and planned performance

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, 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
- 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), WoAG purchasing arrangements (such as travel, office equipment, stationery) to ensure the efficient and effective management of government resources and certain corporate functions delivered by the Service Delivery Office (SDO); and

- advises on the Government's Investment Funds and administers superannuation arrangements for the Government's civilian employees, politicians and judges to support the 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) 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' 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 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	47,353	36,335
Departmental appropriation (c)	278,940	274,384
s 74 External Revenue (d)	27,084	25,753
Departmental capital budget (e)	6,413	6,529
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	11,325	1,238
Equity injection	1,376,372	5,583
Total departmental annual appropriations	1,747,487	349,822
Special accounts (g)		
Opening balance	1,258,625	1,316,286
Appropriation receipts (h)	1,475,102	92,671
Non-appropriation receipts	323,596	310,943
Total special accounts	3,057,323	1,719,900
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(1,475,102)</i>	<i>(92,671)</i>
Total departmental resourcing	3,329,708	1,977,051
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	28,432	21,005
Outcome 2	11,069	11,030
Outcome 3	328,923	301,228
s 74 External Revenue (d)	1,555	1,555
Administered capital budget (i)	5,279	5,395
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	215,937	214,384
Administered assets and liabilities	53,427	2,592
Total administered annual appropriations	644,622	557,189
Total administered special appropriations	8,080,919	8,488,024

Table continues on next page

Table 1.1: Department of Finance resource statement — Budget estimates for 2022-23 as at Budget March 2022 (continued)

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Special accounts (g)		
Opening balance	349,234	425,529
Appropriation receipts (h)	4,705,000	4,870,000
Non-appropriation receipts	50,333,361	49,551,539
Total special account receipts	55,387,595	54,847,068
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(4,705,000)</i>	<i>(4,870,000)</i>
Total administered resourcing	59,408,136	59,022,281
Total resourcing for Department of Finance	62,737,844	60,999,332
	2021-22	2022-23
Average staffing level (number)	1,283	1,257

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

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Appropriation Bill (No. 1) 2022-23.
- (b) Represents estimated unspent appropriations available from 2020-21.
- (c) Excludes departmental capital budget (DCB) but includes \$15.1 million of Appropriation Bill (No.3) 2021-22.
- (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) 2022-23.
- (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 Finance'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'.

Table 1.1: Department of Finance resource statement — Budget estimates for 2022-23 as at Budget March 2022 (continued)
Third party payments from and on behalf of other entities

	2021-22 Estimated actual \$'000	2022-23 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>	310	310
Payments made by other entities on behalf of Department of Finance (disclosed above)		
Attorney-General's Department		
<i>Parliamentary Business Resources Act 2017</i>	1,300	1,300
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>	69	71
<i>Superannuation Act 1922</i>	51,765	45,615
<i>Superannuation Act 1976</i>	4,801,455	4,770,586
<i>Superannuation Act 1990</i>	3,138,964	3,307,931
<i>Appropriation Act (No.1) (a)</i>	500	500
<i>Appropriation Act (No.1) (b)</i>	892	915
<i>Appropriation Act (No.2) (b)</i>	1,000	1,000
Department of the House of Representatives		
<i>Australian Constitution s 66</i>	4,064	4,064
<i>Parliamentary Business Resources Act 2017</i>	44,269	44,269
<i>Parliamentary Superannuation Act 2004</i>	5,670	5,897
Department of Parliamentary Services		
<i>Parliamentary Business Resources Act 2017</i>	20,342	20,342
Department of the Senate		
<i>Australian Constitution s 66</i>	1,454	1,454
<i>Parliamentary Business Resources Act 2017</i>	21,972	21,972
<i>Parliamentary Superannuation Act 2004</i>	2,793	2,904
Fair Work Commission		
<i>Judges' Pensions Act 1968</i>	7,500	7,500

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.
 Prepared on a resourcing (that is, appropriations available) basis.

- (a) Compensation and legal payments.
 (b) Act of grace payments.

1.3 Budget measures

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

Table 1.2: Department of Finance 2022-23 Budget measures

Part 1: Measures announced since the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
Australian Export and Trade Support (a)	2.2					
Departmental payment		-	77	-	-	-
Digital Economy Strategy (b)	2.2					
Departmental payment		-	135	-	-	-
Health Delivery Modernisation Program – phase three (c)	2.2					
Departmental payment		-	123	-	-	-
Large Vessel Infrastructure and Submarine Basing (d)	2.1					
Administered payment		-	-	-	-	-
Support for the Australian Space Industry (e)	2.2					
Departmental payment		nfp	-	-	-	-
Total		-	335	-	-	-
Total payment measures						
Administered		-	-	-	-	-
Departmental		-	335	-	-	-
Total		-	335	-	-	-

Prepared on a Government Financial Statistics (Underlying Cash) 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 titled *Australian Export and Trade Support* is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Foreign Affairs and Trade portfolio.
- (b) The lead entity for measure titled *Digital Economy Strategy* is the Digital Transformation Agency. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.
- (c) The lead entity for measure titled *Health Delivery Modernisation Program – phase three* is the Services Australia. The full measure description and package details appear in Budget Paper No. 2 under the Social Services portfolio.
- (d) The lead entity for measure titled *Large Vessel Infrastructure and Submarine Basing* is the Department of Defence. The full measure description and package details appear in Budget Paper No.2 under the Defence portfolio.
- (e) The lead entity for measure titled *Support for the Australian Space Industry* is the Department of Industry, Science, Energy and Resources. The full measure description and package details appear in Budget Paper No.2 under the Industry, Science, Energy and Resources portfolio. The financials are not for publication due to commercial sensitivities.

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 PGPA Act. It is anticipated that the performance measure 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 Finance can be found at: <https://www.finance.gov.au/publications/corporate-plan/corporate-plan-2021-22>.

The most recent annual performance statement can be found at: <https://www.finance.gov.au/publications/annual-report/annual-report-2020-21> and <https://www.transparency.gov.au/annual-reports/department-finance/reporting-year/2020-21>.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Budget and Financial Management					
Departmental expenses					
Departmental appropriation (a)					
Budget Advice	63,053	63,447	63,747	64,345	64,301
Financial Reporting	33,890	37,330	37,275	37,334	37,322
Expenses not requiring appropriation in the Budget year (b)	10,141	10,335	7,141	6,992	6,863
Departmental total	107,084	111,112	108,163	108,671	108,486
Total expenses for Program 1.1	107,084	111,112	108,163	108,671	108,486
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation (a)	96,943	100,777	101,022	101,679	101,623
Expenses not requiring appropriation in the Budget year (b)	10,141	10,335	7,141	6,992	6,863
Departmental total	107,084	111,112	108,163	108,671	108,486
Total expenses for Outcome 1	107,084	111,112	108,163	108,671	108,486
	2021-22	2022-23			
Average staffing level (number)	469	469			

(a) Departmental appropriation combines ordinary annual services (Appropriation Bill No. 1) and estimated receipts retained under section 74 of the PGPA Act.

(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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1 – Budget and Financial Management 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 financial reporting responsibilities; and supporting the delivery of the Budget.		
Key Activities	Deliver Budget updates, appropriation bills and financial statements Coordinate, prepare and advise the Minister for Finance and the Expenditure Review Committee of Cabinet on the delivery of the Budget and related economic updates, including appropriations legislation and the Government's financial statements, to contribute to promoting the Government's fiscal strategy and policy objectives.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Budget updates and Appropriation Bills Budget papers, related updates (e.g. the MYEFO) and Appropriation Bills are accurate, consistent with external reporting standards, delivered within required timeframes and meet the Government's fiscal and policy objectives and legislative obligations.	On Track <u>Budget and related papers meet timeframes:</u> <ul style="list-style-type: none"> The 2020-21 Final Budget Outcome was released on 30 September 2021. The 2021-22 MYEFO was released 16 December 2021. The 2022-23 Budget is on track for delivery in accordance with the requirements of the <i>Charter of Budget Honesty</i> (the Charter). Detailed planning is on track to support the delivery of a Pre-election Economic and Fiscal Outlook, as specified by the Charter. <u>Accuracy of Budget Estimates:</u> Through each economic update, Budget and Financial Reporting Group works with entities to ensure expense estimates take into account the best available information at the time of the update. Other activities such as the scrutiny and agreement of costs for expense, capital and non-taxation revenue policy proposals and the Material Estimates Variations process further support the accuracy of expense estimates.

Table continues on next page

Table 2.1.2: Performance measure for Outcome 1 (continued)

Performance information: Program 1.1 – Budget and Financial Management		
Current year 2021-22 (continued)		<u>Timeliness of Appropriation Bills:</u> <ul style="list-style-type: none"> The 2021-22 Budget Appropriation Bills were introduced in the House of Representatives on 11 May 2021, in line with the timing of the 2021-22 Budget. The Appropriation (Coronavirus Response) 2021-22 Bills were introduced to Parliament on 9 February 2022. The Additional Estimates Bills for 2021-22 were introduced to Parliament on 10 February 2022.
	Financial statements The Government's financial statements, including monthly statements, are complete, fairly presented and released publicly on timeframes agreed with the Government.	On Track The 2021-22 monthly financial statements have been provided to the Minister for Finance on average within 21 days of the end of each month since the release of FBO. The Auditor-General issued an unmodified audit report on the 2020-21 Consolidated Financial Statements on 12 November 2021.
	Daily disbursement of cash Commonwealth entities have access to cash, in near real-time, as required.	All payment requests from entities have been met, in requested timeframes.

Table continues on next page

Table 2.1.2: Performance measure for Outcome 1 (continued)

Performance information: Program 1.1 – Budget and Financial Management		
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Budget updates and Appropriation Bills Budget papers, related updates (e.g. the MYEFO) and Appropriation Bills are accurate, consistent with external reporting standards, delivered within required timeframes and meets the Government's fiscal and policy objectives and legislative obligations.	Accuracy of Budget Estimates. Variances between estimated expenses and final outcome are within set parameters. <ul style="list-style-type: none"> • First forward year – difference between estimated expenses and FBO <2%. • Budget year – difference between Budget estimated expenses and FBO <1.5%. • Current year – difference between the revised current year estimates at MYEFO and FBO <1%. • Current year – difference between the current year estimates at budget time and Final Budget Outcome <0.5%. Significant variances between estimated expenses and final outcome are explained. Timeliness of Budget Estimate Updates and Appropriation Bills. <ul style="list-style-type: none"> • Budget papers and related updates meet timeframes set out in the <i>Charter of Budget Honesty Act 1998</i>. • Appropriation Bills introduced at times intended by government. External reporting standards and legislative requirements are met.
	Financial statements The Government's financial statements, including monthly statements, are complete, fairly presented and released publicly on timeframes agreed with the Government.	Complete and fairly presented Financial Statements. <ul style="list-style-type: none"> • The Auditor-General issues an unmodified audit report on consolidated financial statements. Timeliness of Financial Statements. <ul style="list-style-type: none"> • Monthly statements (prepared within 21 days of the end of month, on average, following release of FBO). Consolidated financial statements (provided to the Auditor-General by 30 November each year).
	Daily disbursement of cash Commonwealth entities have access to cash, in near real-time, as required.	All payment requests from entities are met, in requested timeframes.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil		

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

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 2.1: Public Sector Governance					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Grant in Aid - Australian Institute of Policy and Science	39	40	41	42	43
Grant in Aid - Chifley Research Centre	249	258	265	271	278
Grant in Aid - Green Institute	93	98	101	105	106
Grant in Aid - Menzies Research Centre	250	258	265	271	278
Grant in Aid - Page Research Centre	121	125	128	131	134
Grant in Aid - Royal Humane Society of Australasia	29	30	30	31	32
Grant in Aid - RSPCA Australia Inc	39	40	41	42	43
Special accounts					
DHA Borrowings Special Account	320	178	181	185	189
Administered total	1,140	1,027	1,052	1,078	1,103
Departmental expenses					
Departmental appropriation (a)					
Financial Framework	26,197	22,393	19,409	19,645	19,575
Government Shareholder Oversight	27,944	18,397	16,856	16,091	16,083
Special Financial Claims	2,683	2,589	2,608	2,626	2,624
Expenses not requiring appropriation in the Budget year (b)	1,422	1,207	888	876	838
Departmental total	58,246	44,586	39,761	39,238	39,120
Total expenses for Program 2.1	59,386	45,613	40,813	40,316	40,223

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 2.2: Transforming Government					
Departmental expenses					
Departmental appropriation (a)					
Transforming the Public Sector	22,378	17,298	17,614	17,692	17,686
Expenses not requiring appropriation in the Budget year (b)	2,470	2,430	2,253	2,247	762
Departmental total	24,848	19,728	19,867	19,939	18,448
Total expenses for Program 2.2	24,848	19,728	19,867	19,939	18,448
Program 2.3: Property and Construction					
Departmental expenses					
Special accounts					
Property Special Account	105,907	174,602	154,040	163,217	156,559
Departmental total	105,907	174,602	154,040	163,217	156,559
Total expenses for Program 2.3	105,907	174,602	154,040	163,217	156,559
Program 2.4: Insurance and Risk Management					
Departmental expenses					
Special accounts					
Comcover Special Account	204,900	177,749	189,370	201,787	214,408
Departmental total	204,900	177,749	189,370	201,787	214,408
Total expenses for Program 2.4	204,900	177,749	189,370	201,787	214,408
Program 2.5: Technology and Procurement					
Departmental expenses					
Departmental appropriation (a)					
Technology Transformation	17,496	17,535	17,590	17,661	17,656
Procurement Framework	8,007	8,417	8,458	8,500	8,496
Special accounts					
Coordinated Procurement Contracting Special Account	30,187	36,515	34,863	32,261	32,729
Expenses not requiring appropriation in the Budget year (b)	2,815	967	811	806	790
Departmental total	58,505	63,434	61,722	59,228	59,671
Total expenses for Program 2.5	58,505	63,434	61,722	59,228	59,671
Program 2.6: Service Delivery Office					
Departmental expenses					
Special accounts					
SDO Special Account	46,944	38,853	34,338	34,338	34,338
Departmental total	46,944	38,853	34,338	34,338	34,338
Total expenses for Program 2.6	46,944	38,853	34,338	34,338	34,338

