

BUDGET

2015-16

Portfolio Budget Statements 2015-16
Budget Related Paper No. 1.14

Prime Minister and Cabinet Portfolio

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

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PRIME MINISTER

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2015-16 Budget for the Prime Minister and Cabinet Portfolio.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony Abbott', written over a horizontal line.

TONY ABBOTT

Abbreviations and Conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer, Department of the Prime Minister and Cabinet on (02) 6271 5652.

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2015-16 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in *Appropriation Bills (No. 1 and No. 2) 2015-16* (or *Appropriation (Parliamentary Departments) Bill (No. 1) 2015-16* for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

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PORTFOLIO OVERVIEW

PRIME MINISTER AND CABINET PORTFOLIO OVERVIEW

Ministers and Portfolio Responsibilities

The role of the Prime Minister and Cabinet Portfolio is to provide policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers, and Parliamentary Secretaries on matters that are at the forefront of public and government administration.

The principal responsibilities of the Prime Minister and Cabinet Portfolio comprise:

- advice to the Prime Minister across Government on policy and implementation
- assistance to the Prime Minister in managing the Cabinet programme
- Commonwealth Aboriginal and Torres Strait Islander policy, programmes and service delivery
- national security, counter terrorism, and cyber policy coordination
- ensuring compliance by the Australian Intelligence Community agencies with Australian Law and ministerial directions
- coordination and evaluation of Australia's foreign intelligence activities
- impartial and independent investigation of complaints about the Australian Government actions and other statutory oversight and compliance functions
- intergovernmental relations and communications with state and territory governments
- coordination of government administration
- Australian Government employment workplace relations policy
- Australian honours and symbols policy
- government ceremonial and hospitality
- provisions of support to the Governor-General to perform their official duties
- reducing the burden of government regulation
- women's policies and programmes.

Details on the legislation administered by the Portfolio can be found at www.dpmp.gov.au.

The Portfolio comprises of seven non-corporate Commonwealth entities, eight corporate Commonwealth entities, and three Commonwealth Companies under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Portfolio Overview

The Portfolio includes the following non-corporate Commonwealth entities under the PGPA Act:

- Department of the Prime Minister and Cabinet
- Australian National Audit Office
- Australian Public Service Commission
- Office of National Assessments
- Office of the Commonwealth Ombudsman
- Office of the Inspector-General of Intelligence and Security
- Office of the Official Secretary to the Governor-General

The Portfolio includes the following corporate Commonwealth entities under the PGPA Act:

- Indigenous Business Australia
- Indigenous Land Corporation
- Northern Territory Land Councils
 - Anindilyakwa Land Council
 - Central Land Council
 - Northern Land Council
 - Tiwi Land Council
- Torres Strait Regional Authority
- Wreck Bay Aboriginal Community Council

The Portfolio includes the following Commonwealth Companies under the PGPA Act:

- Aboriginal Hostels Limited
- National Australia Day Council Limited
- Outback Stores Pty Ltd

The structure and the outcomes of the Portfolio are depicted in diagrammatical form on pages 9-11.

The **Department of the Prime Minister and Cabinet** (PM&C) is a non-corporate Commonwealth entity and is subject to the PGPA Act. The principal function of PM&C is to provide support to the Prime Minister, the Cabinet, Portfolio Ministers, and Parliamentary Secretaries to achieve a coordinated and innovative approach to the development and implementation of government policies.

PM&C is also responsible for Whole-of-Government policy and programmes on Indigenous affairs, deregulation and women's policy.

Aboriginal Hostels Limited (AHL) is a Commonwealth company subject to the *Corporations Act 2001* and the PGPA Act. AHL provides temporary accommodation to Aboriginal and Torres Strait Islander people through a national network. AHL provides accommodation that supports Aboriginal and Torres Strait Islander people to access educational, employment-related and health opportunities.

The **Aboriginal Land Commissioner** (ALC) is an independent statutory office holder under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR Act) and is subject to the PGPA Act. The principal function of the Commissioner is to conduct formal inquiries into applications for claims to traditional Aboriginal land in the Northern Territory and to provide recommendations to the Minister for Indigenous Affairs for the grant of land to traditional owners where appropriate.

The **Australian National Audit Office** (ANAO) is a non-corporate Commonwealth entity established under the *Auditor-General Act 1997* and is subject to the PGPA Act. The ANAO assists the Auditor-General in undertaking the performance of their functions under the Act.

The **Australian Public Service Commission** (APSC) is a non-corporate Commonwealth entity with a number of functions under the *Public Service Act 1999*, is subject to the PGPA Act and has a central leadership role in providing expertise, guidance and performance monitoring on workforce management strategies. The APSC has a key role in supporting frameworks for a modern and flexible workforce, improving workforce management to support an efficient and effective APS, supporting high ethical standards and fostering improved capability and leadership.

The **Defence Force Remuneration Tribunal** is an independent authority established under section 58G of the *Defence Act 1903*. The Defence Force Remuneration Tribunal determines the pay and allowances of members of the Australian Defence Force, considering the special nature of the Defence Force service.

The position of **Executive Director of Township Leasing** (EDTL) is an independent statutory office that is subject to the PGPA Act and was established under the ALR Act to enter into leases of Aboriginal-held land in the Northern Territory on behalf of the Commonwealth, and to administer sub-leases and other rights and interests derived from such leases. The primary function of the EDTL is to hold leases over townships

Portfolio Overview

on Aboriginal land in the Northern Territory following agreement between the Commonwealth and the respective Aboriginal Land Council and Land Trust.

The **Independent National Security Legislation Monitor** (INSLM) is appointed under the *Independent National Security Legislation Monitor Act 2010*, amended in December 2014. The INSLM's role is to review the operation, effectiveness and implications of Australia's counter-terrorism and national security legislation on an ongoing basis. This includes considering whether the laws contain appropriate safeguards for protecting the rights of individuals, remain proportionate to any threat of terrorism or threat to national security or both, and remain necessary.

Indigenous Business Australia (IBA) is a corporate Commonwealth entity established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) and is subject to the PGPA Act. IBA creates opportunities for Aboriginal and Torres Strait Islander people and communities to build assets and wealth. IBA assists Aboriginal and Torres Strait Islander people to buy their own home, own their own business and, to invest in commercial ventures that generate financial returns and can also provide employment, training and supply chain opportunities.

The **Indigenous Land Corporation** (ILC) is a corporate Commonwealth entity established under the ATSI Act and is subject to the PGPA Act. The ILC assists Aboriginal and Torres Strait Islander people to acquire and manage land so as to provide economic, environmental, social and cultural benefits. The ILC assists in the delivery of sustainable benefits from land acquisition and by providing land management assistance.

The **National Australia Day Council Limited** (NADC) is a Commonwealth Company that is subject to the PGPA Act and is responsible for the coordination of Australia Day celebrations across the nation and for the Australian of the Year Awards.

Anindilyakwa Land Council (ALC), **Central Land Council** (CLC), **Northern Land Council** (NLC) and **Tiwi Land Council** (TLC) are the four Northern Territory Land Councils established under the ALR Act. The Land Councils are subject to the PGPA Act. Each is a corporate Commonwealth entity established to represent Aboriginal interests in a range of processes under the ALR Act.

The **Office of National Assessments** (ONA) is a non-corporate Commonwealth entity operating under the *Office of National Assessments Act 1977* and is subject to the PGPA Act. The ONA provides assessments on international developments, including political, strategic and economic developments, to the Prime Minister, senior ministers and senior officials. The ONA is also responsible for coordinating and evaluating Australia's foreign intelligence activities.

The **Office of the Commonwealth Ombudsman** (OCO) is a non-corporate Commonwealth entity established under the *Ombudsman Act 1976* and is subject to the PGPA Act. The OCO ensures administrative action by Australian Government

agencies is fair and accountable by handling complaints, conducting investigations, performing audits and inspections, encouraging good administration, and discharging other specialist oversight tasks. The OCO also influences improvement in public administration in the region through collaboration with partner agencies. The Commonwealth Ombudsman is also the Defence Force, Immigration, Law Enforcement, Postal Industry, Overseas Students, Norfolk Island and the Private Health Insurance Ombudsman.

The **Office of the Inspector-General of Intelligence and Security** (OIGIS) is a non-corporate Commonwealth entity under the *Inspector-General of Intelligence and Security Act 1986* and is subject to the PGPA Act. The OIGIS works to provide assurance that Australia's intelligence agencies act legally and with propriety.

The **Office of the Official Secretary to the Governor-General** (OOSGG) is a non-corporate Commonwealth entity which supports the Governor-General in the performance of his/her responsibilities and is subject to the PGPA Act. The position of the Official Secretary to the Governor-General (the Official Secretary) has existed since 1901. The OOSGG was established in December 1984 by amendment to the *Governor-General Act 1974*.

Outback Stores Pty Ltd (OBS) is a Commonwealth Company subject to the *Corporations Act 2001* and the PGPA Act. OBS promotes the health, employment and economic development of remote Indigenous communities by managing quality, sustainable retail stores. OBS helps Aboriginal and Torres Strait Islander people to improve their standard of living and achieve health goals through sustainable retail stores.

The **Registrar of Indigenous Corporations** is an independent statutory office holder who administers the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and is subject to the PGPA Act. The Registrar of Indigenous Corporations registers and regulates Aboriginal and Torres Strait Islander corporations.

The **Remuneration Tribunal** is an independent statutory authority established under the *Remuneration Tribunal Act 1973*. The Remuneration Tribunal is primarily responsible for inquiring into and determining the remuneration and allowances to be paid to holders of public offices (including parliamentary offices). The Remuneration Tribunal also reports on and provides advice about these matters.

The **Torres Strait Regional Authority** (TSRA) is a corporate Commonwealth entity established by the *Aboriginal and Torres Strait Islander (ATSI) Act 2005* and is subject to the PGPA Act. The TSRA formulates, implements and monitors the effectiveness of programmes for Torres Strait Islander and Aboriginal people living in the Torres Strait and also advises the Minister for Indigenous Affairs about issues relevant to Torres Strait Islander and Aboriginal people living in the Torres Strait region. The TSRA works to empower Torres Strait Islander and Aboriginal people living in the Torres

Portfolio Overview

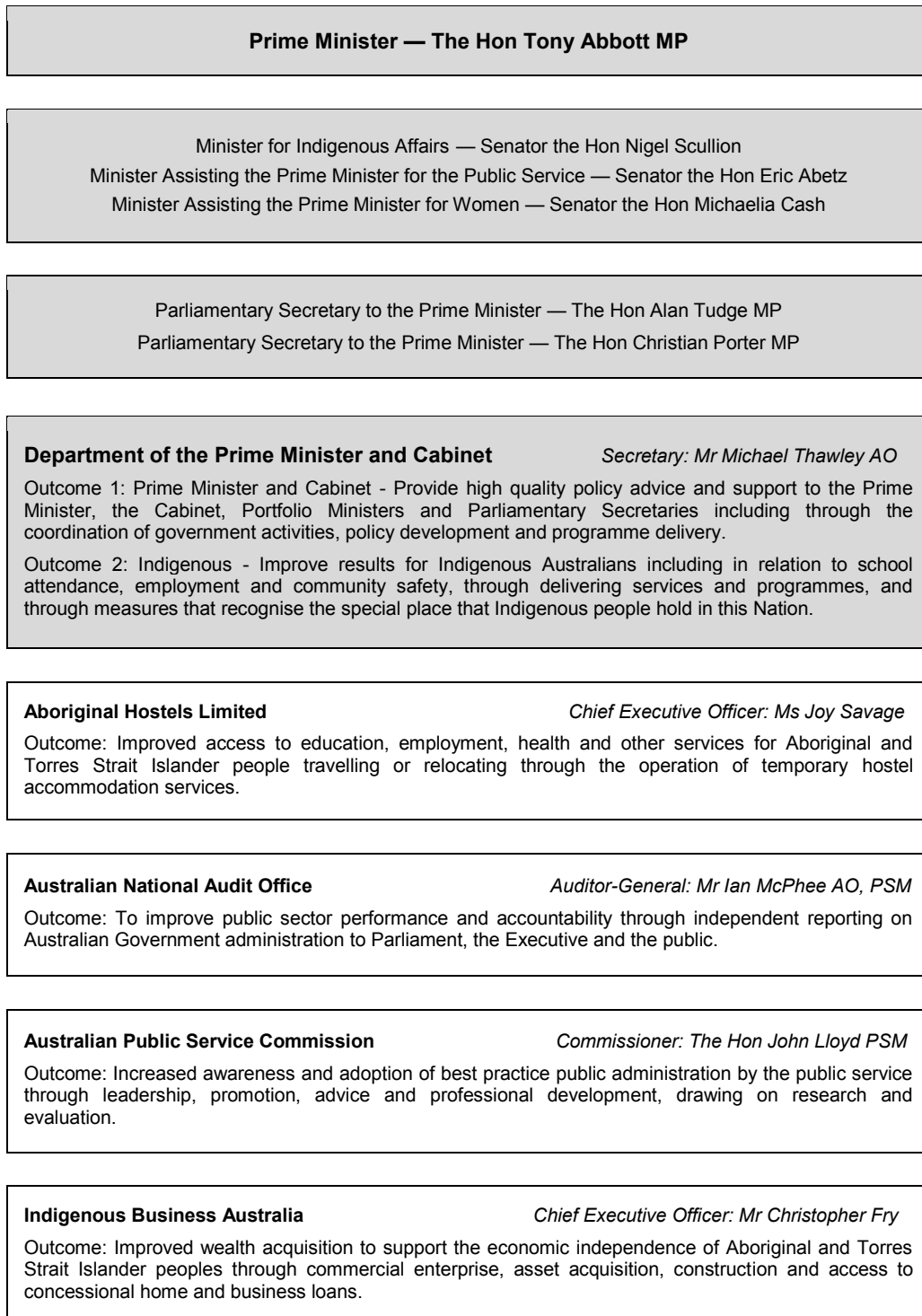
Strait to determine their own affairs based on the *ailan kastom* (island custom) of the Torres Strait.

The **Wreck Bay Aboriginal Community Council** (WBACC) is a corporate Commonwealth entity established by the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* and is subject to the PGPA Act. The council holds title to land and provides services to the Aboriginal community of Wreck Bay.

More details about each agency's responsibilities appear in individual agency statements contained in these PB Statements.

PB Statements are not required for the Aboriginal Land Commissioner, Anindilyakwa Land Council, Defence Force Remuneration Tribunal, Executive Director of Township Leasing, Independent National Security Legislation Monitor, National Australia Day Council, Northern Land Council, Central Land Council, Outback Stores, Registrar of Indigenous Corporations, Remuneration Tribunal, Tiwi Land Council, and Wreck Bay Aboriginal Community Council, as they are not funded through the annual Appropriation Acts, either directly or through the Portfolio department.

Figure 1: Prime Minister and Cabinet Portfolio Structure and Outcomes



continued on next page.

Portfolio Overview

Indigenous Land Corporation

Chief Executive Officer: Mr Mike Dillon

Outcome: Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through land acquisition and management.

National Australia Day Council Limited

Chief Executive Officer: Mr Jeremy Lasek

Outcome: A shared celebration of Australia and Australians through promoting the meaning of and participation in Australia Day and the Australian of the Year Awards.

Northern Territory Land Councils

Anindilyakwa Land Council - *Chief Executive Officer: Mr Mark Hewitt*

Central Land Council - *Accountable Authority: Mr Francis Kelly (Chair) and Mr David Ross (Director)*

Northern Land Council - *Chief Executive Officer: Mr Joe Morrison*

Tiwi Land Council - *Chief Executive Officer: Mr Brian Clancy*

Objective: Represent Aboriginal interests in various processes under the *Aboriginal Land Rights (Northern Territory) Act 1976*. The Central Land Council and Northern Land Council are Native Title Representative Bodies under the *Native Title Act 1993*.

Office of National Assessments

Director General: Mr Richard Maude

Outcome: Advancement of Australia's national interests through increased government awareness of international developments affecting Australia.

Office of the Commonwealth Ombudsman

Ombudsman: Mr Colin Neave

Outcome: Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.

Office of the Inspector-General of Intelligence and Security

Inspector-General: Dr Vivienne Thom

Outcome: Independent assurance for the Prime Minister, Senior Ministers and Parliament as to whether Australia's intelligence and security agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.

Office of the Official Secretary to the Governor-General

Official Secretary: Mr Mark Fraser

Outcome: The performance of the Governor-General's role is facilitated through the organisation and management of official duties, management and maintenance of the official household and property and administration of the Australian Honours and Awards system.

continued on next page.

Outback Stores Pty Ltd

Chief Executive Officer: Mr Steve Moore

Objective: To improve access to affordable, healthy food for Indigenous communities, particularly in remote areas, through providing food supply and store management and support services.

Torres Strait Regional Authority

Chief Executive Officer: Mr Wayne See Kee

Outcome: Progress towards closing the gap for Torres Strait Islander and Aboriginal people living in the Torres Strait Region through development planning, coordination, sustainable resource management, and preservation and promotion of Torres Strait Islander and Aboriginal culture.

Wreck Bay Aboriginal Community Council

Chief Executive Officer: Mr Mal Hansen

Objective: Established by the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* to hold title to land and provide council services to the Aboriginal Community of Jervis Bay.

PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the Portfolio in the 2015-16 Budget year, by entity.

Table 1: Portfolio Resources 2015-16

	Appropriation			Receipts (\$'000)	Total (\$'000)
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special (\$'000)		
Department of the Prime Minister and Cabinet					
Administered appropriations	1,202,986	8,647	168,564	3,787,808	5,168,005
Departmental appropriations	386,206	3,096	-	5,964	395,266
Total:	1,589,192	11,743	168,564	3,793,772	5,563,271
Aboriginal Hostels Limited					
Administered appropriations	-	-	-	-	-
Departmental appropriations	37,582	-	-	18,820	56,402
Total:	37,582	-	-	18,820	56,402
Australian National Audit Office					
Administered appropriations	-	-	-	-	-
Departmental appropriations	73,087	-	644	3,500	77,231
Total:	73,087	-	644	3,500	77,231
Australian Public Service Commission					
Administered appropriations	-	-	63,141	-	63,141
Departmental appropriations	21,064	-	-	20,244	41,308
Total:	21,064	-	63,141	20,244	104,449
Indigenous Business Australia					
Administered appropriations	-	-	-	-	-
Departmental appropriations	34,258	36,550	-	173,640	244,448
Total:	34,258	36,550	-	173,640	244,448
Indigenous Land Corporation					
Administered appropriations	-	-	-	-	-
Departmental appropriations	9,389	-	-	55,412	64,801
Total:	9,389	-	-	55,412	64,801
National Australia Day Council Limited					
Administered appropriations	-	-	-	-	-
Departmental appropriations	-	-	-	6,817	6,817
Total:	-	-	-	6,817	6,817

continued on next page.

Table 1: Portfolio Resources 2015-16 (continued)

	Appropriation			Receipts (\$'000)	Total (\$'000)
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special (\$'000)		
Office of National Assessments					
Administered appropriations	-	-	-	-	-
Departmental appropriations	34,208	-	-	-	34,208
Total:	34,208	-	-	-	34,208
Office of the Commonwealth Ombudsman					
Administered appropriations	-	-	-	-	-
Departmental appropriations	22,643	-	-	2,422	25,065
Total:	22,643	-	-	2,422	25,065
Office of the Inspector-General of Intelligence and Security					
Administered appropriations	-	-	-	-	-
Departmental appropriations	3,075	-	-	-	3,075
Total:	3,075	-	-	-	3,075
Office of the Official Secretary to the Governor-General					
Administered appropriations	3,754	-	425	-	4,179
Departmental appropriations	11,629	-	-	-	11,629
Total:	15,383	-	425	-	15,808
Torres Strait Regional Authority					
Administered appropriations	-	-	-	-	-
Departmental appropriations	39,498	-	-	11,432	50,930
Total:	39,498	-	-	11,432	50,930
Portfolio total					
Less amounts transferred within portfolio ^(a)	5,451	-	-	-	5,451
Resources available within portfolio:					6,241,054

(a) Amounts transferred within the Portfolio include grant payments made to the National Australia Day Council Limited (\$3.8 million) by the Department of the Prime Minister and Cabinet.

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Department of the Prime Minister and Cabinet

Entity Resources and Planned Performance

DEPARTMENT OF THE PRIME MINISTER AND CABINET

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DEPARTMENT OF THE PRIME MINISTER AND CABINET

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The role of PM&C is to provide policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers, and Parliamentary Secretaries on matters that are at the forefront of public and government administration.

PM&C strives to achieve a coordinated and innovative approach to the development and implementation of government policies. This requires well considered advice on a range of issues, drawing together input from across portfolios, to address the long term challenges and opportunities facing Australia. Priority areas for PM&C include:

- supporting the Prime Minister as Head of Government and the Cabinet
- providing advice on major domestic, international, and national security policy, drawing on expertise from across government
- monitoring and providing advice on the implementation of key Government initiatives, policies and programmes
- leading the APS in collaboration with the APSC
- improving the lives of Indigenous Australians through increased participation in education and work, making communities safer where the ordinary rule of law applies, and working closely with other Australian Government Departments to lead efforts to ensure mainstream policy, programmes and services deliver benefits to Indigenous Australians.

Further details of the objectives and performance evaluation mechanisms attached to this strategy are detailed in Section 2 of this document.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: PM&C Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	-	37,844	-	37,844
Departmental appropriation ^(c)	549,756	-	386,206	386,206
s74 Retained revenue receipts ^(d)	8,199	-	5,964	5,964
Total	557,955	37,844	392,170	430,014
Administered expenses				
Outcome 1 ^(e)	14,954	-	15,119	15,119
Outcome 2	1,166,608	-	1,187,867	1,187,867
Payments to corporate entities ^(f)	130,058	-	120,727	120,727
Total	1,311,620	-	1,323,713	1,323,713
Total ordinary annual services	[A] 1,869,575	37,844	1,715,883	1,753,727
Other services^(g)				
Administered expenses				
Specific payments to States, ACT, NT and local government				
Outcome 2: Indigenous	8,517	-	8,647	8,647
Total	8,517	-	8,647	8,647
Departmental non-operating				
Equity injections	6,205	-	3,096	3,096
Total	6,205	-	3,096	3,096
Administered non-operating				
Payments to corporate entities - non-operating ^(f)	38,124	-	36,550	36,550
Total	38,124	-	36,550	36,550
Total other services	[B] 52,846	-	48,293	48,293
Total available annual appropriations [A+B]	1,922,421	37,844	1,764,176	1,802,020

continued on next page.

