

# **DEPARTMENT OF FINANCE**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# DEPARTMENT OF FINANCE

<b>SECTION 1: ENTITY OVERVIEW AND RESOURCES .....</b>	<b>12</b>
1.1 Strategic direction statement .....	12
1.2 Entity resource statement .....	13
1.3 Budget measures.....	17
<b>SECTION 2: OUTCOMES AND PLANNED PERFORMANCE .....</b>	<b>20</b>
2.1 Budgeted expenses and performance for Outcome 1.....	21
2.2 Budgeted expenses and performance for Outcome 2.....	26
2.3 Budgeted expenses and performance for Outcome 3.....	51
<b>SECTION 3: BUDGETED FINANCIAL STATEMENTS.....</b>	<b>55</b>
3.1 Budgeted financial statements.....	55
3.2 Budgeted financial statements tables .....	57

## DEPARTMENT OF FINANCE

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

The Department of Finance (Finance) assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, the government.

**Outcome 1**      *Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.*

To achieve Outcome 1, Finance:

- assists the government to develop and deliver its fiscal and economic policies by producing the Budget and the government's financial statements; and
- contributes to the government's reform agenda by seeking to improve the effectiveness of government spending.

**Outcome 2**      *Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.*

To achieve Outcome 2, Finance:

- contributes to, and fosters, leading practice in public sector governance and accountability, encompassing the public resource management framework, procurement and grants policies and the oversight of GBEs and other commercial entities;
- develops and administers key government policies in relation to Commonwealth land, public works and property management and advertising to ensure leading practice and ongoing improvement in the public sector management of government resources;

- delivers professional services in respect of the government's: non-Defence property portfolio within Australia (including major capital works projects), risk management and insurance arrangements (Comcover), key Whole of Australian Government (WoAG) purchasing arrangements (such as travel, office equipment, stationery) to ensure efficient and effective management of government resources and certain corporate functions delivered by the Service Delivery Office; and
- advises on the government's Investment Funds and administers superannuation arrangements for the government's civilian employees, politicians and judges to support efficient and effective management of government resources.

**Outcome 3**      *Support for Parliamentarians and others as required by the Australian Government through the delivery of and advice on, work expenses and allowances, entitlements and targeted programs*

To achieve Outcome 3, Finance provides advice and services to Ministers, Office-holders, Senators, Members, their staff and others as required by the government.

## 1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

**Table 1.1: Department of Finance resource statement — Budget estimates for 2018-19 as at Budget May 2018**

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	102,980	109,941
Departmental appropriation (c)	269,057	264,149
s 74 retained revenue receipts (d)	147,323	95,167
Departmental capital budget (e)	6,480	6,479
Annual appropriations - other services - non-operating (f)		
Equity injection	74,853	42,211
Total departmental annual appropriations	600,693	517,947
Special accounts (g)		
Opening balance	807,072	715,262
Appropriation receipts (h)	131,914	91,891
Non-appropriation receipts	308,275	259,870
<i>Total special accounts</i>	1,247,261	1,067,023
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(131,914)	(91,891)
<b>Total departmental resourcing</b>	<b>1,716,040</b>	<b>1,493,079</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	-	-
Outcome 2	13,358	12,456
Outcome 3	260,221	261,729
Administered capital budget (i)	4,983	5,054
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	512,546	191,024
<i>Total administered annual appropriations</i>	791,108	470,263
<i>Total administered special appropriations (g)</i>	8,662,529	8,387,440
Special accounts (g)		
Non-appropriation receipts	21,777,981	17,043,402
<i>Total special account receipts</i>	21,777,981	17,043,402
<b>Total administered resourcing</b>	<b>31,231,618</b>	<b>25,901,105</b>
<b>Total resourcing for Department of Finance</b>	<b>32,947,658</b>	<b>27,394,184</b>
	2017-18	2018-19
<b>Average staffing level (number)</b>	1,256	1,250

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

(a) Appropriation Bill (No. 1) 2018-19.

(b) Represents estimated unspent appropriations available from 2016-17.

## Finance Budget Statements

- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2018-19.
- (g) For further information on special appropriations and special accounts, please refer to *Budget Paper No.4 - Agency Resourcing*. Please also refer to Table 2.1.1, 2.2.1 and 2.3.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from another entity's annual and special appropriations.
- (i) Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.

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

**Table 1.1: Department of Finance resource statement — Budget estimates for 2018-19 as at Budget May 2018 (continued)**  
**Third party payments from and on behalf of other entities**

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
Attorney-General's Department		
<i>Law Officers Act 1964</i>	450	450
Payments made by other entities on behalf of Department of Finance (disclosed above)		
Attorney-General's Department		
<i>Parliamentary Entitlements Act 1990</i>	507	-
<i>Parliamentary Business Resources Act 2017</i>	193	400
Commonwealth Superannuation Corporation		
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws - General Law Reform) Act 2008</i>	64	66
<i>Superannuation Act 1922</i>	74,802	69,188
<i>Superannuation Act 1976</i>	4,430,703	4,515,281
<i>Superannuation Act 1990</i>	2,088,975	2,129,139
Appropriation Act (No.1) (a)	500	500
Appropriation Act (No.1) (b)	309	391
Appropriation Act (No.2) (b)	992	987
Department of Defence		
<i>Parliamentary Entitlements Act 1990</i>	-	-
Department of the House of Representatives		
<i>Commonwealth of Australia Constitution Act (s66)</i>	3,459	3,596
<i>Parliamentary Entitlements Act 1990</i>	163	-
<i>Parliamentary Business Resources Act 2017</i>	20,694	42,142
<i>Parliamentary Superannuation Act 2004</i>	4,730	5,207
Department of Parliamentary Services		
Appropriation Act (No.1)	15	-
<i>Parliamentary Entitlements Act 1990</i>	9,031	-
<i>Parliamentary Business Resources Act 2017</i>	11,292	20,338
Department of the Senate		
<i>Commonwealth of Australia Constitution Act (s66)</i>	1,637	1,500
<i>Parliamentary Entitlements Act 1990</i>	83	-
<i>Parliamentary Business Resources Act 2017</i>	10,296	20,919
<i>Parliamentary Superannuation Act 2004</i>	2,379	2,565
Comcare		
<i>Parliamentary Entitlements Act 1990</i>	-	-
<i>Parliamentary Business Resources Act 2017</i>	-	100
Fair Work Commission		
<i>Judges' Pensions Act 1968</i>	7,240	7,421

(a) Compensation and legal payments.

(b) Act of Grace payments.

Note: Figures presented on a payment (cash) basis.



### 1.3 BUDGET MEASURES

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

**Table 1.2: Department of Finance 2018-19 Budget measures  
Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2017-18	2018-19	2019-20	2020-21	2021-22
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue measures</b>						
National Disability Insurance Scheme — continuity of support (a)	2.8					
Administered revenues		51	66	12	-	-
National Disability Insurance Scheme Jobs and Market Fund (b)	2.8					
Administered revenues		-	(280)	(140)	-	-
Aboriginal and Torres Strait Islander Land and Sea Future Fund (c)	2.8					
Administered revenue		-	*	*	*	*
<b>Total</b>		<b>51</b>	<b>(214)</b>	<b>(128)</b>	<b>-</b>	<b>-</b>
<b>Total revenue measures</b>						
Administered		51	(214)	(128)	-	-
Departmental		-	-	-	-	-
<b>Total</b>		<b>51</b>	<b>(214)</b>	<b>(128)</b>	<b>-</b>	<b>-</b>

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

**Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Expense measures</b>						
Aboriginal and Torres Strait Islander Land and Sea Future Fund (c)	2.8					
Administered expenses		-	*	*	*	*
Delivering Australia's Digital Future — Veteran Centric Reform — continuation (d)	2.1					
Departmental expenses		-	100	-	-	-
Delivering Australia's Digital Future — Welfare Payment Infrastructure Transformation — Tranche Three (e)	2.1					
Departmental expenses		-	118	-	-	-
Guaranteeing Medicare — modernising the health and aged care payments systems (f)	2.1					
Administered expenses		-	77	-	-	-
More Choices for a Longer Life — healthy ageing and high quality care (g)	2.1					
Departmental expenses		-	100	100	-	-
Integrated Carer Support Services (h)	2.1					
Departmental expenses		-	-	-	-	-
Large Electorates — reimbursement of lease costs (i)	3.1					
Administered expenses		420	430	441	452	463
National Disability Insurance Scheme — continuity of support (a)	2.8					
Administered expenses		2	2	1	-	-
National Disability Insurance Scheme Jobs and Market Fund (b)	2.8					
Administered expenses		-	(10)	(5)	-	-
Finance — additional resourcing (j)	1.1, 2.1, 2.2					
Departmental expenses		-	5,000	5,000	-	-
Community Development Program — reform (k)	2.1					
Departmental expenses		-	135	135	135	135
Powering Forward — delivering more affordable, reliable and sustainable energy (l)	2.1					
Departmental expenses		-	-	-	-	-
Voter Information Protection (m)	3.1					
Administered expenses		-	-	-	-	-
<b>Total</b>		<b>422</b>	<b>5,952</b>	<b>5,672</b>	<b>587</b>	<b>598</b>
<b>Total expense measures</b>						
Administered		422	499	437	452	463
Departmental		-	5,453	5,235	135	135
<b>Total</b>		<b>422</b>	<b>5,952</b>	<b>5,672</b>	<b>587</b>	<b>598</b>

**Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Capital measures</b>					
Australian Naval Infrastructure Pty Ltd — equity injection	2.2				
Administered capital	nfp	nfp	nfp	nfp	nfp
<b>Total</b>	-	-	-	-	-
<b>Total capital measures</b>					
Administered	-	-	-	-	-
Departmental	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for measure *National Disability Insurance Scheme — continuity of support* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No.2* under the Social Services portfolio.
- (b) The lead entity for measure *National Disability Insurance Scheme Jobs and Market Fund* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No.2* under the Social Services portfolio.
- (c) The Government will establish the *Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF)* in the Finance portfolio from 1 July 2018. The balance of the current *Aboriginal and Torres Strait Islander Land Account* will be transferred from the Department of Prime Minister and Cabinet to the ATSILSFF. A new *Indigenous Land Corporation Funding Special Account* will be established for the Department of the Prime Minister and Cabinet to continue payments to the Indigenous Land Corporation. Following passage of enabling legislation by the Australian Parliament, the new special accounts will be reported in the next budget update. For further information, see the expense measure named *Aboriginal and Torres Strait Islander Land and Sea Future Fund* for the Prime Minister and Cabinet portfolio in *Budget Paper No.2*.
- (d) The lead entity for measure *Delivering Australia's Digital Future — Veteran Centric Reform — continuation* is the Department of Veterans' Affairs. The full measure description and package details appear in *Budget Paper No.2* under the Defence portfolio.
- (e) The lead entity for measure *Delivering Australia's Digital Future — Welfare Payment Infrastructure Transformation — Tranche Three* is the Department of Human Services. The full measure description and package details appear in *Budget Paper No.2* under the Human Services portfolio.
- (f) The lead entity for measure *Guaranteeing Medicare — modernising the health and aged care payments systems* is the Department of Human Services. The full measure description and package details appear in *Budget Paper No.2* under the Health portfolio.
- (g) The lead entity for measure *More Choices for a Longer Life — healthy ageing and high quality care* is the Department of Health. The full measure description and package details appear in *Budget Paper No.2* under the Health portfolio.
- (h) The lead entity for measure *Integrated Carer Support Services* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No.2* under the Social Services portfolio.
- (i) Finance will receive funding through the measure, *Large Electorates — reimbursement of lease costs*. The full measure description and package details appear in *Budget Paper No.2* under the Finance portfolio.
- (j) Finance will receive funding through the measure, *Finance — additional resourcing*. The full measure description and package details appear in *Budget Paper No.2* under the Finance portfolio.
- (k) The lead entity for measure *Community Development Program — reform* is the Department of Prime Minister and Cabinet. The full measure description and package details appear in *Budget Paper No.2* under the Prime Minister and Cabinet portfolio.
- (l) The lead entity for the measure *Powering Forward — delivering more affordable, reliable and sustainable energy* is the Department of Environment and Energy. The full measure description and package details appear in *Budget Paper No.2* under the Environment and Energy portfolio.
- (m) Finance will receive funding through the measure, *Voter Information Protection*. The full measure description and package details appear in *Budget Paper No.2* under the Finance portfolio.

## Section 2: Outcomes and planned performance

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

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for Finance can be found at: <https://www.finance.gov.au/publications/corporate-plan/2017-18/>.

The most recent annual performance statement can be found at: <https://www.finance.gov.au/publications/annual-reports/16-17/performance-statement-introduction/>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.**

### Budgeted expenses for Outcome 1

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

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Program 1.1: Budget and Financial Management</b>					
Departmental expenses					
Departmental appropriation (a)					
Budget Advice	51,261	52,934	55,029	53,894	53,412
Financial Reporting	29,791	30,335	30,709	28,232	24,734
Expenses not requiring appropriation in the Budget year (b)	7,243	11,339	11,610	11,501	11,526
<b>Departmental total</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>
<b>Total expenses for Program 1.1</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation (a)					
	81,051	83,269	85,738	82,126	78,146
Expenses not requiring appropriation in the Budget year (b)	7,243	11,339	11,610	11,501	11,526
<b>Departmental total</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>
<b>Total expenses for Outcome 1</b>	<b>88,295</b>	<b>94,608</b>	<b>97,348</b>	<b>93,626</b>	<b>89,672</b>

	2017-18	2018-19
<b>Average staffing level (number)</b>	415	419

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 Retained revenue receipts'.

(b) 'Expenses not requiring appropriation in the Budget year' is made up of Depreciation Expenses and Amortisation Expenses.

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

**Table 2.1.2: Performance 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 and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.</b>	
<b>Program 1.1 – Budget and Financial Management</b>	
This program contributes to the outcome through advising the Finance Minister and Expenditure Review Committee (ERC) on fiscal and economic policies and related matters; supporting the Finance Minister in meeting his financial reporting responsibilities; and supporting the delivery of the Budget.	
<b>Delivery</b>	<p><u>Budget</u></p> <ul style="list-style-type: none"> <li>• Providing effective, timely and accurate advice on Budget processes to government entities.</li> <li>• Ensuring the Budget framework effectively supports decision making.</li> <li>• Informing the Finance Minister and ERC on the use of government finances.</li> <li>• Coordinating, preparing and delivering accurate and timely Budget estimates and documentation to the Finance Minister.</li> </ul> <p><u>Financial Management</u></p> <ul style="list-style-type: none"> <li>• Monitoring and reporting on the government's cash balances to the government.</li> <li>• Delivering monthly and annual Whole of Australian Government (WoAG) financial statements and Final Budget Outcome (FBO) to the government.</li> <li>• Delivering financial reporting and accounting rules and advice to entities.</li> <li>• Producing appropriation bills and appropriation instruments for the government.</li> <li>• Maintaining the Australian Government Organisations Register.</li> </ul>

Table continues on next page

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

<b>Performance information: Program 1.1 – Budget and Financial Management</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and Appropriation Bills are accurate, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	<p>On track - all of the Budget papers and related updates due to 30 March 2018 have been produced in accordance with the timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i> including:</p> <ul style="list-style-type: none"> <li>• Final Budget Outcome was released on 26 September 2017.</li> <li>• The Mid-Year Economic and Fiscal Outlook was released on 18 December 2017.</li> </ul> <p>The accuracy of estimates is yet to be determined as the Final Budget Outcome is not due for release until the end of September 2018.</p>
	The government's financial statements, including monthly statements, are complete, accurate and released publicly on timeframes agreed with the government.	<p>On track - the Monthly Financial Statements have been prepared on average within 21 days of the end of the month since the release of the Final Budget Outcome.</p> <p>Achieved - the government's 2016-17 financial statements were signed by the Auditor-General and Finance Minister on 27 November 2017.</p>
	Commonwealth entities have access to cash made available by Parliament on a daily basis.	On track - The cash needs of each and every Commonwealth entity have been met every day of the available reporting period (up to 30 March 2018).

Table continues on next page

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

Performance information: Program 1.1 – Budget and Financial Management		
Year	Performance Criteria	Targets
2018-19 (b)	Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and Appropriation Bills are accurate, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	<p>Budget papers and related updates are produced in accordance with the timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i>.</p> <p>Appropriation Bills are introduced into Parliament at times intended by government and in accordance with legislative requirements.</p> <p>Budget estimates are based on external reporting standards and any departures from external reporting standards are identified, consistent with requirements set out in the <i>Charter of Budget Honesty Act 1998</i>.</p> <p>Budget estimates are accurate (taking into account, to the fullest extent possible, all government decisions and other circumstances that may have a material effect) and explanations are provided where:</p> <ul style="list-style-type: none"> <li>≤ 2% difference between first forward year estimated expenses and Final Budget Outcome for first forward year.</li> <li>≤ 1.5% difference between budget estimated expenses and Final Budget Outcome for budget year.</li> <li>≤ 1.0% difference between the revised current year estimates at Mid-Year Fiscal Outlook and final budget outcome for the current year.</li> <li>≤ 0.5% difference between the current year estimates at budget time and Final Budget Outcome for the current year.</li> <li>≤ 1.5% difference between budget estimated expenses and Final Budget Outcome for budget year.</li> <li>≤ 1.0% difference between the revised current year estimates at Mid-Year Fiscal Outlook and final budget outcome for the current year.</li> <li>≤ 0.5% difference between the current year estimates at budget time and Final Budget Outcome for the current year.</li> </ul>

Table continues on next page



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

<b>Performance information: Program 1.1 – Budget and Financial Management</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

**Outcome 2: Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.**

### Linked programs

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

**Budgeted expenses for Outcome 2**

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

**Table 2.2.1: Budgeted expenses for Outcome 2**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 2.1: Public Sector Governance</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Grant in Aid - Australian Institute of Policy and Science	37	38	39	39	40
Grant in Aid - Chifley Research Centre	232	237	243	249	255
Grant in Aid - Green Institute	87	89	91	93	96
Grant in Aid - Menzies Research Centre	232	237	243	249	255
Grant in Aid - Page Research Centre	87	89	91	93	96
Grant in Aid - Royal Humane Society of Australasia	27	27	28	29	29
Grant in Aid - RSPCA Australia Inc	37	38	39	39	40
<b>Administered total</b>	<b>740</b>	<b>755</b>	<b>774</b>	<b>791</b>	<b>811</b>
Departmental expenses					
Departmental appropriation (a)					
Financial Framew ork	16,140	13,239	13,098	12,455	11,717
Government Shareholder Oversight	4,054	3,166	3,291	3,196	2,871
Special Financial Claims	2,419	2,746	2,861	2,890	2,637
Expenses not requiring appropriation in the Budget year (b)					
	1,064	947	985	989	992
<b>Departmental total</b>	<b>23,677</b>	<b>20,098</b>	<b>20,235</b>	<b>19,530</b>	<b>18,217</b>
<b>Total expenses for Program 2.1</b>	<b>24,417</b>	<b>20,854</b>	<b>21,008</b>	<b>20,321</b>	<b>19,028</b>

Table continues on next page

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 2.2: Transforming Government</b>					
Departmental expenses					
Departmental appropriation (a)					
Transforming the Public Sector	28,388	27,497	23,650	14,323	12,092
Expenses not requiring appropriation in the Budget year (b)					
	2,211	783	709	655	656
<b>Departmental total</b>	<b>30,599</b>	<b>28,280</b>	<b>24,359</b>	<b>14,978</b>	<b>12,748</b>
<b>Total expenses for Program 2.2</b>	<b>30,599</b>	<b>28,280</b>	<b>24,359</b>	<b>14,978</b>	<b>12,748</b>
<b>Program 2.3: Property and Construction</b>					
Departmental expenses					
Special accounts					
Property Special Account	88,249	127,488	106,039	108,194	98,568
<b>Departmental total</b>	<b>88,249</b>	<b>127,488</b>	<b>106,039</b>	<b>108,194</b>	<b>98,568</b>
<b>Total expenses for Program 2.3</b>	<b>88,249</b>	<b>127,488</b>	<b>106,039</b>	<b>108,194</b>	<b>98,568</b>
<b>Program 2.4: Insurance and Risk Management</b>					
Departmental expenses					
Special accounts					
Comcover Special Account	120,616	152,554	157,004	161,609	166,241
<b>Departmental total</b>	<b>120,616</b>	<b>152,554</b>	<b>157,004</b>	<b>161,609</b>	<b>166,241</b>
<b>Total expenses for Program 2.4</b>	<b>120,616</b>	<b>152,554</b>	<b>157,004</b>	<b>161,609</b>	<b>166,241</b>
<b>Program 2.5: Technology and Procurement Services</b>					
Departmental expenses					
Departmental appropriation (a)					
Technology Transformation	22,573	21,651	17,254	15,152	14,856
Procurement Framework	12,653	13,002	13,404	13,064	12,893
Special accounts					
Coordinated Procurement Contracting Special Account	19,412	20,176	18,983	19,218	19,132
Expenses not requiring appropriation in the Budget year (b)					
	3,103	3,997	4,039	3,980	3,989
<b>Departmental total</b>	<b>57,741</b>	<b>58,826</b>	<b>53,681</b>	<b>51,414</b>	<b>50,870</b>
<b>Total expenses for Program 2.5</b>	<b>57,741</b>	<b>58,826</b>	<b>53,681</b>	<b>51,414</b>	<b>50,870</b>
<b>Program 2.6: Service Delivery Office</b>					
Departmental expenses					
Departmental appropriation (a)					
Service Delivery Office	39,572	31,002	31,739	29,557	24,865
Expenses not requiring appropriation in the Budget year (b)					
	1,139	985	1,044	1,061	1,063
<b>Departmental total</b>	<b>40,711</b>	<b>31,987</b>	<b>32,782</b>	<b>30,618</b>	<b>25,928</b>
<b>Total expenses for Program 2.6</b>	<b>40,711</b>	<b>31,987</b>	<b>32,782</b>	<b>30,618</b>	<b>25,928</b>