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 2.7: Public Sector Superannuation					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Act of Grace	1,162	1,313	1,283	1,250	1,215
Compensation and legal expenses	500	500	500	500	500
Superannuation administration costs	8,649	8,766	8,766	8,766	8,766
Special appropriations					
<i>Federal Circuit Court of Australia Act 1999</i>	870	872	936	971	1,004
<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>	440	773	747	10,841	1,197
<i>Judges' Pensions Act 1968</i>	89,456	98,571	104,580	111,232	116,333
<i>Parliamentary Contributory Superannuation Act 1948</i>	29,381	42,553	42,295	41,836	41,138
<i>Parliamentary Superannuation Act 2004</i>	8,462	8,801	9,153	9,519	9,900
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws General Law Reform) Act 2008</i>	57	123	126	130	133
<i>Superannuation Act 1922</i>	8,546	15,575	14,177	12,889	11,706
<i>Superannuation Act 1976</i>	1,736,297	2,937,586	2,872,877	2,804,899	2,733,221
<i>Superannuation Act 1990</i>	6,505,483	5,747,228	5,821,463	5,873,022	6,282,053
Administered total	8,390,303	8,863,661	8,877,903	8,876,855	9,208,166
Departmental expenses					
Departmental appropriation (a)					
Public Sector Superannuation	3,479	3,504	3,530	3,555	3,552
Expenses not requiring appropriation in the Budget year (b)	586	567	535	533	93
Departmental total	4,065	4,071	4,065	4,088	3,645
Total expenses for Program 2.7	8,394,368	8,867,732	8,881,968	8,880,943	9,211,811

Table continues on next page

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 2.8: Australian Government Investment Funds					
Administered expenses					
Special accounts					
DisabilityCare Australia Fund Special Account (c)	2,004,651	1,099,631	1,156,127	12,703	8,996
Medical Research Future Fund Special Account (d)	523,940	744,632	745,894	747,814	750,188
Aboriginal and Torres Strait Islander Land and Sea Future Fund Special Account (e)	62,511	66,383	68,055	69,900	71,549
Future Drought Fund (f)	114,878	120,464	121,035	121,642	122,261
Emergency Response Fund (g)	215,034	220,040	20,667	21,694	22,752
Administered total	2,921,014	2,251,150	2,111,778	973,753	975,746
Total expenses for Program 2.8	2,921,014	2,251,150	2,111,778	973,753	975,746
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	11,131	11,428	11,420	11,409	11,395
Special appropriations	8,379,992	8,853,082	8,867,354	8,866,339	9,197,685
Special accounts	2,921,334	2,251,328	2,111,959	973,938	975,935
Administered total	11,312,457	11,115,838	10,990,733	9,851,686	10,185,015
Departmental expenses					
Departmental appropriation (a)	108,184	90,133	86,065	85,770	85,672
Special accounts	387,938	427,719	412,611	431,603	438,034
Expenses not requiring appropriation in the Budget year (b)	7,293	5,171	4,487	4,462	2,483
Departmental total	503,415	523,023	503,163	521,835	526,189
Total expenses for Outcome 2	11,815,872	11,638,861	11,493,896	10,373,521	10,711,204
	2021-22	2022-23			
Average staffing level (number)	697	671			

- (a) Departmental appropriation combines ordinary annual services (Appropriation Bill No. 1) and estimated receipts retained under section 74 of the PGPA Act.
- (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 28.
- (d) More information on the Medical Research Future Fund can be found in Table 2.2.1.2 on page 29.
- (e) More information on the Aboriginal and Torres Strait Islander Land and Sea Future Fund can be found in Table 2.2.1.3 on page 30.
- (f) More information on the Future Drought Fund can be found in Table 2.2.1.4 on page 31.
- (g) More information on the Emergency Response Fund can be found in Table 2.2.1.5 on page 32.

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 - Estimates of Fund Balances

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
DisabilityCare Australia Fund (a)					
Opening balance	15,479,414	14,210,061	14,024,685	13,979,765	10,011,470
Revenue and gains					
Additional Medicare Levy - equity (b)	4,705,000	4,870,000	5,067,500	-	-
Investment earnings and gains	30,298	44,255	43,707	44,408	31,499
Expenses					
Management fees	(13,474)	(12,887)	(12,750)	(12,703)	(8,996)
Transfers to reimburse accounts for DisabilityCare Australia expenditure (c)					
Commonwealth - equity	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
States and Territories - expense	(1,991,177)	(1,086,744)	(1,143,377)	-	-
Closing balance	14,210,061	14,024,685	13,979,765	10,011,470	6,033,973

- (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 Commonwealth agreed to credit the DCAF with money raised from the increase in the Medicare levy for 10 years to fund the additional costs of delivering the National Disability Insurance Scheme (NDIS) (formerly DisabilityCare Australia). This 10 year period concludes in 2023-24.
- (c) The transfers relate to reimbursing the Commonwealth and the States and Territories for the costs of the operations of the NDIS.

Note: The expenses figure does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

Table 2.2.1.2: Medical Research Future Fund - Estimates of Fund Balances

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Medical Research Future Fund (a)					
Opening balance	22,020,381	22,193,880	22,216,582	22,664,721	23,113,498
Revenue and gains					
Investment earnings and gains	697,439	767,334	1,194,033	1,196,591	1,199,813
Expenses					
Management fees	(68,940)	(94,632)	(95,894)	(97,814)	(100,188)
Transfers to portfolio special accounts for project payments					
MRFF Health portfolio special account - expense	(455,000)	(650,000)	(650,000)	(650,000)	(650,000)
Closing balance	22,193,880	22,216,582	22,664,721	23,113,498	23,563,123

(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.

Note: The expenses figure does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

Table 2.2.1.3: Aboriginal and Torres Strait Islander Land and Sea Future - Estimates of Fund Balances

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Aboriginal and Torres Strait Islander Land and Sea Future Fund (a)					
Opening balance	2,162,782	2,215,232	2,263,313	2,316,269	2,368,315
Revenue and gains					
Investment earnings and gains	114,961	114,464	121,011	121,946	122,553
Expenses					
Management fees	(6,787)	(9,334)	(9,544)	(9,939)	(10,157)
Transfers to portfolio special accounts for project payments					
Indigenous Land and Sea Corporation special account expense	(55,724)	(57,049)	(58,511)	(59,961)	(61,392)
Closing balance	2,215,232	2,263,313	2,316,269	2,368,315	2,419,319

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

Note: The expenses figure does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

Table 2.2.1.4: Future Drought Fund - Estimates of Fund Balances

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Future Drought Fund (a)					
Opening balance	4,600,692	4,732,534	4,858,198	4,998,702	5,142,151
Revenue and gains					
Investment earnings and gains	246,720	246,128	261,539	265,091	268,135
Expenses					
Management fees	(14,878)	(20,464)	(21,035)	(21,642)	(22,261)
Transfers to portfolio special accounts for project payments					
special account expense	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Closing balance	4,732,534	4,858,198	4,998,702	5,142,151	5,288,025

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

Note: The expenses figure does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

Table 2.2.1.5: Emergency Response Fund - Estimates of Fund Balances

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Emergency Response Fund (a)					
Opening balance	4,653,914	4,689,024	4,709,935	4,946,021	5,189,832
Revenue and gains					
Investment earnings and gains	250,144	240,951	256,753	265,505	273,833
Expenses					
Management fees	(15,034)	(20,040)	(20,667)	(21,694)	(22,752)
Transfers to portfolio special accounts for project payments					
special account expense	(200,000)	(200,000)	-	-	-
Closing balance	4,689,024	4,709,935	4,946,021	5,189,832	5,440,913

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

Note: The expenses figure does not include losses made on investments; rather this amount has been applied against investment earnings and gains.

Table 2.2.2: Performance measure for Outcome 2

Table 2.2.2 details the performance measures for each program associated with Outcome 2. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 2.1 – Public Sector Governance 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.		
Key Activities	Support the proper use and management of public resources Support the proper use of public resources by Commonwealth entities and companies under the Commonwealth Resource Management Framework	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Governance and accountability Finance ensures the resource management framework is maintained as a fit-for-purpose framework for the proper use of public resources, and supports Commonwealth entities and companies to meet high standards of governance, performance and accountability through effective engagement and the provision of guidance.	On Track The annual PGPA survey of Commonwealth entities, which will provide feedback on the effectiveness of Finance's stewardship, policy advice, engagement and guidance is scheduled for Quarter 4 2021-22. Target – 80% satisfaction with the level of support Finance provides to entities on the application of the resource management framework. Performance audit reports tabled by the Auditor-General and reports tabled by the JCPAA are providing commentary on and making recommendations relating to the resource management framework and the application of the performance framework by entities.

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Table 2.2.2: Performance measure for Outcome 2 (continued)

Performance information: Program 2.1 – Public Sector Governance		
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Governance and accountability Finance ensures the resource management framework is maintained as a fit-for-purpose framework for the proper use of public resources, and supports Commonwealth entities and companies to meet high standards of governance, performance and accountability through effective engagement and the provision of guidance.	Annual PGPA Survey results Target 80% satisfaction with the level of support Finance provides to entities on the application of the resource management framework. Performance audit reports tabled by the Auditor-General and reports tabled by the JCPAA provide commentary on and make recommendations relating to the resource management framework and the application of the performance framework by entities.
Forward Estimates 2023-26	As per 2022-23.	Target 85% satisfaction with the level of support Finance provides to entities on the application of the resource management framework. As per 2022-23.
Material changes to Program 2.1 resulting from 2022-23 Budget Measures: Nil		

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Table 2.2.2: Performance measure for Outcome 2 (continued)

Program 2.2 – Transforming Government 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.		
Key Activities	Modernise the APS through ICT projects Undertaking ICT development projects to support the modernisation of the APS.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	GovTEAMS improves public sector productivity Commonwealth entities and companies have access to GovTEAMS, a new generation platform to provide a single environment for both internal and external collaboration across government.	On Track Set performance targets are fully operational (99% of the time) and were achieved. Target exceeded. Current registered users in excess of 145,000 (Target: 90,000 users).
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	GovTEAMS improves public sector productivity Commonwealth entities and companies have access to GovTEAMS, a new generation platform to provide a single environment for both internal and external collaboration across government.	GovTEAMS platform is fully operational in accordance with set performance targets (99%). GovTEAMS user adoption rates (>145,000 registered users) exceed set performance targets (90,000 registered users).
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.2 resulting from 2022-23 Budget Measures: Nil		

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Table 2.2.2: Performance measure for Outcome 2 (continued)

Program 2.3 – Property and Construction 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.		
Key Activities	Commonwealth property initiatives are efficient and effective The management of Commonwealth property demonstrates best practice effectiveness in an evolving environment, and delivers efficiencies in relation to leasing and facilities management for non-corporate Commonwealth entities.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Commonwealth property initiatives are efficient and effective The management of Commonwealth property demonstrates best practice effectiveness in an evolving environment, and delivers efficiencies in relation to leasing and facilities management for non-corporate Commonwealth entities.	On Track The national occupational density has decreased from 15.1 m ² in 2020 to 14.7 m ² in 2021, and the percentage of tenancies meeting the occupational density target has increased from 40.1% in 2020 to 43.6% in 2021. The work-point vacancy rate has reduced, from 8.8% in 2020 to 7.4% in 2021. Despite most leases including an annual escalation, in line with market norms, cost indicators for 2021 only increased marginally, with the national cost per m ² increasing by \$15 per m ² in 2021, to \$496 per m ² . The Whole-of-Australian-Government Property Services Coordinated Procurement Arrangements continue to deliver efficiencies for entities, with Property Service Providers (PSPs) collectively exceeding the Property Operating Expense savings targets over the duration of the Deed.
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Commonwealth property initiatives are efficient and effective The management of Commonwealth property demonstrates best practice effectiveness in an evolving environment, and delivers efficiencies in relation to leasing and facilities management for non-corporate Commonwealth entities.	Property efficiencies are delivered through the WoAG PSCP Arrangements for leasing and facilities management. Finance's stewardship, policy advice, engagement and guidance on Commonwealth property management is effective.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.3 resulting from 2022-23 Budget Measures: Nil		

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Table 2.2.2: Performance measure 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.		
Key Activities	Provide insurance and risk management support for Commonwealth entities Support best practice risk management and protect Commonwealth entities against insurable losses through the Government's self-managed insurance fund, Comcover.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Treatment of insurable risks and claims management Comcover is effectively managed to ensure the fund is financially sustainable, there is a consistent, WoAG approach to the management of claims and Comcover supports the improvement of risk maturity in General Government Sector entities over time.	On Track The Comcover Fund has adequate reserves to meet at least 3 years of actuarially assessed ordinary claim payments. Comcover's approach to claims management continues to align with the Commonwealth's Legal Services Directions. Attendance at Comcover's education workshops and completion of e-learning modules has increased by 129% and 101% when compared to the same period in 2020-21. Feedback from attendees continues to indicate an increased level of understanding and knowledge of the target learning areas. 156 entities participated in the 2021 Benchmarking Survey – the results indicated an overall improvement in risk maturity across the Commonwealth.
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Treatment of insurable risks and claims management Comcover is effectively managed to ensure the fund is financially sustainable, there is a consistent, WoAG approach to the management of claims and Comcover supports the improvement of risk maturity in General Government Sector entities over time.	Comcover reviews and publishes an annual statement of cover that consistently applies to Fund Members. Actuarial assessments are undertaken (at least four per year), with consideration of claims history and the risk profile of Fund Members, to inform the setting of annual member premiums. The Comcover Fund has adequate reserves to meet at least 3 years of actuarially assessed ordinary claim payments ^(a) . Litigation is undertaken honestly and fairly as a model litigant. Effectiveness of Comcover's stewardship, policy advice, engagement and guidance on risk management.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.4 resulting from 2022-23 Budget Measures: Nil		

(a) Planned performance results have been updated since the 2021-22 Corporate Plan to provide a more robust and comprehensive view of performance and will be reflected in the 2022-23 Corporate Plan.

Table 2.2.2: Performance measure 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 WoAG procurement arrangements for common goods and services; and establishing, developing and maintaining WoAG and cross-entity ICT infrastructure, platforms, systems and services		
Key Activities	Enable value for money procurements Leverage experience and support the Australian Government to achieve value for money procurements and support the national interest.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Stewardship over procurement systems and policies Finance works with external stakeholders to: Provide stewardship over systems and policies to support a fair, efficient, and transparent procurement framework. Implement and maintain WoAG procurement arrangements for non-ICT services (e.g. travel bookings and major office equipment) to generate price savings and operating efficiencies.	On Track For the period 1 July to 31 December 2021, Finance: <ul style="list-style-type: none"> • Held 5 meetings of the Senior Procurement Officials Reference Group. • Held 18 strategic outreach meetings with entities. • Received 259 enquiries to the procurement agency advice inbox, with 97% responded to within the three day KPI. For the period 1 July to 31 December 2021, the AusTender platform and data were available to users in excess of 99.5% of the time, against a target of 99.5%. For the period 1 July to 31 December 2021, Finance participated in: <ul style="list-style-type: none"> • Negotiations to finalise a trade agreement with the United Kingdom. • One negotiation round of the ASEAN (Association Southeast Asian Nations)-Australia-New Zealand Free Trade Agreement. • Two meetings with India regarding possible inclusion of Government Procurement in an Australia-India Comprehensive Economic Cooperation Agreement. • One meeting of the Organization for Economic Co-operation and Development (OECD) Working Party of the Leading Practitioners on Public Procurement and three meetings of the OECD Garment and Public Procurement Pilot. • One meeting of the World Trade Organization Committee on Government Procurement. • A discussion session with the European Union in preparation for the next round of negotiations.

