

PORTFOLIO BUDGET STATEMENTS 2014-15
BUDGET RELATED PAPER NO. 1.8

FINANCE PORTFOLIO

**BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMMES BY AGENCY**

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SENATOR THE HON MATHIAS CORMANN
Minister for Finance

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2014-15 Budget for the Finance Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the Portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Kind regards

A large, stylized handwritten signature in blue ink, consisting of the letters 'M' and 'C' joined together.

Mathias Cormann
Minister for Finance

8 May 2014

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer of the Department of Finance on (02) 6215 2222.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2014-15 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies 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 2014-15 (or Appropriation Bill [Parliamentary Departments] No. 1 2014-15 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

FINANCE PORTFOLIO OVERVIEW

Ministers and Portfolio Responsibilities

The Finance portfolio occupies a central position in the Australian Government, with Senator the Hon Mathias Cormann as the responsible Portfolio Minister. Senator the Hon Michael Ronaldson is the Special Minister of State and The Hon Michael McCormack MP is the Parliamentary Secretary to the Minister for Finance.

The Finance portfolio is diverse and provides an array of support and services to the Australian Government. This includes budget and financial management services and advice; electoral services and support; Australian Government online delivery and information and communication technology management; non-defence asset management; asset sales; the administration of the Australian Government's general insurance fund, investment funds and superannuation schemes; Commonwealth land policy; discretionary compensation mechanisms; and the administration of Parliamentarians' entitlements.

Department of Finance

The Department of Finance (Finance), as one of the Australian Government's central agencies, assists the Australian Government to achieve its objectives in a wide range of policy and programme areas. Finance's role is to help the Australian Government shape and deliver its agenda by providing high quality advice and services, particularly in relation to fiscal and economic matters.

Australian Electoral Commission

The Australian Electoral Commission (AEC) provides the Australian people with an independent electoral service that meets their needs, encourages them to understand and participate in the electoral process, and supports free and fair electoral processes throughout the world.

Commonwealth Superannuation Corporation

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

Portfolio Overview

Scheme (DFSPB), the 1922 Scheme under the *Superannuation Act 1922*, and the Papua New Guinea Scheme (PNG) under the *Papua New Guinea (Staffing Assistance) Act 1973*.

ComSuper

ComSuper, under the direction of the Commonwealth Superannuation Corporation, provides administrative services for the superannuation schemes for the Australian Government's public sector and Australian Defence Force employees.

Future Fund Management Agency

The Future Fund Management Agency (FFMA) supports the Future Fund Board of Guardians (The Board) in managing investments on behalf of the Australian Government. The Board invests to accumulate assets for the purpose of offsetting the unfunded superannuation liabilities of the Australian Government which will fall due on future generations. The Board's scope has been broadened to also include managing investments to grow other Australian Government asset funds as a means to provide financing sources for substantial future investments in the Australian economy.

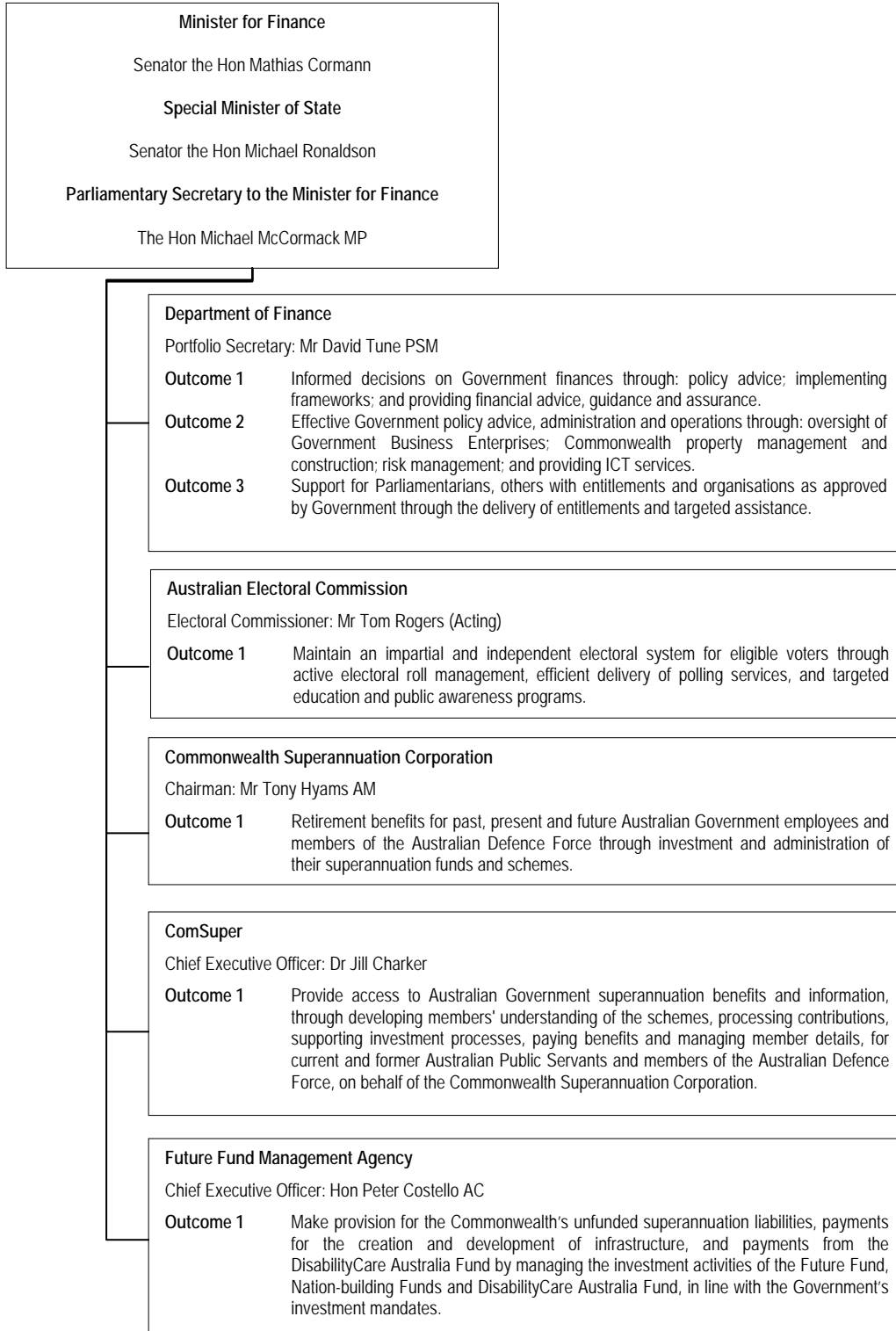
Changes Impacting on the Portfolio

The 2014-15 PBS includes estimates for the Asset Recycling Fund (ARF) and the Medical Research Future Fund (MRFF). The ARF is anticipated to commence on 1 July 2014 and the MRFF is anticipated to commence on 1 January 2015. The three Nation-building Funds will be abolished by 1 January 2015 through repeal of the *Nation-building Funds Act 2008*.

In the 2014-15 Budget the Government has announced changes to entities within the Finance Portfolio as part of a measure to reduce duplication and increase efficiency in how public funds are used to deliver services to the community. The changes will be implemented through 2014-15 and are:

- the merger of ComSuper and the Commonwealth Superannuation Corporation;
- the cessation of the Albury-Wodonga Development Corporation; and
- the cessation of the Australian River Co. Ltd.

Figure 1: Finance Portfolio Structure and Outcomes



Portfolio Resources

Table 1 shows the total new resources provided to the portfolio in the 2014-15 budget year, by agency.

Table 1: Portfolio Resources 2014-15

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Finance					
Administered appropriations	289	2	9,441	14,896	24,628
Departmental appropriations	251	263	76	441	1,031
Total					25,659
Australian Electoral Commission					
Administered appropriations	-	-	-	-	-
Departmental appropriations	110	-	9	17	136
Total					136
Commonwealth Superannuation Corporation					
Administered appropriations	-	-	-	-	-
Departmental appropriations	-	-	-	9	9
Total					9
ComSuper					
Administered appropriations	-	-	-	1,640	1,640
Departmental appropriations	-	-	-	90	90
Total					1,730
Future Fund Management Agency					
Administered appropriations	-	-	-	641	641
Departmental appropriations	-	-	-	-	-
Total					641
Resources available within portfolio:					28,175

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Finance

Agency Resources and Planned Performance

DEPARTMENT OF FINANCE

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DEPARTMENT OF FINANCE

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Department of Finance (Finance), as one of the Australian Government's central agencies, plays a key role in assisting and advising the Australian Government across a wide variety of policy and programme areas.

Finance has reviewed and amended the statement for its first outcome, to reflect the transfer of the Deregulation function to the Department of the Prime Minister and Cabinet (PM&C) following the Administrative Arrangements Order of 18 September 2013.

Following this review, Outcome 1 for Finance is now "Informed decisions on Government finances through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance."

To achieve this outcome, Finance:

- supports the Australian Government to develop and deliver its agenda, particularly its fiscal and economic plans and the operations of government by providing high quality advice and services;
- contributes to the Australian Government's reform agenda by improving the effectiveness of government spending and ensuring improved frameworks for development and implementation of value-for-money policy;
- advises the Australian Government on the Australian Government's Investment Funds, being the Asset Recycling Fund, the Medical Research Future Fund, the DisabilityCare Australia Fund and the Nation-building Funds, and manages on behalf of the Australian Government the superannuation arrangements for Australian Government civilian employees, politicians and judges; and
- coordinates the Australian Government Procurement Policy Framework and manages a number of significant Whole-of-Australian-Government procurement activities.

Finance Budget Statements

Outcome 2 for Finance is “Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.”

To achieve this outcome, Finance:

- encourages and exemplifies the use of Information and Communication Technology (ICT) to increase public sector productivity, efficiency and effectiveness;
- contributes to the Australian Government’s agenda to improve digital service delivery through whole of government ICT policies, services and leadership;
- implements reviews, at the Whole-of-Australian-Government level, of ICT and the Commonwealth Property Management Framework;
- provides advice to the Australian Government on the strategy, commercial performance and governance of Government Business Enterprises;
- promotes efficient property and land management practices across the Australian Government;
- manages the Australian Government’s non-Defence property portfolio within Australia, and major capital works projects as required by the Government; and
- through Comcover, provides Australian Government agencies with risk management services and a comprehensive general insurance fund.

Outcome 3 for Finance is “Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.”

Finance achieves this outcome through providing entitlements and advice to Senators and Members, and their staff.

1.2 Agency Resource Statement

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

Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Ordinary annual services ¹				
Departmental appropriation				
Departmental appropriation ²	90,824 ³	251,392	342,216	271,150
s31 Relevant agency receipts ⁴	-	17,221	17,221	18,745
Total	90,824	268,613	359,437	289,895
Administered expenses				
Outcome 1	-	10,932	10,932	10,996
Outcome 2	-	694	694	712
Outcome 3 ⁵	-	277,236	277,236	291,203
Total	-	288,862	288,862	302,911
Total ordinary annual services	A 90,824	557,475	648,299	592,806
Other services ⁶				
Departmental non-operating				
Equity injections	139,041	263,340	402,381	318,393
Total	139,041	263,340	402,381	318,393
Administered non-operating				
Administered assets and liabilities	-	1,532	1,532	8,967
Total	-	1,532	1,532	8,967
Total other services	B 139,041	264,872	403,913	327,360
Total available annual appropriations	229,865	822,347	1,052,212	920,166

Table continues on next page

Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)

	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Federal Circuit Court of Australia Act 1999</i>	-	706	706	555
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	-	1,400	1,400	1,400
<i>Governor-General Act 1974</i>	-	1,255	1,255	6,935
<i>Judges' Pensions Act 1968</i>	-	80,700	80,700	82,700
<i>Medibank Private Sale Act 2006 (D)</i>	-	75,526	75,526	15,387
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	-	1,065	1,065	2,944
<i>Parliamentary Contributory Superannuation Act 1948</i>	-	55,900	55,900	56,240
<i>Parliamentary Entitlements Act 1990</i>	-	165,294	165,294	182,340
<i>Parliamentary Superannuation Act 2004</i>	-	5,220	5,220	5,019
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	-	57	57	56
<i>Superannuation Act 1922</i>	-	41,000	41,000	36,177
<i>Superannuation Act 1976</i>	-	3,370,690	3,370,690	3,112,679
<i>Superannuation Act 1990</i>	-	3,993,232	3,993,232	4,924,777
Special appropriations limited by amount				
<i>Commonwealth of Australia Constitution Act (s66)</i>	-	4,825	4,825	4,949
Special appropriations limited by capital				
Special capital appropriations	-	1,720,137	1,720,137	1,643,914
Total special appropriations	C	9,517,007	9,517,007	10,076,072
Total appropriations excluding Special Accounts	229,865	10,339,354	10,569,219	10,996,238

Table continues on next page

Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)

	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special Accounts				
Opening balance ⁷	606,979	-	606,979	547,334
Appropriation receipts	-	45,917	45,917	51,735
Equity Injection	-	63,652	63,652	128,650
Non-appropriation receipts to Special Accounts	-	15,210,018	15,210,018	2,694,034
Total Special Accounts	D 606,979	15,319,587	15,926,566	3,421,753
Total resourcing				
A+B+C+D	836,844	25,658,941	26,495,785	14,417,991
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(109,569)	(109,569)	(180,385)
Total net resourcing for Finance	836,844	25,549,372	26,386,216	14,237,606

(A) = Administered
(D) = Departmental

- 1 Appropriation Bill (No.1) 2014-15.
- 2 Includes an amount of \$11.050m in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. Also includes an amount of \$9.110m to be credited to the Comcover Special Account for Interest Equivalency Payments in 2014-15 (refer to Table 3.1.2 for further details).
- 3 Estimates adjusted balance carried from previous year for annual appropriations.
- 4 s31 Relevant Agency receipts — estimate.
- 5 Includes an amount of \$4.810m for the Administered Capital Budget (refer to Table 3.2.10 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
- 6 Appropriation Bill (No.2) 2014-15.
- 7 Estimated opening balance for Special Accounts (less 'Special Public Money' held in a Service for Other Entities and Trust Moneys Special Accounts (SOETM)). For further details on special accounts see Table 3.1.2.

Reader note: All figures are GST exclusive.

Table 1.1: Department of Finance Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)

Third party payments from and on behalf of other agencies

	2014-15 \$'000	2013-14 \$'000
Payments made on behalf of Finance		
Attorney-General's Department		
<i>Parliamentary Entitlements Act 1990</i>	300	650
ComSuper		
<i>Governance of Australian Government</i>		
<i>Superannuation Schemes Act 2011</i>	1,400	1,400
<i>Same-Sex Relationships (Equal Treatment in</i>		
<i>Commonwealth Laws - General Law Reform) Act 2008</i>	57	56
<i>Superannuation Act 1922</i>	41,000	36,177
<i>Superannuation Act 1976</i>	3,370,690	3,112,679
<i>Superannuation Act 1990</i>	3,993,232	4,924,777
Appropriation Act (No.1) ¹	500	500
Appropriation Act (No.1) ²	587	556
Appropriation Act (No.2) ²	519	520
Department of Defence		
<i>Parliamentary Entitlements Act 1990</i>	-	2,564
Department of the House of Representatives		
<i>Commonwealth of Australia</i>		
<i>Constitution Act (s66)</i>	3,152	3,399
<i>Parliamentary Entitlements Act 1990</i>	450	384
<i>Parliamentary Superannuation Act 2004</i>	3,430	3,298
Department of Parliamentary Services		
Appropriation Act (No.1)	400	350
<i>Parliamentary Entitlements Act 1990</i>	16,645	19,120
Department of the Senate		
<i>Commonwealth of Australia</i>		
<i>Constitution Act (s66)</i>	1,673	1,550
<i>Parliamentary Entitlements Act 1990</i>	736	144
<i>Parliamentary Superannuation Act 2004</i>	1,790	1,722
Fair Work Commission		
<i>Judges' Pensions Act 1968</i>	5,014	4,817
Payments made by Finance on behalf of other agencies		
Attorney-General's Department		
<i>Law Officers Act 1964</i>	404	404
Australian Security Intelligence Organisation		
Appropriation Act (No.2)	6,700	20,900

1 Compensation and legal payments.

2 Act of Grace payments.

1.3 Budget Measures

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

Table 1.2: Department of Finance 2014-15 Budget Measures
Part 1: Measures Announced Since the 2013-14 MYEFO

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures						
Administered revenue						
<i>Measures where Finance is the lead agency</i>						
Infrastructure Growth Package - Asset						
	Recycling Fund ¹	1.3	*	*	*	*
	Medical Research Future Fund - establishment	1.3	-	-	-	-
	Smaller Government - Medibank Private Limited - sale	2.1	-	nfp	nfp	nfp
Total		-	-	-	-	-
Total revenue measures						
	Administered	-	-	-	-	-
Total		-	-	-	-	-
Expense measures						
Administered expenses						
<i>Measures where Finance is the lead agency</i>						
Infrastructure Growth Package - Asset						
	Recycling Fund ¹	1.3	*	*	*	*
	Medical Research Future Fund - establishment	1.3	-	-	-	-
	Parliamentary service travel entitlements - reduced funding	3.1	138	1,146	1,196	1,288
	Recruitment of Members of Parliament (Staff) Act 1984 employees	3.1	-	611	621	632
				621	632	643

Table continues on next page

Table 1.2: Department of Finance 2014-15 Budget Measures

Part 1: Measures Announced Since the 2013-14 MYEFO (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Departmental expenses						
<i>Measures where Finance is the lead agency</i>						
Smaller Government -						
Contestability Framework	1.1	-	-	-	-	-
Improving small business access to Commonwealth contracts	1.1	-	(562)	(558)	(606)	(612)
Military Superannuation - establish new accumulation arrangements ²	1.2	-	-	(1,500)	(750)	1,500
Smaller Government - scoping studies for four operations of government	2.1	-	(11,656)	-	-	-
Communications and Public Affairs Functions - targeted savings	2.1	-	5,300	10,500	10,500	10,600
Smaller Government - Medibank Private Limited - sale	2.1	(15,387)	(75,526)	-	-	-
Smaller Government - Surplus Commonwealth Properties - divestment	2.2	-	(2,175)	(126)	(59)	-
Efficiency Dividend - a further temporary increase of 0.25 per cent ³	All	-	444	866	1,309	1,334
<i>Measures where Finance is not the lead agency</i>						
Bureau of Meteorology - supercomputer ⁴	1.1	-	(88)	(88)	(87)	(87)
Grants Management Platform Business Case ⁵	1.1	-	(135)	(135)	(135)	(135)
Smaller Government - strengthen and enhance Australia's border protection services ⁶	1.1	-	(135)	(135)	(135)	(135)
Total		(15,249)	(82,776)	10,641	11,871	14,396
Total expense measures						
Administered		138	1,757	1,817	1,834	1,931
Departmental		(15,387)	(84,533)	8,824	10,037	12,465
Total		(15,249)	(82,776)	10,641	11,871	14,396

Table continues on next page

Table 1.2: Department of Finance 2014-15 Budget Measures
Part 1: Measures Announced Since the 2013-14 MYEFO (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Capital measures						
Departmental capital						
<i>Measures where Finance is the lead agency</i>						
Improving small business access to Commonwealth contracts	1.1	-	-	(300)	(100)	(100)
Military Superannuation - establish new accumulation arrangements ²	1.2	-	-	(1,500)	(1,500)	-
Infrastructure Growth Package - Asset Recycling Fund ¹	1.3	*	*	*	*	*
Smaller Government - Surplus Commonwealth Properties - divestment	2.2	-	15,228	9,267	400	-
The Lodge refurbishment - additional funding	2.2	-	nfp	-	-	-
Efficiency Dividend - a further temporary increase of 0.25 per cent ³	All	-	28	56	84	86
Total		-	15,256	7,523	(1,116)	(14)
Total capital measures						
Departmental		-	15,256	7,523	(1,116)	(14)
Total		-	15,256	7,523	(1,116)	(14)

Prepared on a Government Finance Statistics (fiscal) basis.