Table continues on next page

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 2.7: Public Sector Superannuation</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Act of Grace	2,309	1,891	1,891	1,402	1,402
Compensation and legal expenses	500	500	500	500	500
Superannuation administration costs	9,308	9,308	9,308	9,308	9,308
Special appropriations					
<i>Federal Circuit Court of Australia Act 1999</i>	893	764	765	753	771
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000	1,000	1,000	1,000
<i>Governor-General Act 1974</i>	744	8,335	1,257	1,231	1,207
<i>Judges' Pensions Act 1968</i>	82,735	90,473	94,120	97,825	103,415
<i>Parliamentary Contributory Superannuation Act 1948</i>	45,822	48,648	46,703	46,240	46,226
<i>Parliamentary Superannuation Act 2004</i>	7,109	7,772	8,083	8,083	8,083
<i>Same-Sex Relationships (Equal Treatment in Commonwealth Laws General Law Reform) Act 2008</i>	51	46	46	44	43
<i>Superannuation Act 1922</i>	18,702	24,687	22,604	20,674	18,888
<i>Superannuation Act 1976</i>	2,532,877	3,171,108	3,120,110	3,066,239	3,010,395
<i>Superannuation Act 1990</i>	5,777,691	4,806,158	5,012,316	5,159,268	5,298,809
<b>Administered total</b>	<b>8,479,741</b>	<b>8,170,690</b>	<b>8,318,703</b>	<b>8,412,567</b>	<b>8,500,047</b>
Departmental expenses					
Departmental appropriation (a)					
Public Sector Superannuation	5,267	3,997	3,417	3,399	3,220
Expenses not requiring appropriation in the Budget year (b)					
<b>Departmental total</b>	<b>5,459</b>	<b>4,177</b>	<b>3,601</b>	<b>3,586</b>	<b>3,407</b>
<b>Total expenses for Program 2.7</b>	<b>8,485,200</b>	<b>8,174,867</b>	<b>8,322,304</b>	<b>8,416,153</b>	<b>8,503,454</b>

Table continues on next page

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 2.8: Australian Government Investment Funds</b>					
Administered expenses					
Special accounts					
DisabilityCare Australia Fund Special Account (c)	646,902	3,387,913	1,379,168	1,003,004	1,043,928
Medical Research Future Fund Special Account (d)	138,883	254,941	460,059	728,686	733,012
Building Australia Fund Special Account (e)	3,747	-	-	-	-
Education Investment Fund Special Account (f)	6,015	-	-	-	-
<b>Administered total</b>	<b>795,547</b>	<b>3,642,854</b>	<b>1,839,227</b>	<b>1,731,690</b>	<b>1,776,940</b>
<b>Total expenses for Program 2.8</b>	<b>795,547</b>	<b>3,642,854</b>	<b>1,839,227</b>	<b>1,731,690</b>	<b>1,776,940</b>
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	12,857	12,454	12,473	12,001	12,021
Special appropriations	8,467,624	8,158,991	8,307,004	8,401,357	8,488,837
Special accounts	795,547	3,642,854	1,839,227	1,731,690	1,776,940
<b>Administered total</b>	<b>9,276,028</b>	<b>11,814,299</b>	<b>10,158,704</b>	<b>10,145,048</b>	<b>10,277,798</b>
Departmental expenses					
Departmental appropriation (a)	131,066	116,300	108,714	94,035	85,151
Special accounts	228,277	300,218	282,026	289,021	283,941
Expenses not requiring appropriation in the Budget year (b)	7,708	6,892	6,961	6,872	6,887
<b>Departmental total</b>	<b>367,051</b>	<b>423,410</b>	<b>397,701</b>	<b>389,928</b>	<b>375,979</b>
<b>Total expenses for Outcome 2</b>	<b>9,643,079</b>	<b>12,237,710</b>	<b>10,556,405</b>	<b>10,534,977</b>	<b>10,653,777</b>

	2017-18	2018-19
<b>Average staffing level (number)</b>	669	657

- (a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 Retained revenue receipts'.
- (b) Expenses not requiring appropriation in the Budget year' is made up of Depreciation Expenses and Amortisation Expenses.
- (c) More information on the DisabilityCare Australia Fund can be found in Table 2.2.1.1 on page 31.
- (d) More information on the Medical Research Future Fund can be found in Table 2.2.1.2 on page 32.
- (e) The Building Australia Fund is to be closed by 30 June 2018, subject to the passage of legislation. More information can be found in Table 2.2.1.3 on page 33.
- (f) The Education Investment Fund is to be closed by 30 June 2018, subject to the passage of legislation. More information can be found in Table 2.2.1.4 on page 34.

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

**Table 2.2.1.1: DisabilityCare Australia Fund (DCAF) – Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>DisabilityCare Australia Fund (a)</b>					
Opening balance	10,399,085	7,468,462	1,975,548	-	-
Revenue and gains					
Additional Medicare Levy - Equity	4,002,500	4,215,000	4,447,500	4,682,500	4,957,500
Investment earnings and gains	202,275	81,619	4,055	-	-
Expenses					
Management fees	(6,785)	(3,190)	(132)	-	-
Transfers to reimburse accounts for DisabilityCare Australia expenditure (b)					
Commonw ealth - Equity	(6,488,496)	(6,401,620)	(5,047,935)	(3,679,496)	(3,913,572)
States and Territories - Expense	(640,117)	(3,384,723)	(1,379,036)	(1,003,004)	(1,043,928)
<b>Closing balance</b>	<b>7,468,462</b>	<b>1,975,548</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

(b) The transfers relate to reimbursing the Commonwealth and the States and Territories for the costs of the operations of the National Disability Insurance Scheme (NDIS).

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.1.2: Medical Research Future Fund (MRFF) - Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Medical Research Future Fund (a)</b>					
Opening balance	4,608,816	7,055,724	9,471,000	17,590,524	20,182,099
Investment credits (b)	2,242,199	2,288,550	7,830,490	2,409,476	-
Revenue and gains					
Investment earnings and gains	343,592	381,667	749,093	910,785	968,904
Expenses					
Management fees	(17,318)	(40,028)	(73,686)	(85,800)	(87,061)
Transfers to Portfolio Special Accounts for project payments MRFF Health Portfolio Special Account - Expense	(121,565)	(214,913)	(386,373)	(642,886)	(645,951)
<b>Closing balance</b>	<b>7,055,724</b>	<b>9,471,000</b>	<b>17,590,524</b>	<b>20,182,099</b>	<b>20,417,991</b>

- (a) The MRFF consists of the MRFF Special Account and investments of the MRFF. The investments are managed by the Future Fund Board of Guardians. The special account is used to record all transactions relating to the MRFF, including interest received and payments.
- (b) Credits consist of uncommitted funds from the Health and Hospitals Fund (HHF), plus further contributions consisting of amounts equivalent to the estimated value of health function savings published in the 2014-15 Budget adjusted for any subsequent associated government decisions, until the capital value of the MRFF reaches \$20 billion.

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.



**Table 2.2.1.3: Building Australia Fund (BAF) - Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Building Australia</b>					
<b>Fund (a)</b>					
Opening balance	3,785,188	-	-	-	-
Revenue and gains					
Investment earnings and gains	83,299	-	-	-	-
Expenses					
Management fees	(3,747)	-	-	-	-
Transfers to Portfolio Special accounts for project payments (b)					
BAF Infrastructure Portfolio Special Account - Expense	-	-	-	-	-
BAF Infrastructure Portfolio Special Account - Equity	-	-	-	-	-
Closure: Transfer to Consolidated Revenue Fund - Equity	(3,864,740)	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

- (a) 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. After the fund is abolished, expected to be by 30 June 2018, through a repeal of the Nation-building Funds Act 2008, the balance of the fund will be transferred from the CRF to the National Disability Insurance Scheme Savings Fund Special Account on its establishment. There are no current commitments for the BAF.
- (b) 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.

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.1.4: Education Investment Fund (EIF) - Estimates of Fund Balances**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>Education Investment</b>					
<b>Fund (a)</b>					
Opening balance	3,785,895	-	-	-	-
Revenue and gains					
Investment earnings and gains	81,424	-	-	-	-
Expenses					
Management fees	(4,015)	-	-	-	-
Transfers to Portfolio Special accounts for project payments (b)					
EIF Education Portfolio Special Account - Expense	(2,000)	-	-	-	-
Closure: Transfer to Consolidated Consolidated Revenue Fund - Equity	(3,861,304)	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

(a) 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 EIF will continue to pay existing commitments until it is abolished by 30 June 2018 through a repeal of the Nation-building Funds Act 2008 and remaining funds will be transferred to the Consolidated Revenue Fund (CRF). After the fund is abolished, committed funds will continue to be paid from the CRF and administered by the Department of Education and Training. Uncommitted funds will be transferred from the CRF to the National Disability Insurance Scheme Savings Fund Special Account on its establishment.

(b) 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.

Note: The expenses figure for 2017-18 does not include losses (if any) made on investments; rather this amount has been applied against investment earnings and gains.