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Table 2.2.2: Performance measure for Outcome 2 (continued)

Performance information: Program 2.5 – Technology and Procurement		
Year	Performance measures	Expected Performance Results
Current year 2021-22 (continued)		<ul style="list-style-type: none"> Meetings and knowledge sharing events held by the Asia-Pacific Economic Cooperation, the OECD and the Association of Southeast Asian Nations Secretariat. <p>The WoAG Travel and Fleet arrangements are periodically benchmarked against other governments and comparable peers. Benchmarking confirms these arrangements continue to deliver savings and efficiencies for the Australian Government.</p> <p>With the first phase of the Management Advisory Services Panel, Finance achieved reductions in cost of up to 50% when compared to existing Panel arrangements.</p>
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<p>Stewardship over procurement systems and policies</p> <p>Finance works with external stakeholders to:</p> <p>Provide stewardship over systems and policies to support a fair, efficient, and transparent procurement framework.</p> <p>Implement and maintain WoAG procurement arrangements for non-ICT services (e.g. travel bookings and stationery) to generate price savings and operating efficiencies.</p>	<p>Effectiveness of Finance's stewardship, policy advice, engagement and guidance on procurement systems and policies.</p> <p>AusTender platform and data is available to users 99.5% of the time.</p> <p>Engagement with domestic and international stakeholders supports information exchange on advances in procurement policy.</p> <p>Savings and efficiencies from WoAG arrangements are compared, where possible, against similar arrangements, previous arrangements or markets.</p>
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.5 resulting from 2022-23 Budget Measures: Nil		

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Table 2.2.2: Performance measure for Outcome 2 (continued)

Program 2.6 – Service Delivery Office This program contributes to the outcome through providing a range of corporate services to Australian Government entities.		
Key Activities	Transform Commonwealth entities through shared services Support the transformation of Commonwealth entities through policy development and delivery of shared technologies and standardised processes to increase the effectiveness and efficiency of organisational management.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Shared services hub meets clients' needs As a Shared Services hub, the SDO provides quality and efficient services to client entities.	On Track As at 31 December 2021: <ul style="list-style-type: none"> The SDO was meeting service level outcomes for accounts payable, accounts receivable, payroll administration, credit card management and HUB usage. There were 9,165 HUB users, continuing the increasing trend in the number of hub users. Over 55,000 tickets were raised and resolved, with an average resolution time of 5.1 days. Results from the SDO client surveys at the end of the December quarter continued to increase with 'positive' or 'very positive' response rates of: <ul style="list-style-type: none"> Quality – 60% Timeliness – 57% Interaction – 62% Overall Experience – 57% During 2021-22, the SDO increased its service offer by on-boarding the Office of the Australian Information Commissioner to shared services and uplifting its remaining small and medium client agencies to the e-Invoicing solution.

Table continues on next page

Table 2.2.2: Performance measure for Outcome 2 (continued)

Performance information: Program 2.6 – Service Delivery Office		
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Shared services hub meets clients' needs As a Shared Services hub, the SDO provides quality and efficient services to client entities.	Service level agreements with client entities, including measurement of efficiency and effectiveness of services, are met, including: <ul style="list-style-type: none"> • Average resolution time of client request of <10 days. • 1% increase in client satisfaction surveys. The benefits of shared, standard and sustainable technologies and processes are realised: <ul style="list-style-type: none"> • Increased client uptake of shared ERP technology solutions (year-on-year increase). • Increased client adoption of end-to-end WoAG business processes (year-on-year increase).
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.6 resulting from 2022-23 Budget Measures: Nil		

Table continues on next page

Table 2.2.2: Performance measure for Outcome 2 (continued)

Program 2.7 – Public Sector Superannuation This program contributes to the outcome through advising the Government on 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.		
Key Activities	Enable civilian superannuation schemes Provide a policy, regulatory and legislative framework that enables the civilian superannuation scheme compliance.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Public sector civilian superannuation schemes The legislative framework for the Commonwealth Government's civilian superannuation schemes enables the schemes to be administered in accordance with the applicable regulatory and legislative requirements.	On Track The legislation establishing the civilian superannuation schemes continues to comply with regulatory and legislative requirements.
	Administration of pension schemes for former parliamentarians, judges and governors-general The pension schemes are administered by Finance effectively, in accordance with the applicable regulatory and legislative requirements.	On Track No regulatory or legislative issues have been identified in relation to the operation of the Finance administered schemes, and: <ul style="list-style-type: none"> • Payments have been made on schedule. • Statutory reporting requirements have been met. • No disruptions to the superannuation IT system have significantly affected member services.

Table continues on next page

Table 2.2.2: Performance measure for Outcome 2 (continued)

Performance information: Program 2.7 – Public Sector Superannuation		
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Public sector civilian superannuation schemes The legislative framework for the Commonwealth Government's civilian superannuation schemes enables the schemes to be administered in accordance with the applicable regulatory and legislative requirements.	The legislation establishing the civilian superannuation schemes is reviewed to ensure it complies with the broader regulatory and legislative requirements.
	Administration of pension schemes for former parliamentarians, judges and governors-general The pension schemes are administered by Finance effectively, in accordance with the applicable regulatory and legislative requirements.	The operations of the pension schemes administered by Finance continue to comply with the regulatory and legislative requirements.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.7 resulting from 2022-23 Budget Measures: Nil		

Table continues on next page

Table 2.2.2: Performance measure for Outcome 2 (continued)

<p>Program 2.8 – Australian Government Investment Funds</p> <p>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:</p> <ul style="list-style-type: none"> • Future Fund • DisabilityCare Australia Fund • Medical Research Future Fund • Aboriginal and Torres Strait Islander Land and Sea Future Fund • Future Drought Fund • Emergency Response Fund. 		
Key Activities	<p>Enable investment funds</p> <p>Provide a policy, regulatory and legislative framework that enables the maximisation of returns on investment funds</p>	
Year	Performance measures	Expected Performance Results
Current year 2021-22	<p>Investment mandates for each Australian Government Investment Fund</p> <p>Investment mandates are set for each Australian Government Investment Fund which assist in achieving the financial and risk objectives and are consistent with the policy, regulatory and legislative framework.</p>	<p>On Track</p> <p>Returns for each investment fund have met or exceeded the benchmark rate of return over the long term (as at the December 2021 quarter).</p>
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<p>Investment mandates for each Australian Government Investment Fund</p> <p>Investment mandates are set for each Australian Government Investment Fund which establish the financial and risk objectives of each fund consistent with the policy, regulatory and legislative framework.</p>	Investment mandates for the Australian Government Investment Funds are set and monitored.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.8 resulting from 2022-23 Budget Measures: Nil		

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 3.1: Ministerial and Parliamentary Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Electorate and ministerial support costs	332,204	296,341	301,538	327,862	312,183
Australian Political Exchange Program	1,884	1,884	1,884	1,889	1,889
Australian Political Parties for Democracy Program	2,200	2,200	2,200	2,200	2,200
Special appropriations					
<i>Australian Constitution</i> s 66 (a)	5,372	5,372	5,372	5,372	5,372
<i>Parliamentary Business Resources Act 2017</i>	227,887	226,874	227,287	227,665	227,665
Expenses not requiring appropriation in the Budget year (b)	25,598	18,332	14,203	11,771	9,344
Administered total	595,145	551,003	552,484	576,759	558,653
Departmental expenses					
Departmental appropriation (c)					
Services to Senators, Members and their staff	28,052	26,403	26,536	26,768	26,754
Expenses not requiring appropriation in the Budget year (b)	1,305	2,853	744	561	537
Departmental total	29,357	29,256	27,280	27,329	27,291
Total expenses for Program 3.1	624,502	580,259	579,764	604,088	585,944

Table continues on next page

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	336,288	300,425	305,622	331,951	316,272
Special appropriations	233,259	232,246	232,659	233,037	233,037
Expenses not requiring appropriation in the Budget year (b)	25,598	18,332	14,203	11,771	9,344
Administered total	595,145	551,003	552,484	576,759	558,653
Departmental expenses					
Departmental appropriation (c)	28,052	26,403	26,536	26,768	26,754
Expenses not requiring appropriation in the Budget year (b)	1,305	2,853	744	561	537
Departmental total	29,357	29,256	27,280	27,329	27,291
Total expenses for Outcome 3	624,502	580,259	579,764	604,088	585,944
	2021-22	2022-23			
Average staffing level (number)	117	117			

(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, amortisation expenses and resources received free of charge.

(c) Departmental appropriation combines ordinary annual services (Appropriation Bill No. 1) and estimated receipts retained under section 74 of the PGPA Act.

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 measure for Outcome 3

Table 2.3.2 details the performance measures for each program associated with Outcome 3. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 3.1 – Ministerial and Parliamentary Services		
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.		
Key Activities	Deliver ministerial and parliamentary services Provide a range of services to parliamentarians, their employees and others as determined by the Australian Government to assist them in undertaking their duties.	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Services meet clients' needs Services meet the needs of parliamentarians, their employees and others as required by the Australian Government.	On Track For the period 1 July 2021 to 31 December 2021: <ul style="list-style-type: none"> • Our help desks acknowledged 96.7% of client contacts or queries within 24 hours and responded within agreed timeframes. • 95.3% of payments (including payroll) were made within agreed timeframes. • 100% of office establishment and relocation projects have been delivered in accordance with the National Fitout Standards. • COMCAR completed 99.7% of reservations without service failure.

Table continues on next page

Table 2.3.2: Performance measure for Outcome 3 (continued)

Performance information: Program 3.1 – Ministerial and Parliamentary Services		
Year	Performance measures	Expected Performance Results
Current year 2021-22 (continued)	<p>Improve administration of parliamentary work expenses</p> <p>The timeliness, efficiency, clarity and transparency of the administration of parliamentary work expenses is improved</p>	<p>On Track</p> <p>Met – Phase 1 of Milestone 7 (HR functionality) was released on 1 July 2021. The HR functions have been operating successfully since July without major issues.</p> <p>Phase 2 of Milestone 7 will see the release of the work expenses functionality by no later than mid-2022.</p> <p>Iterations of PEMS has been delivered since 2018, allowing parliamentarians and their staff to access PEMS from any computer or mobile device, to lodge, monitor and certify work expense claims. This provides increased efficiencies and reduces the administrative burden on parliamentarians' offices. Since July 2021 parliamentarians and their staff are able to access HR management functions.</p> <p>Since 1 July 2021, usage of PEMS by parliamentarians and their staff for office expense claims, travel expense claims and to perform HR functions has increased. In the 6 month period to 31 December 2021:</p> <ul style="list-style-type: none"> • 72% of parliamentarians have personally used PEMS to certify claims (office or travel) • 96% of parliamentary offices have used PEMS to certify at least one claim (office or travel) • The proportion of claims processed through PEMS (relating to claims where PEMS functionality is available) is 94% for office expenses <p>Since July 2021, users accessing the system has increased by 70% (on average 750 users have access the system weekly).</p>

Table continues on next page

Table 2.3.2: Performance measure for Outcome 3 (continued)

Performance information: Program 3.1 – Ministerial and Parliamentary Services		
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	Services meet clients' needs 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"> • Client contacts acknowledged within 24 hours and responded to within agreed timeframes 95% of the time. • Payments (including payroll) will be made within agreed timeframes 95% of the time. • Office establishment and relocation projects will be delivered in accordance with the National Fitout Standards 100% of the time. • COMCAR reservations will be completed without service failure 99% of the time.
	Improve administration of parliamentary work expenses The timeliness, efficiency, clarity and transparency of the administration of parliamentary work expenses is improved.	Increased usage of PEMS by parliamentarians and their staff.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.8 resulting from 2022-23 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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

2022-23

Finance is forecasting expenses of \$660.1 million in 2022-23, an increase from the \$558.7 million forecast in the 2021-22 Portfolio Additional Estimates Statements (PAES). This is primarily due to increases in budgeted supplier expenses and depreciation and amortisation.

Finance is forecasting total own source income of \$336.4 million, an increase from the \$332.8 million forecast in the 2021-22 PAES. This is mainly due to an increase in insurance premiums.

Finance is budgeting for a deficit of \$51.2 million, a decrease from the forecast surplus of \$44.5 million in the 2021-22 PAES. This is mainly due to an increase of \$69.5 million in depreciation and amortisation expenses and a decrease of \$22.8 million in gains from asset sales.

Balance sheet – Departmental

The budgeted net asset position as at 30 June 2023 of \$3,382.2 million represents a decrease from the \$3,461.8 million forecast in the 2021-22 PAES. This is primarily due to revised estimates for non-financial asset balances.

Schedule of budgeted income and expenses – Administered**2022-23**

Total Administered income is \$2,453.8 million in 2022-23, a decrease from \$2,751.4 million reported in the 2021-22 PAES. This is primarily due to revised estimates for interest, dividends and gain on sale of investment for the Australian Government Investments Funds

Finance is budgeting for Administered expenses of \$11,666.8 million, an increase from the \$11,445.4 million budgeted for in the 2021-22 PAES. This is primarily due to revisions in estimates for superannuation.

Schedule of budgeted assets and liabilities – Administered

Administered assets are budgeted to total \$51,845.5 million by 30 June 2023, a decrease from the \$52,813.0 million estimated in the 2021-22 PAES. This is primarily due to investments for the Australian Government Investment Funds.