Table 1.1: PM&C Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015 (continued)

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	<i>2014-15 \$'000</i>	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Public Governance, Performance and Accountability Act 2013 - s77^(h)</i>	10	-	10	10
<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>	157,000	-	113,000	113,000
<i>Ranger Agreement</i>	955	-	979	979
<i>Higher Education Support Act 2003</i>	52,524	-	54,575	54,575
Total special appropriations [C]	210,489	-	168,564	168,564
Total appropriations excluding special accounts	2,132,910	37,844	1,932,740	1,970,584
Special accounts				
Opening balance ⁽ⁱ⁾	2,004,160	-	1,999,222	1,999,222
Appropriation receipts ⁽ⁱ⁾	157,005	-	113,005	113,005
Non-appropriation receipts to special accounts	3,685,472	-	3,787,803	3,787,803
Total special accounts [D]	5,846,637	-	5,900,030	5,900,030
Total resourcing [A+B+C+D]	7,979,547	37,844	7,832,770	7,870,614
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(157,010)	-	(113,005)	(113,005)
and/or payments to corporate entities through annual appropriations	(130,058)	-	(120,727)	(120,727)
Total net resourcing for PM&C	7,692,479	37,844	7,599,038	7,636,882

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$11.2m in 2015-16 for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated retained revenue receipts under section 74 (s 74) of the PGPA Act.

(e) Includes an amount of \$0.3m for the Administered Capital Budget (refer to Table 3.2.10 Administered Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(f) 'Corporate entities' are corporate Commonwealth entities and Commonwealth Companies as defined under the PGPA Act 2013.

(g) *Appropriation Bill (No. 2) 2015-16.*

(h) Repayments not provided for under other appropriations. Amounts received on or before 30 June 2014 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.

(i) Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Services for Other Entities and Trust Moneys accounts (SOETM)). For further information on special accounts see Table 3.1.2 Special Account Flows and Balances.

(j) Appropriation receipts from special and annual appropriations drawn-down from Consolidated Revenue and credited to special accounts.

Reader note: All figures are GST exclusive.

Third Party Payments from and on Behalf of Other Entities

	2014-15 \$'000	2015-16 \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	8,199	5,964
Payments made to corporate entities within the Portfolio		
Indigenous Land Corporation	9,527	9,389
Indigenous Business Australia	34,328	34,258
Aboriginal Hostels Limited	38,044	37,582
Torres Strait Regional Authority	48,159	39,498

1.3 BUDGET MEASURES

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

Table 1.2: PM&C 2015-16 Budget Measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures						
A New Remote Indigenous Housing Strategy ^(a)						
	2.5					
		-	-	-	-	-
		-	-	-	-	-
	Total	-	-	-	-	-
Australia hosting the Group of 20 - savings						
	1.1					
		-	-	-	-	-
		(26,600)	-	-	-	-
	Total	(26,600)	-	-	-	-
Indigenous Advancement Strategy - indexation of funding						
	2					
		-	-	-	-	4,821
		-	-	-	-	-
	Total	-	-	-	-	4,821
Indigenous Advancement Strategy - remote Indigenous internet training						
	2.5					
		-	2,191	2,237	2,284	-
		-	-	-	-	-
	Total	-	2,191	2,237	2,284	-
Legal Assistance Funding - extension ^(b)						
	2.3					
		(11,497)	-	-	-	-
		-	-	-	-	-
	Total	(11,497)	-	-	-	-
Municipal and Essential Services - transition arrangements for South Australia						
	2.5					
		(15,000)	-	-	-	-
		-	-	-	-	-
	Total	(15,000)	-	-	-	-
National Partnership Agreement on Northern Territory Remote Aboriginal Investment ^(c)						
	2					
		-	(14,878)	(12,132)	(10,974)	(10,754)
		-	(700)	(696)	(700)	(706)
	Total	-	(15,578)	(12,828)	(11,674)	(11,460)

continued on next page.

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (continued)						
National Security - Implementation of mandatory telecommunications data retention	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(1,079)	(756)	(755)	(755)
Total		-	(1,079)	(756)	(755)	(755)
National Security - Independent National Security Legislation Monitor	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	336	330	328	335
Total		-	336	330	328	335
Digital Transformation Agenda - portfolio contributions	1.1, 2.6					
Administered expenses		-	-	-	-	-
Departmental expenses		(1,500)	(202)	(202)	(202)	(202)
Total		(1,500)	(202)	(202)	(202)	(202)
Total expense measures						
Administered		(26,497)	(12,687)	(9,895)	(8,690)	(5,933)
Departmental		(28,100)	(1,645)	(1,324)	(1,329)	(1,328)
Total		(54,597)	(14,332)	(11,219)	(10,019)	(7,261)
Capital measures						
Smaller Government - Property Divestment Strategy - regional properties	2.6					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(2,500)	(2,500)	(2,500)	(2,500)
Total		-	(2,500)	(2,500)	(2,500)	(2,500)
Digital Transformation Agenda - portfolio contributions	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		(816)	-	-	-	-
Total		(816)	-	-	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		(816)	(2,500)	(2,500)	(2,500)	(2,500)
Total		(816)	(2,500)	(2,500)	(2,500)	(2,500)

(a) The payment of the New Remote Indigenous Housing Strategy measure is made through the Department of the Treasury under National Partnership Payments to the States.

(b) A one-off contribution of \$11.5m has been transferred from the Indigenous Advancement Strategy Programme 2.3 Safety and Wellbeing to the Attorney-General's Department to support the restoration of funding to Indigenous Legal Services.

(c) The payment of the National Partnership Agreement on Northern Territory Remote Aboriginal Investment measure is made through the Department of the Treasury under National Partnership Payments to the States.

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

OUTCOME 1: PRIME MINISTER AND CABINET

Outcome 1: Provide high quality policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Parliamentary Secretaries including through the coordination of government activities, policy development and programme delivery.

Outcome 1 Strategy

PM&C's role is to provide policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Parliamentary Secretaries through a coordinated approach to the development and implementation of government policies. More specifically PM&C will:

- provide advice on major domestic, international and national security policy, including all matters considered by the Cabinet
- provide support for meetings of the Cabinet, its committees and the Federal Executive Council and the processes to facilitate the decision-making role of the Cabinet
- monitor the implementation of key Government initiatives, policies, programmes and reform agendas
- develop the future leadership capability of the APS through the Secretary's role as head of the APS and Chair of the Secretaries' Board
- provide advice to improve gender equality and support for women's economic empowerment and opportunity, safety and leadership
- provide advice to promote better quality regulation in all areas of government to reduce the costs for businesses, community organisations, families and individuals of regulation which is unnecessary or poorly designed or which is administered in an unnecessarily burdensome way.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Provide high quality policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Parliamentary Secretaries including through the coordination of government activities, policy development and programme delivery.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Prime Minister and Cabinet		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	13,671	13,852
Special appropriations	10	10
Special accounts	5	5
Departmental expenses		
Departmental appropriation ^(a)	244,499	116,744
Expenses not requiring appropriation in the Budget year ^(b)	17,765	7,542
Total for Programme 1.1	275,950	138,153
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	13,671	13,852
Special appropriations	10	10
Special accounts	5	5
Departmental expenses		
Departmental appropriation ^(a)	244,499	116,744
Expenses not requiring appropriation in the Budget year ^(b)	17,765	7,542
Total expenses for Outcome 1	275,950	138,153
	2014-15	2015-16
Average Staffing Level (number)^(c)	669	542

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources' (s 74). The reduction in 2015-16 reflects the completion of the G20 Leaders' Summit in 2014-15.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, secondees and audit fees.

(c) The reduction in the Average Staffing Level reflects the completion of the G20 Leaders' Summit held in 2014-15.

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

Contributions to Outcome 1

Programme 1.1: Prime Minister and Cabinet

Programme 1.1 Objectives

The objectives of this programme are to:

- provide advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Parliamentary Secretaries, and coordination across Government, on major domestic, international and national security policies
- provide support to the Cabinet and its committees, the Federal Executive Council and COAG to facilitate informed decision making
- provide support for the operations of the Prime Minister's official residences and to former and designated Governors-General official offices
- provide support for major events and meetings, official visits, ceremonies and state occasions, and coordinating the logistical arrangements for the Prime Minister's overseas visits.

Linked to: Department of Health Portfolio's (Health's) Australian Sports Commission's Programme 1.1 - Women Leaders in Sport. For more information please refer to Health's 2015-16 PB Statements.

PM&C Budget Statements

Programme 1.1 Expenses					
	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Compensation and Legal Expenses	117	121	121	124	124
National Australia Day Council Limited	3,796	3,803	3,847	3,907	3,941
National Counter Terrorism Committee Secretariat	111	111	112	113	114
Office for Women	3,650	3,555	3,620	3,326	3,358
Parliament House Briefing Room	431	446	452	461	466
Prime Minister's Official Residences	1,697	1,738	1,776	1,827	1,875
State Occasion and Official Visits	3,321	3,572	3,651	3,744	3,840
Support to the former Governors-General ^(a)	548	506	472	441	3,698
Special appropriations limited by criteria/entitlement:					
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>					
	10	10	10	10	10
Special accounts:					
Services for Other Entities and Trust Moneys	5	5	5	-	-
Annual departmental expenses:					
Departmental appropriations ^(b)	244,499	116,744	104,560	105,466	105,673
Expenses not requiring appropriation in the Budget year ^(c)	17,765	7,542	8,269	9,565	10,974
Total programme expenses	275,950	138,153	126,895	128,984	134,073
(a) The annual expense figure reflects the unwinding of the discount on the provision for future entitlements for each of the former Governors-General. The increase in 2018-19 relates to the recognition of a provision for projected future entitlements for former Governors-General.					
(b) The reduction in 2015-16 reflects the completion of the G20 Leaders' Summit in 2014-15.					
(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, secondees and audit fees.					

Programme 1.1 Deliverables

- Policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Parliamentary Secretaries in key areas including:
 - domestic policy matters, strategic priorities, and implementation
 - foreign, trade and aid policy, including bilateral relations and engagement with regional and international partners
 - defence matters, including Australian Defence Force operations, international defence cooperation and engagement, force posture and structure and defence reforms
 - national security matters
 - the development of White Papers on Reform of the Federation, and Northern Australia, as well as support the Review of the Renewable Energy Target
 - commemorative events, including Anzac Centenary commemorations
 - parliamentary, Machinery of Government and legal policy
 - Australia's honours system and national symbols.
- leadership, policy coordination, monitoring and coordinated whole-of-government responses to Government's decisions, policies and strategic priorities including:
 - enhanced regional engagement, integrated cyber policy and effective national security partnerships
 - countering people smuggling and irregular migration issues
 - major national security related crises or emergencies
 - Australia's national security community and national intelligence community
 - developing COAG's agenda and support for COAG's work programme.
- provision of secretariat and support services for the Cabinet, its committees and the Federal Executive Council
- provision of services for the Prime Minister, Portfolio Ministers, Parliamentary Secretaries and their ministerial offices
- management of official visits by, and hospitality for, guests of the Government, such as Heads of State, delivery of support for major events, ceremonies and state occasions and coordination of logistical arrangements for the Prime Minister's overseas visits

- provision of support for the operations of the Prime Minister's official residences and related matters and provision of entitlements to former Governors-General (excluding pension entitlements)
- leadership, policy coordination, and communicating measures and benefits for women including reducing violence against women, women's economic empowerment and opportunity and women's leadership and status
- development of more efficient regulation and effective regulatory management.

Programme 1.1 Key Performance Indicators

- High quality, relevant and timely advice and support to the Prime Minister, including to support him in his role as the Chair of the Cabinet and all committees, Portfolio Ministers and Parliamentary Secretaries based on an objective and thorough understanding of issues and whole-of-government perspective
- regular, timely and collaborative communication and cooperation with other central agencies, portfolio departments and other key stakeholders
- coordination and support for COAG meetings
- leadership and coordination of the national security community to promote a national security system that anticipates threats, responds effectively to crises and major security events, protects the nation and shapes the world in Australia's interest
- advancement of the Government's international priorities that promote Australia's security, prosperity, international profile and influence
- advice and support for key stakeholders for state occasions, official visits, operations of the Prime Minister's official establishments and former Governors-General that is timely, relevant and of high quality
- lead the implementation of Government deregulation reforms including delivering on the Government's \$1 billion net portfolio targets for reduction in the burden of regulation, repeal days and the regulator performance framework
- high quality and timely advice to departments and agencies on best practice regulation making, consistent with the requirements of the Australian Government Guide to Regulation and the COAG's Best Practice Regulation Guide
- provide timely advice and funding to external stakeholders that provide programmes and support to promote women's economic empowerment and opportunity, reducing violence against women, and women's leadership and status.

OUTCOME 2: INDIGENOUS

Outcome 2: Improve results for Indigenous Australians including in relation to school attendance, employment and community safety, through delivering services and programmes, and through measures that recognise the special place that Indigenous people hold in this Nation.

Outcome 2 Strategy

PM&C, through Outcome 2, provides advice and support to the Prime Minister, the Minister for Indigenous Affairs and the Cabinet, and implements the Government's policies, programmes and legislation with a view to furthering the Government's priorities in Indigenous affairs. These priorities are ensuring:

- children go to school
- adults work
- Indigenous business is fostered
- the ordinary rule of law is observed in Indigenous communities as in other Australian communities
- Indigenous culture is supported.

These priorities are driven by five programmes that constitute the flexible and need-focused Indigenous Advancement Strategy (IAS):

- Programme 2.1 – Jobs, Land and Economy
- Programme 2.2 – Children and Schooling
- Programme 2.3 – Safety and Wellbeing
- Programme 2.4 – Culture and Capability
- Programme 2.5 – Remote Australia Strategies

Through these five broad programmes, the IAS supports a wide range of activities, including demand-driven activities. The focus is on clear and measurable results, with payments linked to the achievement of results and intended outcomes. The IAS is designed to reduce red tape and programme duplication, increase the flexibility of funding, and deliver results on the ground for Indigenous people. This is supported by PM&C's regional network, where managers work closely with communities to develop regional approaches and tailored local solutions to achieve results against Government priorities.

The IAS open grants round completed in 2014-15 gave PM&C the opportunity to view and assess funding applications from across the country in a single exercise. This model allows funding to be prioritised to continue critical front line service delivery and to support Indigenous organisations and of Indigenous people, and address the Government's Indigenous affairs priorities.

PM&C Budget Statements

In addition to the IAS, funding is provided to States and Territories through Indigenous-specific National Partnership Agreements with payments administered by the Treasury. PM&C works closely with the States and Territories in bilateral and multi-lateral forums to pursue a coordinated effort across all its activities.

PM&C also engages with other Australian Government Departments, leading the effort to ensure that mainstream policy, programmes and services deliver benefits to Indigenous Australians, including collaborating with the Attorney-General's Department to deliver the Government's commitment to recognise Indigenous Australians in the Constitution. The Government is also supported in its efforts in Indigenous Affairs by the Prime Minister's Indigenous Advisory Council.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 2, by programme.

Table 2.1: Budgeted Expenses for Outcome 2

Outcome 2: Improve results for Indigenous Australians including in relation to school attendance, employment and community safety, through delivering services and programmes, and through measures that recognise the special place that Indigenous people hold in this Nation.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 2.1: Jobs, Land and Economy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	564,704	613,009
Special appropriations	157,955	113,979
Special accounts	191,857	211,595
Less expenses made from appropriations credited to special accounts ^(a)	(141,450)	(113,000)
Total for Programme 2.1	773,066	825,583
Programme 2.2: Children and Schooling		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	231,389	222,321
Other services (Appropriation Bill No. 2)	8,517	8,647
Special appropriations	52,524	54,575
Special accounts	5	5
Less expenses made from appropriations credited to special accounts ^(a)	(5)	(5)
Total for Programme 2.2	292,430	285,543
Programme 2.3: Safety and Wellbeing		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	241,314	249,454
Total for Programme 2.3	241,314	249,454
Programme 2.4: Culture and Capability		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	49,192	51,630
Total for Programme 2.4	49,192	51,630

continued on next page.

Table 2.1: Budgeted Expenses for Outcome 2 (continued)

Outcome 2: Improve results for Indigenous Australians including in relation to school attendance, employment and community safety, through delivering services and programmes, and through measures that recognise the special place that Indigenous people hold in this Nation.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 2.5: Remote Australia Strategies		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	80,009	51,453
Special accounts	3,201	7,783
Total for Programme 2.5	83,210	59,236
Programme 2.6: Programme Support		
Departmental appropriation ^(b)	292,223	264,185
Expenses not requiring appropriation in the Budget year ^(c)	18,942	14,828
Total for Programme 2.6	311,165	279,013
Outcome 2 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,166,608	1,187,867
Other services (Appropriation Bill No. 2)	8,517	8,647
Special appropriations	210,479	168,554
Special accounts	195,063	219,383
Departmental expenses		
Departmental appropriation ^(b)	292,223	264,185
Expenses not requiring appropriation in the Budget year ^(c)	18,942	14,828
Total expenses for Outcome 2	1,891,832	1,863,464
Less expenses made from appropriations credited to special accounts	(141,455)	(113,005)
Total net expenses for Outcome 2	1,750,377	1,750,459
	2014-15	2015-16
Average Staffing Level (number)^(d)	1,526	1,501

(a) Appropriation receipts from special and annual appropriations drawn-down from consolidated revenue and credited to special accounts.

(b) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'. The reduction in 2015-16 reflects the completion of the G20 Leaders Summit in 2014-15.

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses and audit fees.

(d) The reduction in the Average Staffing Level reflects the impact of the Indigenous Affairs Programme – rationalisation announced in the 2014-15 PB Statements.

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

Contributions to Outcome 2

Programme 2.1: Indigenous Advancement – Jobs, Land and Economy

Programme 2.1 Objectives

The objectives of this programme are to:

- get Indigenous Australians into work
- foster Indigenous business
- assist Indigenous people to generate economic and social benefits from effective management of their land.

Linked to: Department of Human Services' (DHS') Programme 1.1 Services to the Community – Social Security and Welfare – Indigenous Wage Subsidy Card; Community Development Employment Projects; and Remote Jobs and Communities Programme. For more information please refer to DHS' 2015-16 PB Statements.

Also linked to: Attorney-General's Department's (AGD's) Programme 1.4 Justice Services; and Programme 1.6 Indigenous Law and Justice. For more information please refer to AGD's 2015-16 PB Statements.

Also linked to: Department of the Environment's (Environment's) Programme 1.1 Sustainable Management of Natural Resources and the Environment. For more information please refer to Environment's 2015-16 PB Statements.

Also linked to: Department of Employment's (Employment's) Programme 1.1 Employment Services. For more information please refer to Employment's 2015-16 PB Statements.

Also linked to: Department of Agriculture's (Agriculture's) Programme 1.2 Sustainable Management of Natural Resources and the Environment; and Programme 2.1 Biosecurity and Export Services. For more information please refer to Agriculture's 2015-16 PB Statements.

Programme 2.1 Expenses					
	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	564,704	613,009	666,535	650,817	624,424
Special appropriations:					
<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>					
Aboriginals Benefit Account	157,000	113,000	121,000	132,000	143,000
Ranger Agreement	955	979	1,003	1,028	1,045
Special accounts:					
Aboriginal and Torres Strait Islander Land Account					
Aboriginals Benefit Account	50,247	51,108	52,334	53,644	54,931
Aboriginal and Torres Strait Islander Corporations Unclaimed Money	141,450	160,487	148,098	156,818	140,928
	160	-	-	-	-
Total programme expenses	914,516	938,583	988,970	994,307	964,328
Less expenses made from appropriations credited to special accounts ^(a)					
	(141,450)	(113,000)	(121,000)	(132,000)	(140,928)
Total net programme expenses	773,066	825,583	867,970	862,307	823,400
(a) Relevant mining royalties are paid into the Aboriginals Benefit Account through a special appropriation. These are eliminated in programme expenses to avoid duplicate recognition.					

Programme 2.1 Deliverables

- Increased Indigenous employment, business and economic development.

Programme 2.1 Key Performance Indicators*

- Increase in the Indigenous employment and participation rates
- number of employment places filled with assistance by the Indigenous Advancement - Jobs, Land and the Economy programme and proportion retained to 26 weeks
- proportion of job seekers in employment, education or training three months following participating in the Indigenous Advancement - Jobs, Land and the Economy programme
- number of Indigenous ranger jobs contracted
- number of Native Title claims finalised**
- number of land claims being progressed or finalised under Commonwealth land rights legislation and number of township leases being negotiated, agreed or in place.

*Note: Indicators shown are those where data is available. Areas such as social participation, organisational effectiveness and enhanced environmental outcomes are under consideration. Indicators regarding employment, education and community safety will be disaggregated by remoteness where data is available.

**Note: Progress of Native Title claims is influenced by the activities of various parties in the Native Title system, including the Federal Court of Australia and State and Territory Governments. Some parts of the system are funded by the AGD.

Programme 2.2: Indigenous Advancement – Children and Schooling

Programme 2.2 Objectives

The objectives of this programme are to:

- get children to school
- improve education outcomes
- support families to give children a good start in life.

Linked to: Department of Social Services' (DSS') Programme 2.1 Families and Communities. For more information please refer to DSS' 2015-16 PB Statements.

Also linked to: DHS' Programme 1.1 Services to the Community – Social Security and Welfare – School Enrolment and Attendance Measure; and School Nutrition Programme. For more information please refer to DHS' 2015-16 PB Statements.

Programme 2.2 Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	231,389	222,321	223,264	225,168	229,274
Administered item (incl. SPPs)	8,517	8,647	7,648	7,762	6,536
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Commonwealth Scholarship Programme	13,151	14,703	15,988	16,792	17,319
Indigenous Support Programme	39,373	39,872	40,852	41,911	42,896
Special accounts:					
Aboriginal Tutorial Assistance Superannuation Scheme	5	5	5	5	5
Total programme expenses	292,435	285,548	287,757	291,638	296,030
Less expenses made from appropriations credited to special accounts ^(a)	(5)	(5)	(5)	(5)	(5)
Total net programme expenses	292,430	285,543	287,752	291,633	296,025

(a) These are eliminated in programme expenses to avoid duplicate recognition.

Programme 2.2 Deliverables

- Increased Indigenous school attendance and improved educational outcomes.

Programme 2.2 Key Performance Indicators*

- Indigenous school attendance rates in remote areas
- Year 12 or equivalent attainment - number and proportion of Indigenous young people (aged 20-24) with year 12 or equivalent Australian Qualifications Framework (AQF) Certificate II level (or above)
- higher education - number and proportion of Indigenous 20-64 year olds with or working towards post school qualification in AQF Certificate III level or above
- percentage of Indigenous students meeting National Minimum Standards in National Assessment Programme - Literacy and Numeracy (NAPLAN).

