

Future Fund Management Agency

Entity Resources and Planned Performance

FUTURE FUND MANAGEMENT AGENCY

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FUTURE FUND MANAGEMENT AGENCY

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

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

The scope of the FFMA and the Board was extended by the *Nation-building Funds Act 2008* and subsequently by the *DisabilityCare Australia Fund Act 2013* and the *Medical Research Future Fund Act 2015* to include the management of investments to grow other Australian Government Asset Funds as a means to provide financing sources for substantial future investments in the Australian economy. As a result the FFMA supports the Board in managing the investments of the Future Fund, Building Australia Fund (BAF), Education Investment Fund (EIF), DisabilityCare Australia Fund (DCAF) and Medical Research Future Fund (MRFF).

Subject to the passage of legislation, the scope of the Board and FFMA is to be broadened by the establishment of a new Australian Government Investment Fund; the Asset Recycling Fund (ARF). The two Nation-building Funds will be abolished through a repeal of the *Nation-building Funds Act 2008*. During 2015 the assets of the Health and Hospitals Fund were transferred in part to the newly established MRFF and the remaining cash was returned to the Department of Finance to fund existing projects already committed to by the Government.

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 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 2014-15 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, DCAF and MRFF and is focused on developing and implementing investment strategies consistent with the legislation and mandates. The investment strategies and approach for the Nation-building Funds and the DCAF are detailed in the 2014-15 Future Fund Annual Report.

Investment policies for all of the public asset funds for which the Board is responsible are available at www.futurefund.gov.au.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: Future Fund Management Agency Resource Statement — Budget Estimates for 2016-17 as at Budget May 2016

| | <i>2015-16 Estimated actual \$'000</i> | 2016-17 Estimate \$'000 |
|--|--|-------------------------------|
| Special accounts | | |
| Opening balance | - | - |
| Non-appropriation receipts | 402,413 | 459,410 |
| Total special account receipts | 402,413 | 459,410 |
| Total resourcing for FFMA | 402,413 | 459,410 |
| | <i>2015-16</i> | 2016-17 |
| Average staffing level (number) | 120 | 141 |

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

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

Please 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

No budget measures have been announced since 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) that impact FFMA.

Section 2: Outcomes and Planned Performance

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

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

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced Commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statements – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

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, the DisabilityCare Australia Fund and Medical Research Future Fund are invested in line with the relevant legislation and investment mandates in pursuit of 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 2014-15 Future Fund Annual Report.

Budgeted Expenses for Outcome 1

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

Table 2.1.1: Budgeted Expenses for Outcome 1

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------------|---------------|---------------|---------------|---------------|
| | Estimated | Budget | Forward | Forward | Forward |
| | actual | | estimate | estimate | estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 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 and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, Disability Care Australia Fund and Medical Research Future Fund, in line with the Government's investment mandates. | | | | | |
| Program 1.1: Management of the Investment of the Future Fund | | | | | |
| Departmental expenses | | | | | |
| Special accounts | | | | | |
| Future Fund Special Account | 48,670 | 61,429 | 66,387 | 68,664 | 70,179 |
| Departmental Total | 48,670 | 61,429 | 66,387 | 68,664 | 70,179 |
| Total expenses for program 1.1 | 48,670 | 61,429 | 66,387 | 68,664 | 70,179 |
| Program 1.2: Management of the Investment of the Australian Government Investment Funds | | | | | |
| Departmental expenses | | | | | |
| Special accounts | | | | | |
| Future Fund Special Account | 991 | 1,231 | 984 | 846 | 1,233 |
| Departmental Total | 991 | 1,231 | 984 | 846 | 1,233 |
| Total expenses for program 1.2 | 991 | 1,231 | 984 | 846 | 1,233 |
| Outcome 1 Totals by appropriation type | | | | | |
| Departmental expenses | | | | | |
| Special accounts | 49,661 | 62,660 | 67,371 | 69,510 | 71,412 |
| Departmental Total | 49,661 | 62,660 | 67,371 | 69,510 | 71,412 |
| Total expenses for Outcome 1 | 49,661 | 62,660 | 67,371 | 69,510 | 71,412 |
| | 2015-16 | 2016-17 | | | |
| Average staffing level (number) | 120 | 141 | | | |