Administered liabilities are estimated to total \$149,123.6 million by 30 June 2023, an increase from the \$148,627.0 million estimated in the 2021-22 PAES. This is mainly due to superannuation liabilities.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	173,411	169,892	169,895	169,895	169,895
Suppliers	184,094	181,965	151,414	150,411	149,165
Depreciation and amortisation (a)	53,916	123,314	118,072	118,544	117,323
Finance costs	7,666	7,536	7,394	7,242	7,078
Losses from asset sales (b)	2,596	135	109	-	-
Write-down and impairment of assets	17,173	6,501	6,196	13,971	7,872
Insurance claims	189,419	162,375	173,853	186,099	198,960
Other expenses	8,304	8,403	8,403	8,403	8,403
Total expenses	636,579	660,121	635,336	654,565	658,696
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Contracts with customers	75,623	80,316	89,938	91,584	92,583
Insurance premiums	165,476	176,829	188,286	198,900	211,485
Rental income	78,344	78,635	80,647	82,585	84,506
Other	20,531	620	620	620	620
Total own-source revenue	339,974	336,400	359,491	373,689	389,194
Gains					
Gains from asset sales (b)	-	-	-	-	16,326
Other (c)	1,371	1,391	1,391	1,391	1,391
Total gains	1,371	1,391	1,391	1,391	17,717
Total own-source income	341,345	337,791	360,882	375,080	406,911
Net (cost of)/contribution by services	(295,234)	(322,330)	(274,454)	(279,485)	(251,785)
Revenue from Government	278,940	274,384	247,700	248,958	249,233
Surplus/(deficit) before income tax	(16,294)	(47,946)	(26,754)	(30,527)	(2,552)
Income tax expense	3,277	3,270	3,270	3,270	3,270
Surplus/(deficit) after income tax	(19,571)	(51,216)	(30,024)	(33,797)	(5,822)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(19,571)	(51,216)	(30,024)	(33,797)	(5,822)

Table continues on next page

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per the statement of comprehensive income	(19,571)	(51,216)	(30,024)	(33,797)	(5,822)
plus: depreciation/amortisation of assets funded through appropriations (DCB funding and /or equity injections) (a)	36,035	105,433	100,191	100,663	99,442
plus: depreciation/amortisation for ROU (d)	17,881	17,881	17,881	17,881	17,881
less: principal repayments on leased assets (d)	7,713	8,369	9,052	9,769	10,515
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	26,632	63,729	78,996	74,978	100,986

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Bill (No. 1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the DCB) provided through Appropriation Bill (No. 1) equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Represents the net gain/loss from the government's non-Defence Property Divestment Program within Australia.
- (c) Other gains includes resources received free of charge for financial statement audit services from the Australian National Audit Office.
- (d) Applies to Right-of-Use (ROU) assets under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents (a)	1,308,269	882,201	871,598	856,635	870,912
Trade and other receivables	72,067	74,101	75,233	75,655	80,172
Other financial assets	5,820	5,820	5,820	5,820	5,820
Total financial assets	1,386,156	962,122	952,651	938,110	956,904
Non-financial assets					
Land and buildings (b)	2,921,740	2,854,895	2,782,974	2,702,545	2,617,508
Property, plant and equipment	15,333	14,929	15,397	15,969	16,787
Investment property (b)	834,755	834,755	834,755	834,755	834,755
Intangibles	94,594	92,423	94,628	95,050	96,895
Other non-financial assets	7,941	7,941	7,941	7,941	7,941
Total non-financial assets	3,874,363	3,804,943	3,735,695	3,656,260	3,573,886
Total assets	5,260,519	4,767,065	4,688,346	4,594,370	4,530,790
LIABILITIES					
Payables					
Suppliers	37,504	37,504	37,504	37,504	37,504
Unearned revenue	16,803	16,803	16,803	16,803	16,803
Return of equity	73,206	73,206	73,206	73,206	73,206
Leases	447,794	439,754	430,729	420,963	410,448
Other payables	31,526	31,526	31,526	31,526	31,526
Total payables	606,833	598,793	589,768	580,002	569,487
Interest bearing liabilities					
Provisions					
Employee provisions	66,155	66,155	66,155	66,155	66,155
Outstanding insurance claims	1,132,504	714,890	714,890	714,890	714,890
Other provisions	5,029	5,029	5,029	5,029	5,029
Total provisions	1,203,688	786,074	786,074	786,074	786,074
Total liabilities	1,810,521	1,384,867	1,375,842	1,366,076	1,355,561
Net assets	3,449,998	3,382,198	3,312,504	3,228,294	3,175,229
EQUITY*					
Contributed equity	2,648,117	2,631,057	2,590,585	2,539,433	2,491,451
Reserves	401,153	401,153	401,153	401,153	401,153
Retained surplus (accumulated deficit)	400,728	349,988	320,766	287,708	282,625
Total equity	3,449,998	3,382,198	3,312,504	3,228,294	3,175,229

Prepared on Australian Accounting Standards basis.

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

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

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2022-23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	400,728	401,153	2,648,117	3,449,998
Adjustment for changes in accounting policies	476	-	-	476
Adjusted opening balance	401,204	401,153	2,648,117	3,450,474
Comprehensive income				
Surplus/(deficit) for the period	(51,216)	-	-	(51,216)
Total comprehensive income/(loss)	(51,216)	-	-	(51,216)
Transactions with owners				
Distributions to owners				
Returns on capital:				
Distribution of equity	-	-	(29,778)	(29,778)
Contributions by owners				
Equity injection - Appropriation	-	-	5,583	5,583
Departmental capital budget (DCB)	-	-	6,529	6,529
Other	-	-	606	606
Sub-total transactions with owners	-	-	(17,060)	(17,060)
Estimated closing balance as at 30 June 2023	349,988	401,153	2,631,057	3,382,198
Closing balance attributable to the Australian Government	349,988	401,153	2,631,057	3,382,198

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Contracts with customers	153,967	158,951	170,585	174,169	177,089
Appropriations	346,229	272,352	246,568	248,536	244,716
Insurance premiums	165,476	176,829	188,286	198,900	211,485
Other	19,934	618	620	620	620
Total cash received	685,606	608,750	606,059	622,225	633,910
Cash used					
Employees	173,411	169,892	169,895	169,895	169,895
Suppliers	210,597	181,403	152,213	150,286	158,536
Insurance claims	158,625	587,092	180,964	193,236	206,097
Interest payments on lease liabilities	7,666	7,536	7,394	7,242	7,078
Other	3,277	3,270	3,270	3,270	3,270
Total cash used	553,576	949,193	513,736	523,929	544,876
Net cash from/(used by) operating activities	132,030	(340,443)	92,323	98,296	89,034
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	11,303	298	1,400	-	36,506
Total cash received	11,303	298	1,400	-	36,506
Cash used					
Construction/purchase of land and buildings	1,429,290	47,776	44,255	42,951	43,840
Construction/purchase of property, plant and equipment	2,122	2,888	1,264	1,273	1,300
Construction/purchase of intangibles	9,748	9,224	10,072	8,114	7,626
Total cash used	1,441,160	59,888	55,591	52,338	52,766
Net cash from/(used by) investing activities	(1,429,857)	(59,590)	(54,191)	(52,338)	(16,260)

Table continues on next page

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,382,785	12,112	11,336	9,387	8,926
Total cash received	1,382,785	12,112	11,336	9,387	8,926
Cash Used					
Return of contributed equity	19,199	29,778	51,019	60,539	56,908
Principal payments on lease liabilities	7,713	8,369	9,052	9,769	10,515
Total cash used	26,912	38,147	60,071	70,308	67,423
Net cash from/(used by) financing activities	1,355,873	(26,035)	(48,735)	(60,921)	(58,497)
Net increase/(decrease) in cash held	58,046	(426,068)	(10,603)	(14,963)	14,277
Cash and cash equivalents at the beginning of the reporting period	1,250,223	1,308,269	882,201	871,598	856,635
Cash and cash equivalents at the end of the reporting period	1,308,269	882,201	871,598	856,635	870,912

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	6,413	6,529	6,553	6,604	6,743
Equity injections - Bill 2	1,376,372	5,583	4,783	2,783	2,183
Total new capital appropriations	1,382,785	12,112	11,336	9,387	8,926
<i>Provided for:</i>					
Purchase of non-financial assets	1,382,785	12,112	11,336	9,387	8,926
Total items	1,382,785	12,112	11,336	9,387	8,926
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	1,386,459	5,583	4,783	2,783	2,183
Funded by capital appropriation - DCB (a)	6,413	6,529	6,553	6,604	6,743
Funded internally from departmental resources (b)	48,288	47,776	44,255	42,951	43,840
TOTAL	1,441,160	59,888	55,591	52,338	52,766
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,441,160	59,888	55,591	52,338	52,766
Total cash used to acquire assets	1,441,160	59,888	55,591	52,338	52,766

Prepared on Australian Accounting Standards basis.

- (a) Does not include annual finance lease costs.
- (b) Includes the following sources of funding:
- Current and prior year annual appropriation.
 - Funds held in special accounts.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022						
Gross book value	461,137	2,068,906	30,497	834,755	207,999	3,603,294
Gross book value - ROU assets	-	467,510	2,002	-	-	469,512
Accumulated depreciation/ amortisation and impairment	-	(23,157)	(15,712)	-	(113,405)	(152,274)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(52,656)	(1,454)	-	-	(54,110)
Opening net book balance	461,137	2,460,603	15,333	834,755	94,594	3,866,422
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity (a)	-	-	1,629	-	3,954	5,583
By purchase - appropriation ordinary annual services (b)	-	-	1,259	-	5,270	6,529
By purchase - appropriation ordinary annual services - ROU assets	-	-	329	-	-	329
By purchase - other	-	47,776	-	-	-	47,776
Total additions	-	47,776	3,217	-	9,224	60,217
Other movements						
Depreciation/amortisation expense	-	(90,270)	(3,768)	-	(11,395)	(105,433)
Depreciation/amortisation on ROU assets	-	(17,552)	(329)	-	-	(17,881)
Disposals (c)	-	(298)	-	-	-	(298)
From disposal of entities or operations (including restructuring) on ROU assets	-	(4,093)	-	-	-	(4,093)
Other	-	(2,408)	476	-	-	(1,932)
Total other movements	-	(114,621)	(3,621)	-	(11,395)	(129,637)
As at 30 June 2023						
Gross book value	461,137	2,113,976	33,861	834,755	217,223	3,660,952
Gross book value - ROU assets	-	463,417	2,331	-	-	465,748
Accumulated depreciation/ amortisation and impairment	-	(113,427)	(19,480)	-	(124,800)	(257,707)
Accumulated depreciation/ amortisation and impairment - ROU assets	-	(70,208)	(1,783)	-	-	(71,991)
Closing net book balance	461,137	2,393,758	14,929	834,755	92,423	3,797,002

Prepared on Australian Accounting Standards basis:

- (a) 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Bill (No. 2) 2022-23.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, DCBs or other operational expenses.
- (c) Net proceeds may be returned to the Official Public Account.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	399,829	367,527	373,558	399,576	383,902
Suppliers	131,612	128,226	127,802	128,441	128,440
Superannuation	8,378,935	8,851,959	8,866,228	8,865,209	9,196,552
Distributions from the Investment Funds (a)	2,801,901	2,093,793	1,951,888	809,961	811,392
Grants	3,963	3,049	3,071	3,093	3,114
Depreciation and amortisation (b)	62,388	54,467	50,338	47,906	45,479
Investment funds	119,114	157,357	159,890	163,792	164,353
Other expenses	9,861	10,463	10,442	10,467	10,435
Total expenses administered on behalf of Government	11,907,603	11,666,841	11,543,217	10,428,445	10,743,667
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Contracts with customers	2,346	3,000	3,000	4,000	4,000
Interest and dividends (c)	515,158	1,016,932	1,340,555	1,353,573	1,354,586
Superannuation contributions (d)	1,084,502	1,005,091	945,515	890,862	837,290
Other revenue	13,068	13,639	13,685	13,732	13,732
Total non-taxation revenue	1,615,074	2,038,662	2,302,755	2,262,167	2,209,608
Total own-source revenue administered on behalf of Government	1,615,074	2,038,662	2,302,755	2,262,167	2,209,608
Gains					
Gain on sale of investments	865,418	415,088	554,372	559,181	562,450
Total gains administered on behalf of Government	865,418	415,088	554,372	559,181	562,450
Total own-sourced income administered on behalf of Government	2,480,492	2,453,750	2,857,127	2,821,348	2,772,058
Net cost of/(contribution by) services	(9,427,111)	(9,213,091)	(8,686,090)	(7,607,097)	(7,971,609)
Total comprehensive income (loss) attributable to the Australian Government	(9,427,111)	(9,213,091)	(8,686,090)	(7,607,097)	(7,971,609)

Prepared on Australian Accounting Standards basis.

- (a) Estimates of distributions 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 to 2.2.1.5.
- (b) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Administered Capital Budget, or ACB) provided through Bill 1 equity appropriations. For information regarding ACBs, please refer to Table 3.10 Administered Capital Budget Statement.
- (c) Includes earnings for the Australian Government Investment Funds and corporate Commonwealth entities.
- (d) Principally Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) notional employer superannuation contributions.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents (a)	425,529	523,027	543,245	543,060	542,876
Trade and other receivables	209,295	97,466	62,731	39,635	14,174
Investments (b)	50,769,581	50,849,069	51,698,645	48,632,650	45,569,144
Other financial assets	46,507	46,507	46,507	46,507	46,507
Total financial assets	51,450,912	51,516,069	52,351,128	49,261,852	46,172,701
Non-financial assets					
Buildings	260,272	226,085	192,438	160,432	130,572
Property, plant and equipment	97,767	98,554	99,001	98,313	98,120
Intangibles	93	93	93	93	93
Other non-financial assets	4,718	4,718	4,718	4,718	4,718
Total non-financial assets	362,850	329,450	296,250	263,556	233,503
Total assets administered on behalf of Government	51,813,762	51,845,519	52,647,378	49,525,408	46,406,204
LIABILITIES					
Payables					
Suppliers	15,464	15,464	15,464	15,464	15,464
Other payables	620,409	620,303	620,197	620,197	620,197
Total payables	635,873	635,767	635,661	635,661	635,661
Interest bearing liabilities					
Leases	242,150	201,242	159,881	116,517	72,615
Total interest bearing liabilities	242,150	201,242	159,881	116,517	72,615
Provisions					
Employee provisions (c)	296,757	296,757	296,757	296,757	296,757
Superannuation	146,382,216	147,975,201	149,272,310	155,776,191	158,347,241
Other provisions	15,213	14,663	14,062	13,406	12,692
Total provisions	146,694,186	148,286,621	149,583,129	156,086,354	158,656,690
Total liabilities administered on behalf of Government	147,572,209	149,123,630	150,378,671	156,838,532	159,364,966
Net assets/(liabilities)	(95,758,447)	(97,278,111)	(97,731,293)	(107,313,124)	(112,958,762)

Prepared on Australian Accounting Standards basis.