**Table 2.2.2: Performance criteria for Outcome 2**

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<p><b>Outcome 2 – Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.</b></p>	
<p><b>Program 2.1 – Public Sector Governance</b>                  This program contributes to the outcome through developing and maintaining the public sector resource management framework and improving the standard of governance, performance and accountability of Commonwealth entities.</p>	
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Providing advice on policy and implementation issues to the government in relation to the financial framework, in particular:                         <ul style="list-style-type: none"> <li>– Relevant legislation and rules.</li> <li>– Grant policy and related matters.</li> <li>– Act of Grace requests, waiver of debt applications and set off matters.</li> <li>– Guidance material.</li> <li>– Training and communication.</li> </ul> </li> <li>• Undertaking Assurance Reviews of major projects and programs over their lifecycle, to provide assurance to the government regarding delivery and implementation.</li> <li>• Implementing recommendations from the Independent Review of the <i>Public Governance, Performance and Accountability Act 2013</i> and Rule.</li> <li>• Paying Grants in Aid funding to approved organisations.</li> <li>• Providing advice on strategy, governance, operations, financial forecasts and performance on GBEs and other commercial entities.</li> <li>• Strengthening public sector capability through regular capacity-building activities.</li> </ul>

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.1 – Public Sector Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Commonwealth entities and companies understand their obligations under the PGPA Act and are equipped and supported to meet them.	On track – The annual CFO survey for 2017 was sent to CFOs on 4 December 2017. 26 Commonwealth entities and companies responded. No significant issues identified.
	The government and key Parliamentary committees have confidence that public resources are used efficiently, effectively, economically and ethically.	On track - As at 30 March 2018 there were no ANAO reports including adverse findings on the PGPA Act and associated rules.
	Independent statutory review of the PGPA Act and Rule identifies the level of effectiveness of the Act and associated rules in supporting a robust resource management framework.	On track - The independent review is underway. Mr David Thodey AO and Ms Elizabeth Alexander AM have been appointed by the Minister to conduct the review. Sixty-nine submissions were received from stakeholders and stakeholder consultations have been undertaken to inform a draft report. The draft report is scheduled for release and public comment in May 2018 with the final report to be provided to the Minister by mid-2018.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

Performance information: Program 2.1 – Public Sector Governance		
Year	Performance criteria	Targets
2017-18 (a) (continued)	<p>Better performance information is available to the Australian Parliament and the public.</p> <p>Governance and assurance are effective in supporting accountable authorities meet their obligations under the PGPA Act.</p>	<p>On track - The ANAO has tabled two performance reports on the performance framework. JCPAA report 469 contained no adverse findings and Finance is preparing a response to the recommendations, to be tabled on 6 June 2018. Finance's analysis of 2017-18 corporate plans and 2016-17 annual performance statements has identified an improvement in quality of performance reporting. The Corporate Plan Lessons Learned report was published in December 2017. The APS Lessons Learned Paper was published in April 2018.</p> <p>The Secretary has written to nine new accountable authorities to advise of their duties and responsibilities under the PGPA Act. Where requested by new accountable authorities, face to face meetings with SES officers occurred between November 2017 and April 2018. Guidance on these duties (RMG 200) is also available on the Finance website.</p>

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.1 – Public Sector Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a) (continued)	<p>Facilitate and monitor GBE delivery of the government's key infrastructure priorities, including Western Sydney Airport, Inland Rail and Naval Shipbuilding.</p> <p>Continue to encourage ongoing efficiency and financial sustainability in GBEs.</p>	<p>On track - Finance, in conjunction with the relevant Shareholder Departments, have implemented governance arrangements to facilitate the Government's key infrastructure projects. The governance arrangements include regular meetings between Shareholder Departments, the GBE and other key stakeholders. Emerging issues and key risks for each of the projects are monitored and reported on at the regular governance meetings and escalated as required. Shareholder Departments provide regular update briefs to Shareholder Ministers.</p> <p>On track - Finance continues to provide advice to Commonwealth Government Business Enterprises with respect to corporate planning, financial and operational performance and other significant programs of work. Advice is provided on a regular basis to Shareholder Ministers on the compliance and performance of the GBEs, based on information provided in Corporate Plans, Quarterly Reports, Annual Reports as well as regular interactions with the GBEs. A review of the Commonwealth GBE Governance and Oversight Guidelines was conducted and revised guidelines were published on Finance's website in January 2018. Further work is being undertaken to ensure best practice regarding both the oversight of GBEs and the consistency and quality of analysis and briefing.</p>

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.1 – Public Sector Governance</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19 (b)	Commonwealth entities and companies understand their obligations under the PGPA Act and are equipped and supported to meet them.	Survey of entities to measure entity awareness of their obligations under the PGPA, the implementation of the PGPA and the effectiveness of the support and guidance provided by Finance.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Program 2.2 - Transforming Government</b></p> <p>This program contributes to the outcome by providing leadership in the development and delivery of reforms and initiatives that support the modernisation of government and increase public sector productivity.</p>	
<p><b>Delivery</b></p>	<p><u>Transforming the Public Sector</u></p> <ul style="list-style-type: none"> <li>• Supporting the government’s transformation agenda through key projects, including Implementation of the <i>Improving Public Sector Productivity: Roadmap</i>; the Shared and Common Services Program and the delivery of projects supported by the Modernisation Fund; and advising the government on delivering its Smaller Government objectives.</li> <li>• Providing advice to the government on the efficient and effective delivery of government activities.</li> <li>• Delivering scoping studies to the government and implementing agreed scoping study outcomes.</li> <li>• Implementing recommendations from the Independent Review of the Whole of Government Internal Regulations for the government.</li> <li>• Providing appropriate WoAG ICT services, including communications networks and online services to entities.</li> </ul>

Table continues on next page



**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

Performance information: Program 2.2 - Transforming Government		
Year	Performance criteria	Targets
2017-18 (a)	<p>Finance participation in the Data Integration Partnership for Australia will contribute to an increase in data analytics capability across Commonwealth entities.</p> <p>Finance's management of the Modernisation Fund process ensures that the projects delivered modernise the public service.</p> <p>Back office functions (e.g. financial, human resources and associated IT systems) for 60 agencies are consolidated into six shared service hubs.</p> <p>Finance facilitates:</p> <ul style="list-style-type: none"> <li>the streamlining of and improving access to government services;</li> <li>an increase in data analytics capability across Commonwealth entities; and</li> <li>investment of Commonwealth entities to place their operations on a more sustainable basis.</li> </ul>	<p>On track - A Government Business Analytical Unit has been established in Finance. The Department of the Prime Minister and Cabinet, as the Data Integration Partnership for Australia (DIPA) Project Management Office, established governance and reporting arrangements to oversee all DIPA investments. Three DIPA analytical units were funded to undertake analytical projects in 2017-18 – projects in the three units have commenced.</p> <p>On track - Responsibility for delivery of Modernisation Fund projects lies with entities. Overall Modernisation Fund projects are on track against final timeframes. Status reports indicate 36 projects are on track and six projects have identified milestones at risk of delay, but are expected to deliver within project timeframes.</p> <p>On track - as at 30 March 2018, the six shared services hubs were providing one or more services to 35 agencies across the APS including five corporate entities that have opted into the program.</p> <p>On track - Responsibility for delivery of Modernisation Fund projects lies with entities. Overall Modernisation Fund projects are on track against final timeframes. Status reports indicate 36 projects are on track and six projects have identified milestones at risk of delay, but are expected to deliver within project timeframes.</p>

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.2 - Transforming Government</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a) (continued)	Entities participating in the Streamlining Government Grants Administration Program adopt the common grants management processes being delivered via the two grants administration hubs (Community and Business Grants Hubs), replacing the multiple ICT systems and business processes currently in operation.	On track - As at 30 March 2018, 86% of existing grant programs are on a grants hub or scheduled to transition to a grants hub.
2018-19 (b)	Finance participation in the Public Service Modernisation Fund's Data Integration Partnership for Australia will contribute to an increase in data analytics capability across Commonwealth entities.	Evidence of the use of increased data analytics capability to design better targeted and more effective services in sectors including education, social services, health and aged care.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

- (a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.
- (b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Program 2.3 - Property and Construction</b>		
This program contributes to the outcome by providing policy advice, guidance and support on managing Commonwealth property, land and public works across the government; and managing specified major capital works projects and the government's non-Defence property portfolio within Australia.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice to the government on property management issues such as ownership, construction, divestment and management of residual issues from previous divestments, leasing and acquisition.</li> <li>• Assisting entities to use the Commonwealth Property Management Framework.</li> <li>• Collecting property data for the government on Commonwealth leasing trends and assisting in the disposal of Commonwealth property.</li> <li>• Managing properties within the Finance-managed portfolio for the government through adoption of effective property management systems and processes.</li> <li>• Providing advice and support to the government and entities 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 Ordinance and the Commonwealth Property Disposal Policy.</li> </ul>	
<b>Performance information: Program 2.3 - Property and Construction</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	<p>In accordance with government targets:</p> <ul style="list-style-type: none"> <li>• Absorb Commonwealth entities' lease requirements into existing vacant office accommodation where it is feasible to do so (Operation Tetris).</li> <li>• Ensure that leases and other property services are delivered through coordinated procurements.</li> <li>• Continued rationalisation of the property portfolio in 2017-18 to ensure it continues to meet contemporary requirements.</li> </ul>	<p>On track - The 2016-17 PRODAC data collection was released in May 2018. The results showed that since 2014 the number of tenancies meeting the office occupational density target has doubled to 25%. Over the same period, the Commonwealth's overall footprint has reduced by nearly 10%. The coordinated procurement arrangements for leasing and property services have been established and entities commenced transitioning to the new arrangements from January 2018. These arrangements will, where feasible, facilitate the ongoing absorption of entities into existing vacant space (Operation Tetris). The divestment program is ongoing. Since 2014 there have been 116 sales returning \$173m for Budget repair. An additional 36 properties are being prepared for sale and are expected to generate around \$80m in proceeds.</p>