*Note: Indicators shown are those where data is available. Areas such as social participation, organisational effectiveness and enhanced environmental outcomes are under consideration. Indicators regarding employment, education and community safety will be disaggregated by remoteness where data is available.

Programme 2.3: Indigenous Advancement – Safety and Wellbeing

Programme 2.3 Objectives

The objectives of this programme are to:

- ensure that the ordinary law of the land applies in Indigenous communities
- ensure Indigenous people enjoy similar levels of physical, emotional and social wellbeing enjoyed by other Australians.

Linked to: DSS' Programme 2.1 Families and Communities. For more information please refer to DSS' 2015-16 PB Statements.

Also linked to: Health's Programme 5.3 Aboriginal and Torres Strait Islander Health – Social and Emotional Wellbeing. For more information please refer to Health's 2015-16 PB Statements.

Programme 2.3 Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	241,314	249,454	257,097	268,199	251,395
Total programme expenses	241,314	249,454	257,097	268,199	251,395

Programme 2.3 Deliverables

- Reduced levels of offending, violence and substance abuse.

Programme 2.3 Key Performance Indicators*

- Number of initiatives implemented in Indigenous communities to reduce violence
- number of organisations providing Indigenous specific alcohol and other drug treatment services and activities
- number of sites providing low aromatic fuel.

*Note: Indicators shown are those where data is available. Areas such as social participation, organisational effectiveness and enhanced environmental outcomes are under consideration. Indicators regarding employment, education and community safety will be disaggregated by remoteness where data is available.

Programme 2.4: Indigenous Advancement – Culture and Capability

Programme 2.4 Objectives

The objectives of this programme are to:

- support Indigenous Australians to maintain their culture and participate equally in the economic and social life of the nation
- ensure that Indigenous organisations are capable of delivering quality services to their clients.

Linked to: AGD's Programme 2.1 Arts and Cultural Development. For more information please refer to AGD's 2015-16 PB Statements.

Programme 2.4 Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	49,192	51,630	52,103	48,796	49,577
Total programme expenses	49,192	51,630	52,103	48,796	49,577

Programme 2.4 Deliverables

- Progress towards a referendum on constitutional recognition
- increase the participation of Indigenous people in Australian society through cultural activities and events, Interpreting, Healing and Broadcasting services
- strengthen the capability of Indigenous organisations.

Programme 2.4 Key Performance Indicators*

- Release of a draft proposal for a constitutional amendment to recognise Indigenous peoples and completion of a review under the *Aboriginal and Torres Strait Islander Peoples Recognition Act 2013*
- number of cultural, broadcasting and healing projects and activities supported
- increased proportion of Indigenous organisations receiving significant funding from the Australian Government under this outcome which are registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

*Note: Indicators shown are those where data is available. Areas such as social participation, organisational effectiveness and enhanced environmental outcomes are under consideration. Indicators regarding employment, education and community safety will be disaggregated by remoteness where data is available.

Programme 2.5: Indigenous Advancement – Remote Australia Strategies

Programme 2.5 Objectives

The objectives of this programme are:

- strategic investments in local, flexible solutions based on community and government priorities
- support for remote housing strategies.

Linked to: DSS' Programme 2.1 Families and Communities. For more information please refer to DSS' 2015-16 PB Statements.

Programme 2.5 Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	80,009	51,453	52,100	54,659	53,213
Special account expenses:					
Indigenous Remote Services Delivery	3,201	7,783	334	-	-
Total programme expenses	83,210	59,236	52,434	54,659	53,213

Programme 2.5 Deliverables

- Invest in local, flexible solutions based on community priorities
- invest in remote housing.

Programme 2.5 Key Performance Indicators*

- Number of standardised tenancy agreements in place in relation to houses located on Indigenous land
- number of community based Indigenous Advancement Strategies developed
- number of new home owners on Indigenous land.

*Note: Indicators shown are those where data is available. Areas such as social participation, organisational effectiveness and enhanced environmental outcomes are under consideration. Indicators regarding employment, education and community safety will be disaggregated by remoteness where data is available.

Programme 2.6: Indigenous Advancement – Programme Support

Programme 2.6 Expenses

Programme 2.6 is the departmental support programme to the five Indigenous Advancement Programmes. The arrangements give effect to the Government's commitment to reduce red-tape and duplication and ensure resources are invested on the ground where they are most needed.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bill No. 1)	292,223	264,185	264,302	264,265	265,780
Expenses not requiring appropriation in the Budget year ^(a)	18,942	14,828	13,620	16,794	19,835
Total programme expenses	311,165	279,013	277,922	281,059	285,615

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses and audit fees.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

PM&C does not have any movement of administered funds between years.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's determination under section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by PM&C.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2015-16 2014-15	Receipts 2015-16 2014-15	Payments 2015-16 2014-15	Adjustments 2015-16 2014-15	Closing balance 2015-16 2014-15
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys Special Account - Department of the Prime Minister and Cabinet - s78 PGPA Act - Det 2008/13 (A)	1	603 603	- -	(5) -	- -	598 603
Aboriginal and Torres Strait Islander Corporations Unclaimed Money Account - s80 PGPA Act - <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> Det 2006/551-20 (A)	2	549 718	- -	- (160)	- (9)	549 549
Aboriginal and Torres Strait Islander Land Account - s80 PGPA Act - <i>Aboriginal and Torres Strait Islander Commission Act 2005</i> Det 2005/192W (A)	2	1,974,027 1,974,027	2,984,586 2,902,791	(3,012,599) (2,929,944)	28,013 27,153	1,974,027 1,974,027
Aboriginals Benefit Account - s80 PGPA Act - <i>Aboriginal Land Rights (Northern Territory) Act 1976</i> Det 1976/62 (A)	2	15,865 17,569	916,177 939,545	(1,002,873) (960,570)	86,696 19,321	15,865 15,865
Aboriginal Tutorial Assistance Superannuation Special Account - s78 PGPA Act - Det 2003/05 (A)	2	60 30	35 35	(5) (5)	- -	90 60
Indigenous Remote Services Delivery Special Account - s78 PGPA Act - Det 2010/06 (A)	2	8,118 11,213	10 106	(7,783) (3,201)	- -	345 8,118
Total special accounts						
2015-16 Budget estimate		1,999,222	3,900,808	(4,023,265)	114,709	1,991,474
<i>Total special accounts</i> <i>2014-15 estimated actual</i>		2,004,160	3,842,477	(3,893,880)	46,465	1,999,222

(A) = Administered

3.1.3 Australian Government Indigenous Expenditure

The Australian Government Indigenous Expenditure (AGIE) report provides a breakdown of the estimated Indigenous expenditure administered by each entity. Table 3.1.3 shows the estimated Indigenous expenditure in 2014-15 and 2015-16 by appropriation and outcome that is administered by PM&C only. Indigenous expenditure administered by other portfolios is reported in their respective PB Statements.

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	<i>Approp Bill No. 1 \$'000</i>	<i>Approp Bill No. 2 \$'000</i>	<i>Special approp \$'000</i>	<i>Total approp \$'000</i>	<i>Other^(a) \$'000</i>	<i>Total \$'000</i>
Department of the Prime Minister and Cabinet						
Outcome 2						
Indigenous						
Administered 2015-16	1,187,867	8,647	168,554	1,365,068	47,883	1,412,951
<i>Administered 2014-15</i>	<i>1,166,608</i>	<i>8,517</i>	<i>210,479</i>	<i>1,385,604</i>	<i>542</i>	<i>1,386,146</i>
Departmental 2015-16	270,329	3,096	-	273,425	1,798	275,223
<i>Departmental 2014-15</i>	<i>298,774</i>	<i>4,205</i>	<i>-</i>	<i>302,979</i>	<i>3,365</i>	<i>306,344</i>
Total outcome 2 2015-16	1,458,196	11,743	168,554	1,638,493	49,681	1,688,174
<i>Total outcome 2 2014-15</i>	<i>1,465,382</i>	<i>12,722</i>	<i>210,479</i>	<i>1,688,583</i>	<i>3,907</i>	<i>1,692,490</i>
Total administered 2015-16	1,187,867	8,647	168,554	1,365,068	47,883	1,412,951
<i>Total administered 2014-15</i>	<i>1,166,608</i>	<i>8,517</i>	<i>210,479</i>	<i>1,385,604</i>	<i>542</i>	<i>1,386,146</i>
Total departmental 2015-16	270,329	3,096	-	273,425	1,798	275,223
<i>Total departmental 2014-15</i>	<i>298,774</i>	<i>4,205</i>	<i>-</i>	<i>302,979</i>	<i>3,365</i>	<i>306,344</i>
Total AGIE 2015-16	1,458,196	11,743	168,554	1,638,493	49,681	1,688,174
<i>Total AGIE 2014-15</i>	<i>1,465,382</i>	<i>12,722</i>	<i>210,479</i>	<i>1,688,583</i>	<i>3,907</i>	<i>1,692,490</i>

(a) Includes special account payments less appropriations drawn from annual or special appropriations and credited to special accounts.

Note: This table does not include payments to corporate entities within the Portfolio. Refer to programme expense tables for AGIE by programme.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

Departmental

The Agency Resource Statement (Table 1.1) provides a consolidated view of all the resources available to PM&C in 2015-16. For departmental items this includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2.2). The Comprehensive Income Statement (Table 3.2.1) shows only the operating appropriation provided each year.

Administered

The 2015-16 administered expense figures in the Entity Resource Statement (Table 1.1) include the cash appropriation for payments for former Governors-General entitlements. A provision for the total estimated value of these entitlements is recognised in the financial statements at the time each Governor-General retires. Accordingly, payment of these entitlements results in a reduction to the provision rather than an operating expense.

The Schedule of Budgeted Income and Expenses Administered on Behalf of Government (Table 3.2.7) includes non-cash appropriation items including depreciation and amortisation expense, makegood and the provision for former Governors-General entitlements.

3.2.2 Analysis of Budgeted Financial Statements

Departmental

Comprehensive Income Statement

Revenue from Government has decreased from \$528.5 million in 2014-15 to \$375.0 million in 2015-16 as a result of the completion of the G20 Leaders' Summit in November 2014. This is reflected in the significant reduction in suppliers expenses between 2014-15 and 2015-16. Funding in 2016-17 reduces as a result of completing the transition of management systems (\$10.0 million) by PM&C.

The Comprehensive Income Statement projects a \$24.3 million deficit for 2014-15, an increase from \$13.7 million projected at 2014-15 Portfolio Additional Estimates Statements (PAES). This is due to an increase in depreciation and amortisation expense following the completion of asset transfers from agencies involved in the September 2013 Machinery of Government (MoG) changes.

Budgeted Departmental Balance Sheet

PM&C's net asset position decreases over the forward estimates as a result of the impact of the sale of properties relating to the Property Divestment Strategy. The net asset position is expected to stabilise following the conclusion of this measure in 2018-19.

Administered

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

PM&C's budgeted administered expenses are expected to be \$1.6 billion in 2015-16, which remains relatively stable from the estimated actuals in 2014-15. Grants expenditure also remains stable and accounts for \$1.2 billion of the total administered expenses in 2015-16. The classification of expenses across the forward estimates is based on the forward year commitments and may change under the flexibility of the Indigenous Advancement Strategy. Interest revenue of \$71.7 million in 2015-16 is the interest earned through the Aboriginal and Torres Strait Islander Land Account and the Aboriginals Benefit Account.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

PM&C's budgeted administered net assets position in 2015-16 is expected to be \$4.3 billion in 2015-16, which remains relatively stable from the estimated actuals in 2014-15.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	271,693	252,540	250,446	251,158	252,214
Suppliers	276,940	128,531	118,397	118,571	119,777
Grants	402	962	922	922	402
Depreciation and amortisation	24,253	21,124	20,839	25,293	29,712
Finance costs	19	18	16	15	13
Total expenses	573,307	403,175	390,620	395,959	402,118
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,199	5,964	5,950	5,979	5,488
Total own-source revenue	8,199	5,964	5,950	5,979	5,488
Gains					
Other	12,332	1,122	919	935	953
Total gains	12,332	1,122	919	935	953
Total own-source income	20,531	7,086	6,869	6,914	6,441
Net cost of/(contribution by) services	552,776	396,089	383,751	389,045	395,677
Revenue from Government	528,523	374,965	362,912	363,752	365,965
Surplus/(deficit) attributable to the Australian Government	(24,253)	(21,124)	(20,839)	(25,293)	(29,712)
Total comprehensive income/(loss)	(24,253)	(21,124)	(20,839)	(25,293)	(29,712)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	24,253	21,124	20,839	25,293	29,712
Total comprehensive income/(loss) - as per the statement of comprehensive income	(24,253)	(21,124)	(20,839)	(25,293)	(29,712)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	500	500	500	500	500
Trade and other receivables	80,186	78,914	80,959	82,404	81,775
Other financial assets	486	362	365	368	371
Total financial assets	81,172	79,776	81,824	83,272	82,646
Non-financial assets					
Land and buildings	112,744	96,380	97,888	101,856	103,973
Property, plant and equipment	20,621	20,185	18,801	14,420	10,986
Intangibles	21,269	20,799	18,485	13,919	7,370
Other non-financial assets	3,922	3,912	3,905	3,917	5,302
Total non-financial assets	158,556	141,276	139,079	134,112	127,631
Total assets	239,728	221,052	220,903	217,384	210,277
LIABILITIES					
Payables					
Suppliers	28,628	27,406	27,354	27,438	27,725
Other payables	15,497	14,838	13,863	12,422	10,468
Total payables	44,125	42,244	41,217	39,860	38,193
Provisions					
Employee provisions	73,045	71,465	72,150	72,511	72,521
Other provisions	1,118	655	522	463	366
Total provisions	74,163	72,120	72,672	72,974	72,887
Total liabilities	118,288	114,364	113,889	112,834	111,080
Net assets	121,440	106,688	107,014	104,550	99,197
EQUITY*					
Contributed equity	153,875	160,271	180,241	199,324	224,018
Reserves	8,231	8,231	8,231	8,231	8,231
Retained surplus (accumulated deficit)	(40,666)	(61,814)	(81,458)	(103,005)	(133,052)
Total equity	121,440	106,688	107,014	104,550	99,197

Prepared on Australian Accounting Standards basis.

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

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(40,666)	8,231	153,875	121,440
Adjustment for changes in accounting policies	74	-	43	117
Adjusted opening balance	(40,592)	8,231	153,918	121,557
Comprehensive income				
Surplus/(deficit) for the period	(21,124)	-	-	(21,124)
Total comprehensive income	(61,716)	8,231	153,918	100,433
of which:				
Attributable to the Australian Government	(61,716)	8,231	153,918	100,433
Transactions with owners				
Distributions to owners				
Restructuring ^(a)	-	-	(7,984)	(7,984)
Other	(98)	-	-	(98)
Contributions by owners				
Equity Injection - Appropriation	-	-	3,096	3,096
Departmental Capital Budget (DCB)	-	-	11,241	11,241
Sub-total transactions with owners	(98)	-	6,353	6,255
Estimated closing balance as at 30 June 2016	(61,814)	8,231	160,271	106,688
Closing balance attributable to the Australian Government	(61,814)	8,231	160,271	106,688

(a) Relates to the transfer of capital funding for the establishment of the Digital Transformation Office. Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	572,904	417,551	360,256	364,601	354,863
Sale of goods and rendering of services	9,415	6,053	5,948	5,977	5,486
Other	5,900	1,122	919	935	953
Total cash received	588,219	424,726	367,123	371,513	361,302
Cash used					
Employees	276,305	280,461	258,628	259,643	261,004
Suppliers	300,932	139,091	104,446	105,235	96,702
s74 Retained revenue receipts transferred to OPA	6,247	6,052	4,651	6,771	3,740
Other	5,868	1,622	1,898	2,364	2,356
Total cash used	589,352	427,226	369,623	374,013	363,802
Net cash from/(used by) operating activities	(1,133)	(2,500)	(2,500)	(2,500)	(2,500)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment ^(a)	-	2,500	2,500	2,500	2,500
Total cash received	-	2,500	2,500	2,500	2,500
Cash used					
Purchase of property, plant and equipment	27,120	14,337	21,149	22,814	24,346
Total cash used	27,120	14,337	21,149	22,814	24,346
Net cash from/(used by) investing activities	(27,120)	(11,837)	(18,649)	(20,314)	(21,846)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	27,120	14,337	21,149	22,814	24,346
Total cash received	27,120	14,337	21,149	22,814	24,346
Net cash from/(used by) financing activities	27,120	14,337	21,149	22,814	24,346
Net increase/(decrease) in cash held	(1,133)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,633	500	500	500	500
Cash and cash equivalents at the end of the reporting period	500	500	500	500	500

(a) PM&C has committed to divest properties which are no longer contributing to the delivery of Government priorities, returning \$10.0 million to the Budget.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	21,233	11,241	12,538	11,120	11,213
Equity injections - Bill 2	6,205	3,096	8,611	11,694	13,133
Total new capital appropriations	27,438	14,337	21,149	22,814	24,346
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	27,120	14,337	21,149	22,814	24,346
<i>Other items</i>	318	-	-	-	-
Total items	27,438	14,337	21,149	22,814	24,346
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	5,887	3,096	8,611	11,694	13,133
Funded by capital appropriation - DCB ^(b)	21,233	11,241	12,538	11,120	11,213
TOTAL	27,120	14,337	21,149	22,814	24,346

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category				Total
	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	23,560	118,239	29,105	30,104	201,008
Accumulated depreciation/ amortisation and impairment	-	(29,054)	(8,484)	(8,835)	(46,373)
Opening net book balance	23,560	89,185	20,621	21,269	154,635
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ^(a)	-	2,235	861	-	3,096
By purchase - appropriation ordinary annual services ^(b)	-	1,637	3,590	6,014	11,241
Total additions	-	3,872	4,451	6,014	14,337
Other movements					
Depreciation/amortisation expense	-	(9,753)	(4,887)	(6,484)	(21,124)
Disposals ^(c)	-	(2,500)	-	-	(2,500)
From disposal of entities or operations (including restructuring) ^(d)	-	(7,984)	-	-	(7,984)
Total other movements	-	(20,237)	(4,887)	(6,484)	(31,608)
As at 30 June 2016					
Gross book value	23,560	111,627	33,556	36,118	204,861
Accumulated depreciation/ amortisation and impairment	-	(38,807)	(13,371)	(15,319)	(67,497)
Closing net book balance	23,560	72,820	20,185	20,799	137,364

(a) 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Bill (No. 2) 2015-16.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Net proceeds may be returned to the OPA.

(d) Movement relates to transfer of assets to assist the establishment of the Digital Transformation Office.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	882	900	918	918	918
Suppliers	73,064	104,026	84,337	91,238	53,413
Subsidies	2,082	2,184	2,226	2,325	2,188
Grants	1,253,695	1,237,147	1,307,468	1,304,353	1,296,375
Depreciation and amortisation	122	124	131	131	144
Finance costs	548	506	472	441	411
Payments to corporate entities	130,058	120,727	116,420	116,972	117,478
Other expenses	119,421	132,762	135,662	140,272	137,731
Total expenses administered on behalf of Government	1,579,872	1,598,376	1,647,634	1,656,650	1,608,658
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Interest	71,907	71,707	73,475	75,255	77,050
Other revenue	1,838	1,738	1,781	1,823	1,868
Total non-taxation revenue	73,745	73,445	75,256	77,078	78,918
Total own-source revenue administered on behalf of Government	73,745	73,445	75,256	77,078	78,918
Total own-sourced income administered on behalf of Government	73,745	73,445	75,256	77,078	78,918
Net cost of/(contribution by) services	1,506,127	1,524,931	1,572,378	1,579,572	1,529,740
Total comprehensive income/(loss)	(1,506,127)	(1,524,931)	(1,572,378)	(1,579,572)	(1,529,740)

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,035	16,035	16,035	16,035	16,035
Taxation receivables	6,887	7,688	7,898	7,925	7,484
Trade and other receivables	42,999	37,168	37,704	37,621	37,379
Investments accounted for using the equity method	1,720,068	1,745,587	1,773,444	1,803,495	1,833,589
Other investments ^(a)	2,483,906	2,554,449	2,626,995	2,701,602	2,778,327
Total financial assets	4,269,895	4,360,927	4,462,076	4,566,678	4,672,814
Non-financial assets					
Property, plant and equipment	1,781	1,910	2,031	2,159	2,275
Other non-financial assets	6,397	7,455	7,825	7,625	6,941
Total non-financial assets	8,178	9,365	9,856	9,784	9,216
Total assets administered on behalf of Government	4,278,073	4,370,292	4,471,932	4,576,462	4,682,030
LIABILITIES					
Payables					
Suppliers	587	624	643	670	619
Other payables	21,945	25,534	26,407	25,784	23,591
Total payables	22,532	26,158	27,050	26,454	24,210
Provisions					
Employee provisions	322	330	330	330	330
Other provisions ^(b)	15,647	14,629	13,675	12,789	14,982
Total provisions	15,969	14,959	14,005	13,119	15,312
Total liabilities administered on behalf of Government	38,501	41,117	41,055	39,573	39,522
Net assets/(liabilities)	4,239,572	4,329,175	4,430,877	4,536,889	4,642,508

(a) Other investments relate to the investment portfolios managed by the Aboriginal and Torres Strait Islander Land Account, and the Aboriginals Benefit Account.