- (a) Represents balance held in the DHA Borrowings Special Account 2020.
- (b) Represents investments in the Australian Government Investment Funds. Also represented are investments in other Commonwealth entities that are 100% owned by the Commonwealth.
- (c) Represents Life Gold Pass Holders liabilities and employee provisions for staff employed under the *Members of Parliament (Staff) Act 1984*.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Contracts with customers	2,343	3,000	3,000	4,000	4,000
Interest and dividends (a)	474,141	998,041	1,322,672	1,334,360	1,333,383
Superannuation contributions - employers (b)	1,084,502	1,005,091	945,515	890,862	837,290
Superannuation funds contributions - members (c)	1,582,130	799,611	778,766	6,312,782	2,362,244
Other	38,240	16,395	15,705	17,386	19,718
Total cash received	3,181,356	2,822,138	3,065,658	8,559,390	4,556,635
Cash used					
Employees (d)	399,935	367,633	373,664	399,576	383,902
Suppliers	246,761	280,924	283,033	287,574	288,134
Distributions from the Investment Funds (e)	2,801,901	2,093,793	1,951,888	809,961	811,392
Grants	3,963	3,049	3,071	3,093	3,114
Superannuation payments (f)	8,101,210	8,241,323	8,535,655	8,864,741	9,190,915
Interest payments on lease liability	3,053	3,053	3,053	3,053	3,053
Other	18,510	7,960	7,990	8,070	8,096
Total cash used	11,575,333	10,997,735	11,158,354	10,376,068	10,688,606
Net cash from/(used by) operating activities	(8,393,977)	(8,175,597)	(8,092,696)	(1,816,678)	(6,131,971)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of investments	6,921,015	6,251,150	6,111,777	4,973,753	4,975,745
Repayments of advances and loans	82,246	107,446	32,555	12,683	12,847
Total cash received	7,003,261	6,358,596	6,144,332	4,986,436	4,988,592
Cash used					
Purchase of property, plant and equipment	24,728	17,921	14,445	14,522	15,274
Investments	5,179,141	5,868,041	6,390,171	1,334,360	1,333,383
Other	232,965	30,000	-	-	-
Total cash used	5,436,834	5,915,962	6,404,616	1,348,882	1,348,657
Net cash from / (used by) investing activities	1,566,427	442,634	(260,284)	3,637,554	3,639,935

Table continues on next page

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributions to the Investment Funds	4,705,000	4,870,000	5,067,500	-	-
Total cash received	4,705,000	4,870,000	5,067,500	-	-
Cash used					
Distributions from the Investment Funds (e)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Principal payments on lease liabilities	44,054	44,054	44,054	44,054	44,054
Total cash used	4,044,054	4,044,054	4,044,054	4,044,054	4,044,054
Net cash from/(used by) financing activities	660,946	825,946	1,023,446	(4,044,054)	(4,044,054)
Net increase/(decrease) in cash held	(6,166,604)	(6,907,017)	(7,329,533)	(2,223,178)	(6,536,090)
Cash and cash equivalents at beginning of reporting period	349,234	425,529	523,027	543,245	543,060
Cash from Official Public Account for:					
- Appropriations	7,477,652	8,345,367	8,721,197	3,594,107	7,907,020
Total cash from Official Public Account	7,826,886	8,770,896	9,244,224	4,137,352	8,450,080
Cash to Official Public Account for:					
- Appropriations	(1,234,753)	(1,340,852)	(1,371,446)	(1,371,114)	(1,371,114)
Total cash to Official Public Account	(1,234,753)	(1,340,852)	(1,371,446)	(1,371,114)	(1,371,114)
Cash and cash equivalents at end of reporting period	425,529	523,027	543,245	543,060	542,876

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 to 2.2.1.5.
- (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.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	5,279	5,395	5,375	5,400	5,426
Administered Assets and Liabilities - Bill 2	53,427	2,592	3,076	3,128	3,854
Total new capital appropriations	58,706	7,987	8,451	8,528	9,280
Provided for:					
Purchase of non-financial assets	6,706	6,987	7,451	7,528	8,280
Other Items	52,000	1,000	1,000	1,000	1,000
Total items	58,706	7,987	8,451	8,528	9,280
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB (a)	8,600	5,395	5,375	5,400	5,426
Funded by Administered Assets and Liabilities (b)	3,980	1,592	2,076	2,128	2,854
Funded by special appropriations	12,148	10,934	6,994	6,994	6,994
TOTAL	24,728	17,921	14,445	14,522	15,274
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total asset additions	24,728	17,921	14,445	14,522	15,274
Total cash used to acquire assets	24,728	17,921	14,445	14,522	15,274

Prepared on Australian Accounting Standards basis.

- (a) 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.

Table 3.11: Statement of administered asset movements (2022-23 Budget year)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	68,091	100,394	196	168,681
Gross book value - ROU assets	344,731	15,164	-	359,895
Accumulated depreciation/amortisation and impairment	(34,067)	(9,386)	(103)	(43,556)
Accumulated depreciation/amortisation and impairment - ROU assets	(118,483)	(8,405)	-	(126,888)
Opening net book balance	260,272	97,767	93	358,132
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	1,592	-	1,592
By purchase - appropriation ordinary annual services	4,030	1,365	-	5,395
By purchase - appropriation ordinary annual services - ROU	-	3,146	-	3,146
By purchase - other	8,168	2,766	-	10,934
Total additions	12,198	8,869	-	21,067
Other movements				
Depreciation/amortisation expense	(8,737)	(4,936)	-	(13,673)
Depreciation/amortisation on ROU assets	(37,648)	(3,146)	-	(40,794)
Total other movements	(46,385)	(8,082)	-	(54,467)
As at 30 June 2023				
Gross book value	80,289	106,117	196	186,602
Gross book value - ROU assets	344,731	18,310	-	363,041
Accumulated depreciation/amortisation and impairment	(42,804)	(14,322)	(103)	(57,229)
Accumulated depreciation/amortisation and impairment - ROU assets	(156,131)	(11,551)	-	(167,682)
Closing net book balance	226,085	98,554	93	324,732

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 electoral events, including federal elections, by-elections and referendums, and industrial elections and ballots
- ensuring confidence in the Commonwealth Electoral Roll
- regulating political party registrations and financial disclosure
- supporting electoral redistributions
- undertaking public awareness activities.

The AEC also provides 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 the 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 the 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 2022-23 as at Budget March 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation (b)	478,864	165,400
s74 External Revenue (c)	11,038	11,037
Departmental capital budget (d)	37,136	49,959
Total departmental annual appropriations	527,038	226,396
Total departmental special appropriations (e)	14,900	14,900
Total departmental resourcing	541,938	241,296
Administered		
Total administered special appropriations	74,000	-
Total administered resourcing	74,000	-
Total resourcing for entity Australian Electoral Commission	615,938	241,296
	2021-22	2022-23
Average staffing level (number)	794	794

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

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Appropriation Bill (No. 1) 2022-23.
- (b) 2021-22 Departmental appropriation excludes \$29.9m subject to administrative quarantine by Finance.
- (c) Estimated External 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 moneys held in Services for Other Entities and Trust Moneys (SOETM).

1.3 Budget measures

No Budget measures have been announced since the 2021-22 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 Commonwealth performance framework established by the PGPA Act. It is anticipated that the performance measure 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 the Australian Electoral Commission can be found at: [AEC Corporate Plan 2021-22](#).

The most recent annual performance statement can be found at: [2020-21 Annual Performance Statements](#).

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

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.

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Deliver Electoral Events					
Administered expenses					
Special appropriations					
<i>Commonwealth Electoral Act 1918</i>	74,000	-	-	75,500	-
Administered total	74,000	-	-	75,500	-
Departmental expenses					
Departmental appropriation	508,764	165,400	178,739	368,682	149,026
s74 External Revenue (a)	11,038	11,037	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)	12,701	12,835	12,149	12,149	12,149
Departmental total	547,403	204,172	216,826	406,769	187,113
Total expenses for program 1.1	621,403	204,172	216,826	482,269	187,113
Outcome 1 Totals by appropriation type					
Administered expenses					
Special appropriations	74,000	-	-	75,500	-
Administered total	74,000	-	-	75,500	-
Departmental expenses					
Departmental appropriation	508,764	165,400	178,739	368,682	149,026
s74 External Revenue (a)	11,038	11,037	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)	12,701	12,835	12,149	12,149	12,149
Departmental total	547,403	204,172	216,826	406,769	187,113
Total expenses for Outcome 1	621,403	204,172	216,826	482,269	187,113
Average staffing level (number)					
	2021-22 794	2022-23 794			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and 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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs is provided.

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.		
Program 1.1 – Deliver Electoral Events		
Key Activities	<ul style="list-style-type: none"> • Maintain the integrity of electoral and regulatory processes. • Prepare for and deliver electoral events. • Engage with our stakeholders through education and public awareness activities. • Maintain a capable and agile organisation and continue to professionalise our workforce. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Electoral Roll Management <ul style="list-style-type: none"> • Percentage of eligible voters enrolled (enrolment rate). • Redistributions determined when planned in accordance with timeframes identified in the <i>Commonwealth Electoral Act 1918</i>. 	<p>Target: ≥ 95% reported annually and at close of rolls for a federal election or referendum.</p> <p>Performance: On track to be met. The enrolment rate at 31 December 2021 was 96.3% and is expected to remain above 95%.</p> <p>Target: All redistributions in the period determined and affected electors informed.</p> <p>Performance: On track to be met. The Victorian redistribution was determined on 26 July 2021 and the Western Australian redistribution was determined on 2 August 2021. Electors who were transferred between electoral rolls as a result of the two redistributions were informed by notices published in state-wide newspapers and newspapers targeted to Indigenous and rural audiences. Letters were also sent to households affected by these transfers.</p>

Table continues on next page

Table 2.1.2: Performance measure for Outcome 1 (continued)

Performance information: Program 1.1 – Deliver Electoral Events		
Year	Performance measures	Expected Performance Results
Current year 2021-22 (continued)	<p>Elections, By-elections and Referendums</p> <ul style="list-style-type: none"> The writs for a federal election event are issued and returned in accordance with legislation and timeframes. For industrial elections and ballots, results are delivered with integrity and withstand scrutiny. <p>Public Awareness</p> <ul style="list-style-type: none"> Deliver public awareness and education products that target all Australian citizens aged 18 years and over. <p>Party Registration and Financial Disclosure</p> <ul style="list-style-type: none"> The AEC maintains an up-to-date public register of political parties. 	<p>Target: Date on the returned election writs falls within the timeframe specified.</p> <p>Performance: On track to be met. The AEC anticipates returning the writs for the federal election within specified timeframes.</p> <p>Target: No targets. The AEC will report on the number of events where the AEC's conduct is challenged before a court and whether the court dismissed the challenge or upheld in favour of the AEC.</p> <p>Performance: On track to be met. There were no findings of fault of the AEC's conduct of the industrial elections and ballots to date.</p> <p>Target: Campaign is delivered in accordance with objectives outlined in the campaign strategy.</p> <p>Performance: On track to be met. The AEC has developed an integrated multi-channel communication campaign to be run during the 2022 federal election. This campaign is to provide to voters (all Australian citizens aged 18 and over) the information they need to effectively participate in the election, including to specialist audiences of culturally and linguistically diverse voters, Indigenous voters and voters who are blind or have low vision.</p> <p>Target: Compliance with Part XI of the <i>Commonwealth Electoral Act 1918</i>.</p> <p>Performance: On track to be met. The AEC has continued to maintain an up-to-date public register of political parties.</p>

Table continues on next page

Table 2.1.2: Performance measure for Outcome 1 (continued)

Performance information: Program 1.1 – Deliver Electoral Events		
Year	Performance measures	Expected Performance Results
Current year 2021-22 (continued)	<ul style="list-style-type: none"> Disclosure returns are published and regulated in accordance with timeframes in the <i>Commonwealth Electoral Act 1918</i>. 	<p>Target: Annual returns published on the first working day in February.</p> <p>Performance: On track to be met. 2020–21 annual disclosure returns received by the AEC were published, as planned, on the first working day in February 2022. The annual disclosure returns related to the <i>Electoral Legislation Amendment (Annual Disclosure Equality) Act 2021</i> were published on 1 March 2022 in line with the recent legislative amendment to the aforementioned Bill.</p> <p>Target: Election returns published 24 weeks after polling day for each electoral event.</p> <p>Performance: On track to be met. Note that there have been no electoral events within the reportable timeframe.</p>
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<p>Electoral Roll Management</p> <ul style="list-style-type: none"> Percentage of eligible voters enrolled (enrolment rate). Redistributions determined in accordance with the <i>Commonwealth Electoral Act 1918</i>. <p>Elections, By-elections and Referendums</p> <ul style="list-style-type: none"> The election result – for each event – is delivered in accordance with the <i>Commonwealth Electoral Act 1918</i>. Industrial election and ballot results are delivered with integrity and withstand scrutiny. 	<ul style="list-style-type: none"> ≥ 95% reported annually and at close of rolls for a federal election or referendum. All redistributions are determined in accordance with the planned determination date and impacted electors are notified prior to the relevant federal election. The writs for a federal election event are issued and returned in accordance with legislative requirements and timeframes. The AEC will report on the outcomes and number of events in which the AEC's conduct is challenged before a court.

Table continues on next page

Table 2.1.2: Performance measure for Outcome 1 (continued)

Performance information: Program 1.1 – Deliver Electoral Events		
Year	Performance measures	Planned Performance Results
Budget year 2022-23 (continued)	<p>Public Awareness</p> <ul style="list-style-type: none"> Deliver public awareness and education products that target all Australian citizens aged 18 years and over. <p>Party Registration and Financial Disclosure</p> <ul style="list-style-type: none"> The AEC maintains an up-to-date public register of political parties. Disclosure returns are published and regulated in accordance with timeframes in the <i>Commonwealth Electoral Act 1918</i>. 	<ul style="list-style-type: none"> The AEC's public awareness campaign is delivered in accordance with key objectives outlined in the campaign strategy. Compliance with s125(1) of Part XI of the <i>Commonwealth Electoral Act 1918</i>. Annual returns published on the first working day in February. Election returns published 24 weeks after polling day for each electoral event.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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 budgeted financial statements have not changed materially from the amounts published in the Portfolio Additional Estimates Statements 2021-22 (PAES). The changes reflect the effect of economic parameter adjustments.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	178,239	96,804	102,171	180,671	103,671
Suppliers	343,059	80,865	88,168	199,610	56,954
Depreciation and amortisation (a)	25,252	25,523	25,523	25,523	25,523
Finance costs	768	780	781	782	782
Other expenses	85	200	183	183	183
Total expenses	547,403	204,172	216,826	406,769	187,113
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	11,038	11,037	11,038	11,038	11,038
Total own-source revenue	11,038	11,037	11,038	11,038	11,038
Gains					
Other gains	85	200	183	183	183
Total gains	85	200	183	183	183
Total own-source income	11,123	11,237	11,221	11,221	11,221
Net (cost of)/contribution by services	(536,280)	(192,935)	(205,605)	(395,548)	(175,892)
Revenue from Government	523,664	180,300	193,639	383,582	163,926
Surplus/(deficit) attributable to the Australian Government	(12,616)	(12,635)	(11,966)	(11,966)	(11,966)
Total comprehensive income/(loss)	(12,616)	(12,635)	(11,966)	(11,966)	(11,966)
Total comprehensive income/(loss) attributable to the Australian Government	(12,616)	(12,635)	(11,966)	(11,966)	(11,966)