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

Performance information : Program 2.3 - Property and Construction		
Year	Performance Criteria	Targets
2018-19 (b)	<p>In accordance with government targets:</p> <ul style="list-style-type: none"> <li>• Absorb Commonwealth entities' lease requirements into existing vacant office accommodation where it is feasible to do so (Operation Tetris).</li> <li>• Ensure that leases and other property services are delivered through coordinated procurements.</li> <li>• Continued rationalisation of the property portfolio in 2018-19 to ensure it continues to meet contemporary requirements.</li> </ul>	<p>Better utilisation of office space leased by non-corporate Commonwealth entities. Property efficiencies delivered through the whole-of-Australian Government (WoAG) property services coordinated procurement arrangements (leasing and facilities management).</p> <p>Proceeds from divestments are returned to the Budget and savings delivered through the reduction in ongoing property management and maintenance costs.</p> <p>Ensure the newly established online Australian Government Property Register remains an accurate source of all Commonwealth land holdings and assists in identifying those landholdings that could be considered surplus to requirements.</p>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Program 2.4 – Insurance and Risk Management</b>		
This program contributes to the outcome by providing general insurance services and promoting risk management across the government through the Comcover Special Account.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing a self-managed insurance fund (Comcover) to protect Commonwealth entities against the impact and volatility of insurable losses.</li> <li>• Providing a consistent whole-of-Australian government (WoAG) approach to managing legal liability claims against Commonwealth entities.</li> <li>• Providing risk management and education services to entities to support best practice risk management across the government.</li> </ul>	
<b>Performance information: Program 2.4 – Insurance and Risk Management</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	<p>Comcover assists Commonwealth entities to ensure the appropriate treatment of insurable risks and provides a consistent, WoAG approach to the management of claims against the Commonwealth.</p> <p>Comcover is financially sustainable.</p>	<p>On track - It is anticipated that 80% of Comcover fund members will have achieved their identified level of risk maturity following the completion of the 2018 Benchmarking program.</p> <p>On track - Comcover is self-funded. It is sustained through the collection of annual fund member contributions.</p>
2018-19 (b)	Comcover assists Commonwealth entities to ensure the appropriate treatment of insurable risks and provides a consistent, WoAG approach to the management of claims against the Commonwealth.	Stakeholder satisfaction with the professionalism, skills and service provided. Litigation is undertaken honestly and fairly as a model litigant.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Program 2.5 – Technology and Procurement</b>		
This program contributes to the outcome through providing timely and relevant procurement policy advice; providing advice to the government on advertising; establishing and maintaining whole-of-Australian government (WoAG) procurement arrangements for common goods and services; and establishing, developing and maintaining whole of government and cross-entity ICT infrastructure, platforms, systems and services.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Developing and managing WoAG procurement arrangements for entities.</li> <li>• Providing assistance and advice to Commonwealth entities on the process of developing government advertising campaigns.</li> <li>• Procurement policy advice.</li> <li>• Developing and managing AusTender and GrantConnect.</li> </ul>	
<b>Performance information: Program 2.5 – Technology and Procurement</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	<p>Finance works with external stakeholders to develop, implement and maintain systems and policies to support a fair, efficient and transparent procurement framework for the Australian Government and its suppliers.</p> <p>WoAG procurement arrangements for non-ICT corporate services (e.g. travel bookings and major office equipment) generate savings for Commonwealth entities that access these arrangements.</p>	<p>On track - Finance will continue to work proactively with Commonwealth entities through a variety of fora to improve procurement practices.</p> <p>On track - WoAG procurement arrangements continue to deliver savings through discounted pricing.</p>
2018-19 (b)	Finance works with external stakeholders to develop, implement and maintain systems and policies to support a fair, efficient and transparent procurement framework for the Australian Government and its suppliers.	Finance advisory services, forums, training and other support mechanisms are well attended or utilised. Regular engagement with domestic and international stakeholders supports information exchange on advances in procurement policy.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Program 2.6 – Service Delivery Office</b>		
This program contributes to the outcome through providing certain corporate services to client Australian Government entities.		
<b>Delivery</b>	Providing the following services to client Australian Government entities: <ul style="list-style-type: none"> <li>• Accounts payable and receivable.</li> <li>• Credit Card Management.</li> <li>• Domestic Travel Contract Management and Overseas Travel Facilitation.</li> <li>• Payroll and payroll systems administration.</li> <li>• ICT functions supporting the SAP Enterprise Resource Planning (ERP) Solution.</li> </ul>	
<b>Performance information: Program 2.6 – Service Delivery Office</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Meet client needs for services including: <ul style="list-style-type: none"> <li>• accounts payable.</li> <li>• accounts receivable.</li> <li>• ledger maintenance.</li> <li>• credit card management.</li> <li>• transactional elements.</li> <li>• pay and conditions and payroll administration.</li> <li>• ERP software.</li> </ul>	On track - The SDO continues to deliver on the agreed Service Level Outcomes for each client.  The SDO continues to work with existing and new clients in supporting them to fully transition to the SDO's shared service offering.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<b>Performance information: Program 2.6 – Service Delivery Office</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2018-19 (b)	As a Shared Service hub, the Service Delivery Office provides quality services to client entities in accordance with its service catalogue.	<p>Service level agreements with client entities are met.</p> <p>The benefits of consolidation and optimisation of shared service corporate functions will be assessed by:</p> <ul style="list-style-type: none"> <li>• the uptake of a shared ERP technology platform.</li> <li>• the utilisation of common business processes to drive efficiencies.</li> </ul>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

- (a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.
- (b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page



**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Program 2.7 – Public Sector Superannuation</b>                  This program contributes to the outcome through advising the government on managing the Future Fund, the stability of the government’s unfunded superannuation liabilities and its associated administered expense items and superannuation arrangements for government employees.                  This includes the administration and management of superannuation arrangements for parliamentarians, as well as current and former Governors-General, Federal Judges and Federal Circuit Court Judges.</p>		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing policy advice to the government on the Future Fund, including the investment mandate and other governance matters.</li> <li>• Providing policy advice to the government on its unfunded superannuation liability and associated administered expenses.</li> <li>• Providing policy advice and analysis on government superannuation arrangements and administering the superannuation arrangements for pre October 2004 parliamentarians, current and former Governors-General, Federal Judges and certain former Federal Circuit Court Judges.</li> </ul>	
<b>Performance information: Program 2.7 – Public Sector Superannuation</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Investments of managed funds create returns within the agreed level of risk.	<p>On track - The Future Fund Management Agency has advised that the benchmark rate of return for the Future Fund was met for the year to date to 31 December 2017.</p> <p>On track - Finance has supported the government with advice regarding public sector superannuation policy, governance and administration matters.</p>
2018-19 (b)	A policy framework that contributes to investments of the managed funds generating returns within the agreed level of risk.	Investment mandates for the managed funds issued by the Australian Government are met.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary’s Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – ‘Requirements for Performance Information included in the Portfolio Budget Statements’. A more comprehensive suite of performance criteria will be detailed in Finance’s 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

Table continues on next page

**Table 2.2.2: Performance criteria for Outcome 2 (continued)**

<p><b>Program 2.8 – Australian Government Investment Funds</b>                  This program contributes to the outcome through providing advice on investment mandates and governance arrangements for the government’s Investment Funds, to maximise the value of the funds to the government. This includes advice on credit of amounts to the Funds and debits for payments from the Funds. The Funds are:</p> <ul style="list-style-type: none"> <li>• DisabilityCare Australia Fund (DCAF).</li> <li>• Medical Research Future Fund (MRFF).</li> <li>• Building Australia Fund (BAF).</li> <li>• Education Investment Fund (EIF).</li> </ul> <p>The BAF and EIF will be closed, subject to the passage of legislation.</p>		
<b>Delivery</b>	Providing advice to the government on the Australian Government Investment Funds, including investment mandates, governance matters, credits to, and payments from the Funds.	
<p><b>Performance information: Program 2.8 – Australian Government Investment Funds</b></p>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Investments of managed funds create returns within the agreed level of risk.	On track - The Future Fund Management Agency has advised that the benchmark rate of return for the Future Fund, the Medical Research Future Fund, the DisabilityCare Australia Fund, the Building Australia Fund and the Education Investment Fund were met for the year to date to 31 December 2017.
2018-19 (b)	A policy framework that contributes to investments of the Australian Government Investment Funds generating returns within the agreed level of risk.	Investment mandates for the managed funds issued by the Australian Government are met.
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary’s Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – ‘Requirements for Performance Information included in the Portfolio Budget Statements’. A more comprehensive suite of performance criteria will be detailed in Finance’s 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

**Outcome 3: Support for Parliamentarians and others as required by the Australian Government through the delivery of and advice on, work expenses and allowances, entitlements and targeted programs.**

### Budgeted expenses for Outcome 3

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

**Table 2.3.1: Budgeted expenses for Outcome 3**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Program 3.1: Ministerial and Parliamentary Services</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Electorate and ministerial support costs	261,835	264,198	267,300	267,622	267,622
Australian Political Exchange Program	914	927	940	954	941
Australian Political Parties for Democracy Program	2,200	2,200	2,200	2,200	2,200
Special appropriations					
<i>Commonwealth of Australia Constitution Act (s66) (a)</i>	5,096	5,096	5,096	5,096	5,096
<i>Parliamentary Entitlements Act 1990</i>	76,850	1,000	-	-	-
<i>Parliamentary Retirement Travel Act 2002</i>	250	-	-	-	-
<i>Parliamentary Business Resources Act 2017</i>	110,409	220,053	221,952	225,267	228,959
Expenses not requiring appropriation in the Budget year (b)	3,619	1,514	1,516	1,469	4,670
<b>Administered total</b>	<b>461,173</b>	<b>494,988</b>	<b>499,004</b>	<b>502,608</b>	<b>509,488</b>
Departmental expenses					
Departmental appropriation (c)					
Services to Senators, Members and their staff	36,406	29,732	29,495	27,786	27,568
Car-w ith-driver and associated transport services	638	653	681	688	682
Expenses not requiring appropriation in the Budget year (b)	2,112	1,998	1,959	1,869	1,873
<b>Departmental total</b>	<b>39,156</b>	<b>32,384</b>	<b>32,135</b>	<b>30,343</b>	<b>30,123</b>
<b>Total expenses for Program 3.1</b>	<b>500,329</b>	<b>527,372</b>	<b>531,139</b>	<b>532,951</b>	<b>539,611</b>

Table continues on next page

**Table 2.3.1: Budgeted expenses for Outcome 3 (continued)**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Outcome 3 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	264,949	267,325	270,440	270,776	270,763
Special appropriations	192,605	226,149	227,048	230,363	234,055
Expenses not requiring appropriation in the Budget year (b)	3,619	1,514	1,516	1,469	4,670
<b>Administered total</b>	<b>461,173</b>	<b>494,988</b>	<b>499,004</b>	<b>502,608</b>	<b>509,488</b>
Departmental expenses					
Departmental appropriation (c)	37,044	30,385	30,177	28,475	28,250
Expenses not requiring appropriation in the Budget year (b)	2,112	1,998	1,959	1,869	1,873
<b>Departmental total</b>	<b>39,156</b>	<b>32,384</b>	<b>32,135</b>	<b>30,343</b>	<b>30,123</b>
<b>Total expenses for Outcome 3</b>	<b>500,329</b>	<b>527,372</b>	<b>531,139</b>	<b>532,951</b>	<b>539,611</b>

	2017-18	2018-19
<b>Average staffing level (number)</b>	173	174

(a) Estimates for this item are subject to the *Ministers of State Regulation 2012*.

(b) 'Expenses not requiring appropriation in the Budget year' is made up of Depreciation Expenses and Amortisation Expenses.

(c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 's.74 retained revenue receipts'.