(b) Other provisions reflect the non-cash benefits to the former Governors-General and makegood provisions.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	16,773	2,559	923	1,917	2,611
Total cash received	16,773	2,559	923	1,917	2,611
Cash used					
Grants	1,259,094	1,237,147	1,307,468	1,304,353	1,296,375
Subsidies paid	5,050	2,184	2,226	2,325	2,188
Suppliers	71,223	102,476	84,769	92,520	52,780
Employees	875	892	918	918	918
Payments to corporate entities	130,058	120,727	116,420	116,972	117,478
Other	119,421	132,762	136,663	140,272	137,731
Total cash used	1,585,721	1,596,188	1,648,464	1,657,360	1,607,470
Net cash from/(used by) operating activities	(1,568,948)	(1,593,629)	(1,647,541)	(1,655,443)	(1,604,859)
INVESTING ACTIVITIES					
Cash received					
Interest on Investments	72,987	71,707	73,475	75,255	77,050
Investments	3,611,766	3,714,353	3,819,853	3,928,350	4,039,929
Total cash received	3,684,753	3,786,060	3,893,328	4,003,605	4,116,979
Cash used					
Purchase of property, plant and equipment	151	252	251	257	260
Investments	3,736,941	3,840,427	3,948,471	4,059,583	4,173,851
Total cash used	3,737,092	3,840,679	3,948,722	4,059,840	4,174,111
Net cash from/(used by) investing activities	(52,339)	(54,619)	(55,394)	(56,235)	(57,132)
Net increase/(decrease) in cash held	(1,621,287)	(1,648,248)	(1,702,935)	(1,711,678)	(1,661,991)
Cash and cash equivalents at beginning of reporting period	17,739	16,035	16,035	16,035	16,035
Cash from Official Public Account for:					
- Appropriations	1,619,583	1,648,248	1,702,935	1,711,678	1,661,991
Cash and cash equivalents at end of reporting period	16,035	16,035	16,035	16,035	16,035

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Administered Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	151	252	251	257	260
Total new capital appropriations	151	252	251	257	260
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	151	252	251	257	260
Total items	151	252	251	257	260
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB ^(a)	151	252	251	257	260
TOTAL	151	252	251	257	260
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	151	252	251	257	260
Total cash used to acquire assets	151	252	251	257	260

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Administered Capital Budgets (ACBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Statement of Administered Asset Movements (Budget Year 2015-16)

	Asset Category	
	Other property, plant and equipment	Total
	\$'000	\$'000
As at 1 July 2015		
Gross book value	2,360	2,360
Accumulated depreciation/amortisation and impairment	(579)	(579)
Opening net book balance	1,781	1,781
Capital Asset Additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation ordinary annual services ^(a)	252	252
Total additions	252	252
Other movements		
Depreciation/amortisation expense	(124)	(124)
Total other movements	(124)	(124)
As at 30 June 2016		
Gross book value	2,613	2,613
Accumulated depreciation/amortisation and impairment	(703)	(703)
Closing net book balance	1,910	1,910

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, ACBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Aboriginal Hostels Limited

Entity Resources and Planned Performance

ABORIGINAL HOSTELS LIMITED

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ABORIGINAL HOSTELS LIMITED

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

Aboriginal Hostels Limited (AHL) is an Australian Government company established under the *Corporations Act 2001*. AHL provides temporary accommodation to Aboriginal and Torres Strait Islander people through a national network of accommodation facilities. AHL contributes to the Portfolio's goals by providing accommodation that supports Aboriginal and Torres Strait Islander people to access educational, employment-related and health opportunities.

AHL provides safe, comfortable, culturally appropriate and affordable accommodation for Indigenous Australians who must live away from home to access services and labour markets.

In 2015-16 AHL will continue to:

- be an integral provider of, and primary adviser on, accommodation that supports the Australian Government's effort to overcome Aboriginal and Torres Strait Islander disadvantage
- operate in locations of greatest need, in priority areas of education, training, employment and health
- deliver a consistent standard of accommodation services, by service types across Australia
- sustainably manage and maintain its property portfolio
- be agile to respond to challenges, trends and opportunities that support Government priorities, ongoing business efficiency and operate sustainably
- pursue best practice in workplace health and safety.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: AHL Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	18,046	18,500	-	18,500
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	38,044	-	37,582	37,582
Total ordinary annual services	38,044	-	37,582	37,582
Other services^(b)				
Non-operating	1,244	-	-	-
Total other services	1,244	-	-	-
Total annual appropriations	39,288	-	37,582	37,582
Payments from related entities^(c)				
Amounts from				
Prime Minister and Cabinet	2,229	-	1,648	1,648
Amounts from other entities				
Northern Territory Government	2,073	-	1,118	1,118
Total	4,302	-	2,766	2,766
Total funds from Government	61,636	18,500	40,348	58,848
FUNDS FROM OTHER SOURCES				
Interest	324	-	579	579
Sale of goods and services	15,357	-	15,320	15,320
Other	367	-	43	43
Total	16,048	-	15,942	15,942
Total net resourcing for AHL	77,684	18,500	56,290	74,790

(a) *Appropriation Bill (No.1) 2015-16.*

(b) *Appropriation Bill (No.2) 2015-16.*

(c) Funding provided by a government entity that is not specified within the annual Appropriation Bills as a payment to the corporate entity.

All figures are GST exclusive.

AHL is not directly appropriated as it is a Commonwealth company. Appropriations are made to non-corporate Commonwealth entity PM&C, which are then paid to AHL and are considered 'departmental' for all purposes.

1.3 BUDGET MEASURES

AHL has no budget measures in the 2015-16 Budget.

1.4 REVISED PROGRAMME STRUCTURE

Since the publication of the 2014-15 PB Statements, AHL has moved to a single programme structure: 'Programme 1.1 - Company Operated Hostels'. The previously reported 'Programme 1.2 Community Operated Hostels' has been subsumed into Programme 1.1.

Following the consolidation of AHL's programme structure on 31 December 2014, all funding agreements under Programme 1.2 lapsed.

The changes to the level of disclosure, and the consolidation of programmes, in the 2015-16 PB Statements does not reduce the transparency of information, nor does it change the accountability of AHL. The level of disclosure reflects the current and future direction of AHL and ensures readability is consistent across entity statements in line with guidance set by the Department of Finance.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Improved access to education, employment, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating through the operation of temporary hostel accommodation services.

Outcome 1 Strategy

AHL delivers a network of accommodation services across Australia and provides special purpose accommodation for Aboriginal and Torres Strait Islander people.

AHL delivers its accommodation to a consistent standard by service type. AHL maintains a \$133.4 million property portfolio.

AHL continues to undertake regular reviews of all activities and programmes to ensure that existing and new services align with its strategic objectives and Government priorities.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Improved access to education, employment, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating through the operation of temporary hostel accommodation services.	2014-15 Estimated actual expenses	2015-16 Estimated expenses
	\$'000	\$'000
Programme 1.1: Company Operated Hostels		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	38,044	37,582
Payment from related entities	4,302	2,766
Revenues from other independent sources	16,048	15,942
Total for Programme 1.1	58,394	56,290
Outcome 1 totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	38,044	37,582
Payment from related entities	4,302	2,766
Revenues from other independent sources	16,048	15,942
Total expenses for Outcome 1	58,394	56,290
	2014-15	2015-16
Average Staffing Level (number)	417	404

Contributions to Outcome 1

Programme 1.1: Company Operated Hostels

Programme 1.1 Objective

To provide temporary accommodation for Indigenous Australians who must live away from home to access services and economic opportunity.

Programme 1.1 Expenses

Programme 1.1 expenditure is forecast to decrease in the Budget year due to operational changes at accommodation facilities operated by AHL^(a).

AHL will continue to deliver a programme of planned maintenance and capital investment during 2015-16 to deliver greater consistency in the standard of accommodation across facilities.

AHL will continue to efficiently manage the on-going delivery of quality services within budget.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Departmental item	58,394	56,290	56,184	56,496	56,823
Total programme expenses	58,394	56,290	56,184	56,496	56,823

(a) AHL has operated the Apmere Mwerre (Visitors Park) in Alice Springs on behalf of the Northern Territory Government (NTG) from 25 February 2011 to 30 June 2015. In 2015 NTG changed its service model and funding arrangements. AHL are not expecting to operate the accommodation facility beyond 30 June 2015.

Programme 1.1 Deliverables

Number of resident bed nights available for use per annum.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of resident bed nights available for use per annum	653,295	624,683	624,683	624,683	624,683

The decrease in resident bed nights available for use in 2015-16 and out years is due to the closure of five accommodation facilities in 2014-15 and the expiry of an operating contract for an externally funded accommodation facility in Alice Springs.

The number of beds available for use by prospective AHL residents at any particular time is adjusted as required to account for:

- rooms closed for planned maintenance
- rooms closed for unplanned repairs and maintenance (including repairing damage from natural disasters, storms, fires, floods and other events)
- rooms occupied by 'in residence' employees
- rooms closed for school holidays.

Programme 1.1 Key Performance Indicators

Occupancy level as a percentage of resident bed nights available per annum.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Occupancy level as a percentage of resident bed nights available	70%	70%	70%	70%	70%

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses and movements in government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds between Years

The AHL does not have any movement of administered funds between years.

3.1.2 Special Accounts

The AHL does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	<i>Approp Bill No. 1</i>	<i>Approp Bill No. 2</i>	<i>Total approp</i>	<i>Other</i>	<i>Total</i>	<i>Programme</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	
Aboriginal Hostels Ltd						
Outcome 1						
Departmental 2015-16	37,582	-	37,582	18,708	56,290	1.1
<i>Departmental 2014-15</i>	<i>38,044</i>	<i>1,244</i>	<i>39,288</i>	<i>20,350</i>	<i>59,638</i>	<i>1.1</i>
Total outcome 1 2015-16	37,582	-	37,582	18,708	56,290	
<i>Total outcome 1 2014-15</i>	<i>38,044</i>	<i>1,244</i>	<i>39,288</i>	<i>20,350</i>	<i>59,638</i>	
Total Departmental 2015-16	37,582	-	37,582	18,708	56,290	
<i>Total Departmental 2014-15</i>	<i>38,044</i>	<i>1,244</i>	<i>39,288</i>	<i>20,350</i>	<i>59,638</i>	
Total AGIE 2015-16	37,582	-	37,582	18,708	56,290	
<i>Total AGIE 2014-15</i>	<i>38,044</i>	<i>1,244</i>	<i>39,288</i>	<i>20,350</i>	<i>59,638</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The Comprehensive Income Statement (Table 3.2.1) recognises the full year revenue for 2015-16 on the basis of accrual accounting principles. However the impact of complying with Australian Accounting Standard 1004 Contributions, is that revenue received from other Commonwealth entities is to be recognised in the year when the funding is due and received, which is not necessarily the year that the funding is spent.

There are no significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards and Government Finance Statistics. Furthermore, there are no differences that arise because of related entity transactions.

3.2.2 Analysis of Budgeted Financial Statements

Comprehensive Income Statement

Employee benefits have decreased in the Budget year due to the divestment of five Company owned accommodation facilities in 2014-15 and the expiry of AHL's contract with the NTG to operate an accommodation facility in Alice Springs beyond 30 June 2015.

All funding agreements under Programme 1.2 (Community Operated Hostels) lapsed on 31 December 2014.

Budgeted Departmental Balance Sheet

The funds from the divestment of five Company owned accommodation facilities in 2014-15 is being identified for re-investment in locations of greatest need and where high demand for AHL service is evident.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	31,230	28,987	29,005	29,024	29,043
Suppliers	21,519	22,607	22,483	22,776	23,084
Grants	911	-	-	-	-
Depreciation and amortisation	4,546	4,508	4,508	4,508	4,508
Other expenses	188	188	188	188	188
Total expenses	58,394	56,290	56,184	56,496	56,823
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	15,357	15,320	15,439	15,560	15,681
Interest	324	579	579	579	579
Other	4,349	2,809	2,823	2,836	2,836
Total own-source revenue	20,030	18,708	18,841	18,975	19,096
Gains					
Sale of assets	320	-	-	-	-
Total gains	320	-	-	-	-
Total own-source income	20,350	18,708	18,841	18,975	19,096
Net cost of/(contribution by) services	38,044	37,582	37,343	37,521	37,727
Revenue from Government	38,044	37,582	37,343	37,521	37,727
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^(a)					
Total comprehensive income/(loss) - as per the Statement of comprehensive income	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents ^(a)	18,500	17,926	18,295	18,373	18,375
Trade and other receivables	1,031	731	631	531	500
Total financial assets	19,531	18,657	18,926	18,904	18,875
Non-financial assets					
Land and buildings	133,376	133,376	133,376	133,376	133,376
Property, plant and equipment	4,508	4,508	4,508	4,508	4,508
Intangibles	201	201	201	201	201
Heritage & cultural assets	1,357	1,343	1,329	1,315	1,301
Total non-financial assets	139,442	139,428	139,414	139,400	139,386
Total assets	158,973	158,085	158,340	158,304	158,261
LIABILITIES					
Payables					
Suppliers	2,880	2,880	2,880	2,690	2,690
Other payables	651	608	565	529	486
Total payables	3,531	3,488	3,445	3,219	3,176
Provisions					
Employee provisions	4,657	3,812	4,110	4,300	4,300
Total provisions	4,657	3,812	4,110	4,300	4,300
Total liabilities	8,188	7,300	7,555	7,519	7,476
Net assets	150,785	150,785	150,785	150,785	150,785
EQUITY*					
Contributed equity	94,243	94,243	94,243	94,243	94,243
Reserves	64,557	64,557	64,557	64,557	64,557
Retained surplus (accumulated deficit)	(8,015)	(8,015)	(8,015)	(8,015)	(8,015)
Total equity	150,785	150,785	150,785	150,785	150,785

(a) Cash and cash equivalents – includes funds received from the sale of accommodation facilities in 2014-15. These funds have been identified for re-investment in locations of greatest need and where high demand for our service is evident. The first re-investment proposal being reviewed is in Brisbane Queensland.

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(8,015)	64,557	94,243	150,785
Adjusted opening balance	(8,015)	64,557	94,243	150,785
Comprehensive income				
Surplus/(deficit) for the period	-	-	-	-
Total comprehensive income	-	-	-	-
Estimated closing balance as at 30 June 2016	(8,015)	64,557	94,243	150,785
Closing balance attributable to the Australian Government	(8,015)	64,557	94,243	150,785

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	38,044	37,582	37,343	37,521	37,727
Sale of goods and rendering of services	15,169	15,432	15,351	15,472	15,524
Interest	324	579	579	579	579
Net GST received	3,000	-	-	-	-
Other	4,349	2,809	2,823	2,836	2,836
Total cash received	60,886	56,402	56,096	56,408	56,666
Cash used					
Employees	30,765	29,832	28,707	28,834	29,043
Suppliers	24,518	22,607	22,483	22,966	23,084
Other	1,144	43	43	36	43
Total cash used	56,427	52,482	51,233	51,836	52,170
Net cash from/(used by) operating activities	4,459	3,920	4,863	4,572	4,496
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3,778	-	-	-	-
Other	600	-	-	-	-
Total cash received	4,378	-	-	-	-
Cash used					
Purchase of property, plant and equipment	9,627	4,494	4,494	4,494	4,494
Total cash used	9,627	4,494	4,494	4,494	4,494
Net cash from/(used by) investing activities	(5,249)	(4,494)	(4,494)	(4,494)	(4,494)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,244	-	-	-	-
Total cash received	1,244	-	-	-	-
Net cash from/(used by) financing activities	1,244	-	-	-	-
Net increase/(decrease) in cash held	454	(574)	369	78	2
Cash and cash equivalents at the beginning of the reporting period	18,046	18,500	17,926	18,295	18,373
Cash and cash equivalents at the end of the reporting period^(a)	18,500	17,926	18,295	18,373	18,375

(a) Cash and cash equivalents – includes funds received from the sale of accommodation facilities in 2014-15. These funds have been identified for re-investment in locations of greatest need and where high demand for our service is evident. The first re-investment proposal being reviewed is in Brisbane, Queensland.

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	1,244	-	-	-	-
Total new capital appropriations	1,244	-	-	-	-
<i>Provided for:</i>					
Purchase of non-financial assets	1,244	-	-	-	-
Total items	1,244	-	-	-	-
ASSETS					
Funded by capital appropriations ^(a)	5,577	-	-	-	-
Funded internally from departmental resources ^(b)	4,050	4,494	4,494	4,494	4,494
TOTAL	9,627	4,494	4,494	4,494	4,494
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	9,627	4,494	4,494	4,494	4,494
Total cash used to acquire assets	9,627	4,494	4,494	4,494	4,494

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s 74 Retained revenue receipts;
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category					Total \$'000
	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	
As at 1 July 2015						
Gross book value	39,780	102,421	8,770	1,398	544	152,913
Accumulated depreciation/amortisation and impairment	-	(8,825)	(4,262)	(41)	(343)	(13,471)
Opening net book balance	39,780	93,596	4,508	1,357	201	139,442
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	3,145	1,305	-	44	4,494
Total additions	-	3,145	1,305	-	44	4,494
Other movements						
Depreciation/amortisation expense	-	(3,145)	(1,305)	(14)	(44)	(4,508)
Total other movements	-	(3,145)	(1,305)	(14)	(44)	(4,508)
As at 30 June 2016						
Gross book value	39,780	105,566	10,075	1,398	588	157,407
Accumulated depreciation/amortisation and impairment	-	(11,970)	(5,567)	(55)	(387)	(17,979)
Closing net book balance	39,780	93,596	4,508	1,343	201	139,428

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2015-16, including Collection Development and Acquisition Budgets (CDABs).

Prepared on Australian Accounting Standards basis.

Australian National Audit Office

Entity Resources and Planned Performance

AUSTRALIAN NATIONAL AUDIT OFFICE

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AUSTRALIAN NATIONAL AUDIT OFFICE

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian National Audit Office's (ANAO) vision is to be an international leader in the provision of independent public sector audit and related services.

The ANAO's strategic direction is focussed on meeting statutory obligations and stimulating improvements in public administration.

In 2015-16, the emphasis will be on implementing initiatives to:

- ensure our services are high quality and provide insights into better public administration
- drive productivity improvements and support the long term sustainability for our audit programmes
- strengthen our leadership capability and succession planning to support agility in a complex and dynamic audit environment
- strengthen the understanding amongst stakeholders of our role and services.

These initiatives support ANAO values and will be met through the implementation of the ANAO's objectives and strategies in four key focus areas:

- independent and responsive
- value adding services
- capability to deliver world class services
- confidence in the delivery of our services.

1.2 ENTITY RESOURCE STATEMENT

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

The ANAO charges an audit fee for the financial statement audits of corporate Commonwealth entities, companies and their subsidiaries subject to the *Public Governance, Performance and Accountability Act 2013*. These fees are based on a scale determined by the Auditor-General under section 14 of the *Auditor-General Act 1997*, and are calculated on the basis of a cost attribution model. Revenues from these audit fees are paid into the Official Public Account and are not available to the ANAO. The revenue and receipts are shown in the Schedule of Budgeted Income and Expenses Administered on Behalf of Government (Table 3.2.7) and the Schedule of Budgeted Administered Cash Flows (Table 3.2.9), respectively.

The ANAO is also permitted to charge for 'audits by arrangement' under section 20(2) of the *Auditor-General Act 1997*. The revenue is shown as sales of goods and rendering of services in the Comprehensive Income Statement (Table 3.2.1).

Table 1.1: ANAO Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	35,936	35,479	-	35,479
Departmental appropriation ^(c)	73,799	-	73,087	73,087
s74 Retained revenue receipts ^(d)	3,500	-	3,500	3,500
Total	113,235	35,479	76,587	112,066
Total ordinary annual services	[A] 113,235	35,479	76,587	112,066
Other services				
Total other services	[B] -	-	-	-
Total available annual appropriations [A+B]	113,235	35,479	76,587	112,066
Special appropriations				
Special appropriations limited by criteria/entitlement				
Auditor-General remuneration and expense - <i>Auditor-General Act 1997</i> Schedule 1, sections 3 and 7	626	-	644	644
<i>Public Governance, Performance and Accountability Act 2013</i> - s77 ^(e)	32	-	-	-
Total special appropriations	[C] 658	-	644	644
Total appropriations excluding special accounts	113,893	35,479	77,231	112,710
Special accounts				
Total special accounts	[D] -	-	-	-
Total resourcing [A+B+C+D]	113,893	35,479	77,231	112,710
Total net resourcing for ANAO	113,893	35,479	77,231	112,710

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$1.0m for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated retained revenue receipts under section 74 of the PGPA Act.

(e) Repayments not provided for under other appropriations. Amounts received on or before 30 June 2014 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.

1.3 BUDGET MEASURES

ANAO has no budget measures in the 2015-16 Budget.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

The ANAO's Outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the ANAO in achieving government outcomes.

The ANAO has management information systems in place to allow it to fully cost all audit and support activities. All audit-related costs are directly costed to the relevant audit or related services. All other costs not directly attributable to audits or related services are allocated having regard to the nature of the expenditure.

Outcome 1: To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public.

Outcome 1 Strategy

The key strategy by which the ANAO will seek to achieve this outcome is through its audit services, which include:

- financial statements audits of Australian Government entities
- performance audits of Australian Government programmes and entities.

The ANAO audits the annual financial statements of Australian Government entities and the Consolidated Financial Statements of the Australian Government. The Consolidated Financial Statements present the consolidated whole-of-government financial result inclusive of all Australian Government controlled entities, including entities outside the general government sector. These audits are designed to give assurance to stakeholders that an entity's financial statements fairly represented its financial operations and financial position at year end.

The ANAO also undertakes a range of assurance reviews, including an assurance review of Defence Materiel Organisation's (DMO's) major projects.

The ANAO's performance audit activities involve the audit of all or part of an entity's operations to assess its efficiency or administrative effectiveness. The ANAO identifies areas where improvements can be made to aspects of public administration, and makes specific recommendations to assist public sector entities improve their programme management.

The performance audit activity also extends to conducting performance audits of Commonwealth partners, which are those bodies (e.g. grant recipients or contractors) that receive money directly or indirectly from the Commonwealth for a particular purpose. Such audits may be conducted only to the extent that they assess the operations of the Commonwealth partner in relation to achieving the Commonwealth purpose. This power also extends to state and territory bodies that receive money from the Commonwealth if the audit is conducted at the request of the Joint Committee of Public Accounts and Audit or the responsible Commonwealth Minister.

The ANAO also contributes to improvements in Commonwealth public administration by identifying and promoting better practice that assists entities to perform at their most efficient level, and adds value to their outputs and services. Adopting better practices can help transform and improve business processes and potentially can lead to overall improvements in the administration of the entity as a whole.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Assurance Audit Services		
Administered expenses		
Special appropriations	32	-
Departmental expenses		
Departmental appropriation ^(a)	47,439	46,937
Special appropriations	313	322
Expenses not requiring appropriation in the Budget year ^(b)	1,014	1,015
Total for Programme 1.1	48,798	48,274
Programme 1.2: Performance Audit Services		
Departmental expenses		
Departmental appropriation ^(a)	28,847	28,649
Special appropriations	313	322
Expenses not requiring appropriation in the Budget year ^(b)	891	890
Total for Programme 1.2	30,051	29,861
Outcome 1 Totals by appropriation type		
Administered expenses		
Special appropriations	32	-
Departmental expenses		
Departmental appropriation ^(a)	76,286	75,586
Special appropriations	626	644
Expenses not requiring appropriation in the Budget year ^(b)	1,905	1,905
Total expenses for Outcome 1	78,849	78,135
	2014-15	2015-16
Average Staffing Level (number)	338	345

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources' (s 74).

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

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

Contributions to Outcome 1

Programme 1.1: Assurance Audit Services

Programme 1.1 Objectives

The objectives of this programme are:

- to provide assurance on the fair presentation of financial statements of the Australian Government and its controlled entities by providing independent audit opinions and related reports for the information of Parliament, the Executive and the public
- to contribute to improvements in the financial administration of Australian Government entities
- to contribute to the auditing profession and public sector developments nationally and internationally.