Table continues on next page

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**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of					
Comprehensive Income	(12,616)	(12,635)	(11,966)	(11,966)	(11,966)
plus: depreciation/amortisation of assets funded through appropriations (a)	11,966	11,966	11,966	11,966	11,966
plus: depreciation/amortisation expenses for ROU assets (b)	13,286	13,557	13,557	13,557	13,557
less: lease principal repayments (b)	12,636	12,888	13,557	13,557	13,557
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were 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.
- (b) Applies to leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,348	1,348	1,348	1,348	1,348
Trade and other receivables	144,778	144,778	144,778	144,778	144,778
Other financial assets	72	72	72	72	72
Total financial assets	146,198	146,198	146,198	146,198	146,198
Non-financial assets					
Land and buildings	74,485	71,984	71,984	71,984	71,984
Property, plant and equipment	15,616	24,303	32,424	40,541	49,307
Intangibles	40,380	72,841	72,004	66,592	60,609
Inventories	1,432	1,432	1,432	1,432	1,432
Other non-financial assets	1,347	1,347	1,347	1,347	1,347
Total non-financial assets	133,260	171,907	179,191	181,896	184,679
Total assets	279,458	318,105	325,389	328,094	330,877
LIABILITIES					
Payables					
Suppliers	10,087	10,087	10,087	10,087	10,087
Other payables	3,102	3,102	3,102	3,102	3,102
Total payables	13,189	13,189	13,189	13,189	13,189
Interest bearing liabilities					
Leases	72,518	73,841	76,996	80,151	83,306
Total interest bearing liabilities	72,518	73,841	76,996	80,151	83,306
Provisions					
Employee provisions	21,527	21,527	21,527	21,527	21,527
Other provisions	3,770	3,770	3,770	3,770	3,770
Total provisions	25,297	25,297	25,297	25,297	25,297
Total liabilities	111,004	112,327	115,482	118,637	121,792
Net assets	168,454	205,778	209,907	209,457	209,085
EQUITY*					
Parent entity interest					
Contributed equity	137,157	187,116	203,211	214,727	226,321
Reserves	28,936	28,936	28,936	28,936	28,936
Retained surplus (accumulated deficit)	2,361	(10,274)	(22,240)	(34,206)	(46,172)
Total parent entity interest	168,454	205,778	209,907	209,457	209,085
Total equity	168,454	205,778	209,907	209,457	209,085

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 2022-23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	2,361	28,936	137,157	168,454
Adjusted opening balance	2,361	28,936	137,157	168,454
Comprehensive income				
Surplus/(deficit) for the period	(12,635)	-	-	(12,635)
Total comprehensive income	(12,635)	-	-	(12,635)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	49,959	49,959
Sub-total transactions with owners	-	-	49,959	49,959
Estimated closing balance as at 30 June 2023	(10,274)	28,936	187,116	205,778
Closing balance attributable to the Australian Government	(10,274)	28,936	187,116	205,778

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	523,664	180,300	193,639	383,582	163,926
Sale of goods and rendering of services	11,038	11,037	11,038	11,038	11,038
Total cash received	534,702	191,337	204,677	394,620	174,964
Cash used					
Employees	178,239	96,804	102,171	180,671	103,671
Suppliers	342,974	80,665	87,985	199,427	56,771
Interest payments on lease liability	768	780	781	782	782
Other expenses	85	200	183	183	183
Total cash used	522,066	178,449	191,120	381,063	161,407
Net cash from/(used by) operating activities	12,636	12,888	13,557	13,557	13,557
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	37,136	49,959	16,095	11,516	11,594
Total cash used	37,136	49,959	16,095	11,516	11,594
Net cash from/(used by) investing activities	(37,136)	(49,959)	(16,095)	(11,516)	(11,594)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	37,136	49,959	16,095	11,516	11,594
Total cash received	37,136	49,959	16,095	11,516	11,594
Cash used					
Principal payments on lease liability	12,636	12,888	13,557	13,557	13,557
Total cash used	12,636	12,888	13,557	13,557	13,557
Net cash from/(used by) financing activities	24,500	37,071	2,538	(2,041)	(1,963)
Cash and cash equivalents at the beginning of the reporting period	1,348	1,348	1,348	1,348	1,348
Cash and cash equivalents at the end of the reporting period	1,348	1,348	1,348	1,348	1,348

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	37,136	49,959	16,095	11,516	11,594
Total new capital appropriations	37,136	49,959	16,095	11,516	11,594
<i>Provided for:</i>					
Purchase of non-financial assets	37,136	49,959	16,095	11,516	11,594
Total items	37,136	49,959	16,095	11,516	11,594
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	37,136	49,959	16,095	11,516	11,594
TOTAL	37,136	49,959	16,095	11,516	11,594
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	37,136	49,959	16,095	11,516	11,594
Total cash used to acquire assets	37,136	49,959	16,095	11,516	11,594

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	10,987	24,452	106,019	141,458
Gross book value - ROU assets	111,055	97	-	111,152
Accumulated depreciation/ amortisation and impairment	(4,249)	(8,901)	(65,639)	(78,789)
Accumulated depreciation/amortisation and impairment - ROU assets	(43,308)	(32)	-	(43,340)
Opening net book balance	74,485	15,616	40,380	130,481
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	11,515	38,444	49,959
By purchase - appropriation ordinary annual services - ROU assets	14,211	-	-	14,211
Total additions	14,211	11,515	38,444	64,170
Other movements				
Depreciation/amortisation expense	(3,155)	(2,828)	(5,983)	(11,966)
Depreciation/amortisation on ROU assets	(13,557)	-	-	(13,557)
Total other movements	(16,712)	(2,828)	(5,983)	(25,523)
As at 30 June 2023				
Gross book value	10,987	35,967	144,463	191,417
Gross book value - ROU assets	125,266	97	-	125,363
Accumulated depreciation/ amortisation and impairment	(7,404)	(11,729)	(71,622)	(90,755)
Accumulated depreciation/amortisation and impairment - ROU assets	(56,865)	(32)	-	(56,897)
Closing net book balance	71,984	24,303	72,841	169,128

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) Departmental Capital Budget 2022-23.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
EXPENSES					
Other expenses	74,000	-	-	75,500	-
Total expenses administered on behalf of Government	74,000	-	-	75,500	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	2,000	66	33	2,500	66
Total non-taxation revenue	2,000	66	33	2,500	66
Total own-source revenue administered on behalf of Government	2,000	66	33	2,500	66
Total own-sourced income administered on behalf of Government	2,000	66	33	2,500	66
Net (cost of)/contribution by services	(72,000)	66	33	(73,000)	66
Total comprehensive income/(loss)	(72,000)	66	33	(73,000)	66

Prepared on Australian Accounting Standards basis.

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

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

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	2,000	66	33	2,500	66
Total cash received	2,000	66	33	2,500	66
Cash used					
Other	74,000	-	-	75,500	-
Total cash used	74,000	-	-	75,500	-
Net cash from/(used by) operating activities	(72,000)	66	33	(73,000)	66
Net increase/(decrease) in cash held	(72,000)	66	33	(73,000)	66
Cash from Official Public Account for:					
- Appropriations	74,000	-	-	75,500	-
Total cash from Official Public	74,000	-	-	75,500	-
Cash to Official Public Account for:					
- Appropriations	(2,000)	(66)	(33)	(2,500)	(66)
Total cash to Official Public Account	(2,000)	(66)	(33)	(2,500)	(66)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of 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 2022-23)

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

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 the entity'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 2022-23 as at Budget March 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Opening balance/cash reserves at 1 July	47,592	44,897
Special accounts		
CSC Special Account Departmental	148,450	151,770
Total special accounts	148,450	151,770
Total funds from Government	148,450	151,770
Total net resourcing for Commonwealth Superannuation Corporation	196,042	196,667
	2021-22	2022-23
Average staffing level (a)	458	476

- (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 2022-23 as at Budget March 2022 (continued)
Third party payments from and on behalf of other entities

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
Finance Superannuation Special Appropriations:		
<i>Superannuation Act 1922</i>	51,765	45,615
<i>Superannuation Act 1976</i>	4,801,455	4,770,586
<i>Superannuation Act 1990</i>	3,138,964	3,307,931
<i>Same-Sex Relationships Act 2008</i> (Equal Treatment in Commonwealth Laws - Superannuation)	69	71
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000
Defence Superannuation Special Appropriations:		
<i>Defence Forces Retirement Benefits Act 1948</i>	33,867	29,677
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,681,870	1,665,335
<i>Military Superannuation and Benefits Act 1991</i>	1,585,532	1,421,304
<i>Australian Defence Force Cover Act 2015</i>	44,245	92,706
CSC draws on the following Finance Annual Appropriations		
<i>Appropriation Act (No.1) (a)</i>	500	500
<i>Appropriation Act (No.1) (b)</i>	892	915
<i>Appropriation Act (No.2) (b)</i>	1,000	1,000
PNG Scheme		
<i>Administered Appropriation Act</i>	3,434	3,277

Prepared on a resourcing (that is, appropriations available) basis.

(a) Compensation and Legal Payments

(b) Act of Grace Payments

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

1.3 Budget measures

No budget measures have been announced since the 2021-22 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 Commonwealth performance framework established by the PGPA Act. 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for CSC can be found at:

<https://www.csc.gov.au/Members/About-CSC/Corporate-governance/>.

The most recent annual performance statement is included inside CSC's 2020-21 Annual Report to Parliament, which can be found at:

<https://www.csc.gov.au/Members/About-CSC/Corporate-governance/>.

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.

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

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.

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Superannuation Scheme Governance					
Revenue from Government					
Special accounts					
CSC Special Account	149,826	151,946	152,128	153,883	155,625
Revenues from other independent sources	23	23	23	23	23
Total expenses for Program 1.1 (a)	149,849	151,969	152,151	153,906	155,648
Outcome 1 totals by resource type					
Revenue from Government					
Special accounts					
CSC Special Account	149,826	151,946	152,128	153,883	155,625
Revenues from other independent sources	23	23	23	23	23
Total expenses for Outcome 1	149,849	151,969	152,151	153,906	155,648
	2021-22	2022-23			
Average staffing level (b)	458	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 schemes for the portion of expenses that are referable to the investment of the scheme funds.

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1 – Superannuation Scheme Governance Build, support and protect better retirement outcomes for all our customers (being current and former Australian Government employees and members of the Australian Defence Force) and their families.		
Key Activities	<ul style="list-style-type: none"> • Risk managed investment of member's superannuation balances. • Meeting license obligations set out by APRA and ASIC. • Development and implementation of industry standard administration services. • Provision of information for scheme members including responding to member enquiries and publications, websites and seminars. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	<ul style="list-style-type: none"> • CSC's investment performance for its default accumulation options over a rolling three-year period. • 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 accumulation options. • Achievement of operational objectives for contributions processing and benefits/pension payments. • Adequate satisfaction levels of customers and employers with the service provided. 	<ul style="list-style-type: none"> • Should market conditions as at March 2022 continue to worsen until the end of the financial year, it is estimated that the annual real return target of 3.5% over a rolling three-year period may not be met. Should market conditions stabilise or improve then CSC's default accumulation option is estimated to meet its return target. • It is estimated that the target of achieving negative returns in no more than 4 out of every 20 years for the default accumulation options will be met. • It is estimated that the target of achieving 90% of each operational objective will be met. • It is estimated that the target of increasing the Net Promoter Score (industry standard satisfaction measure) survey result of +10 for employers will be met.

Table 2.1.2: Performance measure for Outcome 1 (continued)

Performance information: Program 1.1 – Superannuation Scheme Governance		
Current year 2021-22 (continued)		<ul style="list-style-type: none"> It is estimated that the target of increasing the Net Promoter Score survey result for Australian Defence Force customers by 2 points per annum is likely to be met. It is estimated that the target of increasing the Net Promoter Score survey result for other customers by 2 points per annum is unlikely to be met.
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<ul style="list-style-type: none"> CSC's investment performance for its default accumulation options over a rolling three-year period. CSC's investment portfolio is maintained within Board approved risk parameters, such that negative returns are expected in no more than five out of every 20 years for the default accumulation options. Achievement of operational objectives for contributions processing and benefits/pension payments. Adequate satisfaction levels of customers and employers with the service provided. 	<ul style="list-style-type: none"> Default accumulation options annual real return of 3.5% over a rolling three-year period. Negative returns in no more than five out of every 20 years for the default accumulation options. 90% of each operational objective achieved. Net Promoter Score (industry standard satisfaction measure) survey result of +10 for employers. Annual increases in Net Promoter Score survey results for both ADF customers and other customers of two points each.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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.

The projected operating losses reflect the estimated accounting losses associated with the cost of replacing CSC’s scheme administration systems for its defined benefit schemes. CSC has sufficient cash reserves to fund the operating losses without impacting on the financial viability of CSC in the future.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES (a)					
Employee benefits	80,118	81,440	83,068	84,726	86,419
Suppliers	63,943	68,659	67,951	60,365	60,740
Depreciation and amortisation	10,747	10,738	8,787	8,523	8,197
Finance costs	496	412	378	286	199
Write-down and impairment of assets	6	6	6	6	6
Total expenses	155,310	161,255	160,190	153,906	155,561
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	149,826	151,946	152,128	153,883	155,625
Interest	23	23	23	23	23
Total own-source revenue	149,849	151,969	152,151	153,906	155,648
Total own-source income	149,849	151,969	152,151	153,906	155,648
Net (cost of)/contribution by services	(5,461)	(9,286)	(8,039)	-	87
Surplus/(deficit) attributable to the Australian Government	(5,461)	(9,286)	(8,039)	-	87
Total comprehensive income/(loss) attributable to the Australian Government	(5,461)	(9,286)	(8,039)	-	87

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 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of net cash appropriation arrangements**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of					
Comprehensive Income	(5,461)	(9,286)	(8,039)	-	(87)
plus: depreciation/amortisation					
expenses for ROU assets (a)	3,592	3,592	3,307	3,963	3,963
less: lease principal repayments (a)	4,047	4,306	4,600	4,917	5,502
Net Cash Operating Surplus/ (Deficit)	(5,916)	(10,000)	(9,332)	(954)	(1,626)

Prepared on Australian Accounting Standards basis.