- 1 The nature of the measure is such that a reliable estimate cannot be provided.
- 2 The measure *Military Superannuation - establish new accumulation arrangements* appears in Budget Paper 2 under ComSuper.
- 3 The measure *Efficiency Dividend - a further temporary increase of 0.25 per cent* is a cross-portfolio measure.
- 4 The lead agency for the measure *Bureau of Meteorology - supercomputer* is the Bureau of Meteorology. The full measure description and package details appear in Budget Paper 2 under the Environment Portfolio.
- 5 The lead agency for the measure *Grants Management Platform Business Case* is the Department of Social Services. The full measure description and package details appear in Budget Paper 2 under the Social Services Portfolio.
- 6 The lead agency for the measure *Smaller Government - strengthen and enhance Australia's border protection services* is the Australian Customs and Border Protection Service. The full measure description and package details appear in Budget Paper 2 under the Immigration and Border Protection Portfolio.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

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

Outcome 1: Informed decisions on Government finances through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.

Outcome 1 Strategy

Finance assists the Australian Government to meet its policy objectives through:

- providing robust analysis and policy advice on Australian Government expenditure, along with development and preparation of the Budget;
- providing Whole-of-Australian-Government financial reporting and maintaining the financial framework, including improvements to enhance transparency, ensuring its on-going relevance and reducing internal red tape;
- providing advice on grants policy, including updating the Commonwealth Grant Guidelines;
- providing advice on the Australian Government's procurement policy framework, and improving procurement outcomes through whole of Australian Government arrangements; and
- providing advice on Australian Government advertising processes.

Outcome Expense Statement

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

Table 2.1.1: Budgeted Expenses for Outcome 1

Outcome 1: Informed decisions on Government finances through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Budget, Financial Management, and Procurement Framework		
Departmental expenses		
Departmental appropriation ¹		
Budget Advice	51,775	52,248
Financial Reporting	27,436	22,814
Financial Framework	22,928	23,355
Deregulation and Regulatory Reform ²	3,138	-
Procurement Framework	10,059	9,840
Special accounts		
Coordinated Procurement Contracting		
Special Account ³	127,939	119,923
Expenses not requiring appropriation in the Budget year ⁴	12,634	12,715
Total for Programme 1.1	255,909	240,895
Programme 1.2: Public Sector Superannuation		
Administered expenses		
Ordinary annual services (Appropriation Bill (No. 1))		
Act of Grace nominal interests	556	587
Compensation and legal expenses	500	500
Superannuation administration costs	9,845	9,845
Special appropriations		
<i>Federal Circuit Court of Australia Act 1999</i>	555	706
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,400	1,400
<i>Governor-General Act 1974</i>	6,935	1,255
<i>Judges' Pensions Act 1968</i>	82,700	80,700
<i>Parliamentary Contributory Superannuation Act 1948</i>	56,240	55,900
<i>Parliamentary Superannuation Act 2004</i>	5,020	5,220
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	56	57
<i>Superannuation Act 1922</i>	36,177	41,000
<i>Superannuation Act 1976</i>	3,112,679	3,370,690
<i>Superannuation Act 1990</i>	4,924,777	3,993,232

Table continues on next page

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

Outcome 1: Informed decisions on Government finances through: policy advice; implementing frameworks; and providing financial advice, guidance and assurance.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Departmental expenses		
Departmental appropriation ¹		
Public Sector Superannuation	10,555	7,204
Expenses not requiring appropriation in the Budget year ⁴	370	358
Total for Programme 1.2	8,248,365	7,568,654
Programme 1.3: Australian Government Investment Funds		
Administered expenses		
Special accounts		
DisabilityCare Australia Fund Special Account	-	215
Asset Recycling Fund Special Account ⁵	-	650,474
Medical Research Future Fund Special Account ⁵	-	540
Building Australia Fund Special Account ⁶	1,203,378	191,576
Education Investment Fund Special Account ⁶	230,374	120,186
Health and Hospitals Fund Special Account ⁶	602,491	398,901
Total for Programme 1.3	2,036,243	1,361,892
Outcome 1 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill (No. 1))	10,901	10,932
Special appropriations	8,226,539	7,550,160
Special accounts	2,036,243	1,361,892
Departmental expenses		
Departmental appropriation ¹	125,891	115,461
Expenses not requiring appropriation in the Budget year ⁴	13,004	13,073
Special accounts	127,939	119,923
Total expenses for Outcome 1	10,540,517	9,171,441
Average Staffing Level (number)	753	709

- 1 Departmental appropriation combines 'ordinary annual services (Appropriation Bill (No.1))' and 'relevant agency receipts (s31)'.
- 2 This function was transferred to PM&C as part of the AAO issued on 18 September 2013.
- 3 The Coordinated Procurement Contracting Special Account expenses include expenses for ICT-related coordinated procurement activities. The policy for ICT coordinated procurement activities is provided under Outcome 2.
- 4 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.
- 5 The Asset Recycling Fund and Medical Research Future Fund are subject to the passage of legislation.
- 6 The Building Australia Fund, Education Investment Fund and Health and Hospitals Fund will be closed by 1 January 2015, subject to the passage of legislation.

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

Contributions to Outcome 1

Programme 1.1: Budget, Financial Management and Procurement Framework

Programme 1.1 Objective

This programme contributes to the outcome through:

- advising the Finance Minister and the Expenditure Review Committee (ERC) of Cabinet on financial and policy matters so they can make informed resource allocation decisions; and
- providing a robust financial management and procurement framework and policy advice that fosters accountable expenditure decision-making by Australian Government agencies.

Programme 1.1 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Budget Advice	51,775	52,248	52,379	52,526	53,323
Financial Reporting	27,436	22,814	22,557	22,470	22,765
Financial Framework	22,928	23,355	21,353	20,953	21,028
Deregulation and Regulatory Reform ¹	3,138	-	-	-	-
Procurement Framework	10,059	9,840	10,693	13,075	13,211
Special account expenses:					
Coordinated Procurement Contracting Special Account ²	127,939	119,923	107,922	98,928	96,076
Expenses not requiring appropriation in the Budget year ³	12,634	12,715	12,847	12,870	12,870
Total Programme expenses	255,909	240,895	227,751	220,822	219,273

1 This function was transferred to PM&C as part of the AAO issued on 18 September 2013.

2 The Coordinated Procurement Contracting Special Account expenses include expenses for ICT-related coordinated procurement activities. The policy for ICT coordinated procurement activities is provided under Outcome 2.

3 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Programme 1.1 Deliverables

Budget

- Inform the Australian Government through relevant, reliable, robust analysis and evidence-based policy advice and financial information including timely and accurate costings.
- Prepare and deliver Budget estimates, processes and documentation in an accurate and timely manner.
- Provide advice to Australian Government agencies on Budget processes that is effective, timely and accurate.

Financial Management

- Provide advice to the Finance Minister to meet financial reporting responsibilities under the FMA Act, the CAC Act, the *Charter of Budget Honesty Act 1998* and the Annual Appropriation Acts, through:
 - the development and maintenance of the Finance Minister's Orders;
 - the production of financial data and financial statements for the Australian Government;
 - the production of Appropriation Bills; and
 - the monitoring and reporting of the Australian Government's cash balances.
- Provide financial management legislation that is clear and concise that supports efficient, effective, ethical and economical Australian Government administration.
- Provide advice and guidance on Commonwealth grants policy.
- Provide advice on policy and implementation issues in relation to the governance and financial framework, including the outcomes and programmes framework and improve efficiencies in the Australian Public Service.

Programme 1.1 Deliverables (continued)

- Continue the development and implementation of reforms to the financial and governance framework as part of the Public Management Reform Agenda (PMRA), including:
 - implementing the *Public Governance, Performance and Accountability Act 2013* to replace the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*, with the operational provisions and new framework commencing from 1 July 2014.
- Provide assistance and advice to departments and agencies on the process of developing Australian Government advertising campaigns.

Assurance

- Undertake Gateway Reviews and Implementation Readiness Assessments of major projects and programmes over their lifecycle, to provide assurance to agencies regarding delivery and implementation.

International Governance and Cooperation

- Deploy public financial management advisory staff to relevant countries as agreed with the governments of these countries, in line with the Australian Government's overseas aid priorities.

Procurement Framework

- Provide policy advice and support to the Australian Government, departments and agencies on procurement policy and related operational matters.
- Develop and manage AusTender.
- Strengthen procurement capability across the Australian Public Service by conducting regular information activities.
- Manage and improve the whole of government procurement arrangements.

Programme 1.1 Key Performance Indicators

Budget

- Advice is timely, relevant and of high quality, and is based on an objective and thorough understanding of issues from a Whole-of-Australian-Government perspective.
- Costings and budget estimates are accurate and appropriate and meet ERC and Budget deadlines for provision of information and analysis.
- Accurate budget estimates targets, measured as follows, after allowing for the effects of policy decisions, movements in economic parameters and changes in accounting treatments:
 - 2.0% difference between first forward year estimated expenses and final outcome;
 - 1.5% difference between Budget estimated expenses and final outcome;
 - 1.0% difference between revised estimated expenses at Mid Year Economic and Fiscal Outlook (MYEFO) and Final Budget Outcome (FBO); and
 - 0.5% difference between revised estimated expenses at Budget time and Final Budget Outcome.

Financial Management

- Accurate and timely financial statements are prepared as part of the Budget documentation.
- Appropriation Bills are finalised for introduction into Parliament to timeframes as agreed by the Australian Government.
- Accurate financial reports are delivered to the Australian Government within agreed timeframes:
 - Monthly General Government Sector financial reports (excluding July) are timely and accurate. Following the month end, statements are provided to the Finance Minister, on average, within 21 days.
 - Consolidated financial statements are provided by the Finance Minister to the Auditor-General in accordance with the FMA Act by 30 November 2014.
 - The derived underlying cash balance is provided to Government following the end of the financial year within 5 days.

Programme 1.1 Key Performance Indicators (continued)

- Key financial reports delivered to the Australian Government within agreed timeframes.
- Compliance with the PMRA progressively improves year on year as measured by agency feedback and certificate of compliance responses.

Assurance

- 90% of Gateway Review report recommendations are fully actioned by Commonwealth entities within two years of the presentation of the final report.

International Governance and Cooperation

- Contribute to the achievement of the objectives of the Australian Government in Papua New Guinea, the Pacific, and East Asia through:
 - assisting in the delivery of significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results; and
 - assisting in the demonstration of organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

Procurement Framework

- Government advertising is conducted in accordance with Australian Government advertising policies.
- Coordinated Procurement arrangements are well managed. In particular, scoping studies and tender processes are conducted within agreed timeframes and budget; and contracts are managed in accordance with appropriate contract management plans.
- Timely and relevant advice on procurement policy matters is provided, with at least 80% of agency queries to the procurement advice inbox responded to within 3 days.
- AusTender is available 99% of the time during business hours (ACT local time).

Programme 1.2: Public Sector Superannuation

Programme 1.2 Objective

This programme contributes to the outcome through advising the Australian Government on managing the Future Fund, the Australian Government unfunded superannuation liabilities and its associated administered expense items and superannuation arrangements for Australian Government employees.

This includes advising the Australian Government on the administration and management of superannuation arrangements for current and former: Members of Parliament; Governors-General; Federal Judges; and Judges of the Federal Circuit Court of Australia (Federal Circuit Court Judges).

Linked to:

- Commonwealth Superannuation Corporation (CSC) is the trustee which manages the Australian Government's main superannuation schemes, including the following civilian schemes: the Public Sector Superannuation Accumulation Plan; the Public Sector Superannuation Scheme and the Commonwealth Superannuation Scheme.
- ComSuper provides superannuation administration services to the Australian Government's main superannuation schemes. ComSuper makes entitlement payments in relation to current and former Australian Government employees and Australian Defence personnel by drawing down on, as relevant, special appropriations held by Finance and the Department of Defence and annual appropriations to the Department of Foreign Affairs and Trade.
- The Future Fund Management Agency (FFMA) supports and advises the Future Fund Board of Guardians in its task of investing the assets of the Future Fund. Finance provides advice to the Australian Government on the investment mandates and governance arrangements for the Future Fund.

Programme 1.2 Expenses					
	2013-14	2014-15	2015-16	2016-17	2017-18
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Annual administered expenses:					
Act of Grace nominal interests	556	587	546	500	450
Compensation and legal expenses	500	500	500	500	500
Superannuation administration costs	9,845	9,845	9,845	9,845	9,845
Special appropriations:					
<i>Federal Circuit Court of Australia</i>					
Act 1999	555	706	741	796	835
<i>Governance of Australian Government</i>					
Superannuation Schemes Act 2011	1,400	1,400	1,400	1,400	1,400
Governor-General Act 1974	6,935	1,255	1,244	1,233	1,221
Judges' Pensions Act 1968	82,700	80,700	82,100	83,900	86,900
<i>Parliamentary Contributory</i>					
Superannuation Act 1948	56,240	55,900	57,000	55,600	54,700
<i>Parliamentary Superannuation</i>					
Act 2004	5,020	5,220	5,429	6,210	6,575
<i>Same-Sex Relationships (Equal</i>					
<i>Treatment in Commonwealth Laws</i>					
<i>- General Law Reform) Act 2008</i>					
	56	57	57	57	57
Superannuation Act 1922	36,177	41,000	38,000	34,000	31,731
Superannuation Act 1976	3,112,679	3,370,690	3,339,467	3,302,870	3,265,581
Superannuation Act 1990	4,924,777	3,993,232	4,171,812	4,359,479	4,557,009
Annual departmental expenses:					
Public Sector Superannuation	10,555	7,204	7,221	7,238	7,333
Expenses not requiring appropriation					
in the Budget year ¹	370	358	374	372	372
Total programme expenses	8,248,365	7,568,654	7,715,736	7,864,000	8,024,509

1 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Programme 1.2 Deliverables

- Provide policy advice on, and manage effectively, the Australian Government's unfunded superannuation liability and associated administered expenses, and provide policy advice on the superannuation arrangements for Australian Government employees.
- Provide policy advice and manage the superannuation arrangements for the Parliamentary Contributory Superannuation Scheme and current and former Governors-General; Federal Judges; and Federal Circuit Court Judges.
- Provide policy advice on the Future Fund, including the investment mandate and other governance matters.
- Provide policy advice on the governance of Sovereign Wealth Funds.

Programme 1.2 Key Performance Indicators

- High quality and relevant policy advice is provided in a timely manner, as assessed by feedback from key clients.
- Members of superannuation schemes administered by Finance are satisfied with service provision. Payments made under these superannuation schemes are accurate and in accordance with scheme timeframes. Superannuation scheme statements are issued in accordance with prescribed timeframes.

Programme 1.3: Australian Government Investment Funds

Programme 1.3 Objective

This programme contributes to the outcome through advising on the Australian Government's Investment Funds being the:

- DisabilityCare Australia Fund (DCAF).
- Asset Recycling Fund (ARF);
- Medical Research Future Fund (MRFF);
- Building Australia Fund (BAF);
- Education Investment Fund (EIF); and
- Health and Hospitals Fund (HHF).

This includes advice on investment mandates, credit of amounts to the Funds and debits for payments from the Funds and other governance matters.

The ARF and MRFF are subject to the passage of legislation. The BAF, EIF and HHF are to be closed by 1 January 2015, subject to the passage of legislation.

Linked to:

- The FFMA supports and advises the Future Fund Board of Guardians in its task of investing the assets of the Investment Funds, and implements the Board's investment decisions. Finance provides advice to the Australian Government on investment mandates and governance arrangements for the Investment Funds.

Finance Budget Statements

Programme 1.3 Expenses					
	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special account expenses:					
DisabilityCare Australia Fund Special Account	-	215	74,673	189,793	299,464
Asset Recycling Fund Special Account ¹	-	650,474	2,506,833	2,611,629	2,060,386
Medical Research Future Fund Special Account ¹	-	540	21,999	81,849	187,225
Building Australia Fund Special Account ²	1,203,378	191,576	-	-	-
Education Investment Fund Special Account ²	230,374	120,186	-	-	-
Health and Hospitals Fund Special Account ²	602,491	398,901	-	-	-
Total programme expenses	2,036,243	1,361,892	2,603,505	2,883,271	2,547,075

1 The Asset Recycling Fund and Medical Research Future Fund are subject to the passage of legislation.

2 The Building Australia Fund, Education Investment Fund and Health and Hospitals Fund will be closed by 1 January 2015, subject to the passage of legislation.

Programme 1.3 Deliverables

- Provide policy advice to the Australian Government on the Australian Government Investment Funds, including investment mandates, governance matters, credits to and payments from the Funds.

Programme 1.3 Key Performance Indicators

- High quality and relevant advice is provided in a timely manner, as assessed by feedback from key clients.
- Credits to and payments from the Funds are timely and consistent with legislation.

Outcome 2: Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.

Outcome 2 Strategy

Finance supports the Australian Government's administration and operations through:

- providing shareholder oversight of Australian Government Business Enterprises (GBEs) and other commercial entities;
- developing and implementing policy, and providing advice, guidance and support, in relation to the management of Australian Government property, land and public works;
- undertaking major, high-risk or complex capital works projects as required by the Australian Government;
- managing the Australian Government's non-Defence property portfolio within Australia;
- providing services to Australian Government agencies on risk management and administering the Australian Government's self-managed general insurance fund (Comcover);
- providing policy guidance on, and managing, act of grace requests, waiver of debt applications and set off matters; and
- providing advice and services on Government ICT to enable the delivery of better and more efficient Australian Government services for the Australian people, communities and business, through:
 - improving ICT knowledge, skills and capability across the Australian Government;
 - using ICT to simplify, join and improve digital services that the Australian Government provides;
 - harnessing the potential of the digital economy and new technologies;
 - providing whole of government online and network services to support Agencies in improving digital service delivery; and
 - generating, sharing, managing and more effectively using information.