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

**Table 2.3.2: Performance criteria for Outcome 3**

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 3 – Support for Parliamentarians and others as required by the Australian Government through the delivery of and advice on, work expenses and allowances, entitlements and targeted programs.</b>		
<b>Program 3.1 – Ministerial and Parliamentary Services</b>		
This program contributes to the outcome through the provision of advice on, access to, and payment of parliamentary and post-parliamentary, work expenses, allowances and entitlements and targeted programs.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Providing advice and support to clients and stakeholders.</li> <li>• Paying accounts relating to work expenses, allowances and entitlements.</li> <li>• Managing and maintaining the <i>Members of Parliament (Staff) Act 1984</i> employment framework.</li> <li>• Providing client and event transport (car-with-driver) and associated ground transport services to eligible recipients.</li> <li>• Managing Commonwealth Parliament Offices and the ministerial wing of Parliament House.</li> <li>• Managing the Australian Political Exchange Program and the Australian Political Parties for Democracy Program.</li> <li>• Providing property and office facilities management.</li> </ul>	
<b>Performance information Program 3.1 – Ministerial and Parliamentary Services</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a)	Services meet the needs of Parliamentarians, their employees and others as required by the Australian Government.	<p>On track - Service standards met, or exceeded, for the period ending 31 March 2018 include:</p> <ul style="list-style-type: none"> <li>• 95.54% client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>• 99.44% of payments (including payroll) were made within agreed timeframes.</li> <li>• 100% of office establishments and relocation projects delivered within their approved budget.</li> <li>• 99.66% of reservations were completed without service failure.</li> </ul>

Table continues on next page

**Table 2.3.2: Performance criteria for Outcome 3 (continued)**

<b>Performance information Program 3.1 – Ministerial and Parliamentary Services</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 (a) (continued)	The timeliness, efficiency, clarity and transparency of the administration of parliamentary work expenses is improved.	On track - the Parliamentary Expenses Management System (PEMS) Project has commenced and is on track to deliver milestones in accordance with PEMS second pass business case for an integrated ICT solution to manage and report parliamentarians' work expenses. Expenditure of \$38.1m was approved for PEMS through the 2017-18 MYEFO process.
2018-19 (b)	Services meet the needs of Parliamentarians, their employees and others as required by the Australian Government.	The following service standards are met or exceeded: <ul style="list-style-type: none"> <li>• 95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>• 95% of payments (including payroll) will be made within agreed timeframes.</li> <li>• 100% of office establishment and relocation projects will be delivered within their approved budget.</li> <li>• 99% of COMCAR reservations will be completed without service failure.</li> </ul>
2019-20 and beyond (b)	As per 2018-19	As per 2018-19
<b>Purpose</b>	To assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.	

(a) The 2017-18 performance criteria listed in the Table are the performance criteria published by Finance in its 2017-18 Corporate Plan.

(b) The number of 2018-19 and 2019-20 and beyond performance criteria has been reduced from previous years as allowed by the Finance Secretary's Direction under Subsection 36(3) of the PGPA Act dated 3 March 2017 – 'Requirements for Performance Information included in the Portfolio Budget Statements'. A more comprehensive suite of performance criteria will be detailed in Finance's 2018-19 Corporate Plan with results reported in the Annual Performance Statement.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 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**

##### **Budgeted Statement of Comprehensive Income – Departmental**

###### **2017-18**

Finance is forecasting expenses of \$494.5 million in 2017-18, a decrease from the \$545.3 million forecast in the 2017-18 Portfolio Additional Estimates Statements (PAES). This change is primarily due to revisions of special account estimates.

Finance is forecasting total own source income of \$356.3 million, an increase from the \$313.0 million forecast in the 2017-18 PAES. This is primarily due to revisions of special account estimates.

###### **2018-19**

Finance is budgeting for a surplus of \$33.6 million, an increase from the \$26.5 million forecast in the 2017-18 PAES. This is primarily due to a revision of special account estimates.

##### **Budgeted Balance Sheet – Departmental**

The budgeted net asset position as at 30 June 2019 of \$2,101.6 million represents a decrease from the \$2,200.0 million forecast in the 2017-18 PAES. This is primarily due to a revision in special account estimates.

**Budgeted Schedule of Comprehensive Income – Administered**

**2017-18**

Estimated administered income for 2017-18 has increased slightly to \$1,970.0 million from the \$1,913.9 million reported in the 2017-18 PAES. This is primarily due to revisions in estimates for the Australian Government Investment Funds.

Estimated administered expenses for 2017-18 has decreased to \$9,737.2 million from the \$9,968.4 million reported in the 2017-18 PAES. This is primarily due to revisions in estimates on the Australian Government Investment Funds.

**2018-19**

Finance is budgeting for administered income of \$1,652.9 million in 2018-19, an increase from the \$1,580.1 million budgeted for in the 2017-18 PAES. This is primarily due to revisions in estimates for the Australian Government Investment Funds.

Finance is budgeting for administered expenses of \$12,309.3 million in 2018-19, an increase from the \$12,116.1 million budgeted for in the 2017-18 PAES. This is primarily due to revisions in estimates for superannuation and the Australian Government Investment Funds.

**Budgeted Schedule of Assets and Liabilities – Administered**

Administered assets are budgeted to total \$12,729.7 million by 30 June 2019, an increase from the \$12,657.3 million estimated in the 2017-18 PAES, due primarily to revisions in estimates for the Australian Government Investment Funds.

Administered liabilities are estimated to total \$134,534.5 million by 30 June 2019, an increase from the \$117,534.5 million estimated in the 2017-18 PAES, due primarily to revisions in superannuation estimates.



### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	161,599	162,753	163,424	161,366	161,458
Suppliers	185,573	178,726	161,276	136,305	128,830
Depreciation and amortisation (a)	31,544	33,979	34,182	34,089	35,148
Losses from asset sales (b)	-	-	415	-	-
Write-down and impairment of assets	193	26,469	14,600	24,400	8,000
Insurance claims	107,092	138,016	142,829	147,279	151,879
Other expenses	8,501	7,662	7,662	7,662	7,662
<b>Total expenses</b>	<b>494,502</b>	<b>547,605</b>	<b>524,388</b>	<b>511,101</b>	<b>492,977</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	71,485	68,675	59,607	59,380	59,417
Insurance premiums	140,484	144,364	149,292	153,876	158,565
Rental income	71,803	73,221	74,243	75,849	92,714
Other	8,759	8,265	8,265	6,888	6,888
<b>Total own-source revenue</b>	<b>292,531</b>	<b>294,525</b>	<b>291,407</b>	<b>295,993</b>	<b>317,584</b>
<b>Gains</b>					
Gains on valuation of investment property	16,498	4,410	4,900	11,651	14,709
Net gains from asset sales (b)	45,936	25,991	-	-	-
Other (c)	1,376	1,385	1,384	1,386	1,386
<b>Total gains</b>	<b>63,810</b>	<b>31,786</b>	<b>6,284</b>	<b>13,037</b>	<b>16,095</b>
<b>Total own-source income</b>	<b>356,341</b>	<b>326,311</b>	<b>297,691</b>	<b>309,030</b>	<b>333,679</b>
<b>Net (cost of)/contribution by services</b>	<b>(138,161)</b>	<b>(221,294)</b>	<b>(226,697)</b>	<b>(202,071)</b>	<b>(159,298)</b>
Revenue from Government	263,455	257,670	253,457	234,379	234,666
<b>Surplus/(deficit) before income tax</b>	<b>125,294</b>	<b>36,376</b>	<b>26,760</b>	<b>32,308</b>	<b>75,368</b>
Income tax expense	-	2,797	2,797	2,797	2,797
<b>Surplus/(deficit) after income tax</b>	<b>125,294</b>	<b>33,579</b>	<b>23,963</b>	<b>29,511</b>	<b>72,571</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>125,294</b>	<b>33,579</b>	<b>23,963</b>	<b>29,511</b>	<b>72,571</b>

Table continues on next page

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

**Note: Impact of net cash appropriation arrangements**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations</b>	<b>156,838</b>	<b>67,558</b>	<b>58,145</b>	<b>63,600</b>	<b>107,719</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	31,544	33,979	34,182	34,089	35,148
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>125,294</b>	<b>33,579</b>	<b>23,963</b>	<b>29,511</b>	<b>72,571</b>

Prepared on Australian Accounting Standards basis.

- (a) Depreciation and Amortisation Expenses highlighted under 'Expenses' represents 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.
- (b) Represents the net gain/loss from the government's non-Defence Property Divestment Program within Australia.
- (c) Other gains represent resources received free of charge for financial statement audit services from the Australian National Audit Office.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents (a)	604,017	604,017	604,017	604,017	604,017
Trade and other receivables	285,051	246,460	257,356	280,394	293,301
Other financial assets	22,745	22,745	22,745	22,745	22,745
<b>Total financial assets</b>	<b>911,813</b>	<b>873,222</b>	<b>884,118</b>	<b>907,156</b>	<b>920,063</b>
<b>Non-financial assets</b>					
Land and buildings (b)	858,570	801,006	775,838	737,232	714,555
Property, plant and equipment	69,462	95,608	113,439	125,726	137,461
Investment property (b)	865,580	870,706	875,606	887,257	901,966
Intangibles	107,126	142,075	146,138	146,147	146,159
Other non-financial assets	9,442	9,442	9,442	9,442	9,442
<b>Total non-financial assets</b>	<b>1,910,180</b>	<b>1,918,837</b>	<b>1,920,463</b>	<b>1,905,804</b>	<b>1,909,583</b>
<b>Total assets</b>	<b>2,821,993</b>	<b>2,792,059</b>	<b>2,804,581</b>	<b>2,812,960</b>	<b>2,829,646</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	84,010	90,558	97,106	103,654	103,654
Unearned Revenue	18,361	18,361	18,361	18,361	18,361
Return of equity	57,145	57,145	57,145	57,145	57,145
Other payables	10,998	11,765	12,532	13,299	13,299
<b>Total payables</b>	<b>170,514</b>	<b>177,829</b>	<b>185,144</b>	<b>192,459</b>	<b>192,459</b>
<b>Provisions</b>					
Employee provisions	62,670	65,102	67,534	69,966	69,966
Outstanding insurance claims	438,663	438,663	438,663	438,663	438,663
Other provisions	8,817	8,817	8,817	8,817	8,817
<b>Total provisions</b>	<b>510,150</b>	<b>512,582</b>	<b>515,014</b>	<b>517,446</b>	<b>517,446</b>
<b>Total liabilities</b>	<b>680,664</b>	<b>690,411</b>	<b>700,158</b>	<b>709,905</b>	<b>709,905</b>
<b>Net assets</b>	<b>2,141,329</b>	<b>2,101,648</b>	<b>2,104,423</b>	<b>2,103,055</b>	<b>2,119,741</b>
<b>EQUITY*</b>					
Contributed equity	1,473,038	1,504,083	1,516,250	1,524,971	1,533,731
Reserves	199,141	199,141	199,141	199,141	199,141
Retained surplus (accumulated deficit)	469,150	398,424	389,032	378,943	386,869
<b>Total equity</b>	<b>2,141,329</b>	<b>2,101,648</b>	<b>2,104,423</b>	<b>2,103,055</b>	<b>2,119,741</b>

Prepared on Australian Accounting Standards basis.