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

Table 2.1.2: Performance Criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered.

| | | |
|--|--|--|
| <p>Outcome 1 – Make provision for the Commonwealth’s unfunded superannuation liabilities, payments for the creation and development of infrastructure, and payments from the DisabilityCare Australia Fund and Medical Research Future Fund by managing the investment activities of the Future Fund, Nation-building Funds, DisabilityCare Australia Fund and Medical Research Future Fund, in line with the Government’s investment mandates.</p> | | |
| <p>Program 1.1 – Management of the Investment of the Future Fund</p> <p>The FFMA supports the Board in investing to accumulate assets for the purpose of offsetting the unfunded superannuation liabilities of the Australian Government which will fall due on future generations.</p> | | |
| <p>Delivery</p> | <ul style="list-style-type: none"> • Ensure all decisions of the Board of Guardians are given effect as directed by the Board within timeframes and quality levels agreed with the Board. • Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions. • Provide administrative services to the Board. • Provide information and recommendations to the Board. • Advise the Board about the performance of the Board's functions. • Make resources and facilities available to the Board. | |
| <p>Purposes</p> | <p>The Agency supports the Board in maximising the returns on funds for which the Board is responsible in line with the Investment Mandate Directors for each fund.</p> | |
| <p>Performance information: Program 1.1 – Management of the Investment of the Future Fund</p> | | |
| <p>Year</p> | <p>Performance Criteria</p> | <p>Targets</p> |
| <p>2015-16</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • As at 31 March 2016 the actual return was 7.4% compared to the target return of 7% since May 2006. |
| <p>2016-17</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • To achieve a return above the long-term target return with acceptable but not excessive risk. |
| <p>2017-18 and beyond</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • To achieve a return above the long-term target return with acceptable but not excessive risk. |

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Table 2.1.2: Performance Criteria for Outcome 1 (Continued)

| | | |
|---|---|--|
| <p>Program 1.2 – Management of the Investment of the Australian Government Investment Funds.</p> <p>The <i>Nation-building Funds Act 2008</i> established the Education Investment Fund (EIF), the Health and Hospitals Fund (HHF) and the Building Australia Fund (BAF) on 1 January 2009. The <i>DisabilityCare Australia Fund Act 2013</i> established the DisabilityCare Australia Fund (DCAF) on 1 July 2014. The <i>Medical Research Future Fund Act 2015</i> established the Medical Research Future Fund (MRFF) on 27 August 2015. The role of the FFMA was extended to include supporting the Board in the investment of the assets of these funds.</p> | | |
| Delivery | <ul style="list-style-type: none"> • Ensure all decisions of the Board of Guardians are given effect as directed by the Board within timeframes and quality levels agreed with the Board. • Ensure all investments are made in accordance with relevant legislation, Investment Mandate and ministerial directions. • Provide administrative services to the Board. • Provide information and recommendations to the Board. • Advise the Board about the performance of the Board’s functions. • Make resources and facilities available to the Board. | |
| Purposes | The Agency supports the Board in maximising the returns on funds for which the Board is responsible in line with the Investment Mandate Directors for each fund. | |
| <p>Performance information: Program 1.2 – Management of the Investment of the Australian Government Investment Funds</p> | | |
| Year | Performance Criteria | Targets |
| 2015-16 | <ul style="list-style-type: none"> • Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target returns as follows: <ul style="list-style-type: none"> – for each of the Nation-building Funds and the DCAF of the Australian three month bank bill swap rate plus 0.3% per annum, calculated on a rolling 12 month basis while minimising the probability of capital loss over a 12 month horizon. – for the MRFF the Reserve Bank of Australia Cash Rate target +1.5 to 2.0 per cent per annum, net of investment fees, over a rolling 10 year term with acceptable but not excessive risk. | <ul style="list-style-type: none"> • As at 31 March 2016 actual returns: <ul style="list-style-type: none"> – BAF 2.5%. – EIF 2.4%. – DCAF 2.4%. – Target benchmark return 2.5%. • As at 31 March 2016 the actual return was -0.5%. The target return applies from 1 December 2015. |
| 2016-17 | <ul style="list-style-type: none"> • Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target returns as follows: <ul style="list-style-type: none"> – for each of the Nation-building Funds and the DCAF of the Australian three month bank bill swap rate plus 0.3% per annum, calculated on a rolling 12 month basis while minimising the probability of capital loss over a 12 month horizon. – for the MRFF the Reserve Bank of Australia Cash Rate target +1.5 to 2.0 per cent per annum, net of investment fees, over a rolling 10 year term with acceptable but not excessive risk. | <ul style="list-style-type: none"> • To achieve a return above the target return and with regard to the risk parameters of the mandate. |