Outcome Expense Statement

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

Table 2.1.2: Budgeted Expenses for Outcome 2

Outcome 2: Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 2.1: Government Business and ICT		
Administered expenses		
Ordinary annual services (Appropriation Bill (No. 1))		
Grant in Aid - Australian Institute of Policy and Science	34	35
Grant in Aid - Chifley Research Centre	213	218
Grant in Aid - Green Institute	80	82
Grant in Aid - Menzies Research Centre	213	218
Grant in Aid - Page Research Centre	80	82
Grant in Aid - Royal Humane Society of Australasia	25	25
Grant in Aid - RSPCA Australia Inc.	34	35
Departmental expenses		
Departmental appropriation ¹		
Government Business Enterprises Ownership and Divestment	10,184	25,731
Special Financial Claims	2,169	2,515
Whole of Government ICT	12,273	12,432
Digital Government	13,095	13,908
Special appropriations		
Medibank Private Sale Act 2006 (D)	15,387	75,526
Special accounts		
Business Services Special Account	500	-
Expenses not requiring appropriation in the Budget year ²	3,807	4,103
Total for Programme 2.1	58,094	134,910

Table continues on next page

Table 2.1.2: Budgeted Expenses for Outcome 2 (continued)

Outcome 2: Effective Government policy advice, administration and operations through: oversight of Government Business Enterprises; Commonwealth property management and construction; risk management; and providing ICT services.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 2.2: Property and Construction		
Departmental expenses		
Special accounts		
Property Special Account	86,396	88,762
Total for Programme 2.2	86,396	88,762
Programme 2.3: Insurance and Risk Management		
Departmental expenses		
Special accounts		
Comcover Special Account	157,329	108,825
Total for Programme 2.3	157,329	108,825
Outcome 2 totals by appropriation type:		
Administered expenses		
Ordinary annual services (Appropriation Bill (No. 1))	679	695
Departmental expenses		
Departmental appropriation ¹	37,721	54,586
Special appropriations	15,387	75,526
Special accounts	244,225	197,587
Expenses not requiring appropriation in the Budget year ²	3,807	4,103
Total Expenses for Outcome 2	301,819	332,497
	2013-14	2014-15
Average Staffing Level (number)	383	409

1 Departmental Appropriation combines 'ordinary annual services (Appropriation Bill (No.1))' and 'relevant agency receipts (s31)'.

2 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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

Contributions to Outcome 2

Programme 2.1: Australian Government Business and ICT

Programme 2.1 Objective

This programme contributes to the outcome through:

- promoting a robust governance and accountability framework for GBEs including providing advice on the strategy, governance and performance of GBEs to the Australian Government;
- managing and providing quality policy guidance on act of grace requests, waiver of debt applications and set off matters;
- supporting better informed decisions and improving the operations of the Australian Government through leadership and the innovative use of ICT; and
- events and information technology to facilitate the appointment of appropriately skilled and experienced women to Government boards.

Programme 2.1 Expenses					
	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Grant in Aid - Australian Institute of Policy and Science	34	35	35	36	37
Grant in Aid - Chifley Research Centre	213	218	223	228	233
Grant in Aid - Green Institute	80	82	84	86	88
Grant in Aid - Menzies Research Centre	213	218	223	228	233
Grant in Aid - Page Research Centre	80	82	84	86	88
Grant in Aid - Royal Humane Society of Australasia	25	25	26	26	27
Grant in Aid - RSPCA Australia Inc.	34	35	35	36	37
Annual departmental expenses:					
Government Business Enterprises Ownership and Divestment	10,184	25,731	11,983	5,178	5,251
Special Financial Claims	2,169	2,515	2,521	2,529	2,569
Whole of Government ICT	12,273	12,432	12,455	12,481	12,621
Digital Government	13,095	13,908	13,915	13,953	14,157
Special appropriations:					
<i>Medibank Private Sale Act 2006</i> (D)	15,387	75,526	-	-	-
Special account expenses:					
Business Services Special Account	500	-	-	-	-
Expenses not requiring appropriation in the Budget year ¹	3,807	4,103	3,858	3,849	3,849
Total programme expenses	58,094	134,910	45,442	38,716	39,190

(A) = Administered
(D) = Departmental

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Programme 2.1 Deliverables

- Provide advice to the Australian Government on operations, financial forecasts and the performance of GBEs and other commercial entities.
- Review annual Corporate Plans and hold quarterly meeting with larger GBEs and annual or semi-annual meetings with other GBEs.
- Manage current asset sales and any residual issues arising from previous asset sales.
- Provide consistent and balanced policy guidance and management of act of grace requests, waiver of debt applications and set off matters.
- Pay Grants in Aid funding to organisations approved for receipt of such funding from the Australian Government.
- Advise the Australian Government and agencies on ICT investment management and project delivery, and the implementation of ICT policies to reduce costs, increase productivity and develop better services across government.
- Support the Secretaries' ICT Governance Board to implement and monitor whole-of-government strategic ICT policy.
- Manage the ICT investment and assurance process including ICT Two Pass for major ICT-enabled budget proposals and Gateway reviews, and help improve agencies' ICT project management and implementation.
- Coordinate the ICT Entry Levels Programme to address ICT skills shortages.
- Manage the delivery of Australian Government information and services through the Australian Government's online entry point and related online services.
- Provide appropriate digital services and expertise to support improved service delivery across government.
- Provide secure communication networks for the Australian Government including Ministers, senior executives and agencies.
- Implement and administer the BoardLinks and AusGovBoards initiatives, including the appointment of BoardLinks candidates to Government boards.

Programme 2.1 Key Performance Indicators

Government Business Oversight

- Advice to the Finance Minister is timely, relevant and of high quality.
- Briefings on Corporate Plans and Progress Reports to be provided to the Finance Minister within 4 weeks of receipt.
- Completion of an initial public offer of Medibank Private shares in 2014-15.

Special Financial Claims

- No adverse findings from the Commonwealth Ombudsman.
- 100% compliance with timeframes in the *Administrative Decisions (Judicial Review) Act 1977*.
- Completing 50% of all Act of Grace and waiver of debt requests within 60 days.

Digital Government and Whole of Government ICT

- Coordination with other Government entities to ensure that 70% of students annually accepted for the Australian Government ICT Apprenticeships Programme remain in the Australian Government after one year, and 50% remain in the Australian Government after two years.
- Usage of Australian Government online entry point increases by 10% in 2013-14.
- 75% of relevant agencies access the internet through a shared internet gateway provided by a lead agency.

Programme 2.2: Property and Construction

Programme 2.2 Objective

This programme contributes to the outcome by providing policy, advice, guidance and support on managing Commonwealth property, land and public works across the Australian Government, and by managing specified major capital works projects and the Australian Government's non-Defence property portfolio within Australia. The programme aims to achieve property outcomes that are efficient, effective and sustainable in the long-term by:

- implementing the Commonwealth Property Management Framework, and associated data collection and guidance material, to improve the governance, planning and Whole-of-Australian-Government coordination of property management across FMA Act agencies;
- providing strategic advice on Whole-of-Australian-Government property capability and on major property leasing, acquisition, divestment and construction decisions, and assisting agencies to achieve more efficient, effective and sustainable property outcomes on a whole-of-life basis;
- providing advice and support in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy;
- construction of major, high-risk or complex capital works projects as determined by the Australian Government, including delivery of allocated projects and provision of advice to agencies on construction and related matters; and
- optimal management of non-Defence Commonwealth property in Australia through the adoption of best practice property management systems and processes, including legislative compliance.

Programme 2.2 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special account expenses:					
Property Special Account	86,396	88,762	98,099	94,782	94,826
Total programme expenses	86,396	88,762	98,099	94,782	94,826

Programme 2.2 Deliverables

- Provide advice to the Australian Government on its property management policy.
- Assist departments and agencies with the application of the Commonwealth Property Management Framework. This includes conducting property data collections of Commonwealth leasing trends and the disposal of Commonwealth Property.
- Provide advice and support to the Australian Government on decisions to own, lease, divest or acquire properties using whole-of-life cost-benefit analysis, a Whole-of-Australian-Government property capability plan, and the two-stage process for approval of major capital works.
- Provide advice and support to the Australian Government and its agencies in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy.
- Develop, deliver, and provide expert advice on, significant Australian Government construction and land remediation projects, including:
 - a future post entry quarantine facility for the Department of Agriculture in Mickleham, Victoria;
 - site remediation and maintenance works at Malabar Headland, Cox Peninsula and the Industrial Waste Collection site at Lucas Heights;
 - redevelopment of the Villawood Immigration Detention Centre;
 - finalisation of the Australian Security Intelligence Organisation central office construction project including the Australian Cyber Security Centre;
 - refurbishment of the John Gorton Building façade; and
 - other projects allocated to the Department by the Australian Government.
- Manage properties within the Australian Government's non-Defence domestic property portfolio to meet their intended purposes, maintain their condition to agreed standards and meet legislative requirements, including environment, heritage, health and safety obligations, through the adoption of best practice property management systems and process.
- Acquire properties as required by Government, divest properties that are surplus to the Australian Government's needs, and manage residual issues arising from previous Commonwealth property interests.

Programme 2.2 Key Performance Indicators

- Sustainable property management practices and tools are promulgated to relevant agencies, and agencies are assisted in using these tools to achieve more efficient, effective and sustainable property outcomes on a whole-of-life basis.
- Whole-of-Australian-Government property data is collected, analysed and used as the evidence base to inform Australian Government property management policy and agency property decisions.
- Cost-benefit analysis, a Whole-of-Australian-Government property capability plan, and the two-stage process for approval of major capital works are systematically applied to better inform Australian Government and agency decisions to own, lease, divest or acquire properties.
- Advice and support is provided to the Australian Government and its agencies in relation to the *Lands Acquisition Act 1989*, the *Public Works Committee Act 1969*, relevant sections of the *Native Title Act 1993*, the National Land Ordinances and the Commonwealth Property Disposals Policy.
- Major capital works projects and major land contamination remediation projects are completed within the time, cost and quality parameters agreed by the Australian Government for the project.
- Properties within the Australian Government's non-Defence domestic property portfolio are strategically managed to meet their intended purposes and legislative requirements.
- Properties are acquired and divested as appropriate and desired by the Government, and residual issues are managed to protect the Australian Government's interests.

Programme 2.3: Insurance and Risk Management

Programme 2.3 Objective

This programme contributes to the outcome through providing general insurance services and promoting risk management across the Australian Government through the Comcover special account.

Comcover's objectives are to deliver a net benefit to the Australian Government Budget over the longer term by:

- promoting best practice risk management in agencies to improve policy formulation and delivery of government programmes and services;
- providing a comprehensive self-managed general insurance fund to protect Australian Government agencies against the impact and volatility of insurable losses; and
- managing legal liability claims against the Australian Government in accordance with legislative and regulatory requirements.

Programme 2.3 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special account expenses:					
Comcover Special Account	157,329	108,825	111,043	114,179	117,392
Total programme expenses	157,329	108,825	111,043	114,179	117,392

Programme 2.3 Deliverables

- Manage the Comcover fund to protect Australian Government agencies against the impact and volatility of insurable losses.
- Provide fund member agencies with risk management advice and education services that build capability and supports best practice risk management across the fund.
- Provide fund member agencies with comprehensive insurance for all normally insurable risks and ensure efficient and effective management of all claims.
- Management of fire services arrangements with the states and territories for the protection of Australian Government property.

Programme 2.3 Key Performance Indicators

- 80% of Comcover fund member agencies have achieved their identified level of risk maturity as measured in the Comcover Benchmarking programme.

Outcome 3: Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.

Outcome 3 Strategy

Finance provides Parliamentarians and their staff, former Senators and Members, Prime Ministers and other eligible office-holders with a range of facilities and services to assist them in undertaking their duties. These services include:

- access to and payment of entitlements;
- advice and support to Parliamentarians on a range of entitlement issues;
- the provision of electorate office facilities;
- travel and accommodation entitlement support;
- personnel-related services;
- COMCAR and other car-with-driver and related ground transport services; and
- management of the Commonwealth Parliament Offices in State capitals and the Ministerial Wing of Parliament House.

Outcome Expense Statement

Table 2.1.3 provides an overview of the total expenses for Outcome 3, by programme.

Table 2.1.3: Budgeted Expenses for Outcome 3

Outcome 3: Support for Parliamentarians, others with entitlements and organisations as approved by Government through the delivery of entitlements and targeted assistance.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 3.1: Ministerial and Parliamentary Services		
Administered expenses		
Ordinary annual services (Appropriation Bill (No. 1))		
Electorate and ministerial support costs	282,459	271,549
Political Exchange Programme	857	877
Special appropriations		
<i>Commonwealth of Australia Constitution Act (s66)</i>	4,949	4,825
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	2,944	1,065
<i>Parliamentary Entitlements Act 1990</i>	182,340	165,294
Expenses not requiring appropriation in the Budget year ¹	9,359	9,351
Departmental expenses		
Departmental appropriation ²		
Services to Senators, Members and their staff	34,942	36,066
Car-with-driver and associated transport services	2,443	2,085
Expenses not requiring appropriation in the Budget year ¹	2,682	2,647
Total for Programme 3.1	522,975	493,759
Outcome 3 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill (No. 1))	283,316	272,426
Special appropriations	190,233	171,184
Expenses not requiring appropriation in the Budget year ¹	9,359	9,351
Departmental expenses		
Departmental appropriation ²	37,385	38,151
Expenses not requiring appropriation in the Budget year ¹	2,682	2,647
Total expenses for Outcome 3	522,975	493,759
	2013-14	2014-15
Average Staffing Level (number)	259	251

1 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

2 Departmental Appropriation combines 'ordinary annual services (Appropriation Bill (No.1))' and 'relevant agency receipts (s31)'.

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

Contributions to Outcome 3

Programme 3.1: Ministerial and Parliamentary Services

Programme 3.1 Objective

This programme contributes to the outcome through providing the entitlements - and advice on these entitlements - of Ministers, Office-holders, Senators, Members and certain former Parliamentarians and their respective staff (employed under the *Members of Parliament (Staff) Act 1984* (MoP(S)Act)). Under this programme support services provided by Finance include:

- electorate and ministerial support costs;
- car-with-driver and associated ground transport services;
- luggage service for guests of the Australian Government; and
- the Political Exchange Programme.

Programme 3.1 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Electorate and ministerial support costs	282,459	271,549	272,520	275,925	277,182
Political Exchange Programme	857	877	892	909	926
Special appropriations:					
<i>Commonwealth of Australia Constitution Act (s66)</i>	4,949	4,825	4,825	4,825	4,825
<i>Members of Parliament (Life Gold Pass) Act 2002</i>	2,944	1,065	1,122	1,175	1,069
<i>Parliamentary Entitlements Act 1990</i>	182,340	165,294	168,158	176,175	174,319
Expenses not requiring appropriation in the Budget year ¹	9,359	9,351	9,339	9,345	9,344
Annual departmental expenses:					
Services to Senators, Members and their staff	34,942	36,066	36,158	36,259	36,815
Car-with-driver and associated transport services	2,443	2,085	2,090	2,096	2,130
Expenses not requiring appropriation in the Budget year ¹	2,682	2,647	2,745	2,733	2,733
Total programme expenses	522,975	493,759	497,849	509,442	509,343

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Programme 3.1 Deliverables

- Provide advice on Parliamentary entitlements to Senators, Members and their employees.
- Provide COMCAR and other car-with-driver and associated ground transport services.
- Pay costs in respect of entitlements for Senators, Members and their employees.
- Provide regular reports regarding the entitlements of Senators, Members and their employees.
- Contract service providers to deliver effective and efficient access to entitlements.
- Provide an audit and checking function in relation to Parliamentary entitlements.
- Manage the MoP(S) Act employee framework.
- Provide and maintain electorate offices and Commonwealth Parliament Offices.

Programme 3.1 Key Performance Indicators

- 95% of payments to third party providers are made within agreed timeframes.
- 95% of personnel/pay variations received prior to cut-off are processed in the next pay.
- 90% of travelling allowance claims are paid within 7 working days of receipt of complete documentation.
- 90% of client enquiries are responded to within one working day.
- 95% of office establishment and relocation projects are delivered within approved budgets.
- 99% of COMCAR reservations are completed without service failure.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

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

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2014-15	Receipts 2014-15	Payments 2014-15	Adjustments 2014-15	Closing balance 2014-15
		2013-14	2013-14	2013-14	2013-14	2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
DisabilityCare Australia Fund ¹	1	-	2,876,448	(2,876,448)	-	-
- s21 FMA Act (A)		-	-	-	-	-
Asset Recycling Fund ²		-	*	*	-	-
- s21 FMA Act (A)	1	-	-	-	-	-
Medical Research Future Fund ²		-	2,052,785	(2,052,785)	-	-
- s21 FMA Act (A)	1	-	-	-	-	-
Building Australia Fund ³	1	-	3,808,777	(3,808,777)	-	-
- s21 FMA Act (A)		-	1,321,689	(1,321,689)	-	-
Education Investment Fund ³	1	-	3,897,735	(3,897,735)	-	-
- s21 FMA Act (A)		-	360,578	(360,578)	-	-
Health and Hospitals Fund ³	1	-	2,260,314	(2,260,314)	-	-
- s21 FMA Act (A)		-	673,141	(673,141)	-	-
Services for Other Entities and Trust Moneys ⁴	N/A	-	-	-	-	-
- s20 FMA Act (A)		-	-	-	-	-
Business Services Special Account - s20 FMA Act (D)	2	396	-	-	-	396
		896	-	(500)	-	396
Comcover Special Account ⁵	2	343,903	104,885	(108,984)	-	339,804
- s20 FMA Act (D)		288,826	154,212	(99,135)	-	343,903
Property Special Account	2	226,481	201,187	(294,219)	-	133,449
- s20 FMA Act (D)		221,568	235,996	(231,083)	-	226,481
Coordinated Procurement Contracting Special Account	2	36,199	117,456	(120,118)	-	33,537
- s20 FMA Act (D)		36,044	128,803	(128,648)	-	36,199
Total Special Accounts 2014-15 Budget estimate		606,979	15,319,587	(15,419,380)	-	507,186
<i>Total Special Accounts 2013-14 estimated actual</i>		<i>547,334</i>	<i>2,874,419</i>	<i>(2,814,774)</i>	-	<i>606,979</i>

(A) = Administered
(D) = Departmental

- The DisabilityCare Australia Fund Special Account has been established for holding and investing the additional Medicare levy proceeds for the purpose of making payments to reimburse the Commonwealth and the States and Territories for costs incurred in relation to the National Disability Insurance Scheme. Its balances are estimated at zero. More information on the DisabilityCare Australia Fund Special Account is set out in Table 3.1.2.1.
- The Asset Recycling Fund and Medical Research Future Fund are subject to the passage of legislation. These special accounts are not included in Budget Paper No.4. Amounts are marked with an asterisk (*) as a reliable estimate cannot be provided.
- The Nation-building Funds Special Accounts form part of the Nation-building Funds. These funds will be closed by 1 January 2015 subject to the passage of legislation.
- Represents monies held in trust for other persons and is therefore not included in Finance's estimates. Budget and forward estimates are not included as future transactions cannot be anticipated.
- Interest Equivalency Payment for Comcover decreases from \$10.1m (2013-14) to \$9.1m (2014-15).

The Lands Acquisition Account (*Lands Acquisition Act 1989*) has not been included in the table above as it is not currently active.

Table 3.1.2.1: DisabilityCare Australia Fund (DCAF) - Estimates of Fund Balances

	Outcome	Estimated	Budget	Forward	Forward	Forward
		actual	estimate	estimate	estimate	estimate
		2013-14	2014-15	2015-16	2016-17	2017-18
		\$'000	\$'000	\$'000	\$'000	\$'000
DisabilityCare Australia Fund ¹	1					
Opening balance		-	-	2,157,275	5,262,895	7,251,903
Revenue and gains						
Additional Medicare Levy - Equity		-	2,486,250	3,588,750	3,878,750	4,113,750
Investment earnings and gains		-	32,222	122,921	195,497	209,107
Expenses						
Management fees		-	(215)	(816)	(1,297)	(1,386)
Transfers to reimburse						
Accounts for project payments						
DisabilityCare Australia expenditure ²						
Commonwealth - Equity		-	(360,982)	(531,378)	(1,895,446)	(4,509,036)
States and Territories						
- Expense		-	-	(73,857)	(188,496)	(298,078)
Closing balance		-	2,157,275	5,262,895	7,251,903	6,766,260

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

2 The transfers relate to the making of reimbursements to the Commonwealth and the States and Territories relating to the operations of the National Disability Insurance Scheme.