Programme 1.1 Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Special appropriations:					
Auditor-General remuneration and expenses - <i>Auditor-General Act 1997</i>	313	322	332	342	352
<i>Public Governance, Performance and Accountability Act 2013 - s77</i>	32	-	-	-	-
Annual departmental expenses:					
Employee expenses	22,800	23,373	23,799	23,857	23,680
Supplier expenses	24,639	23,564	23,309	23,686	24,036
Expenses not requiring appropriation in the Budget year ^(a)	1,014	1,015	1,005	1,007	578
Total programme expenses	48,798	48,274	48,445	48,892	48,646

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expense.

Programme 1.1 Deliverables

The deliverables for the primary components of this programme are listed below:

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of financial statement audit opinions issued	258	250	250	250	250
Number of other assurance reports produced ^(a)	47	45	45	45	45
Number of financial statement related reports produced	2	2	2	2	2
Number of engagements that contribute to public sector auditing and support developing nations	20	20	20	20	20

(a) Includes DMO Major Projects report.

Programme 1.1 Key Performance Indicators

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Percentage of Parliamentarians surveyed expressing satisfaction with assurance provided by ANAO audit opinions issued in relation to the financial statements of the Australian Government and its entities	90%	90%	90%	90%	90%
Percentage of Australian Government entities that are provided with an audit opinion for tabling in the Parliament	100%	100%	100%	100%	100%
Percentage of Australian Government entities that acknowledge the value added by ANAO services	90%	90%	90%	90%	90%

Programme 1.2: Performance Audit Services

Programme 1.2 Objectives

The objectives of this programme are:

- to report objectively on the performance of Australian Government programmes and entities, including opportunities for improvement, by undertaking a programme of independent performance audits and related reports for the information of Parliament, the Executive and the public
- to contribute to improvements in Australian Government administration by identifying and promoting better practice
- to contribute to the auditing profession and public sector developments nationally and internationally.

Programme 1.2 Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Special appropriations:					
Auditor-General remuneration and expenses - <i>Auditor-General Act 1997</i>	313	322	332	342	352
Annual departmental expenses:					
Employee expenses	21,011	21,225	20,262	19,959	19,894
Supplier expenses	7,836	7,424	7,390	7,534	7,703
Expenses not requiring appropriation in the Budget year ^(a)	891	890	881	884	508
Total programme expenses	30,051	29,861	28,865	28,719	28,457

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expense.

Programme 1.2 Deliverables

The deliverables for the primary components of this programme are listed below:

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of performance audit reports presented ^(a)	49	49	48	48	48
Number of Better Practice Guides and other reports produced	3	3	3	3	3
Number of appearances and submissions to Parliamentary committees	20	20	20	20	20
Number of engagements that contribute to public sector auditing and support developing nations	20	20	20	20	20

(a) These deliverables are dependent on ANAO capacity, and changes to the public sector environment which influences the scale and scope of performance audits undertaken.

Programme 1.2 Key Performance Indicators

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Percentage of Parliamentarians surveyed expressing satisfaction with ANAO services directed towards improving Australian Government administration	90%	90%	90%	90%	90%
Percentage of recommendations included in performance audit reports agreed by audited entities	90%	90%	90%	90%	90%
Percentage of Australian Government entities that acknowledge the value added by ANAO services	90%	90%	90%	90%	90%

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

The ANAO does not have any movement of administered funds between years.

3.1.2 Special Accounts

The ANAO does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

The ANAO does not administer any Indigenous spending programmes. The ANAO does undertake financial statement audits of Indigenous entities, and of entities administering Indigenous programmes, and also undertakes performance audits of Indigenous related programmes.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The Entity Resource Statement (Table 1.1) provides a consolidated view of all the resources available to an entity in 2015-16. This includes appropriation receivable that is yet to be drawn down to cover payables and provisions on the Budgeted Departmental Balance Sheet (Table 3.2.2). The Comprehensive Income Statement (Table 3.2.1) shows the operating appropriation provided in 2015-16.

3.2.2 Analysis of Budgeted Financial Statements

Departmental

Comprehensive Income Statement

Total income in 2015-16 is budgeted at \$76.2 million (2014-15: \$76.9 million). Revenue from Government (appropriation funding) has decreased from \$73.4 million to \$72.7 million. This mainly reflects funding reductions arising from efficiency dividends and other savings measures.

Other revenue is expected to remain steady at \$3.5 million. This revenue relates to:

- international project funding of \$1.8 million to support the Indonesian Board of Audit and the Papua New Guinea Auditor-General's Office
- own sourced revenue of \$1.7 million for 'audits by arrangement' under section 20(2) of the *Auditor-General Act 1997* and building sublease income.

Operating expenses for 2015-16 are estimated to total \$78.1 million (2014-15: \$78.8 million).

Budgeted Departmental Balance Sheet

The Departmental Balance Sheet (Table 3.2.2) shows the ANAO's net asset position remaining strong and stable.

At this point, no major financial transactions have been planned for 2015-16 and the total assets and liabilities values are expected to remain stable.

Budgeted Statement of Cash Flows

The Statement of Cash Flows is consistent with, and representative of, the transactions reported in the Comprehensive Income Statement (Table 3.2.1), adjusted for non-cash items and anticipated capital purchases.

The ANAO's working cash balance is in accordance with the ANAO's agreement with the Department of Finance.

Budgeted Capital Budget Statement

The Departmental Capital Budget Statement (Table 3.2.5) shows the expected capital works programme for the current and forward years. Total capital expenditure in

2015-16 is estimated to be \$1.0 million. In addition, the ANAO forecasts spending a further \$3.0 million on capital works over the forward estimates.

Administered

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

Estimated revenues from the provision of audit services to certain Australian Government entities reflect the estimated recovery of audit costs.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

The estimated administered assets and liabilities relate to ongoing audit activity. No non-financial administered assets are held.

Schedule of Budgeted Administered Cash Flows

Administered monies are transferred to the Official Public Account on an ongoing basis.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	44,437	45,242	44,725	44,500	44,278
Suppliers	32,475	30,988	30,699	31,220	31,739
Depreciation and amortisation	1,905	1,905	1,886	1,891	1,086
Total expenses	78,817	78,135	77,310	77,611	77,103
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,500	1,500	1,500	1,500	1,500
Rental income	200	200	200	200	200
International development funding	1,800	1,800	1,800	1,800	1,800
Total own-source revenue	3,500	3,500	3,500	3,500	3,500
Total own-source income	3,500	3,500	3,500	3,500	3,500
Net cost of/(contribution by) services	75,317	74,635	73,810	74,111	73,603
Revenue from Government	73,412	72,730	71,924	72,220	72,517
Surplus/(deficit) attributable to the Australian Government	(1,905)	(1,905)	(1,886)	(1,891)	(1,086)
Total comprehensive income/(loss)	(1,905)	(1,905)	(1,886)	(1,891)	(1,086)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	1,905	1,905	1,886	1,891	1,086
Total comprehensive income/(loss) - as per the statement of comprehensive income	(1,905)	(1,905)	(1,886)	(1,891)	(1,086)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	660	660	660	660	660
Trade and other receivables	36,103	35,905	35,707	35,509	35,466
Other financial assets	238	238	238	238	238
Total financial assets	37,001	36,803	36,605	36,407	36,364
Non-financial assets					
Land and buildings	2,751	1,861	971	81	-
Property, plant and equipment	1,538	1,590	1,495	1,604	1,591
Intangibles	1,216	1,150	1,241	1,127	1,135
Other non-financial assets	970	970	970	970	970
Total non-financial assets	6,475	5,571	4,677	3,782	3,696
Total assets	43,476	42,374	41,282	40,189	40,060
LIABILITIES					
Payables					
Suppliers	4,191	4,191	4,191	4,191	4,191
Operating lease	637	439	241	43	-
Total payables	4,828	4,630	4,432	4,234	4,191
Provisions					
Employee provisions	14,964	14,964	14,964	14,964	14,964
Total provisions	14,964	14,964	14,964	14,964	14,964
Total liabilities	19,792	19,594	19,396	19,198	19,155
Net assets	23,684	22,780	21,886	20,991	20,905
EQUITY*					
Contributed equity	10,585	11,586	12,578	13,574	14,574
Reserves	626	626	626	626	626
Retained surplus (accumulated deficit)	12,473	10,568	8,682	6,791	5,705
Total equity	23,684	22,780	21,886	20,991	20,905

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	12,473	626	10,585	23,684
Adjusted opening balance	12,473	626	10,585	23,684
Comprehensive income				
Surplus/(deficit) for the period	(1,905)	-	-	(1,905)
Total comprehensive income	10,568	626	10,585	21,779
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,001	1,001
Sub-total transactions with owners	-	-	1,001	1,001
Estimated closing balance as at 30 June 2016	10,568	626	11,586	22,780
Closing balance attributable to the Australian Government	10,568	626	11,586	22,780

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	73,869	72,928	72,123	72,418	72,560
Sale of goods and rendering of services	1,500	1,500	1,500	1,500	1,500
Rent	200	200	200	200	200
Other	1,800	1,800	1,800	1,800	1,800
Total cash received	77,369	76,428	75,623	75,918	76,060
Cash used					
Employees	44,437	45,242	44,726	44,500	44,278
Suppliers	32,673	31,186	30,897	31,418	31,782
Total cash used	77,110	76,428	75,623	75,918	76,060
Net cash from/(used by) operating activities	259	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,272	1,001	992	996	1,000
Total cash used	1,272	1,001	992	996	1,000
Net cash from/(used by) investing activities	(1,272)	(1,001)	(992)	(996)	(1,000)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,013	1,001	992	996	1,000
Total cash received	1,013	1,001	992	996	1,000
Net cash from/(used by) financing activities	1,013	1,001	992	996	1,000
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	660	660	660	660	660
Cash and cash equivalents at the end of the reporting period	660	660	660	660	660

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,013	1,001	992	996	1,000
Total new capital appropriations	1,013	1,001	992	996	1,000
<i>Provided for:</i>					
Purchase of non-financial assets	1,013	1,001	992	996	1,000
Total Items	1,013	1,001	992	996	1,000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ^(a)	1,272	1,001	992	996	1,000
TOTAL	1,272	1,001	992	996	1,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,272	1,001	992	996	1,000
Total cash used to acquire assets	1,272	1,001	992	996	1,000

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category			Total
	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	5,417	2,884	5,517	13,818
Accumulated depreciation/amortisation and impairment	(2,666)	(1,346)	(4,301)	(8,313)
Opening net book balance	2,751	1,538	1,216	5,505
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	-	532	469	1,001
Total additions	-	532	469	1,001
Other movements				
Depreciation/amortisation expense	(890)	(480)	(535)	(1,905)
Total other movements	(890)	(480)	(535)	(1,905)
As at 30 June 2016				
Gross book value	5,417	3,416	5,986	14,819
Accumulated depreciation/amortisation and impairment	(3,556)	(1,826)	(4,836)	(10,218)
Closing net book balance	1,861	1,590	1,150	4,601

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Other expenses	32	-	-	-	-
Total expenses administered on behalf of Government	32	-	-	-	-
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	12,650	13,000	13,150	13,300	13,300
Total non-taxation revenue	12,650	13,000	13,150	13,300	13,300
Total own-source revenue administered on behalf of Government	12,650	13,000	13,150	13,300	13,300
Total own-sourced income administered on behalf of Government	12,650	13,000	13,150	13,300	13,300
Net cost of/(contribution by) services	(12,618)	(13,000)	(13,150)	(13,300)	(13,300)
Total comprehensive income/(loss)	12,618	13,000	13,150	13,300	13,300

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	3,899	3,899	3,899	3,899	3,899
Other financial assets	2,010	2,010	2,010	2,010	2,010
Total financial assets	5,909	5,909	5,909	5,909	5,909
Total assets administered on behalf of Government	5,909	5,909	5,909	5,909	5,909
LIABILITIES					
Payables					
Suppliers	355	355	355	355	355
Total payables	355	355	355	355	355
Total liabilities administered on behalf of Government	355	355	355	355	355
Net assets/(liabilities)	5,554	5,554	5,554	5,554	5,554

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	12,650	13,000	13,150	13,300	13,300
Other	32	-	-	-	-
Total cash received	12,682	13,000	13,150	13,300	13,300
Cash used					
Other	32	-	-	-	-
Total cash used	32	-	-	-	-
Net cash from/(used by) operating activities	12,650	13,000	13,150	13,300	13,300
Net increase/(decrease) in cash held	12,650	13,000	13,150	13,300	13,300
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Transfers to other entities (Finance - Whole of Government)	(12,650)	(13,000)	(13,150)	(13,300)	(13,300)
Total cash to Official Public Account	(12,650)	(13,000)	(13,150)	(13,300)	(13,300)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Australian Public Service Commission

Entity Resources and Planned Performance

AUSTRALIAN PUBLIC SERVICE COMMISSION

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AUSTRALIAN PUBLIC SERVICE COMMISSION

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The planned outcome of the Australian Public Service Commission (APSC) is to increase awareness and adoption of best practice public administration by the Australian Public Service (APS) through leadership, promotion, advice and professional development, drawing on research and evaluation. The APSC takes a central leadership role in providing expertise, guidance and performance monitoring on workforce management strategies. The APSC also supports the Australian Public Service Commissioner and the Merit Protection Commissioner to undertake statutory functions under the *Public Service Act 1999*, including functions to uphold high standards of integrity and conduct in the APS and to review employment decisions.

In 2015-16 the APSC will focus on its strategic priorities. These priorities reflect APSC's statutory responsibilities, and are consistent with supporting frameworks for a modern and flexible workforce.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: APSC Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	21,814	21,264	-	21,264
Departmental appropriation ^(c)	22,059	-	21,064	21,064
s74 Retained revenue receipts ^(d)	22,319	-	20,244	20,244
Total	66,192	21,264	41,308	62,572
Total ordinary annual services	[A] 66,192	21,264	41,308	62,572
Other services				
Total other services	[B] -	-	-	-
Total available annual appropriations [A+B]	66,192	21,264	41,308	62,572
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Remuneration Tribunal Act 1973</i>	61,963	-	63,141	63,141
Total special appropriations	[C] 61,963	-	63,141	63,141
Total appropriations excluding special accounts	128,155	21,264	104,449	125,713
Special accounts				
Total special accounts	[D] -	-	-	-
Total resourcing [A+B+C+D]	128,155	21,264	104,449	125,713
Total net resourcing for APSC	128,155	21,264	104,449	125,713

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$0.4m in 2015-16 for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated retained revenue receipts under section 74 (s 74) of the PGPA Act.

Reader note: All figures are GST exclusive.

Table 1.1: APSC Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015 (continued)

Third Party Payments From and on Behalf of Other Entities

	2014-15 \$'000	2015-16 \$'000
Payments made by other entities on behalf of APSC		
Attorney-General's Department		
<i>Remuneration Tribunal Act 1973</i>	3,791	3,863
Department of the House of Representatives		
<i>Remuneration Tribunal Act 1973</i>	38,351	39,080
Department of the Senate		
<i>Remuneration Tribunal Act 1973</i>	19,821	20,198
Total payments made by other entities on behalf of APSC	61,963	63,141

1.3 BUDGET MEASURES

The APSC has no budget measures in the 2015-16 Budget.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Increased awareness and adoption of best practice public administration by the public service through leadership, promotion, advice and professional development, drawing on research and evaluation.

Outcome 1 Strategy

The APSC takes a central leadership role in providing expertise, guidance, performance monitoring and some centralised services to all entities through:

- improving workforce management strategies aimed at enhancing APS-wide and entity capability and effectiveness
- ensuring greater consistency across the APS through promotion of the APS values and coordination of workplace relations for Australian Government employees
- strengthening the APS's leadership and management capabilities, and building the bench strength of its leadership cohort, through the implementation of a whole-of-APS Leadership and Core Skills Strategy.

The APSC also undertakes statutory functions under the *Public Service Act 1999*, including functions to uphold high standards of integrity and conduct in the APS and to review employment decisions.

The APSC is responsible for Australian Government policies for enterprise bargaining in Australian Government employment, classification structures, pay and employment conditions for Australian Government employees, work level standards and workplace relations advice. These include encouraging entities to establish workplace arrangements that support efficient public administration.

The APSC will continue to report publicly on the state of the APS through the 2015-16 State of the Service report which will assess APS workforce trends and capability. One of the key information sources for the report is a census of all APS employees.

The APSC international programmes will continue to partner with other countries to develop their public sector capability and capacity, consistent with the priorities of the Department of Foreign Affairs and Trade.

The APSC will continue to focus on APS employees and organisational performance, investing in APS development and capability and Australian Government employment workplace relations.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Increased awareness and adoption of best practice public administration by the public service through leadership, promotion, advice and professional development, drawing on research and evaluation.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Australian Public Service Commission		
Departmental expenses		
Departmental appropriation ^(a)	43,956	40,891
Expenses not requiring appropriation in the Budget year ^(b)	1,163	1,164
Total for Programme 1.1	45,119	42,055
Programme 1.2: Parliamentarians' and Judicial Office Holders Remuneration and Entitlements		
Administered expenses		
Special appropriations	61,963	63,141
Total for Programme 1.2	61,963	63,141
Outcome 1 totals by appropriation type		
Administered expenses		
Special appropriations	61,963	63,141
Departmental expenses		
Departmental appropriation ^(a)	43,956	40,891
Expenses not requiring appropriation in the Budget year ^(b)	1,163	1,164
Total expenses for Outcome 1	107,082	105,196
	2014-15	2015-16
Average Staffing Level (number)	218	213

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses and audit fees.

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

Contributions to Outcome 1

Programme 1.1: Australian Public Service Commission

Programme 1.1 Objectives

APS People and Organisational Performance

- to provide high quality policy advice to the Government, the Minister and the Australian Public Service, on matters covered by the *Public Service Act 1999*
- to facilitate the continuous improvement of APS-wide workforce management strategies that support a modern and flexible workforce
- to manage and provide quality policy advice on the Australian Public Service Commissioner's statutory responsibilities in relation to SES employees, heads of entities and statutory office holders
- to support the review, inquiry and reporting functions of the Australian Public Service Commissioner and the Merit Protection Commissioner and contribute to improving the standards of decision-making and people management practices across the APS
- to work with entities to promote the APS Values, and promote public service ethics and integrity
- to work with entities to build a high performance culture across the APS
- to ensure that APS entities have access to leadership strategies to enhance specific capability and leadership development
- to work with entities to build inclusive workplace cultures, and to ensure that the diversity of the APS workforce reflects that of the Australian population.

Investing in APS Development and Capability

- to enhance the core skills of the APS workforce
- to improve the efficiency and effectiveness of leadership and core skills development across the APS
- to enable entities to enhance their approach to leadership development, talent management and core skills learning and development
- to contribute to the increased awareness and adoption of best practice public administration by providing leadership and professional development programmes
- to assist APS entities achieve effective and efficient procurement of capability development services
- to assist identified International governments to build public sector capability and capacity on behalf of the Australian Government.

Australian Government Employment Workplace Relations

- to foster efficient APS workforce relations to ensure employment bargaining supports affordable and productive workforce arrangements and to provide advice and support for workplace relations within Australian Government employment
- to strengthen and streamline the employment bargaining framework
- to enhance and maintain employment frameworks, including classification and work level standards, to support cost-effective whole-of-APS delivery to government and stakeholders
- to advise entities on the impact of machinery of government changes on the terms and conditions of employees
- to assist in the process of modernising the APS Award and several non-APS awards
- to assist the Remuneration Tribunal and the Defence Force Remuneration Tribunal meet their respective statutory obligations.

Programme 1.1 Expenses

Expenses are expected to reduce in 2015-16 due to the termination in 2014-15 of the Australian Public Service Employment and Capability Strategy for Aboriginal and/or Torres Strait Islander Employees Budget measure.

Expenses are expected to reduce in 2016-17 as the five year entity funding agreements for the Strategic Centre for APS Leadership, Learning and Development expires.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Departmental appropriation	21,637	20,647	20,450	20,583	20,725
s74 Retained revenue receipts	22,319	20,244	14,782	14,855	14,950
Expenses not requiring appropriation in the Budget year ^(a)	1,163	1,164	1,165	1,166	1,167
Total programme expenses	45,119	42,055	36,397	36,604	36,842

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Programme 1.1 Deliverables

The APSC's key deliverables are:

APS People and Organisational Performance

- providing high quality policy advice to the Government, the Minister and the Australian Public Service on matters covered by the *Public Service Act 1999*
- supporting the continuous and sustainable development of entities' workforce management strategies, capability frameworks and benchmarking processes
- supporting the review, inquiry and reporting functions and contribute to improving the standards of decision-making and people management practices across the APS
- working with entities to promote the APS Values, ethics and integrity
- embedding an attitudinal and behavioural change to the management of performance to build a high performance culture across the APS
- supporting entities to implement strategies that progressively strengthen diversity within the APS
- publishing the *State of the Service Report* and other reports to assist in advising Government and the APS
- delivering the Ethics Advisory Service to assist employees and entities
- meeting performance benchmarks in discharging statutory functions in respect of SES matters.

Investing in APS Development and Capability

- designing, developing and delivering best practice, contemporary leadership development programmes and interventions
- designing, developing and delivering intensive development programmes for high potential leaders
- designing contemporary, best practice learning programmes and interventions relating to management and core skills
- centrally procuring programmes where there is a return on investment in terms of efficiency and/or cultural benefits
- improving evaluation of programme outcomes
- thought leadership, supporting and advising entities on best practice in the areas of leadership, learning and development
- providing a range of leadership and professional development programmes that build knowledge and skills to improve capability
- establishing and managing panels of high quality suppliers whose services

support APS development and capability

- strengthening the capability of partner governments to develop and implement strategic initiatives that improve their public sector effectiveness, efficiency and the quality of services to citizens.

Australian Government Employment Workplace Relations

- providing high quality advice to entities and the Minister on workplace employment arrangements
- administering enterprise bargaining arrangements
- maintaining and supporting the policy and employment frameworks, including the APS-wide work level standards and classifications to ensure that these arrangements support a united APS
- providing high-quality advisory and administrative support to the Remuneration Tribunal and the Defence Force Remuneration Tribunal.