Table continues on next page

Table 2.1.2: Performance Criteria for Outcome 1 (Continued)

| Performance information: Program 1.2 – Management of the Investment of the Australian Government Investment Funds | | |
|--|---|--|
| Year | Performance Criteria | Targets |
| 2017-18 and beyond | <ul style="list-style-type: none"> • Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target returns as follows: <ul style="list-style-type: none"> – for each of the Nation-building Funds and the DCAF of the Australian three month bank bill swap rate plus 0.3% per annum, calculated on a rolling 12 month basis while minimising the probability of capital loss over a 12 month horizon. – for the MRFF the Reserve Bank of Australia Cash Rate target +1.5 to 2.0 per cent per annum, net of investment fees, over a rolling 10 year term with acceptable but not excessive risk. | <ul style="list-style-type: none"> • To achieve a return above the target return and with regard to the risk parameters of the mandate. |

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget Year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences Between Entity Resourcing and Financial Statements

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

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental expenditure will increase over the 2016-17 estimate year in line with maintaining and developing the FFMA's ability to support the Board in managing the Future Fund and other Australian Government Asset Funds.

Administered expenditure will increase over the 2016-17 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.

3.2.1 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive Income Statement (Showing Net Cost of Services) for the Period Ended 30 June

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 35,237 | 40,926 | 44,637 | 46,408 | 48,275 |
| Suppliers | 13,307 | 19,688 | 20,438 | 20,795 | 21,099 |
| Depreciation and amortisation | 1,273 | 2,202 | 2,452 | 2,463 | 2,194 |
| Total expenses | 49,817 | 62,816 | 67,527 | 69,666 | 71,568 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Other | 49,661 | 62,660 | 67,371 | 69,510 | 71,412 |
| Total own-source revenue | 49,661 | 62,660 | 67,371 | 69,510 | 71,412 |
| Gains | | | | | |
| Other | 156 | 156 | 156 | 156 | 156 |
| Total gains | 156 | 156 | 156 | 156 | 156 |
| Total own-source income | 49,817 | 62,816 | 67,527 | 69,666 | 71,568 |
| Net (cost of)/contribution by services | - | - | - | - | - |
| Surplus (deficit) attributable to the Australian Government | - | - | - | - | - |
| Total comprehensive income (loss) attributable to the Australian Government | - | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|-----------------------------------|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 758 | 758 | 758 | 758 | 758 |
| Trade and other receivables | 18,740 | 23,165 | 27,221 | 30,843 | 33,978 |
| Total financial assets | 19,498 | 23,923 | 27,979 | 31,601 | 34,736 |
| Non-financial assets | | | | | |
| Property, plant and equipment | 2,495 | 2,555 | 1,970 | 1,442 | 909 |
| Intangibles | 2,810 | 3,900 | 2,783 | 1,598 | 687 |
| Total non-financial assets | 5,305 | 6,455 | 4,753 | 3,040 | 1,596 |
| Total assets | 24,803 | 30,378 | 32,732 | 34,641 | 36,332 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Other payables | 5,536 | 6,812 | 7,308 | 7,535 | 7,687 |
| Total payables | 5,536 | 6,812 | 7,308 | 7,535 | 7,687 |
| Provisions | | | | | |
| Employee provisions | 18,339 | 21,206 | 23,351 | 25,320 | 27,146 |
| Other provisions | 928 | 2,360 | 2,073 | 1,786 | 1,499 |
| Total provisions | 19,267 | 23,566 | 25,424 | 27,106 | 28,645 |
| Total liabilities | 24,803 | 30,378 | 32,732 | 34,641 | 36,332 |
| Net assets | - | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2016-17)

Table 3.3 is not included because FFMA does not have any changes in equity.