Table 3.1.2.2: Asset Recycling Fund (ARF) - Estimates of Fund Balances

	Outcome	Estimated	Budget	Forward	Forward	Forward
		actual	estimate	estimate	estimate	estimate
		2013-14	2014-15	2015-16	2016-17	2017-18
		\$'000	\$'000	\$'000	\$'000	\$'000
Asset Recycling Fund ¹	1					
Opening balance		-	*	*	*	*
Investment credits ²		-	*	*	*	*
Revenue and gains						
Investment earnings and gains		-	*	*	*	*
Expenses						
Management fees		-	*	*	*	*
Transfers to Portfolio Special						
Accounts for project payments ³						
ARF Infrastructure Portfolio						
Special Account - Expense		-	(3,800)	(350,000)	-	-
COAG Reform Fund						
Special Account - Expense		-	(639,700)	(2,148,500)	(2,605,800)	(2,056,900)
Closing balance		-	*	*	*	*

1 The ARF consists of the ARF Special Account and investments of the ARF. The investments will be managed by the Future Fund Board of Guardians. The special account will be used to record all transactions relating to the ARF, including interest received and payments.

2 Credits consist of uncommitted funds from the Building Australia Fund (BAF) and Education Investment Fund (EIF) transferred as at 1 July 2014. Further contributions to the ARF will consist of sale proceeds from privatisations. Amounts are marked with an asterisk (*) as a reliable estimate cannot be provided.

3 The transfers relate to projects approved as at the time of the Budget.

Table 3.1.2.3: Medical Research Future Fund (MRFF) - Estimates of Fund Balances

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Medical Research Future Fund ¹	1				
Opening balance	-	-	2,053,976	4,799,830	7,807,108
Investment credits ²	-	2,031,795	2,679,996	2,884,467	3,938,438
Revenue and gains					
Investment earnings and gains	-	22,721	87,857	204,660	346,397
Expenses					
Management fees	-	(540)	(2,090)	(4,867)	(7,898)
Transfers to Portfolio Special Accounts for project payments ³					
MRFF Health Portfolio Special Account - Expense	-	-	(19,909)	(76,982)	(179,327)
Closing balance	-	2,053,976	4,799,830	7,807,108	11,904,718

- 1 The MRFF consists of the MRFF Special Account and investments of the MRFF. The investments will be managed by the Future Fund Board of Guardians. The special account will be used to record all transactions relating to the MRFF, including interest received and payments.
- 2 Credits consist of uncommitted funds from the Health and Hospitals Fund (HHF) transferred as at 1 January 2015, plus further contributions consisting of amounts equivalent to the estimated value of all health function savings published in the 2014-15 Budget until the capital value of the MRFF reaches \$20 billion.
- 3 The transfers relate to projects approved as at the time of the Budget.

Table 3.1.2.4: Building Australia Fund (BAF) - Estimates of Fund Balances

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Building Australia Fund ¹	1				
Opening balance	4,753,413	3,692,829	-	-	-
Revenue and gains					
Investment earnings and gains	142,795	61,024	-	-	-
Expenses					
Management fees	(4,389)	(2,026)	-	-	-
Transfers to Portfolio Special Accounts for project payments ²					
BAF Infrastructure Portfolio Special Account - Expense	(1,198,990)	(189,550)	-	-	-
Closure: Transfer to Consolidated Revenue Fund - Equity ³	-	(3,562,278)	-	-	-
Closing balance	3,692,829	-	-	-	-

- 1 The BAF consists of the BAF Special Account and investments of the BAF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the BAF, including interest received and payments. The uncommitted funds from the BAF will be transferred to the Asset Recycling Fund (ARF) on 1 July 2014. The BAF will continue to pay existing commitments until it is abolished by 1 January 2015 through a repeal of the *Nation-building Funds Act 2008*. After that time, commitments will continue to be paid from the Consolidated Revenue Fund and administered by Department of Infrastructure and Regional Development. The numbers in this table reflect half-year transactions for the fund for the period from 1 July to 31 December 2014.
- 2 The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the relevant BAF Portfolio Special Account, to the COAG Reform Fund Special Account. Amounts also include payments classified as equity transfers in the budgeted financial statements.
- 3 The transfer to the Consolidated Revenue Fund includes the transfer of BAF uncommitted amounts to the ARF.

Table 3.1.2.5: Education Investment Fund (EIF) - Estimates of Fund Balances

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Education Investment Fund ¹	1				
Opening balance	3,918,143	3,787,381	-	-	-
Revenue and gains					
Investment earnings and gains	126,806	58,081	-	-	-
Expenses					
Management fees	(4,511)	(2,186)	-	-	-
Transfers to Portfolio Special Accounts for project payments ²					
EIF Education Portfolio					
Special Account - Expense	(148,572)	(84,528)	-	-	-
EIF Research Portfolio					
Special Account - Expense	(77,290)	(33,475)	-	-	-
EIF Research Portfolio					
Special Account - Equity	(27,195)	(2,000)	-	-	-
Closure: Transfer to Consolidated Revenue Fund - Equity ³	-	(3,723,273)	-	-	-
Closing balance	3,787,381	-	-	-	-

1 The EIF consists of the EIF Special Account and investments of the EIF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the EIF, including interest received and payments. The uncommitted funds from the EIF will be transferred to the Asset Recycling Fund (ARF) on 1 July 2014. The EIF will continue to pay existing commitments until it is abolished by 1 January 2015 through a repeal of the *Nation-building Funds Act 2008*. After that time, commitments will continue to be paid from the Consolidated Revenue Fund and administered by the Department of Education. The numbers in this table reflect half-year transactions for the fund for the period from 1 July to 31 December 2014.

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

3 The transfer to the Consolidated Revenue Fund includes the transfer of EIF uncommitted amounts to the ARF.

Table 3.1.2.6: Health and Hospitals Fund (HHF) - Estimates of Fund Balances

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Health and Hospitals Fund ¹	1				
Opening balance	2,715,586	2,196,320	-	-	-
Revenue and gains					
Investment earnings and gains	83,223	33,681	-	-	-
Expenses					
Management fees	(2,690)	(1,284)	-	-	-
Transfers to Portfolio Special Accounts for project payments					
HHF Health Portfolio ²					
Special Account - Expense	(599,800)	(397,617)	-	-	-
Closure: Transfer to Consolidated Revenue Fund - Equity	-	(1,831,100)	-	-	-
Closing balance	2,196,320	-	-	-	-

- 1 The HHF consists of the HHF Special Account and investments of the HHF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the HHF, including interest received and payments. The uncommitted funds from the HHF will be transferred to the Medical Research Future Fund (MRFF) on 1 January 2015. The HHF will continue to pay existing commitments until it is abolished by 1 January 2015 through a repeal of the *Nation-building Funds Act 2008*. After that time, commitments will continue to be paid from the Consolidated Revenue Fund and administered by the Department of Health. The numbers in this table reflect half-year transactions for the fund for the period from 1 July to 31 December 2014.
- 2 The transfers relate to projects approved as at the time of the Budget. Amounts to be paid to the States and Territories may be transferred, through the HHF Health Portfolio Special Account, to the COAG Reform Fund Special Account.
- 3 The transfer to the Consolidated Revenue Fund includes the transfer of HHF uncommitted amounts to the MRFF.

3.1.3 Australian Government Indigenous Expenditure

The 2014-15 Australian Government Indigenous Statement is not applicable because the Department of Finance has no Indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

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

3.2.2 Analysis of Budgeted Financial Statements

Budgeted Statement of Comprehensive Income - Departmental

2013-14

Finance is forecasting expenses of \$604.0 million in 2013-14, an increase of \$8.2 million from expenditure forecast in the 2013-14 Additional Estimates. This change is primarily due to an increase in coordinated procurement expenses through increased agency engagement in procurements as well as increased expenses from measures.

Finance is forecasting total own source income of \$290.0 million, a decrease of \$3.9 million from own source income forecast in the 2013-14 Additional Estimates. This is primarily due to reductions in expected rental incomes offset by an increase in coordinated procurement revenue through increased agency engagement in procurements.

2014-15

Finance is budgeting for a surplus of \$22.3 million, a decrease of \$9.8 million from the surplus of \$32.1 million forecast in the 2013-14 Additional Estimates. This is due primarily to rephasing of project expenditure from previous years.

Budgeted Balance Sheet - Departmental

The budgeted net asset position as at 30 June 2015 of \$2,135.6 million represents a decrease of \$377.8 million from that forecast in the 2013-14 Additional Estimates. This is primarily due to an adjustment of timing for transferring of completed capital projects to other agencies.

Schedule of Administered Activity

For commercial confidentiality, Finance's administered estimates have not been adjusted to reflect the Government's decision to sell Medibank Private Limited. These estimates have, however, been recorded in the Whole-of-Australian-Government Budget contained in Budget Paper 1.

Budgeted Schedule of Comprehensive Income - Administered

2013-14

Estimated administered income for 2013-14 has increased to \$2,027.9 million from the \$1,983.8 million reported in the 2013-14 Additional Estimates. This is primarily due to revisions in superannuation contributions.

Estimated administered expenses for 2013-14 have increased to \$10,757.3 million from the \$10,352.3 million reported in the 2013-14 Additional Estimates. This is primarily due to increases in superannuation estimates and increases in distributions from the Investment Funds due to movement of funds decisions.

2014-15

Finance is budgeting for administered income of \$2,070.7 million in 2014-15, an increase from the \$1,958.0 million budgeted for in the 2013-14 Additional Estimates. This is primarily due to revisions in superannuation and Investment Fund estimates.

Finance is budgeting for administered expenses of \$9,376.6 million in 2014-15, an increase from the \$9,218.1 million budgeted for in the 2013-14 Additional Estimates. This is due to increased superannuation expenses partially offset by reduced distributions from the Investment Funds.

Budgeted Schedule of Assets and Liabilities - Administered

Administered assets are budgeted to total \$14,191.1 million by 30 June 2015, down from \$15,213.6 million estimated in the 2013-14 Additional Estimates. This is due to the closure of the Nation-building Funds and establishment of the Asset Recycling Fund and the Medical Research Future Fund.

Administered liabilities are estimated to total \$103,934.2 million by 30 June 2015, up slightly from \$100,271.2 million estimated in the 2013-14 Additional Estimates primarily due to revisions in superannuation estimates.

3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	172,561	173,344	168,980	169,165	169,649
Suppliers	250,594	301,444	205,616	198,440	197,471
Depreciation and amortisation ¹	31,697	33,133	33,707	34,506	35,344
Net losses from asset sales ²	134	1,214	589	138	190
Insurance claims	82,696	95,355	97,754	100,884	104,169
Other expenses	66,363	7,954	8,102	8,257	8,420
Total expenses	604,045	612,444	514,748	511,390	515,243
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Rendering of services	139,389	131,908	120,118	111,680	107,907
Insurance premiums	88,259	95,774	99,779	104,396	108,028
Rental income	53,417	85,075	85,678	83,631	86,126
Other revenue	5,845	5,300	6,300	5,300	5,300
Total own-source revenue	286,910	318,057	311,875	305,007	307,361
Gains					
Gains on valuation of investment property	1,719	3,459	3,645	3,824	3,512
Other gains ³	1,386	1,386	1,386	1,386	1,386
Total gains	3,105	4,845	5,031	5,210	4,898
Total own-source income	290,015	322,902	316,906	310,217	312,259
Net cost of (contribution by) services	314,030	289,542	197,842	201,173	202,984
Revenue from Government	269,376	315,868	228,665	235,594	239,313
Surplus (Deficit) before income tax	(44,654)	26,326	30,823	34,421	36,329
Income tax expense	3,994	3,994	3,994	3,994	3,994
Surplus (Deficit) attributable to the Australian Government	(48,648)	22,332	26,829	30,427	32,335
Total comprehensive income (loss) attributable to the Australian Government	(48,648)	22,332	26,829	30,427	32,335

Note: Impact of Net Cash Appropriation Arrangements

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(29,155)	42,156	46,653	50,251	52,159
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(19,493)	(19,824)	(19,824)	(19,824)	(19,824)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(48,648)	22,332	26,829	30,427	32,335

Prepared on Australian Accounting Standards basis.

- 1 Depreciation and amortisation expenses highlighted under "Expenses" represent total depreciation and amortisation expenses for Finance. The "non-appropriated" depreciation and amortisation figure at the bottom of this table is net of depreciation expenses associated with Finance's property portfolio and wholly contained within the Property Special Account.
- 2 Represents the net gain/loss from the Australian Government's non-Defence property divestment programme within Australia.
- 3 Other gains represent resources received free of charge for financial statement audit services from the Australian National Audit Office (ANAO).

Table 3.2.2: Budgeted Balance Sheet - Departmental as at 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents ¹	5,000	5,000	5,000	5,000	5,000
Trade and other receivables ²	743,773	650,573	635,324	663,999	706,823
Other financial assets	9,224	9,224	9,224	9,224	9,224
Total financial assets	757,997	664,797	649,548	678,223	721,047
Non-financial assets					
Land and buildings ³	1,016,868	1,172,136	942,700	990,351	998,673
Property, plant and equipment	23,969	32,002	47,637	51,879	52,346
Investment properties ³	629,243	637,443	641,088	644,912	648,424
Intangibles	83,550	89,955	91,803	92,817	94,012
Other non-financial assets	5,279	5,279	5,279	5,279	5,279
Total non-financial assets	1,758,909	1,936,815	1,728,507	1,785,238	1,798,734
Total assets	2,516,906	2,601,612	2,378,055	2,463,461	2,519,781
LIABILITIES					
Payables					
Suppliers	38,585	45,133	51,681	58,229	64,777
Unearned revenue	15,323	15,323	15,323	15,323	15,323
Return of equity	34,112	34,112	34,112	34,112	34,112
Other payables	3,397	4,164	4,931	5,698	6,465
Total payables	91,417	98,732	106,047	113,362	120,677
Provisions					
Employee provisions	63,272	65,704	68,136	70,568	73,000
Outstanding insurance claims	295,170	295,170	295,170	295,170	295,170
Other provisions	6,410	6,410	6,410	6,410	6,410
Total provisions	364,852	367,284	369,716	372,148	374,580
Total liabilities	456,269	466,016	475,763	485,510	495,257
Net assets	2,060,637	2,135,596	1,902,292	1,977,951	2,024,524

Table continues on next page

Table 3.2.2: Budgeted Balance Sheet - Departmental as at 30 June (continued)

	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EQUITY ⁴					
Contributed equity	1,705,214	1,757,841	1,497,708	1,542,940	1,557,178
Reserves	124,382	124,382	124,382	124,382	124,382
Retained surplus	231,041	253,373	280,202	310,629	342,964
Total equity	2,060,637	2,135,596	1,902,292	1,977,951	2,024,524

Prepared on Australian Accounting Standards basis.

- 1 The departmental cash balance is maintained at \$5m. Cash in excess of this balance is returned to the Official Public Account, recorded as a receivable and drawn down as required.
- 2 Primarily represents appropriation receivable (including capital appropriation) and the Special Accounts.
- 3 Primarily represents properties in the Australian Government's non-Defence property portfolio.
- 4 Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted Statement of Changes in Equity - Summary of Movement – Departmental for the period ended 30 June 2015

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2014				
Balance carried forward from previous period	231,041	124,382	1,705,214	2,060,637
Adjusted opening balance	231,041	124,382	1,705,214	2,060,637
Comprehensive income				
Surplus (Deficit) for the period	22,332	-	-	22,332
Total comprehensive income	22,332	-	-	22,332
Transactions with owners				
Distributions to owners				
Returns of capital:				
Returns of contributed equity	-	-	(30,378)	(30,378)
Contributions by owners				
Equity Injection - appropriations ¹	-	-	263,340	263,340
Departmental Capital Budget (DCB)	-	-	11,049	11,049
Restructuring ²	-	-	(191,384)	(191,384)
Sub-total transactions with owners	-	-	52,627	52,627
Estimated closing balance as at 30 June 2015	253,373	124,382	1,757,841	2,135,596

Prepared on Australian Accounting Standards basis.

1 Equity injections for construction and IT projects.

2 Represents transfers of assets to other Australian Government agencies.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	252,534	216,711	205,524	195,039	193,761
Appropriations	269,376	315,868	228,665	235,594	239,313
Insurance premiums	88,259	95,774	99,779	104,396	108,028
Net transfers from OPA	-	104,427	21,604	-	-
Other	5,845	5,300	6,300	5,300	5,300
Total cash received	616,014	738,080	561,872	540,329	546,402
Cash used					
Employees	174,993	175,776	171,412	171,597	172,081
Suppliers	257,142	307,992	212,164	204,988	204,019
Insurance claims	88,259	95,774	99,779	104,396	108,028
Net transfers to OPA	51,362	-	-	9,996	22,850
Other	7,813	7,954	8,102	8,257	8,420
Total cash used	579,569	587,496	491,457	499,234	515,398
Net cash from (used by) operating activities	36,445	150,584	70,415	41,095	31,004
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of assets	-	4,618	11,470	1,085	85
Total cash received	-	4,618	11,470	1,085	85
Cash used					
Purchase of land and buildings	279,046	364,832	102,358	63,421	23,930
Purchase of property, plant and equipment	24,299	19,860	27,460	16,067	12,292
Purchase of intangibles	18,181	14,399	9,843	9,008	9,190
Purchase of investment properties	19,221	4,741	-	-	-
Total cash used	340,747	403,832	139,661	88,496	45,412
Net cash from (used by) investing activities	(340,747)	(399,214)	(128,191)	(87,411)	(45,327)

Table continues on next page

Table 3.2.4: Budgeted Statement of Cash Flows - Departmental for the period ended 30 June (continued)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	328,909	274,390	92,757	81,297	49,304
Total cash received	328,909	274,390	92,757	81,297	49,304
Cash used					
Capital repayments	22,891	25,760	34,981	34,981	34,981
Total cash used	22,891	25,760	34,981	34,981	34,981
Net cash from (used by) financing activities	306,018	248,630	57,776	46,316	14,323
Net increase (decrease) in cash held	1,716	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	3,284	5,000	5,000	5,000	5,000
Cash and cash equivalents at the end of the reporting period	5,000	5,000	5,000	5,000	5,000

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Departmental Capital budget - Bill 1	10,921	11,050	10,958	10,972	11,193
Equity injections - Bill 2	317,988	263,340	81,799	70,325	38,111
Total new capital appropriations	328,909	274,390	92,757	81,297	49,304
Provided for:					
Purchase of non-financial assets	328,909	274,390	92,757	81,297	49,304
Total Items	328,909	274,390	92,757	81,297	49,304
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital budget - Bill 1 (DCB)	10,921	11,050	10,957	10,972	11,193
Funded by equity injections - Bill 2	307,931	377,877	105,728	63,521	24,030
Funded internally from departmental resources ¹	21,895	14,906	22,975	14,004	10,190
Total purchase of non-financial assets	340,747	403,833	139,660	88,497	45,413
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total asset additions	340,747	403,833	139,660	88,497	45,413
Total cash used to acquire assets	340,747	403,833	139,660	88,497	45,413

Prepared on Australian Accounting Standards basis.

- 1 Includes the following sources of funding:
- current and prior year annual appropriations; and
 - funds held in special accounts.