Programme 1.1 Key Performance Indicators

Investing in APS Development and Capability

- APS has sufficient leadership capability to meet current and future business requirements - to become more citizen-centric, to be able to solve complex problems, to operate as one-APS, to anticipate challenges and implement Government programmes and decisions effectively
- APS entities have access to high quality, contemporary, strategically aligned leadership and talent development programmes that build the capability required in the APS
- the degree to which programmes improve leadership and management effectiveness
- APS entities have a range of means for accessing core skills development programmes
- improved quality and consistency of core skills delivery across the APS through entity use of quality assured providers and learning designs
- APS entities have access to thought leadership, support and advice to support their leadership development and talent management initiatives
- procurement of capability development services to maximise the return on the financial investment made by APS entities
- APS will support the Australian Government's aid programme by strengthening the capability of partner governments to develop and implement strategic initiatives that improve their public sector effectiveness, efficiency and the quality of service to citizens.

continued on next page.

Programme 1.1 Key Performance Indicators (continued)					
	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
APS people and organisational performance:					
Degree of satisfaction of the Minister, heads of entities and other clients as expressed through feedback about the quality and timeliness of services and advice provided by the APSC	Very good or above	Very good or above	Very good or above	Very good or above	Very good or above
Number of reviews, excluding promotion reviews, finalised on behalf of the Merit Protection Commissioner	185	185	185	185	185
Percentage of reviews conducted on behalf of the Merit Protection Commissioner completed within published timeframes	70%	75%	75%	75%	75%
Percentage of high level use of and satisfaction with the State of the Service Report and other research and evaluation reports by the SES, entities and other clients	75%	75%	75%	75%	75%
Investing in APS development and capability:					
Percentage of responding attendees of leadership programmes agreed that they had increased their confidence to apply selected leadership practices	-	90%	90%	90%	90%
Percentage of responding attendees of core skills programmes agreed that they had increased their confidence to apply selected leadership practices	-	90%	90%	90%	90%
Australian Government employment workplace relations:					
Level of satisfaction of the:					
President of the Defence Force Remuneration Tribunal with the quality and timeliness of the services provided by the Secretariat	Very good or above	Very good or above	Very good or above	Very good or above	Very good or above
President of the Remuneration Tribunal with the quality and timeliness of the services provided by the Secretariat	Very good or above	Very good or above	Very good or above	Very good or above	Very good or above

Programme 1.2: Parliamentarians' and Judicial Office Holders Remuneration and Entitlements

Programme 1.2 Objective

The objective of this programme is to facilitate the payment of remuneration, allowances and entitlements to Parliamentarians' and Judicial Office Holders.

Programme 1.2 Expenses

The Department of the Senate, the Department of the House of Representatives and the Attorney-General's Department make all of the payments for this programme.

These payments are funded by special appropriations, with expenses moving in line with the level of remuneration, allowances and entitlements for Parliamentarians and Judicial Office Holders.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Special appropriations:					
<i>Remuneration Tribunal Act 1973</i>	61,963	63,141	64,404	65,692	67,006
Total programme expenses	61,963	63,141	64,404	65,692	67,006

Programme 1.2 Deliverables

The key deliverable is the payment of remuneration, allowances and entitlements to Parliamentarians and Judicial Office Holders.

Data is not provided for deliverables because the administered items are paid by the Department of the Senate, the Department of the House of Representatives and the Attorney-General's Department.

Programme 1.2 Key Performance Indicators

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Percentage of all variations to remuneration and entitlements are processed in a timely manner with an accuracy of at least 99%	99%	99%	99%	99%	99%

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

APSC does not have any movement of administered funds between years.

3.1.2 Special Accounts

APSC does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	<i>Approp Bill No. 1 \$'000</i>	<i>Approp Bill No. 2 \$'000</i>	<i>Special approp \$'000</i>	<i>Total approp \$'000</i>	<i>Other \$'000</i>	<i>Total \$'000</i>	<i>Programme</i>
APSC							
Outcome 1							
Australian Public Service Commission							
Departmental 2015-16	772	-	-	772	1,005	1,777	1.1
<i>Departmental 2014-15</i>	<i>798</i>	<i>-</i>	<i>-</i>	<i>798</i>	<i>1,247</i>	<i>2,045</i>	<i>1.1</i>
Total outcome 1 2015-16	772	-	-	772	1,005	1,777	
<i>Total outcome 1 2014-15</i>	<i>798</i>	<i>-</i>	<i>-</i>	<i>798</i>	<i>1,247</i>	<i>2,045</i>	
Total Departmental 2015-16	772	-	-	772	1,005	1,777	
<i>Total Departmental 2014-15</i>	<i>798</i>	<i>-</i>	<i>-</i>	<i>798</i>	<i>1,247</i>	<i>2,045</i>	
Total AGIE 2015-16	772	-	-	772	1,005	1,777	
<i>Total AGIE 2014-15</i>	<i>798</i>	<i>-</i>	<i>-</i>	<i>798</i>	<i>1,247</i>	<i>2,045</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The Entity Resource Statement (Table 1.1) provides a consolidated view of all the resources available to the entity in 2015-16 including both departmental and administered funding. This includes appropriation that is yet to be drawn down to cover departmental payables and provisions on the Balance Sheet. The Departmental Comprehensive Income Statement (Table 3.2.1) shows only the departmental operating appropriation provided in each year.

3.2.2 Analysis of Budgeted Financial Statements

Comprehensive Income Statement

In all Budget years the APSC is budgeting for a break-even operating result, adjusted for depreciation and amortisation expenses.

Appropriations will reduce in 2015-16 as funding terminates for the Australian Public Service Employment and Capability Strategy for Aboriginal and/or Torres Strait Islander Employees Budget measure.

Goods and services income will reduce in 2015-16 as there is expected to be reduced demand for the APSC's services.

Income is projected to reduce in 2016-17 as a result of the expiration of the five year entity funding agreements for the Strategic Centre for APS Leadership, Learning and Development.

Budgeted Departmental Balance Sheet

Cash balances are maintained at a working level of \$0.5 million. Cash holdings above this level are transferred as a receivable held in the Official Public Account.

Receivables vary in line with the APSC's capital investment cycle for fee for service activities. Receivables will remain constant in 2015-16 and decrease in future years to enable future asset reinvestment.

The main payables and provisions of the APSC are expected to remain at around current levels. The operating lease incentive liability will reduce over the Budget year and forward years as the upfront incentives received from lessors for office leases are allocated as rebates to lease expense over the term of those leases.

Net equity will reduce over the Budget and forward years as the level of Departmental Capital Budget funding is lower than the loss incurred due to net cash appropriation arrangements.

APSC Budget Statements

Administered Financial Statements

The administered transactions are for payments of Parliamentarians' and Judicial Office Holders' remuneration and entitlements. These payments are funded by special appropriations and are disclosed in the Administered Schedule of Income and Expenses (Table 3.2.7) and Schedule of Cash Flows (Table 3.2.9). There are no administered liabilities or assets as all remuneration and entitlements are paid in the month in which they are incurred.

Expenses are expected to increase each year as the Remuneration Tribunal is required by its legislation to review remuneration for Parliamentarians' and Judicial Office Holders' annually. In the past this review has generally led to increases in remuneration.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	26,854	26,086	22,588	22,792	22,957
Suppliers	17,128	14,564	12,407	12,416	12,489
Depreciation and amortisation	1,127	1,396	1,396	1,396	1,396
Finance costs	10	9	6	-	-
Total expenses	45,119	42,055	36,397	36,604	36,842
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	22,319	20,244	14,782	14,855	14,950
Other	41	42	43	44	45
Total own-source revenue	22,360	20,286	14,825	14,899	14,995
Total own-source income	22,360	20,286	14,825	14,899	14,995
Net cost of/(contribution by) services	22,759	21,769	21,572	21,705	21,847
Revenue from Government	21,637	20,647	20,450	20,583	20,725
Surplus/(deficit) attributable to the Australian Government	(1,122)	(1,122)	(1,122)	(1,122)	(1,122)
Total comprehensive income/(loss)	(1,122)	(1,122)	(1,122)	(1,122)	(1,122)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	1,122	1,122	1,122	1,122	1,122
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(1,122)	(1,122)	(1,122)	(1,122)	(1,122)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	450	450	450	450	450
Trade and other receivables	24,013	23,139	22,578	21,863	21,314
Total financial assets	24,463	23,589	23,028	22,313	21,764
Non-financial assets					
Land and buildings	1,760	1,429	1,186	1,017	843
Property, plant and equipment	1,057	845	600	607	411
Intangibles	1,199	1,428	1,413	1,076	953
Inventories	42	42	42	42	42
Prepayments	522	522	522	522	522
Total non-financial assets	4,580	4,266	3,763	3,264	2,771
Total assets	29,043	27,855	26,791	25,577	24,535
LIABILITIES					
Payables					
Suppliers	5,335	5,202	5,002	4,809	4,556
Lease incentives	768	602	436	338	246
Unearned income	5,980	5,980	5,980	5,980	5,980
Total payables	12,083	11,784	11,418	11,127	10,782
Provisions					
Employee provisions	6,987	6,987	6,987	6,987	6,987
Provision for restoration obligations	401	217	223	-	-
Total provisions	7,388	7,204	7,210	6,987	6,987
Total liabilities	19,471	18,988	18,628	18,114	17,769
Net assets	9,572	8,867	8,163	7,463	6,766
EQUITY*					
Contributed equity	791	1,208	1,626	2,048	2,473
Reserves	1,204	1,204	1,204	1,204	1,204
Retained surplus (accumulated deficit)	7,577	6,455	5,333	4,211	3,089
Total equity	9,572	8,867	8,163	7,463	6,766

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	7,577	1,204	791	9,572
Comprehensive income				
Surplus/(deficit) for the period	(1,122)	-	-	(1,122)
Total comprehensive income	(1,122)	-	-	(1,122)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	417	417
Sub-total transactions with owners	-	-	417	417
Estimated closing balance as at 30 June 2016	6,455	1,204	1,208	8,867
Closing balance attributable to the Australian Government	6,455	1,204	1,208	8,867

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,637	20,647	20,450	20,583	20,725
Sale of goods and rendering of services	22,319	20,244	14,782	14,855	14,950
Other	2,301	2,459	1,892	2,069	1,888
Total cash received	46,257	43,350	37,124	37,507	37,563
Cash used					
Employees	26,854	26,086	22,588	22,792	22,957
Suppliers	19,096	16,406	14,061	14,017	14,128
Total cash used	45,950	42,492	36,649	36,809	37,085
Net cash from/(used by) operating activities	307	858	475	698	478
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	769	1,082	893	897	903
Other	-	193	-	223	-
Total cash used	769	1,275	893	1,120	903
Net cash from/(used by) investing activities	(769)	(1,275)	(893)	(1,120)	(903)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	422	417	418	422	425
Total cash received	422	417	418	422	425
Net cash from/(used by) financing activities	422	417	418	422	425
Net increase/(decrease) in cash held	(40)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	490	450	450	450	450
Cash and cash equivalents at the end of the reporting period	450	450	450	450	450

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	422	417	418	422	425
Total new capital appropriations	422	417	418	422	425
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	422	417	418	422	425
Total items	422	417	418	422	425
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation					
- DCB ^(a)	422	417	418	422	425
Funded internally from departmental resources ^(b)	347	858	475	698	478
TOTAL	769	1,275	893	1,120	903
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	769	1,275	893	1,120	903
Total cash used to acquire assets	769	1,275	893	1,120	903

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 retained revenue receipts; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category			Total \$'000
	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	
As at 1 July 2015				
Gross book value	2,147	1,485	4,040	7,672
Accumulated depreciation/amortisation and impairment	(387)	(428)	(2,841)	(3,656)
Opening net book balance	1,760	1,057	1,199	4,016
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	65	190	827	1,082
Total additions	65	190	827	1,082
Other movements				
Depreciation/amortisation expense	(396)	(402)	(598)	(1,396)
Total other movements	(396)	(402)	(598)	(1,396)
As at 30 June 2016				
Gross book value	2,212	1,675	4,867	8,754
Accumulated depreciation/amortisation and impairment	(783)	(830)	(3,439)	(5,052)
Closing net book balance	1,429	845	1,428	3,702

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	61,963	63,141	64,404	65,692	67,006
Total expenses administered on behalf of Government	61,963	63,141	64,404	65,692	67,006
Net cost of/(contribution by) services	61,963	63,141	64,404	65,692	67,006
Total comprehensive income/(loss)	(61,963)	(63,141)	(64,404)	(65,692)	(67,006)

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

The APSC has no assets or liabilities administered on behalf of Government.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash used					
Employees	61,963	63,141	64,404	65,692	67,006
Total cash used	61,963	63,141	64,404	65,692	67,006
Net cash from/(used by) operating activities	(61,963)	(63,141)	(64,404)	(65,692)	(67,006)
Net increase/(decrease) in cash held	(61,963)	(63,141)	(64,404)	(65,692)	(67,006)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	61,963	63,141	64,404	65,692	67,006
Total cash from Official Public Account	61,963	63,141	64,404	65,692	67,006
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Indigenous Business Australia

Entity Resources and Planned Performance

INDIGENOUS BUSINESS AUSTRALIA

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INDIGENOUS BUSINESS AUSTRALIA

Section 1: Entity Overview and Resources

The planned outcome of Indigenous Business Australia (IBA) is stimulating the economic advancement of Aboriginal and Torres Strait Islander peoples.

1.1 STRATEGIC DIRECTION STATEMENT

IBA's vision is for a nation in which the First Australians are economically independent and an integral part of the economy. Under its legislation, the *Aboriginal and Torres Strait Islander Act 2005*, IBA's purpose is to:

- assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency
- advance the commercial and economic interest of Aboriginal and Torres Strait Islanders by accumulating and using a substantial capital base for the benefit of the Aboriginal and Torres Strait Islander peoples.

To achieve its purpose, IBA has established three key strategic objectives, under which its specific strategies and performance indicators are grouped:

- assist Indigenous Australians to achieve economic independence through direct investment and participation in commercial and joint venture business enterprises that will produce increased financial returns and employment, training and supply chain opportunities
- assist eligible Aboriginal and Torres Strait Islander peoples to start up, acquire, grow or exit a successful business
- facilitate Indigenous Australians into home ownership by providing affordable housing loans to Indigenous Australians who would generally not qualify for housing finance elsewhere. This includes addressing barriers such as lower incomes and savings; credit impairment; and limited experience with loan repayments.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: IBA Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	<i>Estimate of prior year amounts available in</i>	<i>Proposed at Budget</i>	<i>Total estimate</i>
	<i>2014-15 \$'000</i>	<i>2015-16 \$'000</i>	<i>2015-16 \$'000</i>	<i>2015-16 \$'000</i>
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	34,328	-	34,258	34,258
Total ordinary annual services	34,328	-	34,258	34,258
Other services^(b)				
<i>Non-operating</i>	36,880	-	36,550	36,550
Total other services	36,880	-	36,550	36,550
Total annual appropriations	71,208	-	70,808	70,808
Total funds from Government	71,208	-	70,808	70,808
FUNDS FROM OTHER SOURCES				
Interest	51,750	-	51,925	51,925
Dividends	365	-	460	460
Sale of goods and services	82,599	-	102,257	102,257
Rents	16,417	-	16,139	16,139
Net gain on sale of assets	1,015	-	20	20
Other	3,103	-	2,793	2,793
Total	155,249	-	173,594	173,594
Total net resourcing for IBA	226,457	-	244,402	244,402

(a) *Appropriation Bill (No.1) 2015-16.*

(b) *Appropriation Bill (No.2) 2015-16.*

All figures are GST exclusive.

IBA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to non-corporate Commonwealth entity PM&C, which are then paid to IBA and are considered 'departmental' for all purposes.

1.3 BUDGET MEASURES

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

Table 1.2: IBA 2015-16 Budget Measures
Part 1: Measures Announced Since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures						
Remote Indigenous Home Loans	1.2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Smaller Government – Prime Minister and Cabinet Portfolio ^(a)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		-	-	-	-	-
Departmental		-	-	-	-	-
Total		-	-	-	-	-

(a) This measure relates to the consolidation of several investment trusts into a single investment trust, the Indigenous Real Estate Investment Trust (IREIT).

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Improved wealth acquisition to support the economic independence of Aboriginal and Torres Strait Islander peoples through commercial enterprise, asset acquisition, construction and access to concessional home and business loans.

Outcome 1 Strategy

IBA utilises a holistic suite of commercially focused Indigenous economic development programmes to enhance Indigenous economic self-sufficiency, working closely with individuals, communities, the private sector and government. IBA delivers flexible and concessional interest rate loan products and aftercare support to improve Indigenous home ownership across Australia, including in discrete remote Indigenous communities. IBA also provides concessional interest rate business loans and business support to increase Indigenous ownership of small to medium sized enterprises, and their sustainability and growth. For larger investment projects, IBA brings together private sector partners with Indigenous individuals and groups, co-investing in joint venture projects that provide both commercial and broader economic and social returns and a direct transfer of business skills and acumen to Indigenous partners.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Improved wealth acquisition to support the economic independence of Aboriginal and Torres Strait Islander peoples through commercial enterprise, asset acquisition, construction and access to concessional home and business loans.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Equities and Investments		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Revenues from other independent sources	112,966	130,766
Total for Programme 1.1	112,966	130,766
Programme 1.2: Indigenous Home Ownership		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	10,890	10,868
Revenues from other independent sources	18,203	29,424
Total for Programme 1.2	29,093	40,292
Programme 1.3: Business Development and Assistance		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	23,438	23,390
Revenues from other independent sources	14,054	7,785
Total for Programme 1.3	37,492	31,175
Outcome 1 totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	34,328	34,258
Revenues from other independent sources	145,223	167,975
Total expenses for Outcome 1	179,551	202,233
	2014-15	2015-16
Average Staffing Level (number)	225	236

Contributions to Outcome 1

Programme 1.1: Equity and Investments

Programme 1.1 Objective

IBA Investments' objective is to assist and develop Indigenous Australians to achieve economic independence through direct investment and participation in commercial enterprises.

Programme 1.1 Expenses

Programme 1.1 will not receive government funding, but will cover its operating expenses through prudent management of the investment portfolio.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Total departmental expenses	112,966	130,766	131,291	135,227	137,881
Total programme expenses	112,966	130,766	131,291	135,227	137,881

Programme 1.1 Deliverables

A substantial portfolio of sustainable investments, diversified by industry and geography, which collectively provide Aboriginal and Torres Strait Islander peoples with meaningful opportunities for:

- asset ownership
- wealth accumulation
- stable and enduring income streams
- capacity development
- employment and training
- supply chain opportunities.

Programme 1.1 Key Performance Indicators

- Portfolio return to IBA: annual and rolling 5 years
- number of Indigenous investors supported during the Budget year
- Portfolio return to Indigenous co-investors: annual return
- proportion of Indigenous jobs supported by the investment portfolio.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Portfolio return to IBA (Budget year) ^{(a)(b)}	Cash +3%	Cash +3%	Cash +3%	Cash +3%	Cash +3%
Portfolio return to IBA (rolling 5 years) ^(c)	Cash +3%	Cash +3%	Cash +3%	Cash +3%	Cash +3%
Number of Indigenous co-investors supported ^(d)	25	30	30	35	35
Portfolio return to Indigenous co-investors ^{(e)(b)}	Cash +3%	Cash +3%	Cash +3%	Cash +3%	Cash +3%
Proportion of Indigenous jobs supported by investment portfolio ^(f)	20%	22.5%	25%	27.5%	29%

(a) This measure indicates portfolio return to IBA during the year. It is calculated as the after-tax return generated by IBA's share of the investment portfolio in the Budget year, expressed as a percentage of the average value of IBA's share of the investment portfolio during the Budget year ("Portfolio Value"). It excludes IBA's financial investments and the interest earned thereon.

(b) Benchmark return represents the cash rate plus a margin of 3%. Cash rate is calculated using average Bank Bill Swap rate (BBSW) over the measurement period.

(c) This measure indicates portfolio return to IBA over a rolling 5 year period (inclusive of the designated year). It is calculated as the average of the after-tax returns generated by the investment portfolio (expressed as a percentage of Portfolio Value) in each of the past 5 Budget years. It excludes IBA's financial investments and the interest earned thereon.

(d) Number of Indigenous investors supported includes current Indigenous co-investors, Indigenous co-investors to whom investments were sold during the Budget year and Indigenous investors supported through advisory services.

(e) This measure indicates portfolio return to IBA's Indigenous co-investors during the year. It is calculated as Indigenous co-investors share of the after-tax return generated by the investment portfolio in the Budget year, expressed as a percentage of the average value of Indigenous co-investors share of the investment portfolio during the Budget year.

(f) Total number of Indigenous people employed by employing investment portfolio entities, expressed as a percentage of total workforce, measured quarterly and averaged across those quarters to account for fluctuations in staffing levels intra-year.

Programme 1.2: Indigenous Home Ownership

Programme 1.2 Objective

Programme 1.2 aims to facilitate Indigenous Australians into home ownership by addressing barriers such as lower incomes and savings, credit impairment and limited experience with loan repayments. The programme is focused on first home buyers who have difficulty obtaining home loan finance from other financial institutions. The programme also helps Indigenous people in remote Indigenous communities overcome additional barriers where there is appropriate tenure for home ownership, such as a lack of access to financial institutions and services, higher construction costs, the absence of established residential property markets and newly created land tenure arrangements. The programme's success is assessed in terms of increasing the percentage of Indigenous Australians who are home owners.

Programme 1.2 Expenses

Budgeted departmental expenses include the administrative costs for delivering the programme, including activities involved in facilitated home ownership opportunities in remote and Indigenous communities, as well as legal, administrative and operating costs associated with undertaking lending and managing IBA's loan portfolios.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Total departmental expenses	29,093	40,292	41,308	42,340	43,399
Total programme expenses	29,093	40,292	41,308	42,340	43,399

Programme 1.2 Deliverables

The key programme deliverable is the provision of home loans and related assistance to Indigenous people and the effective management of the loan portfolio.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of new home loans ^(a)	520	575	595	615	630
Aggregate loans in the portfolio	4,505	4,675	4,825	4,975	5,125
Total IHOP capital base \$m ^(b)	995	1,060	1,130	1,200	1,275

(a) New home loan targets adjusted upward from previous PBS due to new policy guidelines to address affordability issues and anticipated increased emerging market lending (2014-15 PBS set the following targets: 2014-15=560, 2015-16= 550, 2016-17=550, 2017-18=550).

(b) Indigenous Home Ownership Programme (IHOP), new deliverable to measure IBA's strategic performance in growing the IBA home loan portfolio.