Table 3.4: Budgeted Departmental Statement of Cash Flows (for the Period Ended 30 June)

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Other | 55,019 | 66,148 | 70,077 | 72,853 | 75,379 |
| Total cash received | 55,019 | 66,148 | 70,077 | 72,853 | 75,379 |
| Cash used | | | | | |
| Employees | 34,894 | 37,992 | 42,423 | 44,368 | 46,373 |
| Suppliers | 13,185 | 19,838 | 20,638 | 20,998 | 21,305 |
| Net GST paid | 4,510 | 4,966 | 6,266 | 6,737 | 6,951 |
| Total cash used | 52,589 | 62,796 | 69,327 | 72,103 | 74,629 |
| Net cash from/(used by) operating activities | 2,430 | 3,352 | 750 | 750 | 750 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 2,430 | 3,352 | 750 | 750 | 750 |
| Total cash used | 2,430 | 3,352 | 750 | 750 | 750 |
| Net cash from/(used by) investing activities | (2,430) | (3,352) | (750) | (750) | (750) |
| Net increase/(decrease) in cash held | - | - | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 758 | 758 | 758 | 758 | 758 |
| Cash and cash equivalents at the end of the reporting period | 758 | 758 | 758 | 758 | 758 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental Capital Budget Statement (for the Period Ended 30 June)

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded internally from departmental resources | 2,430 | 3,352 | 750 | 750 | 750 |
| TOTAL | 2,430 | 3,352 | 750 | 750 | 750 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 2,430 | 3,352 | 750 | 750 | 750 |
| Total cash used to acquire assets | 2,430 | 3,352 | 750 | 750 | 750 |

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of Asset Movements (Budget Year 2016-17)

| | Other property, plant and equipment \$'000 | Computer software and intangibles \$'000 | Total \$'000 |
|---|---|---|-----------------|
| As at 1 July 2016 | | | |
| Gross book value | 9,122 | 5,706 | 14,828 |
| Accumulated depreciation/ amortisation and impairment | (6,627) | (2,896) | (9,523) |
| Opening net book balance | 2,495 | 2,810 | 5,305 |
| Capital asset additions | | | |
| Estimated expenditure on new or replacement assets | | | |
| By purchase - other | 1,001 | 2,351 | 3,352 |
| Total additions | 1,001 | 2,351 | 3,352 |
| Other movements | | | |
| Depreciation/amortisation expense | (941) | (1,261) | (2,202) |
| Total other movements | (941) | (1,261) | (2,202) |
| As at 30 June 2017 | | | |
| Gross book value | 10,123 | 8,057 | 18,180 |
| Accumulated depreciation/ amortisation and impairment | (7,568) | (4,157) | (11,725) |
| Closing net book balance | 2,555 | 3,900 | 6,455 |

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the Period Ended 30 June)

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 875 | 901 | 928 | 956 | 984 |
| Suppliers | 417,696 | 456,344 | 488,803 | 521,329 | 555,946 |
| Total expenses administered on behalf of Government | 418,571 | 457,245 | 489,731 | 522,285 | 556,930 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Non-taxation revenue | | | | | |
| Interest | 398,966 | 933,258 | 999,520 | 1,071,485 | 1,150,775 |
| Dividends | 2,698,542 | 2,974,376 | 3,185,557 | 3,414,917 | 3,667,621 |
| Total non-taxation revenue | 3,097,508 | 3,907,634 | 4,185,077 | 4,486,402 | 4,818,396 |
| Total own-source revenue administered on behalf of Government | 3,097,508 | 3,907,634 | 4,185,077 | 4,486,402 | 4,818,396 |
| Gains | | | | | |
| Other gains | 408,807 | 4,684,118 | 5,375,589 | 5,887,683 | 6,593,029 |
| Total gains administered on behalf of Government | 408,807 | 4,684,118 | 5,375,589 | 5,887,683 | 6,593,029 |
| Total own-sourced income administered on behalf of Government | 3,506,315 | 8,591,752 | 9,560,666 | 10,374,085 | 11,411,425 |
| Net cost of/ (contribution by) services | (3,087,744) | (8,134,507) | (9,070,935) | (9,851,800) | (10,854,495) |
| Total comprehensive income/ (loss) | 3,087,744 | 8,134,507 | 9,070,935 | 9,851,800 | 10,854,495 |