Table 3.2.6: Budgeted Statement of Asset Movements – Departmental for the period ended 30 June 2015

	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014						
Gross book value	321,471	707,605	35,794	629,243	145,277	1,839,390
Accumulated depreciation/ amortisation and impairment	-	(12,208)	(11,825)	-	(61,727)	(85,760)
Opening net book balance	321,471	695,397	23,969	629,243	83,550	1,753,630
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase/construction						
- appropriation equity ¹	-	364,833	2,978	4,741	5,326	377,878
By purchase/construction						
- appropriation ordinary annual services ²	-	-	1,977	-	9,073	11,050
By purchase/construction						
- internally funded	-	-	14,905	-	-	14,905
Total additions	-	364,833	19,860	4,741	14,399	403,833
Other movements						
Assets transferred in (out)	-	(191,384)	-	-	-	(191,384)
Depreciation/amortisation expense	-	(13,312)	(11,825)	-	(7,996)	(33,133)
Disposals ³	-	(4,868)	-	-	-	(4,868)
Gains	-	-	-	3,459	-	3,459
Total other movements	-	(209,564)	(11,825)	3,459	(7,996)	(225,926)
As at 30 June 2015						
Gross book value	321,471	876,186	55,654	637,443	159,676	2,050,430
Accumulated depreciation/ amortisation and impairment	-	(25,520)	(23,650)	-	(69,723)	(118,893)
Closing net book balance	321,471	850,666	32,004	637,443	89,953	1,931,537

Prepared on Australian Accounting Standards basis.

- 1 Appropriation equity refers to equity injections provided through Appropriation Bill (No.2) 2014-15.
- 2 Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No.1) 2014-15 for Departmental Capital Budget and other operational expenses.
- 3 Net proceeds may be returned to the OPA.

Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of Government for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	252,013	227,578	224,345	226,830	231,136
Suppliers	231,331	227,649	232,798	242,565	238,346
Superannuation ¹	8,225,083	7,548,705	7,695,795	7,844,088	8,004,553
Distributions from the					
Investment Funds ²	2,024,653	1,348,669	2,592,266	2,871,278	2,534,305
Grants	678	694	711	727	744
Depreciation and amortisation	20,707	20,698	20,689	20,691	20,691
Write-down and impairment of assets	292	104	106	106	106
Other expenses	2,512	2,544	2,503	2,457	2,407
Total expenses	10,757,269	9,376,641	10,769,213	11,208,742	11,032,288
LESS:					
INCOME					
Revenue					
Non-taxation revenue					
Rendering of services	4,688	4,688	4,688	4,688	4,688
Interest and dividends ³	447,397	558,472	627,243	688,874	767,280
Superannuation contributions ⁴	1,491,666	1,442,228	1,395,682	1,342,505	1,294,374
Other revenue	19,630	21,843	20,845	19,833	19,559
Total non-taxation revenue	1,963,381	2,027,231	2,048,458	2,055,900	2,085,901
Total revenue administered on behalf of Government	1,963,381	2,027,231	2,048,458	2,055,900	2,085,901

Table continues on next page

Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of Government for the period ended 30 June (continued)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Gains					
Gains on sale of investments	60,651	39,611	44,989	56,843	65,623
Other gains	3,886	3,886	3,886	3,886	3,886
Total gains administered on behalf of Government	64,537	43,497	48,875	60,729	69,509
Total income	2,027,918	2,070,728	2,097,333	2,116,629	2,155,410
Net cost of (contribution by) services	8,729,351	7,305,913	8,671,880	9,092,113	8,876,878
Total comprehensive income (loss)	(8,729,351)	(7,305,913)	(8,671,880)	(9,092,113)	(8,876,878)

Prepared on Australian Accounting Standards basis.

- 1 The 2013-14 estimate is calculated using the discount rate based on the long-term government bond rate at the commencement of the financial year in accordance with accounting standards. Budget and Forward years are calculated using the discount rate applied in preparing the long-term cost reports.
- 2 Expenses incurred from the Investment Funds represent estimates of expenses to be transferred from the Funds. This item includes expenses, but not equity payments.
- 3 Estimates of interest include interest earnings for the Australian Government Investment Funds. For more detail on the interest estimates for each fund refer to Tables 3.1.2.1, 3.1.2.2, 3.1.2.3, 3.1.2.4, 3.1.2.5 and 3.1.2.6. Dividend revenue represents revenue from CAC Act entities which are treated as administered receipts of the department.
- 4 Principally CSS and PSS notional employer superannuation contributions.

Table 3.2.8: Budgeted Schedule of Assets and Liabilities Administered on Behalf of Government as at 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Trade and other receivables	169,499	163,952	158,099	151,889	145,258
Investments ¹	13,886,686	13,873,829	17,458,307	20,013,209	21,666,047
Other financial assets	46,246	46,246	46,246	46,246	46,246
Total financial assets	14,102,431	14,084,027	17,662,652	20,211,344	21,857,551
Non-financial assets					
Buildings	42,804	42,009	41,298	40,663	40,091
Property, plant and equipment	62,750	58,461	54,136	49,840	45,570
Intangibles	3,161	3,161	3,161	3,161	3,161
Other non-financial assets	3,458	3,458	3,458	3,458	3,458
Total non-financial assets	112,173	107,089	102,053	97,122	92,280
Total assets administered on behalf of Government	14,214,604	14,191,116	17,764,705	20,308,466	21,949,831
LIABILITIES					
Payables					
Suppliers	15,665	15,665	15,665	15,665	15,665
Other payables	15,877	15,877	15,877	15,877	15,877
Total payables	31,542	31,542	31,542	31,542	31,542
Provisions					
Employee provisions ²	186,501	186,501	186,501	186,501	186,501
Superannuation ³	100,358,238	103,699,908	107,021,518	110,316,033	113,399,864
Other provisions	16,894	16,229	15,487	14,668	13,567
Total provisions	100,561,633	103,902,638	107,223,506	110,517,202	113,599,932
Total liabilities administered on behalf of Government	100,593,175	103,934,180	107,255,048	110,548,744	113,631,474
Net assets/(liabilities)	(86,378,571)	(89,743,064)	(89,490,343)	(90,240,278)	(91,681,643)

Prepared on Australian Accounting Standards basis.

1 Represents investments in the Australian Government Investment Funds. Also represented are investments in other government entities that are 100% owned by the Commonwealth and assets of former superannuation schemes administered by the Australian Government.

2 Represents Life Gold Pass Holders liabilities and employee provisions for staff employed under the MoP(S) Act.

3 Represents the unfunded liabilities for the Australian Government's civilian superannuation schemes. The superannuation liabilities estimates are based on the Long Term Cost Report.

**Table 3.2.9: Budgeted Schedule of Administered Cash Flows
for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	4,688	4,688	4,688	4,688	4,688
Interest and dividends ¹	741,900	552,991	621,796	683,483	761,967
Superannuation contributions - employers ²	1,487,676	1,438,374	1,440,709	1,338,921	1,290,921
Superannuation funds contributions ³	1,643,913	1,719,959	1,846,887	1,987,448	2,258,053
Other	19,630	21,843	20,845	19,833	19,559
Total cash received	3,897,807	3,737,855	3,934,925	4,034,373	4,335,188
Cash used					
Employees ⁴	252,013	227,565	224,284	226,768	231,074
Suppliers	233,512	229,639	234,738	244,503	240,282
Distributions from the Investment Funds ⁵	2,024,653	1,348,669	2,592,266	2,871,278	2,534,305
Grants	678	694	711	727	744
Superannuation ⁶	5,543,630	5,771,111	6,021,025	6,297,981	6,791,896
Total cash used	8,054,486	7,577,678	9,073,024	9,641,257	9,798,301
Net cash from (used by) operating activities	(4,156,679)	(3,839,823)	(5,138,099)	(5,606,884)	(5,463,113)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	-	-	-	-	-
Proceeds from sale of investments	2,063,439	11,414,326	3,134,882	4,778,717	7,056,110
Repayments of loans	14,195	11,728	12,550	11,601	13,415
Total cash received	2,077,634	11,426,054	3,147,432	4,790,318	7,069,525
Cash used					
Purchase of property, plant and equipment	8,439	4,267	4,278	4,309	4,335
Purchase of buildings	13,878	11,544	11,575	11,651	11,714
Purchase of intangibles	-	-	-	-	-
Purchase of investments	291,971	10,789,561	6,675,421	7,276,576	8,644,596
Total cash used	314,288	10,805,372	6,691,274	7,292,536	8,660,645
Net cash from (used by) investing activities	1,763,346	620,682	(3,543,842)	(2,502,218)	(1,591,120)

Table continues on next page

Table 3.2.9: Budgeted Schedule of Administered Cash Flows for the period ended 30 June (continued)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Contributions to the					
Investment Funds	-	10,431,297	6,268,746	6,763,217	8,052,188
Appropriations - contributed equity	1,666,902	1,736,617	1,863,670	2,004,424	2,275,297
Total cash received	1,666,902	12,167,914	8,132,416	8,767,641	10,327,485
Cash used					
Expenses paid from					
the Investment Funds ⁵	27,195	10,052,433	531,378	1,895,446	4,509,036
Total cash used	27,195	10,052,433	531,378	1,895,446	4,509,036
Net cash from (used by) financing activities	1,639,707	2,115,481	7,601,038	6,872,195	5,818,449
Net increase (decrease) in cash held					
	(753,626)	(1,103,660)	(1,080,903)	(1,236,907)	(1,235,784)
Cash and cash equivalents at beginning of reporting period	12,149	-	-	-	-
Cash from Official Public Account for Appropriations	4,374,936	4,496,289	4,623,046	4,770,898	4,993,587
Cash to Official Public Account for Appropriations	(3,633,459)	(3,392,629)	(3,542,143)	(3,533,991)	(3,757,803)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

- 1 Estimates of interest include interest earnings for the three Australian Government Investment Funds. For more detail on the interest estimates for each fund refer to Tables 3.1.2.1, 3.1.2.2, 3.1.2.3, 3.1.2.4, 3.1.2.5 and 3.1.2.6.
- 2 Primarily represents the CSS and PSS notional employer contributions.
- 3 Primarily represents offsets from the CSS and PSS funds and return of overpaid benefits.
- 4 Represents expenditure associated with staff employed under the MoP(S) Act.
- 5 Expenses paid from the Investment Funds represent estimates of cash payments from the Funds to other agencies and the Consolidated Revenue Fund.
- 6 Expenditure associated with unfunded liabilities for the Australian Government's civilian superannuation schemes.

Table 3.2.10: Schedule of Administered Capital Budget for the period ended 30 June 2015

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Administered Capital Budget - Bill 1 ¹	7,890	4,810	4,847	4,954	5,043
Administered Assets and Liabilities - Bill 2 ²	8,967	1,532	1,606	1,684	1,853
Special capital appropriation ³	1,643,914	1,720,137	1,847,074	1,987,643	2,258,258
Total new capital appropriations	1,660,771	1,726,479	1,853,527	1,994,281	2,265,154
Provided for:					
Purchase of non-financial assets	16,203	5,673	5,710	5,817	5,906
Other Items	1,644,568	1,720,806	1,847,817	1,988,464	2,259,248
Total Items	1,660,771	1,726,479	1,853,527	1,994,281	2,265,154
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	4,113	863	863	863	863
Funded by capital appropriation - ACB	7,890	4,810	4,847	4,954	5,043
Funded by special appropriations	10,314	10,138	10,143	10,143	10,143
Total purchase of non-financial assets	22,317	15,811	15,853	15,960	16,049
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total assets additions	22,317	15,811	15,853	15,960	16,049
Total cash used to acquire assets	22,317	15,811	15,853	15,960	16,049

Prepared on Australian Accounting Standards basis.

- 1 The Administered Capital Budget is used to fund the replacement of assets purchased through Administered Bill 1 appropriations.
- 2 Administered Assets and Liabilities includes a capital injection for Acts of Grace liabilities and an injection for capital works on ICON, which is offset through agency contributions that are returned to the Budget.
- 3 Represents appropriation to pay unfunded component of the superannuation benefits under the PSS and CSS.

Table 3.2.11: Budgeted Schedule of Asset Movements – Administered for the period ended 30 June 2015

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014				
Gross book value	55,387	71,248	3,333	129,968
Accumulated depreciation/amortisation and impairment	(12,583)	(8,498)	(172)	(21,253)
Opening net book balance	42,804	62,750	3,161	108,715
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	863	-	863
By purchase - appropriation ordinary annual services	3,424	1,386	-	4,810
By purchase - special appropriations	8,120	2,018	-	10,138
Total additions	11,544	4,267	-	15,811
Other movements				
Depreciation/amortisation expense	(12,142)	(8,556)	-	(20,698)
Disposals	(197)	-	-	(197)
Total other movements	(12,339)	(8,556)	-	(20,895)
As at 30 June 2015				
Gross book value	66,734	75,515	3,333	145,582
Accumulated depreciation/amortisation and impairment	(24,725)	(17,054)	(172)	(41,951)
Closing net book balance	42,009	58,461	3,161	103,631

Prepared on Australian Accounting Standards basis.

Australian Electoral Commission

Agency Resources and Planned Performance

AUSTRALIAN ELECTORAL COMMISSION

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AUSTRALIAN ELECTORAL COMMISSION

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Australian Electoral Commission (AEC) administers the *Commonwealth Electoral Act 1918* (the Act), making it responsible for conducting federal elections and referendums, maintaining the Commonwealth electoral roll and administering Part XX of the Act dealing with political funding and disclosure. The AEC must also provide a range of electoral information and education programmes both done in Australia and in support of Australian international interests.

The AEC's actions impact on the Australian community as stated in its outcome:

Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services and targeted education and public awareness programmes.

The main focus of the AEC in 2014-15 will be the continued implementation of the Keelty Review recommendations, engaging with the Joint Standing Committee on Electoral Matters on its *'Inquiry into and report on all aspects of the conduct of the 2013 Federal Election and matters related thereto* and the continuation of election readiness activities.

1.2 Agency Resource Statement

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

Table 1.1: Australian Electoral Commission Resource Statement Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Ordinary annual services ¹				
Departmental appropriation				
Departmental appropriation ³	- ²	109,546	109,546	248,870
s31 Relevant agency receipts ⁴	-	16,613	16,613	17,194
Total	-	126,159	126,159	266,064
Total ordinary annual services	A	-	126,159	266,064
Other services ⁵				
Departmental non-operating				
Equity injections	-	-	-	3
Total	-	-	-	3
Total other services	B	-	-	3
Total available annual appropriations	-	126,159	126,159	266,067
Special appropriations				
Special appropriations limited by criteria/entitlement				
Commonwealth Electoral Act 1918 (D)	-	9,000	9,000	9,000
Commonwealth Electoral Act 1918 (A)	-	-	-	68,000
Total special appropriations	C	9,000	9,000	77,000
Total appropriations excluding Special Accounts	-	135,159	135,159	343,067

Table continues on next page

Table 1.1: Australian Electoral Commission Resource Statement Budget Estimates for 2014-15 as at Budget May 2014 (continued)

	Estimate of prior ⁺ year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special Accounts				
Opening balance ⁶	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	2,420
Total Special Account	D -	-	-	2,420
Total resourcing				
A+B+C+D	-	135,159	135,159	345,487
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
Total net resourcing for AEC	-	135,159	135,159	345,487

(A) = Administered

(D) = Departmental

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$6.010m in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency Receipts – estimate.

5 Appropriation Bill (No.2) 2014-15.

6 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)).

1.3 Budget Measures

Table 1.2: Australian Electoral Commission 2014-15 Budget Measures

Part 1: Measures announced since the 2012-13 MYEFO

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures						
Administered expenses						
Australian Electoral Commission						
- funding to conduct the						
Western Australian Senate Election						
	1.2	(3,348)	-	-	-	-
Departmental expenses						
Australian Electoral Commission						
- funding to conduct the						
Western Australian Senate Election						
	1.2	(19,898)	-	-	-	-
Efficiency Dividend - a further temporary increase of 0.25 per cent ¹						
	All	-	265	539	1,695	795
Total		(23,246)	265	539	1,695	795
Total expense measures						
Administered						
		(3,348)	-	-	-	-
Departmental						
		(19,898)	265	539	1,695	795
Total		(23,246)	265	539	1,695	795
Capital measures						
Departmental capital						
Efficiency Dividend - a further temporary increase of 0.25 per cent ¹						
	All	-	14	57	48	63
Total		-	14	57	48	63
Total capital measures						
Departmental						
		-	14	57	48	63
Total		-	14	57	48	63

Part 2: MYEFO measures not previously reported in a portfolio statement

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures						
Departmental expenses						
Reforms to the APS management and efficient procurement of agency software						
	1.2	323	568	998	1,011	238
Public Services efficiencies						
	All	-	1,061	2,444	8,019	-
Total		323	1,629	3,442	9,030	238
Capital measures						
Departmental capital						
Public Services efficiencies						
	All	-	57	257	227	82
Total		-	57	257	227	82
Total measures						
Departmental						
		323	1,686	3,699	9,257	320
Total		323	1,686	3,699	9,257	320

¹ The measure *Efficiency Dividend - a further temporary increase of 0.25 per cent* is a cross-portfolio measure.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

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

Outcome 1: Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services and targeted education and public awareness programmes.

Outcome 1 Strategy

During 2014-15 the AEC will focus on:

- continued implementation of Keelty recommendations;
- ensuring that the electoral roll is accurate and up-to-date;
- continuing election readiness activities;
- delivering communication, public awareness and electoral education activities; and
- effectively administering the funding and disclosure requirements of Part XX of the Act.

The AEC will also continue working with the Joint Standing Committee on Electoral Matters on its *'Inquiry into and report on all aspects of the conduct of the 2013 Federal Election and matters related thereto'*.

In addition, the AEC will maintain capacity to:

- conduct non-parliamentary elections as required, including protected action ballots, industrial elections and fee for service elections;
- provide electoral assistance to other countries as authorised, particularly in the Asia-Pacific region; and
- investigate innovative ways to better inform participants in the electoral process.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1 Budgeted Expenses for Outcome 1

Outcome 1: Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services, and targeted education and public awareness programmes.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Electoral Roll Management		
Departmental expenses		
Departmental appropriation ¹	50,919	63,266
Special appropriations	9,000	9,000
Expenses not requiring appropriation in the Budget year ²	3,396	4,009
Total for Programme 1.1	63,315	76,275
Programme 1.2: Election Management and Support Services		
Administered expenses		
Special appropriations	68,000	-
Departmental expenses		
Departmental appropriation ¹	192,513	44,095
Expenses not requiring appropriation in the Budget year ²	4,632	3,115
Total for Programme 1.2	265,145	47,210
Programme 1.3: Education and Communication		
Departmental expenses		
Departmental appropriation ¹	16,512	12,788
Expenses not requiring appropriation in the Budget year ²	876	1,004
Total for Programme 1.3	17,389	13,792
Outcome 1 Totals by appropriation type		
Administered Expenses		
Special appropriations	68,000	-
Departmental expenses		
Departmental appropriation ¹	259,945	120,149
Special appropriations	9,000	9,000
Expenses not requiring appropriation in the Budget year ²	8,904	8,128
Total expenses for Outcome 1	345,849	137,277
	2013-14	2014-15
Average Staffing Level (number)	1,084	858

1 Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense and audit fees.

Contributions to Outcome 1

Programme 1.1: Electoral Roll Management

Programme 1.1 Objective

Provide Australian voters with access to their entitlement to vote and support for electoral events and redistributions through maintaining an accurate and up-to-date electoral roll.