Programme 1.2 Key Performance Indicators

The key performance indicators measure the success of the programme in targeting lending and assistance to customers as appropriate to their circumstances and need and the facilitation of home ownership in remote Indigenous communities.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of loans to applicants who have an adjusted combined gross annual income of not more than 140% of IBA's Income Amount ^(a)	80% of loans	80% of loans	80% of loans	80% of loans	80% of loans
Number of loans to applicants who are first home buyers	90% of loans	90% of loans	90% of loans	90% of loans	90% of loans
Number of remote indigenous communities in which IBA is actively facilitating home ownership opportunities	10	12	14	16	18

(a) The IBA Income Amount (IIA) is equivalent to the National Average Weekly Male Earnings (NAWME) statistic published by the ABS. The IBA Income amount is adjusted each July after reference to the most recently published NAWME figure. This KPI has been increased from 125% to 140% in 2015-16 to reflect recent changes in IBA's policy settings, where in response to affordability issues, IBA has increased the income levels for customers to be eligible for a 100% IBA loan to 140% of IIA. This will, in particular, assist more applicants in metropolitan areas to overcome affordability issues and enter into home ownership. It is now aimed that 80% of IBA housing loans be provided to people on IIA incomes of not more than 140%.

Programme 1.3: Business Development and Assistance

Programme 1.3 Objective

The Business Development and Assistance Programme objective is to assist eligible Aboriginal and Torres Strait Islander peoples to start up, acquire, grow or exit a successful business.

This objective is achieved primarily through the provision of concessional business loans and support services. IBA also supports economic and business development initiatives that seek to promote business ownership or development opportunities.

Programme 1.3 Expenses

Programme expenses are expected to remain relatively constant for the foreseeable future.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Total departmental expenses	37,492	31,175	31,973	32,772	33,591
Total programme expenses	37,492	31,175	31,973	32,772	33,591

Programme 1.3 Deliverables

IBA works closely with business owners to transition into the broader economy and financial sector. The net impact of this strategy will see the number of loans in the portfolio remain stable in future years.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of new IBA loans approved ^(a)	60	60	80	90	100
Number of increases to loans with existing customers ^(b)	-	25	30	35	40
Number of Entrepreneurs supported in capability development activities ^(c)	-	600	650	700	750
Number of jobs created/supported by IBA business loan clients	500	500	500	500	500
Number of Indigenous people in jobs created/supported by IBA business loan clients	300	325	335	350	375
Number of active loans in the portfolio	300	300	300	300	300

(a) Reduction in target in short term to account for a reduction in medium to high risk loans in the portfolio (2014-15 PBS set following targets: 2014-15=80; 2015-16=85; 2016-17=90; 2017-18=90).

(b) New measure 2015-16 to measure loans for business growth.

(c) New measure 2015-16 to capture broader service delivery.

The following delivery indicators listed in the 2014-15 PBS have been removed as they have been absorbed within broader programme delivery and measures from 2015-16 (refer to other pre-existing and new measures in the table):

- Number of businesses or prospective businesses provided with business advice or support
- Number of participants that attended Into Business™ Workshops
- Number of businesses or prospective businesses that participated in an Into Business™ Workshop
- Number of businesses or prospective businesses that completed an Into Business™ Workshop Series
- Number of businesses or prospective businesses that participated in Into Business™ Workshops through external partnerships
- Number of Strategic Economic Development Initiatives
- Number of Business Development Initiatives.

IBA Budget Statements

Programme 1.3 Key Performance Indicators					
	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Percentage of Loan Customers still in business 1 year after commencing business	85%	85%	85%	85%	85%
Percentage of Loan Customers still in business 2 years after commencing business	75%	75%	75%	75%	75%
Percentage of Loan Customers still in business 3 years after commencing business	65%	65%	65%	65%	65%
<p>The following KPI in the 2014-15 PBS was removed as the indicator has proved to be ineffective due to a mismatch between loan payouts in a given year and the write-offs which pertain to previous years:</p> <ul style="list-style-type: none"> • Percentage of Loan Accounts that were successfully finalised through loan repayment. 					

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

The IBA has no administered funds.

3.1.2 Special Accounts

The IBA has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	<i>Approp Bill No. 1</i>	<i>Approp Bill No. 2</i>	<i>Total approp</i>	<i>Other</i>	<i>Total</i>	<i>Programme</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	
Indigenous Business Australia Outcome 1						
Departmental 2015-16	34,258	36,550	70,808	173,594	244,402	All
Departmental 2014-15	34,328	36,880	71,208	155,249	226,457	All
Total outcome 2015-16	34,258	36,550	70,808	173,594	244,402	All
Total outcome 2014-15	34,328	36,880	71,208	155,249	226,457	All
Total Departmental 2015-16	34,258	36,550	70,808	173,594	244,402	All
Total Departmental 2014-15	34,328	36,880	71,208	155,249	226,457	All
Total AGIE 2015-16	34,258	36,550	70,808	173,594	244,402	All
Total AGIE 2014-15	34,328	36,880	71,208	155,249	226,457	All

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

There are no differences between IBA's Entity Resourcing and Financial Statements.

3.2.2 Analysis of Budgeted Financial Statements

An analysis of the primary causes of movements in the budgeted financial statements is provided below. The 2014–15 estimated actual results are used as the comparative year in the analysis.

IBA budgets are prepared on a consolidated basis for the agency and its 38 subsidiaries. On consolidation, assets, liabilities, income and expenditure of all subsidiaries flow through to individual line items in the consolidated budget.

Comprehensive Income Statement

IBA is budgeting for an operating surplus of \$10.0 million in 2014–15 and an estimated surplus of \$5.6 million in 2015–16.

Budgeted Departmental Balance Sheet

Budgeted net assets as at 30 June 2016 of \$1,206.1 million represents an increase of \$42.2 million over the net assets of \$1,163.9 million as at 30 June 2015. The main drivers of the increase (\$42.2 million) are:

- continuing capital injections from the Government of \$36.6 million
- the estimated operating surplus of \$5.6 million.

Budgeted Departmental Statement of Cash Flows

Net lending activity is expected to decrease from \$79.9 million in 2014–15 to \$75.9 million in 2015–16. The decrement is the excess of loan repayments and discharges over new loan disbursements.

Departmental Statement of Changes in Equity

Total equity is expected to increase by \$42.2 million to \$1,206.1 million as at 30 June 2016, with the additional equity injection of \$36.6 million from the Commonwealth and the Budget year surplus of \$5.6 million.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	55,189	58,516	58,417	58,082	58,602
Suppliers	77,446	94,662	96,318	100,046	102,518
Grants	10,886	10,338	10,339	10,341	10,342
Depreciation and amortisation	6,551	5,207	5,206	5,207	5,207
Finance costs	92	703	15	857	872
Write-down and impairment of assets	10,542	5,913	5,913	5,912	5,911
Concessional Loan Discount	16,456	24,009	24,729	25,794	26,919
Losses from asset sales	18	20	15	10	5
Other expenses	1,097	1,225	1,235	1,225	1,225
Total expenses	178,277	200,593	202,187	207,474	211,601
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	82,599	102,257	105,772	108,474	110,592
Interest	51,750	51,925	53,066	56,317	59,700
Dividends	365	460	460	460	460
Rental income	16,417	16,139	16,500	17,642	18,052
Other	1,449	1,170	1,734	1,987	2,003
Total own-source revenue	152,580	171,951	177,532	184,880	190,807
Gains					
Sale of assets	1,015	20	15	10	5
Other	1,654	1,623	1,623	1,623	1,623
Total gains	2,669	1,643	1,638	1,633	1,628
Total own-source income	155,249	173,594	179,170	186,513	192,435
Net cost of/(contribution by) services	23,028	26,999	23,017	20,961	19,166
Revenue from Government	34,328	34,258	33,858	33,977	34,030
Surplus/(deficit) before income tax on continuing operations	11,300	7,259	10,841	13,016	14,864
Income tax expense	1,274	1,640	2,384	2,865	3,270
Surplus/(deficit) after income tax on continuing operations	10,026	5,619	8,457	10,151	11,594
Surplus attributable to the non-controlling interests	1,832	3,838	3,800	3,850	3,800
Surplus/(deficit) attributable to the Australian Government	8,194	1,781	4,657	6,301	7,794
Total comprehensive income/(loss)	11,300	7,259	10,841	13,016	14,864

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	95,056	93,966	87,077	86,363	86,339
Trade and other receivables	697,253	743,978	790,609	838,919	887,789
Investments accounted for under the equity method	33,754	33,000	33,000	33,000	33,000
Other investments	164,000	164,000	163,999	163,999	163,999
Total financial assets	990,063	1,034,944	1,074,685	1,122,281	1,171,127
Non-financial assets					
Land and buildings	45,778	44,328	48,004	47,941	47,879
Property, plant and equipment	18,241	18,797	16,739	16,257	15,776
Investment property	141,030	141,017	141,000	141,000	141,000
Intangibles	3,213	3,151	3,089	3,026	2,964
Inventories	1,188	1,188	1,188	1,188	1,188
Tax assets	3,612	3,563	3,563	3,563	3,563
Other non-financial assets	2,836	2,169	2,871	2,656	2,559
Total non-financial assets	215,898	214,213	216,454	215,631	214,929
Total assets	1,205,961	1,249,157	1,291,139	1,337,912	1,386,056
LIABILITIES					
Payables					
Suppliers	14,262	14,665	11,404	11,476	11,476
Other payables	5,235	5,220	5,220	5,220	5,220
Total payables	19,497	19,885	16,624	16,696	16,696
Interest bearing liabilities					
Loans	12,864	12,764	12,864	12,864	12,864
Total interest bearing liabilities	12,864	12,764	12,864	12,864	12,864
Provisions					
Employee provisions	7,358	7,643	6,900	6,900	6,900
Other provisions	2,339	2,793	3,672	3,672	3,672
Total provisions	9,697	10,436	10,572	10,572	10,572
Total liabilities	42,058	43,085	40,060	40,132	40,132
Net assets	1,163,903	1,206,072	1,251,079	1,297,780	1,345,924

continued on next page.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	912,044	948,594	985,144	1,021,694	1,058,244
Reserves	14,114	14,114	14,114	14,114	14,114
Retained surplus (accumulated deficit)	202,297	206,666	213,873	222,774	233,118
Total parent entity interest	1,128,455	1,169,374	1,213,131	1,258,582	1,305,476
Attributed to non-controlling interest					
Contributed equity	27,672	27,672	27,672	27,672	27,672
Reserves	1,277	1,277	1,277	1,277	1,277
Retained surplus (accumulated deficit)	6,499	7,749	8,999	10,249	11,499
Total non-controlling interest	35,448	36,698	37,948	39,198	40,448
Total equity	1,163,903	1,206,072	1,251,079	1,297,780	1,345,924

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	208,796	15,391	939,716	1,163,903
Adjusted opening balance	208,796	15,391	939,716	1,163,903
Comprehensive income				
Surplus/(deficit) for the period	5,619	-	-	5,619
Total comprehensive income	5,619	-	-	5,619
of which:				
Attributable to the Australian Government	1,781	-	-	1,781
Attributable to non-controlling interest	3,838	-	-	3,838
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	36,550	36,550
Sub-total transactions with owners	-	-	36,550	36,550
Estimated closing balance as at 30 June 2016	214,415	15,391	976,266	1,206,072
Less: non-controlling interest	7,749	1,277	27,672	36,698
Closing balance attributable to the Australian Government	206,666	14,114	948,594	1,169,374

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	34,328	34,258	33,858	33,977	34,030
Sale of goods and rendering of services	81,858	101,541	104,892	108,473	110,594
Interest	51,750	51,925	53,067	56,318	59,700
Dividends	365	460	460	460	460
Other	19,518	19,681	20,857	22,001	22,427
Total cash received	187,819	207,865	213,134	221,229	227,211
Cash used					
Employees	55,190	58,517	58,418	58,082	58,602
Suppliers	75,392	93,535	94,444	96,974	97,518
Grants	10,886	10,338	10,339	10,341	10,342
Taxes paid	1,274	1,640	2,384	2,865	3,270
Other	1,207	1,948	1,265	2,092	2,102
Total cash used	143,949	165,978	166,850	170,354	171,834
Net cash from/(used by) operating activities	43,870	41,887	46,284	50,875	55,377
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,015	33	33	10	5
Investments	45,000	15,000	10,000	7,000	2,500
Other - repayment of loans	96,793	97,448	101,007	103,340	105,566
Total cash received	142,808	112,481	111,040	110,350	108,071
Cash used					
Purchase of property, plant and equipment	27,144	4,251	6,762	4,599	4,602
Investments	64,512	14,277	16,698	10,534	8,153
Other - loans / advances	176,649	173,380	177,403	183,356	187,267
Total cash used	268,305	191,908	200,863	198,489	200,022
Net cash from/(used by) investing activities	(125,497)	(79,427)	(89,823)	(88,139)	(91,951)

continued on next page.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	36,880	36,550	36,550	36,550	36,550
New borrowings	787	-	100	-	-
Other	751	-	-	-	-
Total cash received	38,418	36,550	36,650	36,550	36,550
Cash used					
Repayments of borrowings	-	100	-	-	-
Dividends paid	2,500	-	-	-	-
Total cash used	2,500	100	-	-	-
Net cash from/(used by) financing activities	35,918	36,450	36,650	36,550	36,550
Net increase/(decrease) in cash held	(45,709)	(1,090)	(6,889)	(714)	(24)
Cash and cash equivalents at the beginning of the reporting period	140,765	95,056	93,966	87,077	86,363
Cash and cash equivalents at the end of the reporting period	95,056	93,966	87,077	86,363	86,339

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	36,880	36,550	36,550	36,550	36,550
Total new capital appropriations	36,880	36,550	36,550	36,550	36,550
<i>Provided for:</i>					
Loan expenditure	36,880	36,550	36,550	36,550	36,550
Total items	36,880	36,550	36,550	36,550	36,550
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	27,144	4,251	6,762	4,599	4,602
TOTAL	27,144	4,251	6,762	4,599	4,602
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	27,144	4,251	6,762	4,599	4,602
Total cash used to acquire assets	27,144	4,251	6,762	4,599	4,602

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category				Total
	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	53,082	28,201	141,030	16,489	238,802
Accumulated depreciation/amortisation and impairment	(7,304)	(9,960)	-	(13,276)	(30,540)
Opening net book balance	45,778	18,241	141,030	3,213	208,262
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	112	3,628	-	511	4,251
Total additions	112	3,628	-	511	4,251
Other movements					
Depreciation/amortisation expense	(1,562)	(3,072)	-	(573)	(5,207)
Other	-	-	(13)	-	(13)
Total other movements	(1,562)	(3,072)	(13)	(573)	(5,220)
As at 30 June 2016					
Gross book value	53,194	31,829	141,017	17,000	243,040
Accumulated depreciation/amortisation and impairment	(8,866)	(13,032)	-	(13,849)	(35,747)
Closing net book balance	44,328	18,797	141,017	3,151	207,293

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the Financial Statements

Concessional Loan Discount

IBA continues to designate its loan portfolio at fair value through profit and loss per paragraph 11A of AASB 139 which provides for contracts with embedded derivatives, such as prepayment options, to be designated at fair value through profit and loss. The variation in the loan portfolio under fair value basis is written directly to the Comprehensive Income Statement (Table 3.2.1).

Financial Assets – Receivables

This includes loans and advances made by IBA to clients in the delivery of its outputs, in addition to amounts owing to IBA for delivery of goods and services, and dividends owed to IBA from subsidiaries, associates and investments. Loans receivable are carried at fair value under AASB 139.

Assets – Non-Financial

Except for any re-valued assets, reported value of plant and equipment represents the purchase price paid less depreciation incurred. Land and building held for investment are carried at fair value.

Indigenous Land Corporation

Entity Resources and Planned Performance

INDIGENOUS LAND CORPORATION

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INDIGENOUS LAND CORPORATION

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Indigenous Land Corporation (ILC) is a corporate Commonwealth entity established to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting with acquisition and management of land. The ILC was established on 1 June 1995, and is governed by the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act).

The ATSI Act defines that the ILC has two functions: land acquisition and land management. The ILC's functions are to be exercised 'in addition to, not instead of' the functions conferred on other entities (section 191F(3)).

The ILC has two priorities for the achievement of Indigenous benefits through acquiring and managing land:

- access to and protection of cultural and environmental values
- socio-economic development.

The ILC's primary source of income is received from the Aboriginal and Torres Strait Islander Land Account (Land Account) pursuant to section 193(2) of the ATSI Act. The Land Account is administered by the Department of the Prime Minister and Cabinet (PM&C).

The Board is the ILC's primary decision-making body and sets out the ILC's strategic direction, policies and strategies in the National Indigenous Land Strategy 2013–2017. The Board oversees governance of the ILC's administration, considers land acquisition and land management proposals, and monitors performance.

The ILC provides assistance with land acquisition and land management in collaboration with Indigenous organisations and landholders, and initiating projects to respond to opportunities to deliver significant Indigenous benefits. Key strategic priorities for the ILC will continue to support economic, cultural, social and environmental outcomes as well as the achievement of training and employment outcomes and collaboration with other Commonwealth entities, industry, peak Indigenous organisations and the non-government sector. These collaborations bring additional expertise, funding and resources to achieve a more significant impact.

The ILC is committed to monitoring and evaluating its Land Acquisition and Land Management Programme to ensure benefits are being achieved and progress is made towards achieving its outcome. The ILC has evaluation and benefits frameworks that guide it in monitoring its performance and informing its strategic planning.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: ILC Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/Reserves at bank	-	39,278	-	39,278
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	9,527	-	9,389	9,389
Total ordinary annual services	9,527	-	9,389	9,389
Special accounts (Prime Minister and Cabinet)				
Aboriginal and Torres Strait Islander Land Account ^(b)	49,865	-	50,712	50,712
Total special accounts	49,865	-	50,712	50,712
Total funds from Government	59,392	-	60,101	60,101
FUNDS FROM OTHER SOURCES				
Interest ^(c)	18,500	-	18,500	18,500
Other	4,700	-	4,700	4,700
Total	23,200	-	23,200	23,200
Total net resourcing for ILC	82,592	39,278	83,301	122,579

(a) *Appropriation Bill (No.1) 2015-16.*

(b) A corporate entity may receive payment from a special account held by a non-corporate Commonwealth entity. The corporate entity does not hold the special account itself and therefore does not have a balance carried forward from earlier years.

(c) This item reflects accrued revenue, and is therefore not reported in the Portfolio Resources Table, which is prepared on a cash receipts basis.

All figures are GST exclusive.

The ILC is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to non-corporate Commonwealth entity PM&C, which are then paid to the ILC and are considered 'departmental' for all purposes.

1.3 BUDGET MEASURES

The ILC has no budget measures in the 2015-16 Budget.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through land acquisition and management.

Outcome 1 Strategy

The statutory purpose of the ILC is to assist Indigenous people to acquire and manage land to achieve economic, environmental, social and cultural benefits.

The National Indigenous Land Strategy 2013–2017 describes that the ILC will assist with the acquisition and management of land-based projects that achieve the following priorities.

Provide Access to and Protection and Maintenance of Land with Cultural and Environmental Values

The ILC recognises the importance of land to Indigenous peoples' cultural identity. The ILC collaborates with Indigenous proponents and other partners to acquire and manage land with cultural and environmental significance, and to protect and maintain the cultural and environmental values of land.

Deliver Socio-economic Outcomes for Indigenous People

The ILC assists projects that deliver social and economic outcomes for Indigenous Australians. Priority is given to projects that provide sustainable employment and training that leads to employment. The ILC believes that sustainable employment creates benefits for Indigenous people, including increased standards of living, income and improved health and wellbeing.

In 2015–16, the ILC will collaborate with Indigenous proponents and other partners to achieve these outcomes, including assisting Indigenous landholders to develop viable businesses and sustainably manage their land. In addition, the ILC will continue to operate employment and training projects on agricultural and tourism businesses to host Indigenous trainees and transition them to employment.

ILC Budget Statements

Aligning with Government Priorities

In pursuing achievements against these priorities, the ILC seeks to build a secure and sustainable land base now and for future generations. The Indigenous estate comprises more than 20% of Australia's land mass and the ILC plays a critical role in assisting its management to achieve social, cultural, environmental and economic benefits. The ILC acknowledges that Indigenous economic development is a key policy priority for the Australian Government and for Aboriginal and Torres Strait Islander peoples and will contribute to working collectively to achieve a greater impact.

The ILC will continue to make important contributions to the objectives of the Indigenous Advancement Strategy, in particular, with getting Indigenous Australians into work, fostering Indigenous business and ensuring Indigenous people receive economic and social benefits from the effective management of their land and Native Title rights.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through land acquisition and management.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Assistance in the acquisition and management of an Indigenous land base		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	9,527	9,389
Special accounts	49,865	50,712
Revenues from other independent sources	16,900	3,300
Total for Programme 1.1	76,292	63,401
Outcome 1 totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	9,527	9,389
Special accounts	49,865	50,712
Revenues from other independent sources	16,900	3,300
Total expenses for Outcome 1	76,292	63,401
	2014-15	2015-16
Average Staffing Level (number)	265	265

Contributions to Outcome 1

Programme 1.1: Acquisition and Management of an Indigenous Land Base

Programme 1.1 Objectives

To assist Indigenous people to acquire and manage land to achieve economic, environmental, social and cultural benefits.

Programme Component Objectives

Cultural and Environmental Heritage Protection

- to provide land management assistance to Indigenous landholders to support them in protecting and maintaining cultural and environmental heritage
- to acquire and grant land to Indigenous organisations for the purposes of environmental heritage protection and maintenance of culture.

Socio-economic Development

- to work with Indigenous land holders and other project partners to maximise the productivity of existing Indigenous held land
- to invest with Indigenous organisations and other project partners in the acquisition and grant of land to Indigenous organisations to achieve training, employment and social outcomes
- to work with Indigenous land holders and other project partners to develop land based enterprises that provide training and create employment, including in agricultural and tourism industries, ecosystem and heritage management
- to operate agricultural and tourism businesses that train Indigenous people and assist them to transition to secure jobs
- to collaborate with other entities and industry partners to implement regional projects that provide mentoring, support and advice to assist Indigenous landholders to sustainably manage land
- to develop projects in collaboration with other organisations to assist Indigenous landholders engage with emerging enterprise opportunities in offsetting greenhouse gas emissions, developing biodiversity offsets and delivery of environmental services.

Programme 1.1 Expenses

The ILC's primary source of income is an annual payment of \$45 million indexed from the Land Account pursuant to section 193(2) of the ATSI Act. Indexation has been applied annually to the base amount of \$45 million since 2010-11.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Special account expenses:					
Aboriginal and Torres Strait Islander Land Account	49,865	50,712	51,929	53,228	54,505
Annual departmental expenses:					
CDEP Job Packages	9,527	9,389	9,156	9,065	8,974
Other ^(a)	16,900	3,300	3,800	3,300	4,700
Total programme expenses	76,292	63,401	64,885	65,593	68,179

(a) Land Acquisition and Land Management expenses funded from revenues from independent sources.