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 2,699 | 2,780 | 2,863 | 2,949 | 3,038 |
| Trade and other receivables | 1,937,645 | 2,041,502 | 2,055,354 | 2,070,194 | 2,086,091 |
| Other investments | 119,625,126 | 127,759,634 | 136,830,568 | 146,682,370 | 157,536,865 |
| Total financial assets | 121,565,470 | 129,803,916 | 138,888,785 | 148,755,513 | 159,625,994 |
| Total assets administered on behalf of Government | 121,565,470 | 129,803,916 | 138,888,785 | 148,755,513 | 159,625,994 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 147,073 | 146,586 | 156,463 | 167,768 | 180,618 |
| Other payables | 1,184,892 | 1,289,317 | 1,293,373 | 1,296,995 | 1,300,130 |
| Total payables | 1,331,965 | 1,435,903 | 1,449,836 | 1,464,763 | 1,480,748 |
| Provisions | | | | | |
| Employee provisions | 34 | 35 | 36 | 37 | 38 |
| Total provisions | 34 | 35 | 36 | 37 | 38 |
| Total liabilities administered on behalf of Government | 1,331,999 | 1,435,938 | 1,449,872 | 1,464,800 | 1,480,786 |
| Net assets/(liabilities) | 120,233,471 | 128,367,978 | 137,438,913 | 147,290,713 | 158,145,208 |

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of Budgeted Administered Cash Flows (for the Period Ended 30 June)

| | 2015-16 Estimated actual \$'000 | 2016-17 Budget \$'000 | 2017-18 Forward estimate \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Interest | 376,440 | 933,258 | 999,520 | 1,071,485 | 1,150,775 |
| Dividends | 2,899,316 | 2,869,242 | 3,172,076 | 3,400,476 | 3,652,150 |
| Net GST received | 5,697 | 4,867 | 5,214 | 5,585 | 5,983 |
| Total cash received | 3,281,453 | 3,807,367 | 4,176,810 | 4,477,546 | 4,808,908 |
| Cash used | | | | | |
| Suppliers | 347,495 | 393,593 | 412,531 | 441,356 | 472,910 |
| Employees | 889 | 900 | 927 | 955 | 983 |
| Other | 54,029 | 64,917 | 69,093 | 72,007 | 74,146 |
| Total cash used | 402,413 | 459,410 | 482,551 | 514,318 | 548,039 |
| Net cash from/(used by) operating activities | 2,879,040 | 3,347,957 | 3,694,259 | 3,963,228 | 4,260,869 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of investments | 123,332,983 | 127,032,971 | 130,843,960 | 134,769,279 | 138,812,357 |
| Total cash received | 123,332,983 | 127,032,971 | 130,843,960 | 134,769,279 | 138,812,357 |
| Cash used | | | | | |
| Investments | 126,210,867 | 130,380,847 | 134,538,136 | 138,732,421 | 143,073,137 |
| Total cash used | 126,210,867 | 130,380,847 | 134,538,136 | 138,732,421 | 143,073,137 |
| Net cash from/(used by) investing activities | (2,877,884) | (3,347,876) | (3,694,176) | (3,963,142) | (4,260,780) |
| Net increase/(decrease) in cash held | 1,156 | 81 | 83 | 86 | 89 |
| Cash and cash equivalents at beginning of reporting period | 1,543 | 2,699 | 2,780 | 2,863 | 2,949 |
| Cash and cash equivalents at end of reporting period | 2,699 | 2,780 | 2,863 | 2,949 | 3,038 |

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered Capital Budget Statement (for the Period Ended 30 June)

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

Table 3.11: Statement of Administered Asset Movements (Budget Year 2016-17)

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