Programme 1.1 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special Appropriations:					
<i>Commonwealth Electoral Act 1918</i> (D)	9,000	9,000	9,000	9,000	9,000
Annual departmental expenses:					
Electoral Roll Management	50,892	63,058	60,818	53,100	63,299
Support Services for Electoral Redistributions	27	208	6	28	207
Expenses not requiring appropriation in the Budget year ¹	3,396	4,009	3,709	3,358	4,090
Total Programme expenses	63,315	76,275	73,533	65,487	76,596

(A) = Administered
(D) = Departmental

¹ Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense and audit fees.

Programme 1.1 Deliverables

Electoral Roll Management

- Maintain multiple streams of contact with electors to encourage them to enrol and keep their enrolment up-to-date.

Support Services for Electoral Redistributions

- Deliver support for redistributions including updated electoral boundary redistribution maps and advice to impacted electors.

Programme 1.1 Key Performance Indicators

Electoral Roll Management

- Increase enrolment towards 95% of eligible people on the electoral roll.
- 99.5% of enrolment transactions are correctly processed.
- At least 98% of roll products are accurate and at least 98% of roll products are delivered by agreed deadline.
- Those eligible to enrol have enhanced capacity to access certain enrolment services electronically where legislative authority exists.
- Continue to implement the Indigenous Electoral Participation Programme.

Support Services for Electoral Redistributions

Support services provided by the AEC are appropriate and allow for the effective and timely conduct of redistribution activities, complying with legislative requirements and to the satisfaction of redistribution committees.

Programme 1.2: Election management and support services

Programme 1.2 Objective

Access to an impartial and independent electoral system through the provision of election services, assistance and advice.

Programme 1.2 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Administered expenses:					
Special appropriation					
<i>Commonwealth Electoral Act 1918</i>	68,000	-	-	76,000	-
Annual departmental expenses:					
Federal Elections, By-Elections and Referendums	178,743	27,992	31,024	159,634	27,885
Party Registrations	310	310	310	310	310
Funding and Disclosure Services	1,515	1,515	1,515	1,515	1,515
Fee-for-Service	3,979	5,681	3,816	4,096	5,691
Industrial and Torres Strait Regional Authority (TSRA) Elections	3,699	4,891	5,066	3,893	4,794
Advice and Assistance in Overseas Elections	4,268	3,706	4,086	3,429	3,369
Expenses not requiring appropriation in the Budget year ¹	4,632	3,115	3,217	4,580	3,177
Total Programme expenses	265,145	47,210	49,034	253,457	46,741

¹ Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense and audit fees.

Programme 1.2 Deliverables

Federal Elections, By-elections and Referendums

- Deliver a range of products and services to support the successful conduct of a federal election and/or referendum.

Party Registrations

- Maintain the Register of Political Parties in a way that meets the requirements of the Act and assists persons in making applications for party registration.

Funding and Disclosure Services

- Deliver transparency and accountability in the sources of political funding in Australia and the expenditure of those participants involved in the political process at the federal level. A range of products has been produced, and will continue to be maintained, that are designed to assist persons with reporting obligations to lodge accurate and timely returns in accordance with the requirements of the Act.

Industrial Elections and Protected Action Ballots

- Conduct industrial elections in a timely and transparent manner that meets the requirements of the *Fair Work (Registered Organisations) Act 2009* and each organisation's rules.
- Conduct protected action ballots (PABs) in accordance with the provisions of the *Fair Work Act 2009* and the orders issued by the Fair Work Commission (FWC).

Torres Strait Regional Authority (TSRA) Elections

- Deliver a range of products and services to support the successful conduct of TSRA elections that are conducted in line with the *Aboriginal and Torres Strait Islander Act 2005*.

Fee-for-service

- Successfully deliver elections and ballots for authorities and organisations on a full cost recovery basis in accordance with the AEC's minimum standards.
- Deliver effective assistance with the conduct of state, territory and local government elections where requested by the relevant electoral body.

Programme 1.2 Deliverables (continued)

Advice and Assistance in Overseas Elections

- Provide, in cases approved by the Minister for Foreign Affairs, advice and assistance in matters relating to elections and referendums to authorities of foreign countries or to foreign organisations. As part of this process, capacity-building materials will be developed.

Programme 1.2 Key Performance Indicators

Federal Elections, By-elections and Referendums

- Federal electoral events (including by-elections and referendums) are successfully delivered as required within the reporting period. AEC election practices and management are in accordance with relevant legislation. All election tasks are carried out in accordance with legislated timeframes.
- High level of election preparedness maintained and key milestones met.

Party Registrations

- Party registration processed in accordance with legislation and the Party Register is updated in a timely manner.

Funding and Disclosure Services

- Election and Administrative Funding calculated and paid in accordance with the legislation.
- Financial disclosures obtained and placed on the public record in accordance with legislated timeframes.

Industrial Elections and Protected Action Ballots

- Industrial elections are delivered in accordance with relevant legislation and each individual organisation's rules.
- PABs are delivered in accordance with relevant legislation and orders issued by FWC.
- All election tasks are carried out in accordance with specified timeframes.

Torres Strait Regional Authority (TSRA) Elections

- TSRA elections are delivered in accordance with relevant legislation, on a full cost recovery basis.

Fee-for-service Elections

- Fee for service elections are successfully delivered, as required, on a full cost recovery basis.
- Effective assistance is provided with the conduct of state, territory and local government elections where requested by the relevant electoral body.

Programme 1.2 Key Performance Indicators (continued)

- State, local government stakeholders and fee-for-service clients are fully satisfied with the services provided.

Advice and Assistance in Overseas Elections

- International assistance by the AEC meets the goals specified for individual projects undertaken, with stakeholders fully satisfied with the services provided.

Programme 1.3 Education and Communication

Programme 1.3 Objective

Informed Australians through the provision of information services on electoral matters.

Programme 1.3 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Electoral Education and Communication	1,464	1,742	2,708	1,531	1,735
Communication Strategies and Services	11,632	6,556	8,599	5,369	6,530
Community Strategies	3,416	4,490	3,687	3,573	4,472
Expenses not requiring appropriation in the Budget year ¹	876	1,004	1,154	866	1,024
Total Programme expenses	17,389	13,792	16,147	11,339	13,761

1 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense and audit fees.

Programme 1.3 Deliverables

Electoral Education

- Deliver a variety of electoral education services.
- Greater use of on-line technology to deliver supporting resource material.
- Collaborate and partner with other government and non-government instrumentalities in the delivery of quality civics education.

Communication Strategies and Services

- Development and implementation of the AEC's communication strategy to support its conduct of the next federal election and any referendums.
- Effective use of contemporary technology to deliver modern products and services in line with community preferences for more on-line services.

Community Strategies

- Deliver the Indigenous Elector Participation Programme.

Programme 1.3 Key Performance Indicators

Electoral Education

- 78,000 visitors to National Electoral Education Centre (NEEC) per annum.
- 2,000 NEEC sessions delivered per annum.
- 100,000 participants in AEC education outreach services.
- 1,200 participants in teacher professional development sessions.
- Contemporary service delivery options, including partnerships that promote public awareness of electoral matters.
- Contemporary online education resource material that responds to curriculum needs.
- Participant feedback indicates 90% satisfaction with AEC education services.

Communication Strategies and Services

- AEC communication strategies and services developed, implemented and reviewed as appropriate.
- Audience feedback is positive for effectiveness of specific advertising campaigns and public awareness activities through surveys, market research, and stakeholder consultation.
- Published information is timely and accurate, makes appropriate use of available technology, and meets on-line accessibility standards.

Community Strategies

- Evaluation shows the Indigenous Elector Participation Programme is meeting its objectives.
- Feedback from target audience on the Indigenous Electoral Participation Programme shows the programme is well received.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

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

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

	Opening balance 2014-15 <i>2013-14</i>	Receipts 2014-15 <i>2013-14</i>	Payments 2014-15 <i>2013-14</i>	Adjustments 2014-15 <i>2013-14</i>	Closing balance 2014-15 <i>2013-14</i>
	Outcome	\$'000	\$'000	\$'000	\$'000
Other Trust Monies	1	-	-	-	-
-S20 FMA Act (A)	-	2,420	(2,420)	-	-
Total Special Accounts					
2014-15 Budget estimate	-	-	-	-	-
<i>Total Special Accounts</i>					
<i>2013-14 estimated actual</i>	-	2,420	(2,420)	-	-

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Total	Programme
	Bill	Bill	Special	Total		
	No. 1	No. 2	appropriation	appropriation		
	\$'000	\$'000	\$'000	\$'000	\$'000	
Australian Electoral Commission Outcome 1						
Departmental 2014-15	3,382	-	-	3,382	3,382	1
<i>Departmental 2013-14</i>	<i>3,411</i>	<i>-</i>	<i>-</i>	<i>3,411</i>	<i>3,411</i>	<i>1</i>
Total outcome 2014-15	3,382	-	-	3,382	3,382	1
<i>Total outcome 2013-14</i>	<i>3,411</i>	<i>-</i>	<i>-</i>	<i>3,411</i>	<i>3,411</i>	<i>1</i>
Total AGIE 2014-15	3,382	-	-	3,382	3,382	1
<i>Total AGIE 2013-14</i>	<i>3,411</i>	<i>-</i>	<i>-</i>	<i>3,411</i>	<i>3,411</i>	<i>1</i>

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

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

3.2.2 Analysis of Budgeted Financial Statements

Budgeted Departmental Income Statement

2013-14

As 2013-14 is an election year, the AEC's funding is significantly higher for departmental items. Funding has been appropriated to cover the costs of the Griffith by-election and WA Senate election.

The budgeted loss for 2013-14 of \$8.8 million is due to depreciation and amortisation expenses.

2014-15

As 2014-15 is a post-election year, the AEC's funding is significantly lower than 2013-14 for departmental items, decreasing from \$268.9 million in 2013-14 to \$129.1 million in 2014-15 including s31 receipts.

Budgeted Departmental Balance Sheet

The AEC's financial position is steady with financial assets averaging \$16.9 million in the budget and forward estimates period. The AEC's most significant liability is employee entitlements, ranging from \$23.3 million to \$24.0 million over the forward estimates period.

Budgeted Statement of Cashflows

The cashflow decreases significantly in 2014-15 due to it being a post-election year in the cycle. The decrease reflects the decrease in casual staff required as well as decreased supplier payments due to not holding an election. There is increased investing activity conducted due to the focus on harnessing technology to modernise processes and engage more effectively with electors, hence the cash outflows for property, plant and equipment and intangibles.

Schedule of Administered Activity

Schedule of Budgeted Income and Expenses Administered on behalf of Government

The administered revenue for 2014-15 represent election related non-voter fines and penalties. In an election year, such as 2013-14, the AEC receives appropriation for payments it administers on behalf of government including public funding of election campaigns for candidates that obtain at least four percent of the formal first preference votes in the division of the state or territory they contest.

AEC Budget Statements

Schedule of Budgeted Assets and Liabilities Administered on behalf of Government

No administered assets or liabilities are held by the AEC.

Schedule of Budgeted Administered Cashflows

Administered monies are transferred to the Official Public Account on a regular basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	135,969	78,609	79,299	130,921	79,689
Suppliers	132,976	50,540	51,335	114,558	49,118
Depreciation and amortisation	8,819	8,043	7,995	8,719	8,206
Other expenses	85	85	85	85	85
Total expenses	277,849	137,277	138,714	254,283	137,098
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	17,194	16,613	16,609	16,645	16,681
Total own-source revenue	17,194	16,613	16,609	16,645	16,681
Gains					
Other gains	85	85	85	85	85
Total gains	85	85	85	85	85
Total own-source income	17,279	16,698	16,694	16,730	16,766
Net cost of (contribution by) services	260,570	120,579	122,020	237,553	120,332
Revenue from Government	251,751	112,536	114,025	228,834	112,126
Surplus (Deficit) attributable to the Australian Government	(8,819)	(8,043)	(7,995)	(8,719)	(8,206)
Total comprehensive income (loss) attributable to the Australian Government	(8,819)	(8,043)	(7,995)	(8,719)	(8,206)
Note: Impact of Net Cash Appropriation Arrangements					
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations	(8,819)	(8,043)	(7,995)	(8,719)	(8,206)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(8,819)	(8,043)	(7,995)	(8,719)	(8,206)

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,011	1,011	1,011	1,011	1,011
Trade and other receivables	16,131	16,346	15,606	15,606	15,606
Total financial assets	17,142	17,357	16,617	16,617	16,617
Non-financial assets					
Land and buildings	10,961	10,304	11,274	10,884	9,997
Property, plant and equipment	4,867	3,876	4,905	3,998	5,908
Intangibles	14,306	14,956	16,470	15,273	14,242
Inventories	3,594	3,594	3,594	3,594	3,594
Other non-financial assets	1,652	1,652	1,652	1,652	1,652
Total non-financial assets	35,380	34,382	37,895	35,401	35,393
Total assets	52,522	51,739	54,512	52,018	52,010
LIABILITIES					
Payables					
Suppliers	4,650	5,200	4,901	4,901	4,901
Other payables	6,131	6,131	6,131	6,131	6,131
Total payables	10,781	11,331	11,032	11,032	11,032
Provisions					
Employee provisions	23,322	24,022	24,022	24,022	24,022
Other provisions	1,553	1,553	1,553	1,553	1,553
Total provisions	24,875	25,575	25,575	25,575	25,575
Total liabilities	35,656	36,906	36,607	36,607	36,607
Net assets	16,866	14,833	17,905	15,411	15,403
EQUITY					
Contributed equity	30,089	36,099	47,166	53,391	61,589
Reserves	13,629	13,629	13,629	13,629	13,629
Retained surplus (Accumulated deficit)	(26,852)	(34,895)	(42,890)	(51,609)	(59,815)
Total equity	16,866	14,833	17,905	15,411	15,403

**Table 3.2.3: Budgeted Statement of Changes in Equity — Summary of Movement
– Departmental
for the period ended 30 June 2015**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2014				
Balance carried forward from previous period	(26,852)	13,629	30,089	16,866
Adjusted opening balance	(26,852)	13,629	30,089	16,866
Comprehensive income				
Surplus (Deficit) for the period	(8,043)	-	-	(8,043)
Total comprehensive income	(8,043)	-	-	(8,043)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCBs)	-	-	6,010	6,010
Sub-total transactions with owners	-	-	6,010	6,010
Estimated closing balance as at 30 June 2015	(34,895)	13,629	36,099	14,833

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	248,410	112,536	114,025	228,834	112,126
Sale of goods and rendering of services	17,109	16,613	16,609	16,645	16,681
Total cash received	265,519	129,149	130,634	245,479	128,807
Cash used					
Employees	135,969	82,674	78,849	130,921	79,689
Suppliers	129,239	45,475	51,344	114,558	49,118
Total cash used	265,208	128,149	130,193	245,479	128,807
Net cash from (used by) operating activities	311	1,000	441	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	5,154	7,010	11,508	6,225	8,198
Total cash used	5,154	7,010	11,508	6,225	8,198
Net cash from (used by) investing activities	(5,154)	(7,010)	(11,508)	(6,225)	(8,198)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	4,181	6,010	11,067	6,225	8,198
Other	(27)	-	-	-	-
Total cash received	4,154	6,010	11,067	6,225	8,198
Net cash from (used by) financing activities	4,154	6,010	11,067	6,225	8,198
Net increase (decrease) in cash held	(689)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,689	1,000	1,000	1,000	1,000
Cash and cash equivalents at the end of the reporting period	1,000	1,000	1,000	1,000	1,000

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	4,181	6,010	11,067	6,225	8,198
Equity injections - Bill 2	(27)	-	-	-	-
Total new capital appropriations	4,154	6,010	11,067	6,225	8,198
Provided for:					
Purchase of non-financial assets	4,154	6,010	11,067	6,225	8,198
Total Items	4,154	6,010	11,067	6,225	8,198
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	(27)	-	-	-	-
Funded by capital appropriation - Bill 1 (DCB)	4,181	6,010	11,067	6,225	8,198
Funded internally from departmental resources ²	1,000	1,000	441	-	-
Total purchase of non-financial assets	5,154	7,010	11,508	6,225	8,198
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,154	7,010	11,508	6,225	8,198
Total cash used to acquire assets	5,154	7,010	11,508	6,225	8,198

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

2 Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s31 relevant agency receipts; and
- proceeds from the sale of assets.

Table 3.2.6: Budgeted Statement of Asset Movements – Departmental for the period ended 30 June 2015

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014				
Gross book value	14,284	7,594	49,363	71,241
Accumulated depreciation/amortisation and impairment	(3,323)	(2,692)	(35,057)	(41,072)
Opening net book balance	10,961	4,902	14,306	30,169
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	1,985	1,576	3,449	7,010
Total additions	1,985	1,576	3,449	7,010
Other movements				
Depreciation/amortisation expense	(2,642)	(2,602)	(2,799)	(8,043)
Total other movements	(2,642)	(2,602)	(2,799)	(8,043)
As at 30 June 2015				
Gross book value	16,269	9,170	52,812	78,251
Accumulated depreciation/amortisation and impairment	(5,965)	(5,294)	(37,856)	(49,115)
Closing net book balance	10,304	3,876	14,956	29,136

1 Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2014-15 for depreciation / amortisation expenses, DCBs or other operational expenses.

Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of Government for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Election public funding	68,000	-	-	76,000	-
Total expenses administered on behalf of Government	68,000	-	-	76,000	-
LESS:					
INCOME					
Revenue					
Non-taxation revenue					
Other taxes, fee and fines	1,200	66	33	2,000	66
Total non-taxation revenue	1,200	66	33	2,000	66
Total revenues administered on behalf of Government	1,200	66	33	2,000	66
Total income administered on behalf of Government	1,200	66	33	2,000	66
Net Cost of (contribution by) services	66,800	(66)	(33)	74,000	(66)
Surplus (Deficit)	(66,800)	66	33	(74,000)	66
Total comprehensive income (loss)	(66,800)	66	33	(74,000)	66

Table 3.2.8: Budgeted Schedule Assets and Liabilities Administered on Behalf of Government as at 30 June

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

Table 3.2.9: Budgeted Schedule of Administered Cash Flows for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Other	1,200	66	33	2,000	66
Total cash received	1,200	66	33	2,000	66
Cash used					
Election public funding	68,000	-	-	76,000	-
Total cash used	68,000	-	-	76,000	-
Net cash from (used by) operating activities	(66,800)	66	33	(74,000)	66
Net increase (decrease) in cash held	(66,800)	66	33	(74,000)	66
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	68,000	-	-	76,000	-
Cash to Official Public Account for:					
- Appropriations	(1,200)	(66)	(33)	(2,000)	(66)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Commonwealth Superannuation Corporation

Agency Resources and Planned Performance

COMMONWEALTH SUPERANNUATION CORPORATION

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COMMONWEALTH SUPERANNUATION CORPORATION

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

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

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

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

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

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

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

1.2 Agency Resource Statement

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

Table 1.1: Commonwealth Superannuation Corporation Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Opening balance/Reserves at bank	-	-	-	-
REVENUE FROM GOVERNMENT				
Payments from related entities				
Amounts from Australian Government Agencies	-	6,548	6,548	5,904
Total	-	6,548	6,548	5,904
FUNDS FROM OTHER SOURCES				
Interest	-	160	160	156
Sale of goods and services	-	2,316	2,316	2,670
Total	-	2,476	2,476	2,826
Total net resourcing for CSC	-	9,024	9,024	8,730

All figures are recoverable GST exclusive.