(a) Applies to leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	56,372	50,615	45,309	47,652	48,616
Trade and other receivables	8,311	8,411	8,961	8,961	8,961
Total financial assets	64,683	59,026	54,270	56,613	57,577
Non-financial assets					
Leasehold improvements	28,363	23,572	22,991	18,129	13,502
Property, plant and equipment	5,625	6,100	4,805	4,668	4,629
Intangibles	7,560	5,738	4,184	3,285	3,054
Other non-financial assets	6,687	6,841	7,250	7,250	7,250
Total non-financial assets	48,235	42,251	39,230	33,332	28,435
Total assets	112,918	101,277	93,500	89,945	86,012
LIABILITIES					
Payables					
Suppliers	6,140	6,659	6,689	6,689	6,689
Other payables	2,601	2,508	2,415	2,322	2,229
Total payables	8,741	9,167	9,104	9,011	8,918
Interest bearing liabilities					
Leases	27,021	22,715	21,422	16,505	11,003
Total interest bearing liabilities	27,021	22,715	21,422	16,505	11,003
Provisions					
Employee provisions	15,793	16,072	16,356	16,356	16,356
Other provisions	2,193	2,193	2,193	2,193	2,193
Total provisions	17,986	18,265	18,549	18,549	18,549
Total liabilities	53,748	50,147	49,075	44,065	38,470
Net assets	59,170	51,130	44,425	45,880	47,542
EQUITY*					
Parent entity interest					
Contributed equity	35,475	35,475	35,475	35,475	35,475
Reserves	5,384	6,630	7,964	9,419	10,994
Retained surplus	18,311	9,025	986	986	1,073
Total parent entity interest	59,170	51,130	44,425	45,880	47,542
Total equity	59,170	51,130	44,425	45,880	47,542

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 2022-23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	18,311	2,093	3,291	35,475	59,170
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	18,311	2,093	3,291	35,475	59,170
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(9,286)	-	-	-	(9,286)
Total comprehensive income	(9,286)	-	-	-	(9,286)
Transfers to/(from) reserves	-	-	1,246	-	1,246
Estimated closing balance as at 30 June 2023	9,025	2,093	4,537	35,475	51,130
Closing balance attributable to the Australian Government	9,025	2,093	4,537	35,475	51,130

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	153,382	156,852	156,829	153,784	155,526
Interest	23	23	23	23	23
Total cash received	153,405	156,875	156,852	153,807	155,549
Cash used					
Employees	79,845	81,161	82,784	84,726	86,419
Suppliers	67,694	72,895	73,160	60,365	60,740
Borrowing costs	12	12	12	12	12
Net GST paid	407	504	520	-	-
Interest payments on lease liability	484	400	366	274	187
Total cash used	148,442	154,972	156,842	145,377	147,358
Net cash from/(used by) operating activities	4,963	1,903	10	8,430	8,191
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment, leasehold improvements and intangibles	4,363	4,600	2,050	2,625	3,300
Total cash used	4,363	4,600	2,050	2,625	3,300
Net cash from/(used by) investing activities	(4,363)	(4,600)	(2,050)	(2,625)	(3,300)
FINANCING ACTIVITIES					
Cash received					
Other	1,209	1,246	1,334	1,455	1,575
Total cash received	1,209	1,246	1,334	1,455	1,575
Cash used					
Principal payments on lease liability	4,047	4,306	4,600	4,917	5,502
Total cash used	4,047	4,306	4,600	4,917	5,502
Net cash from/(used by) financing activities	(2,838)	(3,060)	(3,266)	(3,462)	(3,927)
Net increase/(decrease) in cash held	(2,238)	(5,757)	(5,306)	2,343	964
Cash and cash equivalents at the beginning of the reporting period	58,610	56,372	50,615	45,309	47,652
Cash and cash equivalents at the end of the reporting period	56,372	50,615	45,309	47,652	48,616

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	4,363	4,600	2,050	2,625	3,300
TOTAL	4,363	4,600	2,050	2,625	3,300
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,363	4,600	2,050	2,625	3,300
Total cash used to acquire assets	4,363	4,600	2,050	2,625	3,300

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	12,765	11,769	32,444	56,978
Gross book value - ROU assets	31,407	143	-	31,550
Accumulated depreciation/amortisation and impairment	(5,661)	(6,224)	(24,884)	(36,769)
Accumulated depreciation/amortisation and impairment - ROU assets	(10,148)	(63)	-	(10,211)
Opening net book balance	28,363	5,625	7,560	41,548
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	4,100	500	4,600
Total additions	-	4,100	500	4,600
Other movements				
Depreciation/amortisation expense	(1,199)	(3,625)	(2,322)	(7,146)
Depreciation/amortisation on ROU assets	(3,592)	-	-	(3,592)
Total other movements	(4,791)	(3,625)	(2,322)	(10,738)
As at 30 June 2023				
Gross book value	12,765	15,869	32,944	61,578
Gross book value - ROU assets	31,407	143	-	31,550
Accumulated depreciation/amortisation and impairment	(6,860)	(9,849)	(27,206)	(43,915)
Accumulated depreciation/amortisation and impairment - ROU assets	(13,740)	(63)	-	(13,803)
Closing net book balance	23,572	6,100	5,738	35,410

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: Schedule of 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 2022-23)

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 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 2020-21 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, the Aboriginal and Torres Strait Islander Land and Sea Future Fund, the Future Drought Fund and the Emergency Response Fund are detailed in the 2020-21 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.

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) 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: Future Fund Management Agency resource statement — Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Administered		
Special accounts		
Opening balance	-	-
Non-appropriation receipts	497,509	626,347
Total special account receipts	497,509	626,347
Total administered resourcing	497,509	626,347
Total resourcing for entity Future Fund Management Agency	497,509	626,347
	2021-22	2022-23
Average staffing level (number)	214	285

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

Future Fund Management Agency 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 2021-22 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 PGPA Act. It is anticipated that the performance measure 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/publications>.

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

Department of Finance
Programs <ul style="list-style-type: none"> • Program 2.7 – Public Sector Superannuation Program
Contribution to Outcome 1 made by linked programs <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

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.

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
Program 1.1: Management of the Investment of the Future Fund					
Departmental expenses					
Special accounts					
Future Fund Special Account	140,065	168,827	180,442	188,484	194,277
Departmental total	140,065	168,827	180,442	188,484	194,277
Total expenses for program 1.1	140,065	168,827	180,442	188,484	194,277
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
Program 1.2: Management of the Investment of the Australian Government Investment Fund					
Departmental expenses					
Special accounts					
Future Fund Special Account	10,888	11,127	11,413	11,400	11,389
Departmental total	10,888	11,127	11,413	11,400	11,389
Total expenses for program 1.2	10,888	11,127	11,413	11,400	11,389
Outcome 1 Totals by appropriation type					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
Departmental expenses					
Special accounts	150,953	179,954	191,855	199,884	205,666
Departmental total	150,953	179,954	191,855	199,884	205,666
Total expenses for Outcome 1	150,953	179,954	191,855	199,884	205,666

	2021-22	2022-23
Average staffing level (number)	214	285

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 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1 – Management of the Investment of the Future Fund		
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.		
Key Activities	<ul style="list-style-type: none"> • 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. • Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions. • Provide administrative services to the Board. • Provide information and recommendations to the Board. • Advise the Board about the performance of the Board’s functions. • Make resources and facilities available to the Board. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	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 December 2021 the actual return was 10.8% pa over the last 10 years against a target benchmark return of 6.2% pa, delivered within the mandate’s risk parameters.
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	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.	To achieve a return in line with the long-term target return with acceptable but not excessive risk.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil		

Table 2.1.3: Performance measure for Outcome 1 (continued)

<p>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.</p>		
<p>Program 1.2 – Management of the Investment of the Australian Government Investment Funds</p> <p>The DisabilityCare Australia Fund Act 2013 established the DisabilityCare Australia Fund (DCAF) on 1 July 2014. The Medical Research Future Fund Act 2015 established the Medical Research Future Fund (MRFF) on 27 August 2015. The Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018 established the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) on 1 February 2019. The Future Drought Fund Act 2019 established the Future Drought Fund on 1 September 2019. The Emergency Response Fund Act 2019 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>Key Activities</p>	<ul style="list-style-type: none"> • 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. • Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions. • Provide administrative services to the Board. • Provide information and recommendations to the Board. • Advise the Board about the performance of the Board’s functions. • Make resources and facilities available to the Board. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	<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"> • 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 • 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 	<p>As at 31 December 2021 the actual return was 0.1% compared to the target benchmark return of 0.3%, delivered within the mandate’s risk parameters.</p> <p>As at 31 December 2021 the actual return was 4.7% pa compared to the target return of 2.5% pa since 22 September 2015, delivered within the mandate’s risk parameters.</p>

Table 2.1.3: Performance measure for Outcome 1 (continued)

Program 1.2 – Management of the Investment of the Australian Government Investment Funds		
Year	Performance measures	Expected Performance Results
Current year 2021-22 (continued)	<ul style="list-style-type: none"> 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 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. 	<p>As at 31 December 2021 the actual return was 6.4% pa compared to the target return of 4.2% pa since 1 October 2019, delivered within the mandate's risk parameters.</p> <p>As at 31 December 2021 the actual return for FDF was 11.3% pa compared to the target return of 4.3% pa since 1 April 2020, delivered within the mandate's risk parameters.</p> <p>As at 31 December 2021 the actual return for ERF was 11.3% pa compared to the target return of 4.3% pa since 1 April 2020, delivered within the mandate's risk parameters.</p>

Table 2.1.3: Performance measure for Outcome 1 (continued)

Program 1.2 – Management of the Investment of the Australian Government Investment Funds		
Year	Performance measures	Planned Performance Results
Budget Year 2022-23	<p>As per 2021-22 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"> 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 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 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 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. 	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.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.2 resulting from 2022-23 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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 2022-23 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 2022-23 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	67,141	88,347	97,944	103,829	107,461
Suppliers	72,597	82,741	85,225	87,397	89,576
Depreciation and amortisation (a)	11,155	8,831	8,677	8,677	8,677
Other expenses	243	215	186	156	125
Total expenses	151,136	180,134	192,032	200,059	205,839
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	150,953	179,954	191,855	199,884	205,666
Total own-source revenue	150,953	179,954	191,855	199,884	205,666
Gains					
Other	183	180	177	175	173
Total gains	183	180	177	175	173
Total own-source income	151,136	180,134	192,032	200,059	205,839
Net (cost of)/contribution by services	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	399	399	399	399	399
Trade and other receivables	30,085	42,888	49,950	55,365	59,797
Other financial assets	5,189	4,653	4,093	3,509	2,899
Total financial assets	35,673	47,940	54,442	59,273	63,095
Non-financial assets					
Land and buildings	35,092	30,770	26,448	22,126	17,804
Property, plant and equipment	23,611	19,962	16,467	12,972	9,477
Intangibles	0	15	30	45	60
Other non-financial assets	1,350	1,400	1,450	1,500	1,550
Total non-financial assets	60,053	52,147	44,395	36,643	28,891
Total assets	95,726	100,087	98,837	95,916	91,986
LIABILITIES					
Payables					
Suppliers	7,707	8,265	8,403	8,522	8,642
Other payables	23,382	28,061	29,978	31,153	31,878
Total payables	31,089	36,326	38,381	39,675	40,520
Interest bearing liabilities					
Leases	51,692	46,272	40,611	34,698	28,525
Total interest bearing liabilities	51,692	46,272	40,611	34,698	28,525
Provisions					
Employee provisions	12,945	17,489	19,845	21,543	22,941
Total provisions	12,945	17,489	19,845	21,543	22,941
Total liabilities	95,726	100,087	98,837	95,916	91,986
Net assets	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2022-23)

The FFMA does not have any changes in equity.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	159,666	167,711	185,374	195,072	201,860
Total cash received	159,666	167,711	185,374	195,072	201,860
Cash used					
Employees	70,965	79,124	93,671	100,956	105,338
Suppliers	75,248	82,077	84,981	87,172	89,349
Other	243	215	186	156	125
Total cash used	146,456	161,416	178,838	188,284	194,812
Net cash from/(used by) operating activities	13,210	6,295	6,536	6,788	7,048
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	5,671	875	875	875	875
Total cash used	5,671	875	875	875	875
Net cash from/(used by) investing activities	(5,671)	(875)	(875)	(875)	(875)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	7,584	5,420	5,661	5,913	6,173
Total cash used	7,584	5,420	5,661	5,913	6,173
Net cash from/(used by) financing activities	(7,584)	(5,420)	(5,661)	(5,913)	(6,173)
Net increase/(decrease) in cash held	(45)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	444	399	399	399	399
Cash and cash equivalents at the end of the reporting period	399	399	399	399	399

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	5,671	875	875	875	875
TOTAL	5,671	875	875	875	875
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,671	875	875	875	875
Total cash used to acquire assets	5,671	875	875	875	875

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	-	38,809	2,869	41,678
Gross book value - ROU assets	50,643	-	-	50,643
Accumulated depreciation/ amortisation and impairment	-	(15,198)	(2,869)	(18,067)
Accumulated depreciation/amortisation and impairment - ROU assets	(15,551)	-	-	(15,551)
Opening net book balance	35,092	23,611	-	58,703
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	850	25	875
Total additions	-	850	25	875
Other movements				
Depreciation/amortisation expense	-	(4,499)	(10)	(4,509)
Depreciation/amortisation on ROU assets	(4,322)	-	-	(4,322)
Total other movements	(4,322)	(4,499)	(10)	(8,831)
As at 30 June 2023				
Gross book value	-	39,659	2,894	42,553
Gross book value - ROU assets	50,643	-	-	50,643
Accumulated depreciation/ amortisation and impairment	-	(19,697)	(2,879)	(22,576)
Accumulated depreciation/amortisation and impairment - ROU assets	(19,873)	-	-	(19,873)
Closing net book balance	30,770	19,962	15	50,747

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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	1,002	1,032	1,063	1,095	1,128
Suppliers	492,804	644,071	686,156	726,643	766,984
Total expenses administered on behalf of Government	493,806	645,103	687,219	727,738	768,112
LESS:					
OWN-SOURCE INCOME					
Interest	(49,664)	285,187	314,290	334,657	356,342
Dividends	6,142,651	5,005,817	5,278,386	5,620,425	5,984,629
Total non-taxation revenue	6,092,987	5,291,004	5,592,676	5,955,082	6,340,971
Total own-source revenue administered on behalf of Government	6,092,987	5,291,004	5,592,676	5,955,082	6,340,971
Gains					
Other gains	5,738,978	8,818,018	9,429,200	10,038,683	10,687,831
Total gains administered on behalf of Government	5,738,978	8,818,018	9,429,200	10,038,683	10,687,831
Total own-sourced income administered on behalf of Government	11,831,965	14,109,022	15,021,876	15,993,765	17,028,802
Net (cost of)/contribution by services	11,338,159	13,463,919	14,334,657	15,266,027	16,260,690
Surplus/(deficit) before income tax	11,338,159	13,463,919	14,334,657	15,266,027	16,260,690
Total comprehensive income/(loss)	11,338,159	13,463,919	14,334,657	15,266,027	16,260,690