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

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

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	469,150	199,141	1,473,038	2,141,329
<b>Adjusted opening balance</b>	<b>469,150</b>	<b>199,141</b>	<b>1,473,038</b>	<b>2,141,329</b>
Surplus/(deficit) for the period	33,579	-	-	33,579
<b>Total comprehensive income</b>	<b>33,579</b>	<b>-</b>	<b>-</b>	<b>33,579</b>
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns on capital:				
Returns of contributed equity	(104,305)	-	-	(104,305)
<b>Contributions by owners</b>				
Equity injection - Appropriation (a)	-	-	42,211	42,211
Departmental capital budget (DCB)	-	-	6,477	6,477
Restructuring (b)	-	-	(17,643)	(17,643)
<b>Sub-total transactions with owners</b>	<b>(104,305)</b>	<b>-</b>	<b>31,045</b>	<b>(73,260)</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>398,424</b>	<b>199,141</b>	<b>1,504,083</b>	<b>2,101,648</b>
<b>Closing balance attributable to the Australian Government</b>	<b>398,424</b>	<b>199,141</b>	<b>1,504,083</b>	<b>2,101,648</b>

Prepared on Australian Accounting Standards basis.

(a) Equity injections for construction and ICT projects.

(b) Represents transfers of assets and liabilities to other Commonwealth entities.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	271,000	142,168	134,122	135,501	136,461
Appropriations	244,137	295,989	242,289	211,069	221,759
Insurance premiums	140,484	144,364	149,292	153,876	158,565
Other	8,756	8,265	8,265	6,888	6,888
<b>Total cash received</b>	<b>664,377</b>	<b>590,786</b>	<b>533,968</b>	<b>507,334</b>	<b>523,673</b>
<b>Cash used</b>					
Employees	166,580	160,321	160,992	158,934	161,458
Suppliers	303,267	172,672	153,758	128,371	127,444
Insurance claims	107,092	138,016	142,829	147,279	151,879
s74 Retained revenue receipts transferred to OPA	61,516	104,305	33,355	39,600	48,975
Other	150,295	9,692	9,692	9,692	10,459
<b>Total cash used</b>	<b>788,750</b>	<b>585,006</b>	<b>500,626</b>	<b>483,876</b>	<b>500,215</b>
<b>Net cash from/(used by) operating activities</b>	<b>(124,373)</b>	<b>5,780</b>	<b>33,342</b>	<b>23,458</b>	<b>23,458</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	163,067	60,512	1,260	-	-
<b>Total cash received</b>	<b>163,067</b>	<b>60,512</b>	<b>1,260</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Construction/Purchase of land and buildings	32,596	32,733	4,440	-	-
Construction/Purchase of property, plant and equipment	44,732	39,478	31,165	25,069	25,079
Construction/Purchase of intangibles	20,085	42,053	11,164	7,110	7,139
Construction/Purchase of investment properties	1,379	716	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>98,792</b>	<b>114,980</b>	<b>46,769</b>	<b>32,179</b>	<b>32,218</b>
<b>Net cash from/(used by) investing activities</b>	<b>64,275</b>	<b>(54,468)</b>	<b>(45,509)</b>	<b>(32,179)</b>	<b>(32,218)</b>

Table continues on next page

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	(85,683)	48,688	12,167	8,721	8,760
<b>Total cash received</b>	<b>(85,683)</b>	<b>48,688</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>Net cash from/(used by) financing activities</b>	<b>(85,683)</b>	<b>48,688</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>Net increase/(decrease) in cash held</b>	<b>(145,781)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	749,798	604,017	604,017	604,017	604,017
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>604,017</b>	<b>604,017</b>	<b>604,017</b>	<b>604,017</b>	<b>604,017</b>

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	6,480	6,479	6,495	6,538	6,577
Equity injections - Bill 2	74,853	42,211	5,672	2,183	2,183
<b>Total new capital appropriations</b>	<b>81,333</b>	<b>48,690</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>Provided for:</b>					
Purchase of non-financial assets	41,333	48,690	12,167	8,721	8,760
Other Items	40,000	-	-	-	-
<b>Total items</b>	<b>81,333</b>	<b>48,690</b>	<b>12,167</b>	<b>8,721</b>	<b>8,760</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB	6,480	6,479	6,495	6,538	6,577
Funded by equity injections	56,304	82,229	16,246	2,183	2,183
Funded internally from departmental resources (a)	36,008	26,272	24,028	23,458	23,458
<b>TOTAL</b>	<b>98,792</b>	<b>114,980</b>	<b>46,769</b>	<b>32,179</b>	<b>32,218</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total asset additions	98,792	114,980	46,769	32,179	32,218
<b>Total cash used to acquire assets</b>	<b>98,792</b>	<b>114,980</b>	<b>46,769</b>	<b>32,179</b>	<b>32,218</b>

Prepared on Australian Accounting Standards basis.

(a) Includes the following sources of funding:

- Current and prior year annual appropriation.
- Funds held in special accounts.

**Table 3.6: Statement of asset movements (Budget year 2018-19)**

	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>						
Gross book value	405,326	468,582	78,804	865,580	169,429	1,987,721
Accumulated depreciation/ amortisation and impairment	-	(15,338)	(9,343)	-	(62,303)	(86,984)
<b>Opening net book balance</b>	<b>405,326</b>	<b>453,244</b>	<b>69,462</b>	<b>865,580</b>	<b>107,126</b>	<b>1,900,738</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase/construction - appropriation equity (a)	8,102	24,631	36,990	716	38,062	108,501
By purchase/construction - appropriation ordinary annual services (b)	-	-	1,596	-	4,883	6,479
By purchase - internally funded	-	-	-	-	-	-
<b>Total additions</b>	<b>8,102</b>	<b>24,631</b>	<b>38,586</b>	<b>716</b>	<b>42,945</b>	<b>114,980</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(13,543)	(12,440)	-	(7,996)	(33,979)
Disposals (c)	(31,742)	(45,012)	-	-	-	(76,754)
Gains	-	-	-	4,410	-	4,410
<b>Total other movements</b>	<b>(31,742)</b>	<b>(58,555)</b>	<b>(12,440)</b>	<b>4,410</b>	<b>(7,996)</b>	<b>(106,323)</b>
<b>As at 30 June 2019</b>						
Gross book value	381,686	448,201	117,390	870,706	212,374	2,030,357
Accumulated depreciation/ amortisation and impairment	-	(28,881)	(21,783)	-	(70,299)	(120,963)
<b>Closing net book balance</b>	<b>381,686</b>	<b>419,320</b>	<b>95,608</b>	<b>870,706</b>	<b>142,075</b>	<b>1,909,395</b>

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018-19 for depreciation/amortisation expenses, DCBs or other operational expenses.
- (c) Net proceeds may be returned to the OPA.



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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	286,986	323,961	327,100	328,611	331,181
Suppliers	192,467	200,662	232,137	246,212	251,783
Superannuation (a)	8,466,573	8,157,944	8,305,958	8,400,313	8,487,794
Distributions from the Investment Funds (b)	763,681	3,599,634	1,765,409	1,645,890	1,689,878
Grants	2,941	2,957	2,975	2,993	3,012
Depreciation and amortisation	20,691	20,691	20,691	20,691	20,691
Other expenses	3,862	3,439	3,439	2,948	2,947
<b>Total expenses administered on behalf of Government</b>	<b>9,737,200</b>	<b>12,309,286</b>	<b>10,657,707</b>	<b>10,647,656</b>	<b>10,787,284</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Rendering of services	3,839	3,904	3,904	3,904	3,904
Interest and dividends (c)	523,672	440,972	703,020	846,517	894,929
Superannuation contributions (d)	1,203,478	1,148,576	1,109,724	1,059,259	1,018,787
Other revenue	23,310	9,310	9,310	9,310	9,310
<b>Total non-taxation revenue</b>	<b>1,754,299</b>	<b>1,602,762</b>	<b>1,825,958</b>	<b>1,918,990</b>	<b>1,926,930</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>1,754,299</b>	<b>1,602,762</b>	<b>1,825,958</b>	<b>1,918,990</b>	<b>1,926,930</b>
<b>Gains</b>					
Gain on sale of investments	211,276	45,649	75,040	90,878	96,690
Other gains	4,455	4,455	4,455	4,455	4,455
<b>Total gains administered on behalf of Government</b>	<b>215,731</b>	<b>50,104</b>	<b>79,495</b>	<b>95,333</b>	<b>101,145</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>1,970,030</b>	<b>1,652,866</b>	<b>1,905,453</b>	<b>2,014,323</b>	<b>2,028,075</b>
<b>Net (cost of)/contribution by services</b>	<b>(7,767,169)</b>	<b>(10,656,420)</b>	<b>(8,752,254)</b>	<b>(8,633,333)</b>	<b>(8,759,209)</b>
<b>Total comprehensive income/(loss)</b>	<b>(7,767,169)</b>	<b>(10,656,420)</b>	<b>(8,752,254)</b>	<b>(8,633,333)</b>	<b>(8,759,209)</b>

Prepared on Australian Accounting Standards basis.