1.3 Budget Measures

There are no budget measures in 2014-15 for Commonwealth Superannuation Corporation.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

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

Outcome 1: Retirement benefits for past, present and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes.

Outcome 1 Strategy

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

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Retirement benefits for past, present and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Superannuation Scheme Governance		
Revenue from Government		
Payment from related entities	5,904	6,548
Revenues from other independent sources	2,826	2,476
Total for Programme 1.1	8,730	9,024
Outcome 1 Totals by resource type		
Revenue from Government		
Payment from related entities	5,904	6,548
Revenues from other independent sources	2,826	2,476
Total expenses for Outcome 1	8,730	9,024
	2013-14	2014-15
Average Staffing Level (number)	70	81

Contributions to Outcome 1

Programme 1.1: Superannuation Scheme Governance

Programme 1.1 Objective

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

CSC Budget Statements

Programme 1.1 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Payments from related entities	5,904	6,548	6,667	6,773	6,887
Expenses not requiring appropriation in the Budget year ¹	2,826	2,476	2,569	2,618	2,666
Total Programme expenses	8,730	9,024	9,236	9,391	9,553

1 Expenses not requiring appropriation in the Budget year is made up of employee, supplier and operating lease expenses.

Programme 1.1 Deliverables

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

Programme 1.1 Key Performance Indicators

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

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

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

3.1.2 Special Accounts

Table 3.1.2 is not included as CSC does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

The 2014-15 Australian Government Indigenous Expenditure is not applicable because CSC has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

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

3.2.2 Analysis of Budgeted Financial Statements

CSC is the trustee for the PSSap, PSS, CSS and MSBS superannuation schemes (the schemes). The governance arrangements of these schemes are set out in the *Superannuation Act 2005*, *Superannuation Act 1990*, *Superannuation Act 1976*, *Military Superannuation and Benefits Act 1991* and related rules and determinations. This legislation prescribes which costs are to be paid from scheme funds, and which costs are to be borne by the fees levied upon Commonwealth agencies.

CSC's budgeted expenses shown in this document are funded from the Administration Levy and administration fee from the Department of Defence. CSC's budget as expressed in these papers reflects only the costs paid, and income received, by CSC into the account attributed under the CAC Act and does not reflect the total cost involved in the administration and management of the schemes.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1 Budgeted Comprehensive Income Statement (Showing Net Cost of Services)

for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	792	792	815	840	865
Suppliers	6,930	7,034	7,151	7,281	7,417
Other expenses	1,008	1,198	1,270	1,270	1,271
Total expenses	8,730	9,024	9,236	9,391	9,553
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,574	8,864	9,076	9,231	9,393
Interest	156	160	160	160	160
Total own-source revenue	8,730	9,024	9,236	9,391	9,553
Total own-source income	8,730	9,024	9,236	9,391	9,553
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 3.2.2: Budgeted Balance Sheet - Departmental as at 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,424	6,522	6,488	6,314	6,099
Trade and other receivables	30	30	30	30	30
Total financial assets	6,454	6,552	6,518	6,344	6,129
Total assets	6,454	6,552	6,518	6,344	6,129
LIABILITIES					
Payables					
Suppliers	1,068	1,242	1,285	1,123	908
Accrued expenses	165	89	12	-	-
Total payables	1,233	1,331	1,297	1,123	908
Total liabilities	1,233	1,331	1,297	1,123	908
Net assets	5,221	5,221	5,221	5,221	5,221
EQUITY ¹					
Contributed equity	2,324	2,324	2,324	2,324	2,324
Retained surplus (Accumulated deficit)	2,897	2,897	2,897	2,897	2,897
Total equity	5,221	5,221	5,221	5,221	5,221

Prepared on Australian Accounting Standards basis.

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

Table 3.2.3: Budgeted Statement of Changes in Equity - Summary of Movement – Departmental for the period ended 30 June 2015

Table 3.2.3 is not included because CSC does not have any changes in Equity.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	9,069	8,864	9,076	9,231	9,393
Interest	156	160	160	160	160
Total cash received	9,225	9,024	9,236	9,391	9,553
Cash used					
Employees	792	792	815	840	865
Suppliers	9,858	8,134	8,455	8,725	8,903
Net GST paid	30	-	-	-	-
Total cash used	10,680	8,926	9,270	9,565	9,768
Net cash from (used by) operating activities	(1,455)	98	(34)	(174)	(215)
Net increase (decrease) in cash held	(1,455)	98	(34)	(174)	(215)
Cash and cash equivalents at the beginning of the reporting period	7,879	6,424	6,522	6,488	6,314
Cash and cash equivalents at the end of the reporting period	6,424	6,522	6,488	6,314	6,099

Prepared on Australian Accounting Standards basis.

ComSuper

Agency Resources and Planned Performance

COMSUPER

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COMSUPER

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

ComSuper is currently a prescribed agency under Section 5 of the *Financial Management and Accountability Act 1997*. From 1 July 2014 ComSuper will be a non-Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. ComSuper administers the Australian Government sponsored Superannuation schemes which apply to current and former Australian Public Servants and Australian Defence Force members.

Governed by the *ComSuper Act 2011*, ComSuper provides superannuation services to scheme members on behalf of the Commonwealth Superannuation Corporation (CSC) for the following schemes:

- Commonwealth Superannuation Scheme (CSS) under the *Superannuation Act 1976*;
- Public Sector Superannuation (PSS) scheme under the *Superannuation Act 1990*;
- Public Sector Superannuation accumulation plan (PSSap) under the *Superannuation Act 2005*;
- Defence Force Retirement Benefits (DFRB) scheme under the *Defence Force Retirement Benefits Act 1948*;
- Defence Force Retirement and Death Benefits (DFRDB) scheme under the *Defence Force Retirement and Death Benefits Act 1973*;
- Military Superannuation and Benefits Scheme (MilitarySuper) under the *Military Superannuation and Benefits Act 1991*;
- Papua New Guinea (PNG) Scheme under the *Papua New Guinea (Staffing Assistance) Act 1973*; and
- 1922 Scheme under the *Superannuation Act 1922*.

For the purposes of the Portfolio Budget Statements, ComSuper's operations have a single outcome, which is "To provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation".

ComSuper Budget Statements

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

Superannuation Administration Reform Programme

The Superannuation Administration Reform (SAR) Programme was established in 2009 to address a range of issues identified in a review of administration and governance arrangements for the main Commonwealth superannuation schemes.

The SAR Programme will be completed in 2014-15 with programme objectives achieved. A major upgrade of IT infrastructure and disaster recovery capability was achieved in the early stages of the SAR Programme. Administration of the PSSap scheme is being successfully provided by the outsourced provider, Pillar Administration. Systems improvements have been made with final work under the programme to be completed in 2014-15. Improvements in data quality processes, and in organisational and business process arrangements, have also been made.

Budgeted savings from the SAR Programme continue to be delivered as projected.

Superannuation Legislative Reform

Legislation and regulations to implement Stronger Super reforms have been progressively introduced by Government since 2011. The measures to strengthen the integrity of Australia's superannuation system apply to ComSuper, along with the rest of the superannuation industry.

Initiatives to ensure compliance with the legislative changes and reform are well progressed with some initiatives now completed. Remaining project work will extend through 2014-15 and beyond.

1.2 Agency Resource Statement

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

Table 1.1: ComSuper Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Ordinary annual services				
Departmental appropriation				
Departmental appropriation ¹	-	-	-	1,144
Total	-	-	-	1,144
Total ordinary annual services	A	-	-	1,144
Other services ²				
Departmental non-operating				
Equity injections	-	-	-	1,350
Total	-	-	-	1,350
Total other services	B	-	-	1,350
Total available annual appropriations	-	-	-	2,494
Total appropriations excluding Special Accounts	-	-	-	2,494
Special Accounts				
Opening balance ³	23,384	-	23,384	43,146
Appropriation receipts	-	-	-	2,494
Special Accounts (A)	-	1,640,041	1,640,041	1,640,041
Special Accounts (D)	-	89,924	89,924	104,323
Total Special Accounts	23,384	1,729,965	1,753,349	1,790,004
Total resourcing	23,384	1,729,965	1,753,349	1,792,498
Less appropriations drawn from annual appropriations	-	-	-	(2,494)
Total net resourcing for ComSuper	23,384	1,729,965	1,753,349	1,790,004

(A) = Administered

(D) = Departmental

1 Appropriation Bill (No.1) 2013-14.

2 Appropriation Bill (No.2) 2013-14.

3 Estimated adjusted balance carried forward from previous year.

Note: All figures are GST exclusive.

Third party payments from and on behalf of other agencies

	2014-15 \$'000	2013-14 \$'000
Payments made on behalf of other agencies		
Department of Finance - Superannuation Special Appropriations:		
<i>Superannuation Act 1922</i>	41,000	36,177
<i>Superannuation Act 1976</i>	3,370,690	3,112,679
<i>Superannuation Act 1990</i>	3,993,232	4,924,777
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws-General Law Reform) Act 2008</i>	57	56
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,400	1,400
Department of Defence - Superannuation Special Appropriations:		
<i>Defence Forces Retirement Benefits Act 1948</i>	51,861	54,023
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,547,810	1,464,782
<i>Military Superannuation and Benefits Act 1991</i>	427,545	382,469
ComSuper draws on the following Finance Annual Appropriations		
Appropriation Act (No.1) ¹	500	500
Appropriation Act (No.1) ²	587	556
Appropriation Act (No.2) ²	519	520
Department of Foreign Affairs and Trade - PNG Scheme:		
Administered Appropriation Act	8,546	8,484

1 Compensation and Legal Payments.

2 Act of Grace Payments.

1.3 Budget Measures

There are no budget measures in 2014-15 for ComSuper.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

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

Outcome 1: To provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.

Outcome 1 Strategy

ComSuper's purpose is to provide superannuation administration services to scheme members on behalf of the Commonwealth Superannuation Corporation. ComSuper collects superannuation contributions, maintains accurate records, pays timely and correct benefits, including pensions, and provides relevant information to members. The agency's vision is to be seen as having trusted expertise delivering excellence in superannuation service.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.	2013-14 Estimated actual expenses	2014-15 Estimated expenses
	\$'000	\$'000
Programme 1.1: Superannuation Administration Services		
Departmental expenses		
Departmental appropriation ¹	1,144	-
Special Accounts	83,212	80,579
Expenses not requiring appropriation in the Budget year ²	100	105
Total for Programme 1.1	84,456	80,684
Total expenses for Outcome 1	84,456	80,684
	2013-14	2014-15
Average Staffing Level (number)	452	410

1 Departmental Appropriation includes 'ordinary annual services (Appropriation Bill (No.1))'.

2 Expenses not requiring appropriation in the Budget year is a notional audit fee from the Australian National Audit Office.

Contributions to Outcome 1

Programme 1.1: Superannuation Administration Services

Programme 1.1 Objective

To provide access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for current and former Australian Public Servants and members of the Australian Defence Force, on behalf of the Commonwealth Superannuation Corporation.

Programme 1.1 Expenses

As the closed defined benefits schemes gradually decrease in membership over time, there will be a corresponding decrease in revenue from this area. This will require careful cost management and a strong focus on improving overall operational efficiency. Costs associated with the outsourced administration of the PSSap scheme will also need to be carefully managed.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special Account Expenses:					
ComSuper Special Account	83,212	80,579	76,903	77,641	79,628
Annual departmental expenses:					
Departmental item appropriation	1,144	-	-	-	-
Expenses not requiring appropriation in the Budget year ¹	100	105	110	115	120
Total Programme expenses	84,456	80,684	77,013	77,756	79,748

¹ Expenses not requiring appropriation in the Budget year is made up of resources received free of charge for a notional Audit Fee from the Australia National Audit Office.

Programme 1.1 Deliverables

ComSuper's service delivery requirements are driven by:

- legislative change;
- demand associated with the numbers of scheme members and employing agencies;
- the Commonwealth Superannuation Corporation (CSC) and regulators; and
- the portfolio agencies responsible for the schemes' policies and framework.

The services ComSuper provides include:

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

Programme 1.1 Deliverables (continued)

	2013-14 Estimated actual	2014-15 Budget	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Maintain records and financial transactions for the schemes' membership (Total number of contributor, preserved and pensioner members)	717,200	726,500	737,500	748,700	761,400
Accurate and timely payment of benefits to scheme members (Benefit applications processed)	33,600	35,700	39,000	42,600	47,200
Accurate and timely fortnightly pension payments (Number of pensioners)	214,600	216,100	219,100	222,300	225,400
Timely responses to inquiries by scheme members (Number of telephone, e-mail and written inquiries through call centre)	344,700	349,800	355,100	360,400	365,500
Provide annual member statements to contributor and preserved members (Number of annual statements issued)	502,600	510,400	518,400	526,500	536,000
ComSuper will seek to comply with all scheme and regulatory requirements (Number of main schemes administered by ComSuper)	5	5	5	5	5

ComSuper Budget Statements

Programme 1.1 Key Performance Indicators

	2013-14 Estimated actual	2014-15 Budget	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Achievement of service standards (Proportion of standards achieved)	80%	80%	80%	80%	80%
Periodic member client satisfaction survey ¹ (Quality Service Index)	80% or Higher	80% or Higher	80% or Higher	80% or Higher	80% or Higher
Timeliness of member statements (Issued by the statutory deadline of 31st December)	100%	100%	100%	100%	100%
Timeliness of new benefits processed ² (Routine Benefit Payments within 5 working days)	85%	85%	85%	85%	85%
Timeliness of fortnightly pension payroll (Pension payments in bank accounts on time)	100%	100%	100%	100%	100%
Compliance issues appropriately reported and actively managed (Issues reported and managed)	100%	100%	100%	100%	100%

1 A Quality Service Index rating of 75% is equivalent to every respondent being 'satisfied' with the service, whereas a rating of 100% is equivalent to every respondent being 'very satisfied' with the service. Traditionally, members' satisfaction for administration services is linked to their perceived performance of their investments, particularly during times of market volatility. Members are currently being surveyed on a biennial basis.

2 The calculation method for the KPI, "Timeliness of new benefits processed", refers to the processing of routine benefits, rather than the payment of all benefits. This reflects the fact that some benefits involve highly complex processes that are unable to be completed and paid within 5 working days. Routine benefits are processed within 5 working days of receipt of all necessary documentation.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

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

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2014-15 2013-14	Receipts 2014-15 2013-14	Payments 2014-15 2013-14	Adjustments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys ¹	1	6,573	1,640,041	(1,640,041)	-	6,573
- s20 FMA Act (A)		6,736	1,640,041	(1,640,204)	-	6,573
ComSuper Special Account ²	1	23,384	89,924	(89,718)	-	23,590
- s21 FMA Act (D)		36,410	106,817	(119,843)	-	23,384
Total Special Accounts						
2014-15 Budget estimate		29,957	1,729,965	(1,729,759)	-	30,163
<i>Total Special Accounts</i>						
<i>2013-14 estimated actual</i>		43,146	1,746,858	(1,760,047)	-	29,957

(A) = Administered

(D) = Departmental

1 The special account was established by FMA Determination 2011/06.

2 The special account was established by *ComSuper Act 2011*.

3.1.3 Australian Government Indigenous Expenditure

The 2014-15 Australian Government Indigenous Expenditure is not applicable to ComSuper as it has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

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

3.2.2 Analysis of Budgeted Financial Statements

ComSuper is projecting a surplus of \$8.3 million in 2014-15 with estimated total revenue of \$89.0 million against estimated expenses of \$80.7 million. The surplus is due to savings measures announced in the 2009-10 Additional Estimates related to Superannuation Administration Reform savings.

It is intended that the savings will be returned to Government and the surplus in 2014-15 and the subsequent forward years are not included in ComSuper's Special Account balance.

3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	44,002	40,874	38,052	38,239	39,137
Suppliers	28,863	27,518	26,519	27,851	29,166
Depreciation and amortisation	5,587	5,639	5,665	4,778	4,438
Other expenses	6,004	6,653	6,777	6,888	7,007
Total expenses	84,456	80,684	77,013	77,756	79,748
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	91,512	88,879	85,203	85,941	87,928
Total own-source revenue	91,512	88,879	85,203	85,941	87,928
Gains					
Other gains	100	105	110	115	120
Total gains	100	105	110	115	120
Total own-source income	91,612	88,984	85,313	86,056	88,048
Net cost of (contribution by) services	(7,156)	(8,300)	(8,300)	(8,300)	(8,300)
Revenue from Government	1,144	-	-	-	-
Surplus (Deficit) ¹	8,300	8,300	8,300	8,300	8,300
Total comprehensive income (loss) attributable to the Australian Government	8,300	8,300	8,300	8,300	8,300

Prepared on Australian Accounting Standards basis.

1 The budgeted surpluses are required to meet the agreed return of capital to Government.

**Table 3.2.2: Budgeted Balance Sheet - Departmental
(as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,000	1,000	1,000	1,000	1,000
Trade and other receivables	22,988	23,194	23,376	23,475	23,475
Total financial assets	23,988	24,194	24,376	24,475	24,475
Non-financial assets					
Land and buildings	2,430	1,597	1,407	1,407	1,407
Property, plant and equipment	4,054	4,054	4,054	4,054	4,054
Intangibles	16,496	17,386	17,576	17,576	17,576
Other non-financial assets	1,198	1,198	1,198	1,198	1,198
Total non-financial assets	24,178	24,235	24,235	24,235	24,235
Total assets	48,166	48,429	48,611	48,710	48,710
LIABILITIES					
Payables					
Suppliers	6,814	7,077	7,259	7,358	7,358
Total payables	6,814	7,077	7,259	7,358	7,358
Provisions					
Employee provisions	13,626	13,626	13,626	13,626	13,626
Total provisions	13,626	13,626	13,626	13,626	13,626
Total liabilities	20,440	20,703	20,885	20,984	20,984
Net assets	27,726	27,726	27,726	27,726	27,726
EQUITY ¹					
Contributed equity	12,033	12,033	12,033	12,033	12,033
Reserves	528	528	528	528	528
Retained surplus (Accumulated deficit)	15,165	15,165	15,165	15,165	15,165
Total equity	27,726	27,726	27,726	27,726	27,726

Prepared on Australian Accounting Standards basis.