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	21,852	22,508	23,183	23,878	24,594
Trade and other receivables	3,438,959	3,427,296	3,466,941	3,509,755	3,559,289
Other investments	207,233,973	220,721,293	235,022,621	250,250,560	266,465,436
Total financial assets	210,694,784	224,171,097	238,512,745	253,784,193	270,049,319
Total assets administered on behalf of Government	210,694,784	224,171,097	238,512,745	253,784,193	270,049,319
LIABILITIES					
Payables					
Suppliers	241,688	254,080	261,070	266,489	270,923
Other payables	2,298,610	2,298,612	2,298,613	2,298,615	2,298,617
Total payables	2,540,298	2,552,692	2,559,683	2,565,104	2,569,540
Provisions					
Other provisions	56,821	56,821	56,821	56,821	56,821
Total liabilities administered on behalf of Government	2,597,119	2,609,513	2,616,504	2,621,925	2,626,361
Net assets/(liabilities)	208,097,665	221,561,584	235,896,241	251,162,268	267,422,958

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	(48,549)	285,140	314,290	334,657	356,342
Dividends	5,237,130	5,294,801	5,258,331	5,599,010	5,961,763
Net GST received	1,103	-	-	-	-
Total cash received	5,189,684	5,579,941	5,572,621	5,933,667	6,318,105
Cash used					
Suppliers	493,907	625,132	681,387	721,224	762,550
Net GST paid	-	17	18	19	20
Employees	1,004	1,030	1,062	1,093	1,126
Total cash used	494,911	626,179	682,467	722,336	763,696
Net cash from/(used by) operating activities	4,694,773	4,953,762	4,890,154	5,211,331	5,554,409
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of investments	177,084,444	182,396,977	187,868,886	193,504,953	199,310,102
Total cash received	177,084,444	182,396,977	187,868,886	193,504,953	199,310,102
Cash used					
Investments	181,758,241	187,350,083	192,758,365	198,715,589	204,863,795
Total cash used	181,758,241	187,350,083	192,758,365	198,715,589	204,863,795
Net cash from/(used by) investing activities	(4,673,797)	(4,953,106)	(4,889,479)	(5,210,636)	(5,553,693)
Net increase/(decrease) in cash held	20,976	656	675	695	716
Cash and cash equivalents at beginning of reporting period	876	21,852	22,508	23,183	23,878
Cash and cash equivalents at end of reporting period	21,852	22,508	23,183	23,878	24,594

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of 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 2022-23)

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 established by the IPEA Act, which relate to advice, reporting and audit. 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
- 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
- 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 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) 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' 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 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	5,473	5,473
Departmental appropriation (b)(c)	8,741	10,123
Total departmental annual appropriations	14,214	15,596
Total departmental resourcing	14,214	15,596
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	6,945	4,668
Outcome 1	39,157	39,795
Total administered annual appropriations	46,102	44,463
Total administered special appropriations	37,683	34,082
Total administered resourcing	83,785	78,545
Total resourcing for Independent Parliamentary Expenses Authority	97,999	94,141
	2021-22	2022-23
Average staffing level (number)	65	65

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

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2022-23.

(b) Excludes \$1.3m in 2021-22 subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(c) Excludes departmental capital budget (DCB).

1.3 Budget measures

No Budget measures have been announced since the 2021-22 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 Commonwealth performance framework established by the PGPA Act. 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 Independent Parliamentary Expenses Authority can be found at: <https://www.ipea.gov.au/home/publications-fact-sheets>.

The most recent annual performance statement can be found at: <https://www.ipea.gov.au/home/publications-fact-sheets>.

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

Department of Finance
Programs <ul style="list-style-type: none">• Program 3.1 – Ministerial and Parliamentary Services
Contribution to Outcome 1 made by linked programs <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.

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Independent Parliamentary Expenses Authority - Travel Oversight and Reporting					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	39,157	39,795	40,367	41,012	41,628
Special appropriations					
<i>Parliamentary Business Resources Act 2017</i>	37,084	33,473	33,974	34,519	35,036
<i>Parliamentary Retirement Travel Act 2002</i>	599	609	619	628	638
Administered total	76,840	73,877	74,960	76,159	77,302
Departmental expenses					
Departmental appropriation	10,041	10,123	8,869	8,937	8,998
Expenses not requiring appropriation in the Budget year (a)	56	56	56	56	56
Departmental total	10,097	10,179	8,925	8,993	9,054
Total expenses for program 1.1	86,937	84,056	83,885	85,152	86,356
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	39,157	39,795	40,367	41,012	41,628
Special appropriations	37,683	34,082	34,593	35,147	35,674
Administered total	76,840	73,877	74,960	76,159	77,302
Departmental expenses					
Departmental appropriation	10,041	10,123	8,869	8,937	8,998
Expenses not requiring appropriation in the Budget year (a)	56	56	56	56	56
Departmental total	10,097	10,179	8,925	8,993	9,054
Total expenses for Outcome 1	86,937	84,056	83,885	85,152	86,356
	2021-22	2022-23			
Average staffing level (number)	65	65			

(a) Expenses not requiring appropriation in the Budget year are made up of 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 measures for Outcome 1

Table 2.1.2 below details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1 – Independent Parliamentary Expenses Authority – Travel Oversight and Reporting IPEA provides services to parliamentarians and their staff and publicly reports on their expenditure.		
Key activities	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.	
Year	Performance measure	Expected Performance Results
Current year 2021-22	Travel — Advice <ul style="list-style-type: none"> Provide clear and timely advice to parliamentarians and MOP(S) staff on travel and related expenses. Travel — Claims <ul style="list-style-type: none"> Accurate and timely processing of claims for travel expenses and allowances relating to parliamentarians and MOP(S) staff. Data and Reporting <ul style="list-style-type: none"> Increasing transparency through the compilation of reports detailing the work resources of current and former parliamentarians and the travel resources of MOP(S) staff. 	<ul style="list-style-type: none"> Advice is provided in accordance with IPEA's published service level standards, which include measurements for quality and timeliness. On track <ul style="list-style-type: none"> Claims for travel expenses and allowances are processed in accordance with IPEA's published service level standards, which include measurements for accuracy and timeliness. On track <ul style="list-style-type: none"> Reports relating to work expenses for parliamentarians and their staff are prepared and provided as per IPEA's published service level standards. On track

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Table 2.1.2: Performance measures for Outcome 1 (continued)

Program 1.1 – Independent Parliamentary Expenses Authority – Travel Oversight and Reporting		
Year	Performance measure	Expected Performance Results
Current year 2021-22 (continued)	Audit and Assurance <ul style="list-style-type: none"> Conducting assurance activities on the work resources of parliamentarians and the travel resources of MOP(S) staff. 	<ul style="list-style-type: none"> All parliamentarians' offices are subject to one or more forms of assurance activities during the financial year in accordance with IPEA's published service level standards and procedures (protocols and factsheets). On track
Year	Performance measure	Planned Performance Results
Budget Year 2022-23	Travel — Advice <ul style="list-style-type: none"> Provide accurate and timely advice to parliamentarians and MOP(S) staff on travel and related expenses. Travel — Claims <ul style="list-style-type: none"> Accurate and timely processing of claims for travel expenses and allowances relating to parliamentarians and MOP(S) staff. Data and Reporting <ul style="list-style-type: none"> Increasing transparency through the compilation of reports detailing the work resources of current and former parliamentarians and the travel resources of MOP(S) staff. Audit and Assurance <ul style="list-style-type: none"> Conducting assurance activities on the work resources of parliamentarians and the travel resources of MOP(S) staff. 	<ul style="list-style-type: none"> Advice is provided in accordance with IPEA's published service level standards, which include measurements for quality and timeliness. Claims for travel expenses and allowances are processed in accordance with IPEA's published service level standards, which include measurements for accuracy and timeliness. Reports relating to work expenses for parliamentarians and their staff are prepared and provided as per IPEA's published service level standards. All parliamentarians' offices are subject to one or more forms of assurance activities during the financial year in accordance with IPEA's published service level standards and procedures (protocols and factsheets).

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Table 2.1.2: Performance measures for Outcome 1 (continued)

Program 1.1 – Independent Parliamentary Expenses Authority – Travel Oversight and Reporting.		
Year	Performance measure	Planned Performance Results
Forward Estimates 2023-26	<p>Travel — Advice</p> <ul style="list-style-type: none"> • Provide accurate and timely advice to parliamentarians and MOP(S) staff on travel and related expenses. <p>Travel — Claims</p> <ul style="list-style-type: none"> • Accurate and timely processing of claims for travel expenses and allowances relating to parliamentarians and MOP(S) staff. <p>Data and Reporting</p> <ul style="list-style-type: none"> • Increasing transparency through the compilation of reports detailing the work resources of current and former parliamentarians and the travel resources of MOP(S) staff. <p>Audit and Assurance</p> <ul style="list-style-type: none"> • Conducting assurance activities on the work resources of parliamentarians and the travel resources of MOP(S) staff. 	<ul style="list-style-type: none"> • Advice is provided in accordance with IPEA's published service level standards, which include measurements for quality and timeliness. • Claims for travel expenses and allowances are processed in accordance with IPEA's published service level standards, which include measurements for accuracy and timeliness. • Reports relating to work expenses for parliamentarians and their staff are prepared and provided as per IPEA's published service level standards. • All parliamentarians' offices are subject to one or more forms of assurance activities during the financial year in accordance with IPEA's published service level standards and procedures (protocols and factsheets).
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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

IPEA is budgeting for a break-even result for 2022-23 and across the forward estimates. Expenses and revenue from government increase in 2021-22 and 2022-23 due to additional funding being provided due to the delay of the implementation of the Parliamentary Expenses Management System.

Administered

In the schedule of budgeted income and expenses, the administered supplier expenses reflect estimated work and travel expenses for current and former parliamentarians and MOP(S) staff.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
EXPENSES					
Employee benefits	7,837	8,037	6,878	6,999	7,055
Suppliers	2,260	2,142	2,047	1,994	1,999
Total expenses	10,097	10,179	8,925	8,993	9,054
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Gains					
Other	56	56	56	56	56
Total gains	56	56	56	56	56
Total own-source income	56	56	56	56	56
Net (cost of)/contribution by services	(10,041)	(10,123)	(8,869)	(8,937)	(8,998)
Revenue from Government	10,041	10,123	8,869	8,937	8,998
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	71	71	71	71	71
Trade and other receivables	5,685	5,685	5,685	5,685	5,685
Total financial assets	5,756	5,756	5,756	5,756	5,756
Non-financial assets					
Other non-financial assets	37	37	37	37	37
Total non-financial assets	37	37	37	37	37
Total assets	5,793	5,793	5,793	5,793	5,793
LIABILITIES					
Payables					
Suppliers	215	215	215	215	215
Other payables	327	327	327	327	327
Total payables	542	542	542	542	542
Provisions					
Employee provisions	2,560	2,560	2,560	2,560	2,560
Total provisions	2,560	2,560	2,560	2,560	2,560
Total liabilities	3,102	3,102	3,102	3,102	3,102
Net assets	2,691	2,691	2,691	2,691	2,691
EQUITY*					
Parent entity interest					
Contributed equity	557	557	557	557	557
Retained surplus (accumulated deficit)	2,134	2,134	2,134	2,134	2,134
Total parent entity interest	2,691	2,691	2,691	2,691	2,691
Total equity	2,691	2,691	2,691	2,691	2,691

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 2022-23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	2,134	-	-	557	2,691
Adjusted opening balance	2,134	-	-	557	2,691
of which:					
Attributable to the Australian Government	-	-	-	-	-
Estimated closing balance as at 30 June 2023	2,134	-	-	557	2,691
Closing balance attributable to the Australian Government	2,134	-	-	557	2,691

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,041	10,123	8,869	8,937	8,998
Total cash received	10,041	10,123	8,869	8,937	8,998
Cash used					
Employees	7,837	8,037	6,878	6,999	7,055
Suppliers	2,204	2,086	1,991	1,938	1,943
Total cash used	10,041	10,123	8,869	8,937	8,998
Net cash from/(used by) operating activities	-	-	-	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	71	71	71	71	71
Cash and cash equivalents at the end of the reporting period	71	71	71	71	71

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.

Table 3.6: Statement of departmental asset movements (Budget year 2022-23)

IPEA does not have any budgeted non-financial assets.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forw ard estimate \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000
EXPENSES					
Employee benefits	1,995	1,995	1,995	1,995	1,995
Suppliers	74,845	71,882	72,965	74,164	75,306
Total expenses administered on behalf of Government	76,840	73,877	74,960	76,159	77,301
LESS:					
OWN-SOURCE INCOME					
Total own-sourced income administered on behalf of Government	-	-	-	-	-
Net (cost of)/contribution by services	(76,840)	(73,877)	(74,960)	(76,159)	(77,301)
Total comprehensive income/(loss)	(76,840)	(73,877)	(74,960)	(76,159)	(77,301)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10	10	10	10	10
Taxation receivables	263	263	263	263	263
Total financial assets	273	273	273	273	273
Non-financial assets					
Prepayment	5,000	5,000	5,000	5,000	5,000
Total non-financial assets	5,000	5,000	5,000	5,000	5,000
Total assets administered on behalf of Government	5,273	5,273	5,273	5,273	5,273
LIABILITIES					
Payables					
Suppliers	3,024	3,024	3,024	3,024	3,024
Other payables	180	180	180	180	180
Total payables	3,204	3,204	3,204	3,204	3,204
Provisions					
Other provisions	2,407	2,407	2,407	2,407	2,407
Total provisions	2,407	2,407	2,407	2,407	2,407
Total liabilities administered on behalf of Government	5,611	5,611	5,611	5,611	5,611
Net assets/(liabilities)	(338)	(338)	(338)	(338)	(338)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Suppliers	74,845	71,882	72,965	74,164	75,306
Employees	1,995	1,995	1,995	1,995	1,995
Total cash used	76,840	73,877	74,960	76,159	77,301
Net cash from/(used by) operating activities	(76,840)	(73,877)	(74,960)	(76,159)	(77,301)
Net increase/(decrease) in cash held	(76,840)	(73,877)	(74,960)	(76,159)	(77,301)
Cash and cash equivalents at beginning of reporting period	10	10	10	10	10
Cash from Official Public Account for:					
- Appropriations	76,840	73,877	74,960	76,159	77,301
Total cash from Official Public Account	76,840	73,877	74,960	76,159	77,301
Cash and cash equivalents at end of reporting period	10	10	10	10	10

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

IPEA has no budgeted capital expenditure on behalf of Government.

Table 3.11: Statement of administered asset movements (Budget year 2022-23)

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

Term	Meaning
Departmental Items	Assets, liabilities, revenues and expenses that are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by 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.
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	<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act).

Term	Meaning
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. <i>The Social Security (Administration) Act 1999</i> , for example, contains several special appropriations to make social security payments. Special appropriations support around 80% of all government expenditure each year.