- (a) In accordance with accounting standards, the superannuation expenses for 2017-18 were calculated using the long-term government bond rate as at 1 July 2017 that best matches each individual scheme's liability duration. These rates were broadly between 3.0 and 3.5 per cent per annum. Forward years are estimated based on the discount rate recommended by the superannuation scheme actuaries in preparing the latest Long Term Cost Reports (5 per cent). This is lower than the rate of 6 per cent applied in previous Budgets and reflects the actuaries' view that long term borrowing costs have decreased.
- (b) Represents estimates of expenses to be transferred from the Australian Government Investment Funds. This item does not include equity payments. For more detail on each fund, refer to Tables 2.2.1.1-4.
- (c) Estimates of interest include interest earnings for the Australian Government Investment Funds. Dividend revenue represents revenue from corporate Commonwealth entities which are treated as administered receipts of the department.
- (d) Principally CSS and PSS notional employer superannuation contributions.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	161,727	176,189	197,797	215,051	237,749
Investments (a)	14,904,874	12,465,818	18,952,497	21,555,071	21,811,962
Other financial assets	2,210	2,210	2,210	2,210	2,210
<b>Total financial assets</b>	<b>15,068,811</b>	<b>12,644,217</b>	<b>19,152,504</b>	<b>21,772,332</b>	<b>22,051,921</b>
<b>Non-financial assets</b>					
Buildings	20,576	17,599	14,574	11,604	8,689
Property, plant and equipment	68,945	63,231	57,515	51,821	46,150
Intangibles	1,070	1,070	1,070	1,070	1,070
Other non-financial assets	3,549	3,549	3,549	3,549	3,549
<b>Total non-financial assets</b>	<b>94,140</b>	<b>85,449</b>	<b>76,708</b>	<b>68,044</b>	<b>59,458</b>
<b>Total assets administered on behalf of Government</b>	<b>15,162,951</b>	<b>12,729,666</b>	<b>19,229,212</b>	<b>21,840,376</b>	<b>22,111,379</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	11,171	11,171	11,171	11,171	11,171
Other payables	11,895	11,895	11,895	11,895	11,895
<b>Total payables</b>	<b>23,066</b>	<b>23,066</b>	<b>23,066</b>	<b>23,066</b>	<b>23,066</b>
<b>Provisions</b>					
Employee provisions (b)	237,009	237,009	237,009	237,009	237,009
Superannuation (c)	131,115,653	134,259,196	137,287,847	140,226,089	143,013,963
Other provisions	15,220	15,192	15,152	15,110	15,054
<b>Total provisions</b>	<b>131,367,882</b>	<b>134,511,397</b>	<b>137,540,008</b>	<b>140,478,208</b>	<b>143,266,026</b>
<b>Total liabilities administered on behalf of Government</b>	<b>131,390,948</b>	<b>134,534,463</b>	<b>137,563,074</b>	<b>140,501,274</b>	<b>143,289,092</b>
<b>Net assets/(liabilities)</b>	<b>(116,227,997)</b>	<b>(121,804,797)</b>	<b>(118,333,862)</b>	<b>(118,660,898)</b>	<b>(121,177,713)</b>

Prepared on Australian Accounting Standards basis.

- (a) Represents investments in the Australian Government Investment Funds. Also represented are investments in other Commonwealth entities that are 100% owned by the Commonwealth and assets of former superannuation schemes administered by the Australian Government.
- (b) Represents Life Gold Pass Holders liabilities and employee provisions for staff employed under the *Members of Parliament (Staff) Act 1984*.
- (c) For budget reporting purposes, the discount rate used by actuaries in preparing Long-Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. This rate is 5 per cent, reflecting the actuaries' view that the long-term cost of borrowing is lower than the previously used 6 per cent. Consistent with Australian Accounting Standards, the superannuation liability for the 2016-17 FBO was calculated using the long-term government bond rate as at 30 June 2017 that best matched each individual scheme's liability duration. These rates were broadly between 3.0 and 3.5 per cent per annum.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	3,837	3,902	3,902	3,902	3,902
Interest and dividends (a)	529,199	435,356	697,911	841,597	890,194
Superannuation contributions - employees (b)	1,190,780	1,127,144	1,080,793	1,034,480	988,022
Superannuation funds contributions (c)	2,006,944	1,894,747	1,983,848	2,077,341	2,183,115
Other	16,810	2,810	2,810	2,810	2,811
<b>Total cash received</b>	<b>3,747,570</b>	<b>3,463,959</b>	<b>3,769,264</b>	<b>3,960,130</b>	<b>4,068,044</b>
<b>Cash used</b>					
Employees (d)	234,898	270,695	274,597	276,113	266,837
Suppliers	193,894	196,119	227,641	241,757	247,328
Distributions from the investment funds (e)	1,221,335	3,175,150	1,732,239	1,645,890	1,689,878
Grants	2,941	2,957	2,975	2,993	3,012
Superannuation (f)	6,697,903	6,821,753	7,102,762	7,425,530	7,915,431
Other	3,954	3,465	3,477	2,988	3,001
<b>Total cash used</b>	<b>8,354,924</b>	<b>10,470,140</b>	<b>9,343,691</b>	<b>9,595,271</b>	<b>10,125,487</b>
<b>Net cash from/(used by) operating activities</b>	<b>(4,607,354)</b>	<b>(7,006,181)</b>	<b>(5,574,427)</b>	<b>(5,635,141)</b>	<b>(6,057,443)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of investments	16,768,076	10,078,311	6,877,929	5,723,774	5,802,874
Repayments of advances and loans	11,944	12,180	12,400	12,444	12,801
<b>Total cash received</b>	<b>16,780,020</b>	<b>10,090,491</b>	<b>6,890,329</b>	<b>5,736,218</b>	<b>5,815,675</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	11,371	12,200	12,150	12,227	12,305
Investments	7,972,840	7,228,162	13,144,587	8,224,270	5,941,875
Other	326,000	311,000	151,000	11,000	21,000
<b>Total cash used</b>	<b>8,310,211</b>	<b>7,551,362</b>	<b>13,307,737</b>	<b>8,247,497</b>	<b>5,975,180</b>
<b>Net cash from/(used by) investing activities</b>	<b>8,469,809</b>	<b>2,539,129</b>	<b>(6,417,408)</b>	<b>(2,511,279)</b>	<b>(159,505)</b>

Table continues on next page

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributions to the Investment Funds	6,568,666	6,761,750	12,321,140	7,308,482	4,845,805
<b>Total cash received</b>	<b>6,568,666</b>	<b>6,761,750</b>	<b>12,321,140</b>	<b>7,308,482</b>	<b>4,845,805</b>
<b>Cash used</b>					
Distributions from the Investment Funds (e)	14,232,460	6,547,066	4,881,765	3,982,775	3,913,573
<b>Total cash used</b>	<b>14,232,460</b>	<b>6,547,066</b>	<b>4,881,765</b>	<b>3,982,775</b>	<b>3,913,573</b>
<b>Net cash from/(used by) financing activities</b>	<b>(7,663,794)</b>	<b>214,684</b>	<b>7,439,375</b>	<b>3,325,707</b>	<b>932,232</b>
<b>Net increase/(decrease) in cash held</b>	<b>(3,801,340)</b>	<b>(4,252,368)</b>	<b>(4,552,460)</b>	<b>(4,820,713)</b>	<b>(5,284,716)</b>
Cash and cash equivalents at beginning of reporting period (g)	1,159	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	7,150,258	7,307,451	7,592,506	7,906,722	8,409,377
<b>Total cash from Official Public Account</b>	<b>7,150,258</b>	<b>7,307,451</b>	<b>7,592,506</b>	<b>7,906,722</b>	<b>8,409,377</b>
Cash to Official Public Account for:					
- Appropriations	(3,350,077)	(3,055,083)	(3,040,046)	(3,086,009)	(3,124,661)
<b>Total cash to Official Public Account</b>	<b>(3,350,077)</b>	<b>(3,055,083)</b>	<b>(3,040,046)</b>	<b>(3,086,009)</b>	<b>(3,124,661)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

- (a) Estimates include interest earnings for the Australian Government Investment Funds. For more detail on the interest estimates for each fund, refer to Tables 2.2.1.1-4.
- (b) Primarily represents the CSS and PSS notional employer contributions.
- (c) Primarily represents offsets from the CSS and PSS funds and return of overpaid benefits.
- (d) Represents expenditure on staff employed under the *Members of Parliament (Staff) Act 1984*.
- (e) Distributions from the Investment Funds represents estimates of cash payments from the Funds to other entities and the Consolidated Revenue Fund.
- (f) Expenditure associated with unfunded liabilities for the government's civilian superannuation schemes.
- (g) The 2017-18 figures for cash at the beginning and end of the reporting period excludes cash held in the Official Public Account as this is not included as part of our estimates.

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered Capital Budget (ACB) - Bill 1 (a)	4,983	5,054	5,140	5,217	5,295
Administered Assets and Liabilities - Bill 2 (b)	511,943	191,024	96,034	11,033	11,044
<b>Total new capital appropriations</b>	<b>516,926</b>	<b>196,078</b>	<b>101,174</b>	<b>16,250</b>	<b>16,339</b>
<b>Provided for:</b>					
Purchase of non-financial assets	5,846	5,070	5,156	5,233	5,311
Other Items	511,080	191,008	96,018	11,017	11,028
<b>Total items</b>	<b>516,926</b>	<b>196,078</b>	<b>101,174</b>	<b>16,250</b>	<b>16,339</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by Administered Assets and Liabilities - Act 2	863	16	16	16	16
Funded by ACB - Bill 1	4,983	5,054	5,140	5,217	5,295
Funded by special appropriations	5,524	7,130	6,994	6,994	6,994
<b>TOTAL</b>	<b>11,370</b>	<b>12,200</b>	<b>12,150</b>	<b>12,227</b>	<b>12,305</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total asset additions	11,370	12,200	12,150	12,227	12,305
<b>Total cash used to acquire assets</b>	<b>11,370</b>	<b>12,200</b>	<b>12,150</b>	<b>12,227</b>	<b>12,305</b>

Prepared on Australian Accounting Standards basis.

(a) The ACB is used to fund the replacement of assets purchased through administered annual appropriations.

(b) Administered Assets and Liabilities includes a capital injection for Acts of Grace and liabilities and an injection for capital works on the Intra Government Communications Network, which is offset through entity contributions that are returned to the budget.

Note: This table previously reported as Special Capital Appropriations, funding for superannuation expenditure. These appropriations are shown by Act in Table 1.1 Department of Finance resource statement.

**Table 3.11: Statement of administered asset movements (Budget year 2018-19)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>				
Gross book value	32,783	77,550	3,238	113,571
Accumulated depreciation/amortisation and impairment	(12,207)	(8,605)	(2,168)	(22,980)
<b>Opening net book balance</b>	<b>20,576</b>	<b>68,945</b>	<b>1,070</b>	<b>90,591</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	9,309	2,891	-	12,200
<b>Total additions</b>	<b>9,309</b>	<b>2,891</b>	<b>-</b>	<b>12,200</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(12,086)	(8,605)	-	(20,691)
Disposals	(200)	-	-	(200)
<b>Total other movements</b>	<b>(12,286)</b>	<b>(8,605)</b>	<b>-</b>	<b>(20,891)</b>
<b>As at 30 June 2019</b>				
Gross book value	41,892	80,441	3,238	125,571
Accumulated depreciation/amortisation and impairment	(24,293)	(17,210)	(2,168)	(43,671)
<b>Closing net book balance</b>	<b>17,599</b>	<b>63,231</b>	<b>1,070</b>	<b>81,900</b>

Prepared on Australian Accounting Standards basis.