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

Table 3.2.3: Budgeted Statement of Changes in Equity - Summary of Movement – Departmental for the period ended 30 June 2015

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2014				
Balance carried forward from previous period	15,165	528	12,033	27,726
Adjusted opening balance	15,165	528	12,033	27,726
Comprehensive income				
Surplus (Deficit) for the period	8,300	-	-	8,300
Total comprehensive income	8,300	-	-	8,300
Transactions with owners				
Distributions to owners				
Returns of capital:				
Dividends	(8,300)	-	-	(8,300)
Sub-total transactions with owners	(8,300)	-	-	(8,300)
Closing balance attributable to the Australian Government	15,165	528	12,033	27,726

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,144	-	-	-	-
Receipts from Government	86,461	84,229	84,602	86,563	88,418
Sale of goods and rendering of services	90,637	86,808	85,203	85,941	87,928
Other	1,627	-	-	-	-
Total cash received	179,869	171,037	169,805	172,504	176,346
Cash used					
Employees	44,002	40,874	38,052	38,239	39,137
Suppliers	28,947	26,418	25,943	27,637	29,046
Receipts transferred to OPA	118,895	82,364	84,799	86,662	88,418
Other	6,708	7,385	7,046	6,888	7,007
Total cash used	198,552	157,041	155,840	159,426	163,608
Net cash from (used by) operating activities	(18,683)	13,996	13,965	13,078	12,738
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	9,777	5,696	5,665	4,778	4,438
Total cash used	9,777	5,696	5,665	4,778	4,438
Net cash from (used by) investing activities	(9,777)	(5,696)	(5,665)	(4,778)	(4,438)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,350	-	-	-	-
Total cash received	1,350	-	-	-	-
Cash used					
Other	8,300	8,300	8,300	8,300	8,300
Total cash used	8,300	8,300	8,300	8,300	8,300
Net cash from (used by) financing activities	(6,950)	(8,300)	(8,300)	(8,300)	(8,300)
Net increase (decrease) in cash held	(35,410)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	36,410	1,000	1,000	1,000	1,000
Cash and cash equivalents at the end of the reporting period	1,000	1,000	1,000	1,000	1,000

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	1,350	-	-	-	-
Total new capital appropriations	1,350	-	-	-	-
Provided for:					
Purchase of non-financial assets	1,350	-	-	-	-
Total Items	1,350	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	1,155	-	-	-	-
Funded internally from departmental resources	8,622	5,696	5,665	4,778	4,438
TOTAL	9,777	5,696	5,665	4,778	4,438
Total cash used to acquire assets	9,777	5,696	5,665	4,778	4,438

**Table 3.2.6: Budgeted Statement of Asset Movements – Departmental
for the period ended 30 June 2015**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014				
Gross book value	4,413	6,995	54,040	65,448
Accumulated depreciation/amortisation and impairment	(1,983)	(2,941)	(37,544)	(42,468)
Opening net book balance	2,430	4,054	16,496	22,980
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - other	-	1,120	4,576	5,696
Total additions	-	1,120	4,576	5,696
Other movements				
Depreciation/amortisation expense	(833)	(1,120)	(3,686)	(5,639)
Total other movements	(833)	(1,120)	(3,686)	(5,639)
As at 30 June 2015				
Gross book value	4,413	8,115	58,616	71,144
Accumulated depreciation/amortisation and impairment	(2,816)	(4,061)	(41,230)	(48,107)
Closing net book balance	1,597	4,054	17,386	23,037

Prepared on Australian Accounting Standards basis.

Future Fund Management Agency

Agency Resources and Planned Performance

FUTURE FUND MANAGEMENT AGENCY

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FUTURE FUND MANAGEMENT AGENCY

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Future Fund Management Agency (FFMA) was established by the *Future Fund Act 2006* to support and advise the Future Fund Board of Guardians (the Board) in its task of investing the assets of the Future Fund.

The scope of the FFMA and the Board was extended by the *Nation-building Funds Act 2008* and subsequently by the *National Disability Insurance Scheme Act 2013* to include the management of investments to grow other Australian Government Asset Funds as a means to provide financing sources for substantial future investments in the Australian economy. As a result the FFMA supports the Board in managing investments of the Future Fund, Building Australia Fund (BAF), Education Investment Fund (EIF), Health and Hospitals Fund (HHF) and DisabilityCare Australia Fund (DCAF).

Subject to the passage of legislation, the scope of the Board and FFMA is to be broadened by the establishment of two new Australian Government Investment Funds; the Asset Recycling Fund (ARF); and the Medical Research Future Fund (MRFF). The three Nation-building Funds will be abolished by 1 January 2015 through a repeal of the *Nation-building Funds Act 2008*.

The FFMA focuses on supporting and advising the Board of Guardians in developing and implementing appropriate investment strategies for the funds.

The Future Fund's portfolio has now been significantly invested but will continue to evolve as the Board manages the portfolio in line with its mandate and strategy. The approach to managing the portfolio is detailed in the 2012-13 Future Fund Annual Report. Recognising the potential for continued volatility in investment markets, an important emphasis for the FFMA and the Board is maintaining a long term investment perspective and strategy that balances risk with expected return as required under the *Future Fund Investment Mandate Directions 2006* (Investment Mandate).

The FFMA provides support and advice to the Board in relation to the BAF, EIF and HHF and is focused on developing and implementing investment strategies consistent with the legislation and mandates. The investment strategies and approach for these funds is detailed in the 2012-13 Future Fund Annual Report.

From 1 July 2014 FFMA will also provide support and advice to the Board in relation to the investment of the assets of the DCAF.

1.2 Agency Resource Statement

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

Table 1.1: Future Fund Management Agency Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special Accounts				
Opening balance	-	-	-	-
Non-appropriation receipts to Special Accounts	-	641,208	641,208	878,889
Total Special Account	-	641,208	641,208	878,889
Total net resourcing for FFMA	-	641,208	641,208	878,889

All figures are recoverable GST exclusive.

Note: Future Fund does not receive any annual appropriations. Its outputs are funded as payments from the Future Fund Special Account.

1.3 Budget Measures

There are no budget measures in 2014-2015 for FFMA.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

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

Outcome 1: Make provision for the Commonwealth's unfunded superannuation liabilities, payments for the creation and development of infrastructure, and payments from the Disability Care Australia Fund by managing the investment activities of the Future Fund, Nation-building Funds and DisabilityCare Australia Fund, in line with the Government's investment mandates.

Outcome 1 Strategy

The FFMA contributes to the achievement of the outcome through the provision of advice and support to the Future Fund Board of Guardians and through the implementation of investment decisions. This work is focused on ensuring that the assets of the Future Fund, the Nation Building Funds and the DisabilityCare Australia Fund are invested in line with the relevant legislation and investment mandates to achieve their investment objectives.

This work includes portfolio modelling, risk management, the appointment of investment managers and the application of appropriate corporate governance.

The specific investment strategies applied to the investment of assets, together with the overarching investment beliefs and principles of the organisation, are detailed in the 2012-13 Future Fund Annual Report.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1.1: Budgeted Expenses for Outcome 1

Outcome 1: Make provision for the Commonwealth's unfunded superannuation liabilities, payments for the creation and development of infrastructure, and payments from the DisabilityCare Australia Fund by managing the investment activities of the Future Fund, Nation-building Funds and DisabilityCare Australia Fund, in line with the Government's investment mandates.	2013-14 Estimated actual expenses	2014-15 Estimated expenses
	\$'000	\$'000
Programme 1.1: Management of the Investment of the Future Fund		
Special Accounts	39,562	45,769
Total for Programme 1.1	39,562	45,769
Programme 1.2: Management of the Investment of the Building Australia Fund, Education Investment Fund, Health and Hospitals Fund and DisabilityCare Australia Fund		
Special Accounts	774	789
Total for Programme 1.2	774	789
Outcome 1 Totals by appropriation type		
Special Accounts	40,336	46,558
Total expenses for Outcome 1	40,336	46,558
	2013-14	2014-15
Average Staffing Level (number)	89	120

Note: Programme splits and totals are indicative estimates and may change in the course of the Budget year as Australian Government priorities change.

Contributions to Outcome 1

Programme 1.1: Management of the Investment of the Future Fund

Programme 1.1 Objective

- The FFMA supports the Board of Guardians in investing to accumulate assets for the purpose of offsetting the unfunded superannuation liabilities of the Australian Government which will fall due on future generations.

Programme 1.1 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special Account Expenses:					
Future Fund Special Account	39,562	45,769	46,503	48,088	49,755
Total Programme expenses	39,562	45,769	46,503	48,088	49,755

Programme 1.1 Deliverables

- 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.

Programme 1.1 Key Performance Indicators

- Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return of at least 4.5 to 5.5% above the Consumer Price Index (CPI) over the long term (interpreted as rolling 10 year periods) with acceptable but not excessive risk.

Programme 1.2: Management of the Investment of the Building Australia Fund, Education Investment Fund, Health and Hospitals Fund and DisabilityCare Australia Fund

Programme 1.2 Objective

- The *Nation-building Funds Act 2008* established the Education Investment Fund, the Health and Hospitals Fund and the Building Australia Fund on 1 January 2009. The role of the FFMA was extended to include supporting the Board of Guardians in the investment of the assets of these funds.
- The scope of FFMA has been further increased by the introduction of National Disability Insurance Scheme and the associated DisabilityCare Australia Fund (DCAF) legislation, with the role of the FFMA to include supporting the Board of Guardians in the investment of the assets of this fund.

Programme 1.2 Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special account expenses:					
Future Fund Special Account	774	789	805	500	250
Total Programme expenses	774	789	805	500	250

Programme 1.2 Deliverables

- 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.

Programme 1.2 Key Performance Indicators

- Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return for each of the Nation-building Funds of the Australian three month bank bill swap rate plus 0.3% per annum, calculated on a rolling 12 month basis while minimising the probability of capital loss over a 12 month horizon.
- Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return for the DisabilityCare Australia Fund.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

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

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2014-15 2013-14	Receipts 2014-15 2013-14	Payments 2014-15 2013-14	Adjustments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Future Fund Special Account (A)(D)	1	-	641,208	641,208	-	-
		-	<i>878,889</i>	<i>878,889</i>	-	-
Total Special Accounts						
2014-15 Budget estimate		-	641,208	641,208	-	-
<i>Total Special Accounts</i>						
<i>2013-14 estimated actual</i>		-	<i>878,889</i>	<i>878,889</i>	-	-

(A) = Administered
(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Statement is not applicable because FFMA has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

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

3.2.2 Analysis of Budgeted Financial Statements

Departmental expenditure will increase over the 2014-15 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 Asset Funds.

Administered expenditure will increase over the 2014-15 estimate year as a result of the expected growth of the portfolio and the evolution of the asset allocation in line with the Board's investment strategy.

3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	26,044	31,601	32,027	33,339	34,706
Suppliers	12,370	12,843	13,334	13,852	14,395
Depreciation and amortisation	1,922	2,114	1,947	1,397	904
Total expenses	40,336	46,558	47,308	48,588	50,005
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	40,186	46,408	47,158	48,438	49,855
Total own-source revenue	40,186	46,408	47,158	48,438	49,855
Gains					
Other	150	150	150	150	150
Total gains	150	150	150	150	150
Total own-source income	40,336	46,558	47,308	48,588	50,005
Net cost of (contribution by) services	-	-	-	-	-
Revenue from Government	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	181	181	181	181	181
Trade and other receivables	11,215	15,059	16,915	18,504	19,679
Total financial assets	11,396	15,240	17,096	18,685	19,860
Non-financial assets					
Property, plant and equipment	999	899	897	969	1,029
Intangibles	3,221	2,107	1,062	493	429
Total non-financial assets	4,220	3,006	1,959	1,462	1,458
Total assets	15,616	18,246	19,055	20,147	21,318
LIABILITIES					
Payables					
Other payables	3,941	4,562	4,635	4,794	4,961
Total payables	3,941	4,562	4,635	4,794	4,961
Provisions					
Employee provisions	11,675	13,684	14,420	15,353	16,357
Total provisions	11,675	13,684	14,420	15,353	16,357
Total liabilities	15,616	18,246	19,055	20,147	21,318
Net assets	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted Statement of Changes in Equity - Summary of Movement – Departmental for the period ended 30 June 2015

Table 3.2.3 is not included because FFMA does not have any changes in equity.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	45,521	47,204	50,016	51,724	53,691
Total cash received	45,521	47,204	50,016	51,724	53,691
Cash used					
Employees	26,505	29,564	31,262	32,376	33,671
Suppliers	12,253	12,721	13,213	13,732	14,276
Net GST paid	3,942	4,019	4,641	4,716	4,844
Total cash used	42,700	46,304	49,116	50,824	52,791
Net cash from (used by) operating activities	2,821	900	900	900	900
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,821	900	900	900	900
Total cash used	2,821	900	900	900	900
Net cash from (used by) investing activities	(2,821)	(900)	(900)	(900)	(900)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	181	181	181	181	181
Cash and cash equivalents at the end of the reporting period	181	181	181	181	181

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	2,821	900	900	900	900
Total purchase of non-financial assets	2,821	900	900	900	900

**Table 3.2.6: Budgeted Statement of Asset Movements – Departmental
for the period ended 30 June 2015**

	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000
As at 1 July 2014			
Gross book value	6,293	5,200	11,493
Accumulated depreciation/amortisation and impairment	(5,294)	(1,979)	(7,273)
Opening net book balance	999	3,221	4,220
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase - other	500	400	900
Total additions	500	400	900
Other movements			
Depreciation/amortisation expense	(600)	(1,514)	(2,114)
Total other movements	(600)	(1,514)	(2,114)
As at 30 June 2015			
Gross book value	6,793	5,600	12,393
Accumulated depreciation/amortisation and impairment	(5,894)	(3,493)	(9,387)
Closing net book balance	899	2,107	3,006

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Budgeted Schedule of Income and Expenses Administered on Behalf of Government for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
EXPENSES					
Employee benefits	895	931	966	1,005	1,046
Suppliers	681,499	743,228	793,703	848,448	907,062
Total expenses administered on behalf of Government	682,394	744,159	794,669	849,453	908,108
LESS:					
INCOME					
Revenue					
Non-taxation revenue					
Interest	363,656	1,576,465	1,711,482	1,844,192	1,975,385
Dividends	2,105,862	2,141,172	2,279,374	2,434,499	2,607,686
Total non-taxation revenue	2,469,518	3,717,637	3,990,856	4,278,691	4,583,071
Total revenue administered on behalf of Government	2,469,518	3,717,637	3,990,856	4,278,691	4,583,071
Gains					
Other gains	8,848,957	4,033,770	4,317,578	4,618,150	4,946,678
Total gains administered on behalf of Government	8,848,957	4,033,770	4,317,578	4,618,150	4,946,678
Total income administered on behalf of Government	11,318,475	7,751,407	8,308,434	8,896,841	9,529,749
Net cost of (contribution by) services	(10,636,081)	(7,007,248)	(7,513,765)	(8,047,388)	(8,621,641)
Total comprehensive income (loss)	10,636,081	7,007,248	7,513,765	8,047,388	8,621,641

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Budgeted Schedule of Assets and Liabilities Administered on Behalf of Government as at 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	379	379	379	379	379
Trade and other receivables	404,083	410,670	436,583	465,817	498,439
Other investments	99,444,032	106,552,206	114,136,162	122,256,572	130,954,322
Total financial assets	99,848,494	106,963,255	114,573,124	122,722,768	131,453,140
Total assets administered on behalf of Government	99,848,494	106,963,255	114,573,124	122,722,768	131,453,140
LIABILITIES					
Payables					
Suppliers	393,898	501,411	597,515	699,771	808,502
Other payables	14,195	14,195	14,195	14,195	14,195
Total payables	408,093	515,606	611,710	713,966	822,697
Provisions					
Employee provisions	22	22	22	22	22
Total provisions	22	22	22	22	22
Total liabilities administered on behalf of Government	408,115	515,628	611,732	713,988	822,719
Net assets/(liabilities)	99,440,379	106,447,627	113,961,392	122,008,780	130,630,421

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Budgeted Schedule of Administered Cash Flows for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Interest	374,160	1,576,465	1,711,482	1,844,192	1,975,385
Dividends	2,175,123	2,135,206	2,253,534	2,405,424	2,575,231
Net GST received	4,714	3,941	4,562	4,635	4,794
Total cash received	2,553,997	3,715,612	3,969,578	4,254,251	4,555,410
Cash used					
Suppliers	831,567	593,940	653,102	699,843	749,902
Employees	895	931	966	1,005	1,046
Other	46,427	46,337	49,132	51,143	53,391
Total cash used	878,889	641,208	703,200	751,991	804,339
Net cash from (used by) operating activities	1,675,108	3,074,404	3,266,378	3,502,260	3,751,071
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of investments	5,136,907	1,950,723	2,135,283	1,711,043	1,832,885
Total cash received	5,136,907	1,950,723	2,135,283	1,711,043	1,832,885
Cash used					
Investments	6,812,015	5,025,127	5,401,661	5,213,303	5,583,956
Total cash used	6,812,015	5,025,127	5,401,661	5,213,303	5,583,956
Net cash from (used by) investing activities	(1,675,108)	(3,074,404)	(3,266,378)	(3,502,260)	(3,751,071)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at beginning of reporting period	379	379	379	379	379
Cash and cash equivalents at end of reporting period	379	379	379	379	379

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget
for the period ended 30 June 2015**

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

**Table 3.2.11: Budgeted Schedule of Asset Movements – Administered
for the period ended 30 June 2015**

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

PORTFOLIO GLOSSARY

Term	Meaning
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Acts of Grace Payments	The primary method of providing compensation to persons who have been unfairly disadvantaged by the Commonwealth but who have no legal claim against it.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills (No.3) and (No.4), and a separate Bill for the Parliamentary Departments (Parliamentary Departments) Bill (No.2). These Bills are introduced into Parliament after the Budget Bills.
Appropriation	An authorisation by Parliament to spend monies from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the Additional Estimates. Parliamentary departments have their own appropriations.
CAC Act	<i>Commonwealth Authorities and Companies Act 1997.</i>
Capital Expenditure	Expenditure by an agency 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.

Glossary and Acronyms

Term	Meaning
Consolidated Revenue Fund	s81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental Items	Assets, liabilities, revenues and expenses that are controlled by the agency 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	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.
FMA Act	<i>Financial Management and Accountability Act 1997.</i>
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.

Term	Meaning
Portfolio	A Minister’s area of responsibility as a member of Cabinet. A portfolio consists of one or more Departments of State (aka the Portfolio Departments) and a number of agencies with similar general objectives and outcomes.
Programme	Agencies deliver programmes which are the government’s actions taken to deliver the stated outcomes. Agencies are required to identify the programmes which contribute to government outcomes over the Budget and forward years.
Prescribed agencies	As per s.5 of the FMA Act, a prescribed agency means: a body, organisation or group of persons prescribed by the Regulations for the purposes of this definition. Prescribed agencies are made by the Governor-General by Regulation under the FMA Act. Prescribed legal authority and responsibility to manage their financial affairs.
Revenue	Total value of resources earned or received to cover the production of goods and services or increases in future economic benefits in the form of increases in assets or reductions in liabilities of an entity.
Special Accounts	Balances existing within the CRF that are supported by standing appropriations (FMA Act s20 or s21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account may only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (s20 of the FMA Act) or through an Act of Parliament (referred to in s21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>

ACRONYMS

Acronym	Description
AAO	Administrative Arrangements Order
AEC	Australian Electoral Commission
ANAO	Australian National Audit Office
APS	Australian Public Service
ARF	Asset Recycling Fund
BAF	Building Australia Fund
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
Charter of Budget Honesty	<i>Charter of Budget Honesty Act 1998</i>
CPI	Consumer Price Index
CSS	Commonwealth Superannuation Scheme
DCAF	DisabilityCare Australia Fund
DCB	Departmental Capital Budget
DFRDB	Defence Force Retirement and Death Benefits
EIF	Education Investment Fund
ERC	Expenditure Review Committee
FFMA	Future Fund Management Agency
Finance	Department of Finance
Finance Minister	Minister for Finance
FMA Act	<i>Financial Management and Accountability Act 1997</i>

Acronym	Description
GBEs	Government Business Enterprises
HHF	Health and Hospitals Fund
ICON	Intra-Government Communications Network
ICT	Information and Communications Technology
MoP(S) Act	<i>Members of Parliament (Staff) Act 1984</i>
MRFF	Medical Research Future Fund
MSBS	Military Superannuation and Benefits Scheme
MYEFO	Mid-Year Economic Fiscal Outlook
NBF	Nation-building Funds
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements
PB Statements	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PM&C	Department of the Prime Minister and Cabinet
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Accumulation Plan
SMOS	Special Minister of State