Programme 1.1 Deliverables

The ILC assists Indigenous corporations to acquire land, and Indigenous landholders to manage and use their land, to achieve benefits for Indigenous people. The ILC seeks to achieve the following deliverables.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Properties acquired for socio-economic development and cultural and environmental heritage protection ^(a)	2	3	3	3	3
Properties granted	10	10	8	6	12
Employment and training projects implemented on ILC agricultural and tourism businesses	11	11	11	11	11
Regional land management projects implemented	15	12	12	12	12
Property-based, property planning land management projects assisted	60	60	60	60	60

(a) Given more than 20% of Australia's land mass is Indigenous held, there will be an increased strategic focus on managing and developing the existing Indigenous estate.

Programme 1.1 Key Performance Indicators

Participation in training and employment are the key indicators used for measuring progress in achieving socio-economic development. To recognise its relative contribution to the benefits delivered, the ILC counts those people it directly employs and hosts in its businesses separately from those jobs it has enabled in collaboration with Indigenous organisations and other project partners, through acquisition of land or provision of land management assistance.

The ILC works with Indigenous organisations to assist in the protection of the cultural and environmental values of land. This is measured through the proportion of ILC's total projects, rather than a target number of properties.

	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Total number of Indigenous staff employed directly through ILC agricultural and tourism businesses	400	450	450	450	450
Total number of Indigenous trainees hosted through ILC agriculture and tourism businesses ^(a)	260	200	200	200	200
Total number of Indigenous employment outcomes enabled through ILC land acquisition and land management projects	500	500	500	500	500
Total number of Indigenous training outcomes enabled through ILC land acquisition and land management projects	1,000	1,000	1,000	1,000	1,000
Total number of Indigenous-held properties with improved land management	130	130	130	130	130
Proportion of ILC-assisted projects that protect cultural and environmental heritage values or maintained culture	50%	50%	50%	50%	50%
Proportion of projects that were collaborative with and leveraged funding from other entities	66%	66%	66%	66%	66%

(a) Forecast numbers subject to matching Commonwealth funding that has not yet been secured on an ongoing basis.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

The ILC has no movement of administered funds between years.

3.1.2 Special Accounts

The ILC has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	<i>Approp Bill No. 1</i>	<i>Total approp</i>	<i>Other</i>	<i>Total</i>	<i>Programme</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	
Indigenous Land Corporation					
Outcome 1					
Departmental 2015-16	9,389	9,389	73,912	83,301	1.1
<i>Departmental 2014-15</i>	<i>9,527</i>	<i>9,527</i>	<i>73,065</i>	<i>82,592</i>	<i>1.1</i>
Total outcome 1 2015-16	9,389	9,389	73,912	83,301	
<i>Total outcome 1 2014-15</i>	<i>9,527</i>	<i>9,527</i>	<i>73,065</i>	<i>82,592</i>	
Total Departmental 2015-16	9,389	9,389	73,912	83,301	
<i>Total Departmental 2014-15</i>	<i>9,527</i>	<i>9,527</i>	<i>73,065</i>	<i>82,592</i>	
Total AGIE 2015-16	9,389	9,389	73,912	83,301	
<i>Total AGIE 2014-15</i>	<i>9,527</i>	<i>9,527</i>	<i>73,065</i>	<i>82,592</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

ILC has no differences in entity resourcing and financial statements.

3.2.2 Analysis of Budgeted Financial Statements

The ILC's primary source of income is an annual minimum payment of \$45 million indexed from the Land Account pursuant to section 193(2) of the ATSI Act. Indexation has been applied annually to the base amount of \$45 million since 2010-11. Estimated payments from the Land Account from 2014-15 onwards have been provided by PM&C, which is responsible for the administration of the Land Account.

The total resources for the ILC's outcome include the income from the Land Account, and represent the funds available to ILC to carry out its legislated functions.

Under its legislation, ILC has the flexibility to invest funds and to roll over funds not expended in previous years.

Under section 191H of the ATSI Act, ILC has the specific power to invest money. Earnings on these investments are represented in the Comprehensive Income Statement (Table 3.2.1).

Under its legislation, ILC acquires land for the specific purpose of granting an interest in that land to an Aboriginal or Torres Strait Islander corporation. ILC capitalises the land on purchase and makes an immediate provision for the grant equivalent to the purchase price. In the Comprehensive Income Statement (Table 3.2.1), the expenses associated with the purchase and grant of the land are recognised in the period in which the land is purchased. Expenses associated with land management projects are recognised in the period in which the expenditure is incurred.

ILC also holds properties for granting that have significant livestock on them. In accordance with Australian Accounting Standards, ILC values the livestock on a market-to-market basis. Accordingly, the change in market value in any given period is recognised in the Comprehensive Income Statement (Table 3.2.1).

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	14,424	14,696	15,036	15,308	16,842
Suppliers	51,368	38,205	48,349	48,785	49,837
Depreciation and amortisation	1,500	1,500	1,500	1,500	1,500
Finance costs	9,000	9,000	-	-	-
Total expenses	76,292	63,401	64,885	65,593	68,179
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	18,500	18,500	18,500	18,500	18,500
Other	54,565	55,412	56,629	57,928	59,205
Total own-source revenue	73,065	73,912	75,129	76,428	77,705
Total own-source income	73,065	73,912	75,129	76,428	77,705
Net cost of/(contribution by) services	(3,227)	10,511	10,244	10,835	9,526
Revenue from Government	9,527	9,389	9,156	9,065	8,974
Surplus/(deficit) attributable to the Australian Government	6,300	19,900	19,400	19,900	18,500
Total comprehensive income/(loss)	6,300	19,900	19,400	19,900	18,500

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	30,078	26,278	23,678	24,478	24,478
Trade and other receivables	344,940	232,140	255,640	276,240	294,740
Other financial assets	327	327	327	327	327
Total financial assets	375,345	258,745	279,645	301,045	319,545
Non-financial assets					
Land and buildings	208	208	208	208	208
Property, plant and equipment	92,290	90,790	89,290	87,790	87,790
Intangibles	248	248	248	248	248
Biological assets	35,687	35,687	35,687	35,687	35,687
Assets held for sale	345	345	345	345	345
Inventories	153,757	143,757	133,757	123,757	123,757
Other non-financial assets	32,519	32,519	32,519	32,519	32,519
Total non-financial assets	315,054	303,554	292,054	280,554	280,554
Total assets	690,399	562,299	571,699	581,599	600,099
LIABILITIES					
Payables					
Suppliers	5,953	5,953	5,953	5,953	5,953
Other payables	19,323	19,323	19,323	19,323	19,323
Total payables	25,276	25,276	25,276	25,276	25,276
Interest bearing liabilities					
Loans	138,000	-	-	-	-
Total interest bearing liabilities	138,000	-	-	-	-
Provisions					
Employee provisions	3,577	3,577	3,577	3,577	3,577
Other provisions ^(a)	179,607	169,607	159,607	149,607	149,607
Total provisions	183,184	173,184	163,184	153,184	153,184
Total liabilities	346,460	198,460	188,460	178,460	178,460
Net assets	343,939	363,839	383,239	403,139	421,639
EQUITY*					
Reserves	6,561	6,561	6,561	6,561	6,561
Retained surplus (accumulated deficit)	337,378	357,278	376,678	396,578	415,078
Total equity	343,939	363,839	383,239	403,139	421,639

a) Provision for Land Grant (ILC capitalises the land on purchase and makes an immediate provision for the grant equivalent to the purchase price)

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Opening balance as at 1 July 2015			
Balance carried forward from previous period	337,378	6,561	343,939
Adjusted opening balance	337,378	6,561	343,939
Comprehensive income			
Surplus/(deficit) for the period	19,900	-	19,900
Total comprehensive income	19,900	-	19,900
of which:			
Attributable to the Australian Government	19,900	-	19,900
Estimated closing balance as at 30 June 2016	357,278	6,561	363,839
Closing balance attributable to the Australian Government	357,278	6,561	363,839

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	9,527	9,388	9,156	9,065	8,974
Receipts from Government	49,865	50,712	51,929	53,228	54,505
Other	4,700	4,700	4,700	4,700	4,700
Total cash received	64,092	64,800	65,785	66,993	68,179
Cash used					
Employees	14,424	14,696	15,036	15,308	16,842
Suppliers	51,368	48,204	58,349	58,785	49,837
Borrowing costs	9,000	9,000	-	-	-
Total cash used	74,792	71,900	73,385	74,093	66,679
Net cash from/(used by) operating activities	(10,700)	(7,100)	(7,600)	(7,100)	1,500
INVESTING ACTIVITIES					
Cash received					
Loans and advances	2,500	141,300	5,000	7,900	-
Total cash received	2,500	141,300	5,000	7,900	-
Cash used					
Purchase of property, plant and equipment	1,000	-	-	-	1,500
Total cash used	1,000	-	-	-	1,500
Net cash from/(used by) investing activities	1,500	141,300	5,000	7,900	(1,500)
FINANCING ACTIVITIES					
Cash used					
Repayments of borrowings	-	138,000	-	-	-
Total cash used	-	138,000	-	-	-
Net cash from/(used by) financing activities	-	(138,000)	-	-	-
Net increase/(decrease) in cash held	(9,200)	(3,800)	(2,600)	800	-
Cash and cash equivalents at the beginning of the reporting period	39,278	30,078	26,278	23,678	24,478
Cash and cash equivalents at the end of the reporting period	30,078	26,278	23,678	24,478	24,478

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,000	-	-	-	1,500
TOTAL	1,000	-	-	-	1,500
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,000	-	-	-	1,500
Total cash used to acquire assets	1,000	-	-	-	1,500

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category				Total
	Land	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale ^(a)	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	208	110,965	983	345	112,501
Accumulated depreciation/amortisation and impairment	-	(18,675)	(735)	-	(19,410)
Opening net book balance	208	92,290	248	345	93,091
Other movements					
Depreciation/amortisation expense	-	(1,500)	-	-	(1,500)
Total other movements	-	(1,500)	-	-	(1,500)
As at 30 June 2016					
Gross book value	208	110,965	983	345	112,501
Accumulated depreciation/amortisation and impairment	-	(20,175)	(735)	-	(20,910)
Closing net book balance	208	90,790	248	345	91,591

a) Land purchased for grant deemed surplus land (in accordance with s191J of the ATSI Act)

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the Financial Statements

Accounting Policies

Basis of Accounting

The budgeted financial statements are a special purpose financial report.

Investments

Investments are recorded at their current cash-based valuation at reporting date.

Inventory Held for Distribution

Inventory held for distribution represents properties purchased for the purpose of transfer to appropriate organisations in line with the objectives of ILC and properties transferred to ILC as a result of the *Aboriginal and Torres Strait Islander Commission Amendment Act 2004*. Land purchases (including the related plant, equipment and livestock, acquisition and holding costs) are capitalised on purchase and classified as inventory. A provision is raised in the Comprehensive Income Statement (Table 3.2.1) for the full cost of land purchases (excluding livestock) representing the sacrifice of future benefits embodied in the assets.

Biological Assets

Livestock held for trading purposes is classified as biological assets. Livestock is valued at market value as at reporting date.

Recognition of Income

Receipts from the Land Account are recognised at the time ILC becomes entitled to receive the revenue and have been classified for the purpose of this report as Revenues from Land Account.

Economic Dependency

ILC is dependent on an annual payment from the Land Account in accordance with section 193(2) of the *Aboriginal and Torres Strait Islander Act 2005*.

Reporting Entities

The consolidated budgeted financial statements are those of the economic entity, comprising ILC (the parent entity) and its wholly owned subsidiaries other than Voyages Indigenous Tourism Australia Pty Ltd that has been classified as a public non-financial corporation and is not a general government sector body.

Asset Valuation

All assets are initially recorded at cost. Property, plant and equipment and other infrastructure assets are periodically revalued at their fair value.

Office of National Assessments

Entity Resources and Planned Performance

OFFICE OF NATIONAL ASSESSMENTS

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OFFICE OF NATIONAL ASSESSMENTS

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The planned outcome of the Office of National Assessments (ONA) is the advancement of Australia's national interests through increased Government awareness of international developments affecting Australia.

ONA is an all-source assessment entity that reports directly to the Prime Minister. ONA provides assessments on international developments, including political, strategic and economic developments, to the Prime Minister, senior Ministers and senior officials. ONA is also responsible for advancement of Australia's national interest through the effective coordination and evaluation of Australia's foreign intelligence activities.

ONA also leads open source intelligence reporting, analysis and tradecraft development within the National Intelligence Community. The ONA Open Source Centre (OSC) systematically collects, analyses and researches publicly available information to support Australian Government intelligence priorities and the work of the National Intelligence Community.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: ONA Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	18,149	20,535	-	20,535
Departmental appropriation ^(c)	33,554	-	34,208	34,208
Total	51,703	20,535	34,208	54,743
Total ordinary annual services	[A] 51,703	20,535	34,208	54,743
Other services				
Total other services	[B] -	-	-	-
Total available annual appropriations [A+B]	51,703	20,535	34,208	54,743
Special appropriations				
Total special appropriations	[C] -	-	-	-
Total appropriations excluding special accounts	51,703	20,535	34,208	54,743
Special accounts				
Total special accounts	[D] -	-	-	-
Total resourcing [A+B+C+D]	51,703	20,535	34,208	54,743
Total net resourcing for ONA	51,703	20,535	34,208	54,743

(a) *Appropriation Bill (No.1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$3.9m in 2015-16 for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

1.3 BUDGET MEASURES

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

Table 1.2: ONA 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
National Security - The Office of National Assessments and the Office of the Inspector-General of Intelligence and Security resourcing					
All					
Administered expenses	-	-	-	-	-
Departmental expenses	-	757	1,611	1,990	2,444
Total	-	757	1,611	1,990	2,444
Total expense measures					
Administered	-	-	-	-	-
Departmental	-	757	1,611	1,990	2,444
Total	-	757	1,611	1,990	2,444
Capital measures					
National Security - The Office of National Assessments and the Office of the Inspector-General of Intelligence and Security resourcing					
All					
Administered expenses	-	-	-	-	-
Departmental expenses	-	98	197	244	293
Total	-	98	197	244	293
Total capital measures					
Administered	-	-	-	-	-
Departmental	-	98	197	244	293
Total	-	98	197	244	293

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

ONA's outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of ONA in achieving government outcomes.

Outcome 1: Advancement of Australia's national interests through increased government awareness of international developments affecting Australia.

Outcome 1 Strategy

The key strategies by which ONA will seek to achieve its outcome are:

- to maintain a strong customer focus by:
 - staying in close contact with its customers, ensuring that ONA and the intelligence collection entities are aware of the international issues of concern to them
 - providing quality and timely coverage of subjects of political, strategic and economic significance to Australia
 - seeking and using customer feedback to assess the effectiveness of its work and improve the service that ONA provides.
- to encourage the highest standards of intelligence analysis and assessment by:
 - employing the best staff available, and assisting them to fulfil their potential through on-the-job training, travel and participation in staff development schemes
 - promoting objectivity, creativity and analytical rigour
 - facilitating access by staff to the broadest possible range of information and ideas through provision of highly capable information retrieval and storage systems.

- to keep Australia's international intelligence activities under continuous review by:
 - leading and supporting processes and committees to coordinate the foreign and broader national security intelligence activities of Australian intelligence entities
 - monitoring their performance and resourcing in relation to the Government's priorities
 - where appropriate, recommending measures to improve the effectiveness of Australia's foreign intelligence effort.
- to provide a supportive and stimulating work environment, ONA will:
 - cultivate and recognise excellence in analytical and support areas by all means
 - encourage teamwork and close communication between management and staff at all levels
 - ensure prudent and effective use of its financial resources
 - commit to supporting and promoting a culture of equity, inclusion and diversity; and to ensure our workforce is representative of the contemporary Australian community
 - promote a culture of good governance including with well documented corporate planning, performance reporting and risk and fraud control.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Advancement of Australia's national interests through increased government awareness of international developments affecting Australia.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Assessment and Reports		
Departmental expenses		
Departmental appropriation ^(a)	20,836	21,196
Expenses not requiring appropriation in the Budget year ^(b)	2,906	3,133
Total for Programme 1.1	23,742	24,329
Programme 1.2: Coordination and Evaluation		
Departmental expenses		
Departmental appropriation ^(a)	8,928	9,084
Expenses not requiring appropriation in the Budget year ^(b)	1,246	1,343
Total for Programme 1.2	10,174	10,427
Outcome 1 totals by appropriation type		
Departmental expenses		
Departmental appropriation ^(a)	29,765	30,280
Expenses not requiring appropriation in the Budget year ^(b)	4,152	4,476
Total expenses for Outcome 1	33,917	34,756
	2014-15	2015-16
Average Staffing Level (number)	132	138

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, audit fees and other gains.

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

Contributions to Outcome 1

Programme 1.1: Assessments and Reports

Programme 1.1 Objective

Provide accurate and timely assessments and reports to the Prime Minister, senior Ministers and officials.

Programme 1.1 Expenses

The expenses for Programme 1.1 are listed in the following table.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Assessment and Reports	20,836	21,196	22,278	22,746	23,742
Expenses not requiring appropriation in the Budget year ^(a)	2,906	3,133	3,510	3,836	3,836
Total programme expenses	23,742	24,329	25,788	26,582	27,578

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, audit fees and other gains.

Programme 1.1 Deliverables

The programme deliverable includes accurate and timely assessments and reports to the Prime Minister, senior Ministers and officials that:

- warn of threats and adverse developments and opportunities affecting Australia's national interests
- inform Government policy making.

Programme 1.1 Key Performance Indicators

- Satisfaction of the Prime Minister and other key Ministers as to the level of analysis and assessment provided to Government
- ONA depends on regular feedback on its work programme from clients (the Prime Minister, Ministers and Commonwealth entities) and has developed a variety of mechanisms that help evaluate its effectiveness in achieving planned outcomes and the quality of its outputs. These are:
 - close liaison with the Prime Minister's office and with other Ministers and their entities
 - annual review of ONA's performance by the Department of the Prime Minister and Cabinet
 - regular internal review of ONA's analytical and resource management objectives and performance
 - evaluation of ONA's statutory independence by the Inspector-General of Intelligence and Security.

The measurable targets are:

- satisfaction of the Prime Minister with the timeliness, accuracy and content of reports
- positive judgement of the ONA product as judged by clients in terms of uniqueness, timeliness and responsiveness, relevance and accuracy.

Programme 1.2: Coordination and Evaluation

Programme 1.2 Objective

The objective of this programme is to advance Australia’s national interest through the effective coordination and evaluation of Australia’s foreign intelligence activities.

Programme 1.2 Expenses

The expenses for Programme 1.2 are listed in the following table.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Coordination and evaluation	8,928	9,084	9,547	9,748	10,175
Expenses not requiring appropriation in the Budget year ^(a)	1,246	1,343	1,505	1,644	1,644
Total programme expenses	10,174	10,427	11,052	11,392	11,819

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, audit fees and other gains.

Programme 1.2 Deliverables

The programme deliverables include:

- improved intelligence capability and performance through the effective coordination and evaluation of Australia’s foreign intelligence activities
- provide advice on the adequacy of resources for foreign intelligence activities
- effective intelligence relationships with close allies and partners.

Programme 1.2 Key Performance Indicators

- ONA’s intelligence coordination mechanisms are credible and effective and deliver well-coordinated foreign intelligence support to Government
- ONA’s evaluation processes are complete and credible and inform Government.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

ONA does not have any movements of administered funds between years.

3.1.2 Special Accounts

ONA does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

ONA has no Indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The Entity Resource Statement (Table 1.1) provides a consolidated view of all the resources available to the entity in 2015-16. This includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2.2). The Comprehensive Income Statement (Table 3.2.1) shows only the operating appropriation provided in 2015-16.

3.2.2 Analysis of Budgeted Financial Statements

Comprehensive Income Statement

ONA is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense in 2015-16 and the forward estimate years.

Employee and supplier expenses are budgeted to remain stable over the Budget and forward estimate years.

Budgeted Departmental Balance Sheet

Cash balances are maintained within a working capital limited of \$0.7 million as agreed with the Department of Finance.

Appropriation balances carried forward are retained to cover employee provisions and supplier payables, and for the management of the accounting treatment of the building lease.

The increase in supplier payables reflects the rent payable liability increasing over the Budget and forward years due to the requirement for lease payments under an operating lease to be recognised as an expense on a straight-line basis over the lease term.

Budgeted Departmental Statement of Cash Flows

The cash flow is consistent with, and representative of, the transactions reported in the Comprehensive Income Statement (Table 3.2.1), adjusted for non-cash items and anticipated capital purchases.

Departmental Capital Budget Statement

The Departmental Capital Budget Statement (Table 3.2.5) shows the budgeted capital works programme for the Budget and forward estimate years, including the purchase of new assets as well as replacement of existing assets.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	19,957	20,641	21,653	22,196	23,390
Suppliers	9,838	9,669	10,202	10,328	10,557
Depreciation and amortisation	4,122	4,446	4,985	5,450	5,450
Total expenses	33,917	34,756	36,840	37,974	39,397
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Gains					
Other	30	30	30	30	30
Total gains	30	30	30	30	30
Total own-source income	30	30	30	30	30
Net cost of/(contribution by) services	33,887	34,726	36,810	37,944	39,367
Revenue from Government	29,765	30,280	31,825	32,494	33,917
Surplus/(deficit) attributable to the Australian Government	(4,122)	(4,446)	(4,985)	(5,450)	(5,450)
Total comprehensive income/(loss)	(4,122)	(4,446)	(4,985)	(5,450)	(5,450)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	4,122	4,446	4,985	5,450	5,450
Total comprehensive income/(loss) - as per the statement of comprehensive income	(4,122)	(4,446)	(4,985)	(5,450)	(5,450)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,940	658	658	658	657
Trade and other receivables	20,671	19,777	18,199	17,657	16,874
Total financial assets	22,611	20,435	18,857	18,315	17,531
Non-financial assets					
Land and buildings	18,373	17,040	16,318	14,836	13,254
Property, plant and equipment	1,309	1,664	2,164	2,614	2,634
Intangibles	2,009	5,442	7,674	9,179	11,251
Other non-financial assets	670	670	670	670	670
Total non-financial assets	22,361	24,816	26,826	27,299	27,809
Total assets	44,972	45,251	45,683	45,614	45,340
LIABILITIES					
Payables					
Suppliers	2,458	2,923	3,285	3,541	3,687
Other payables	553	553	553	553	553
Total payables	3,011	3,476	3,838	4,094	4,240
Provisions					
Employee provisions	6,938	7,270	8,433	9,571	10,541
Total provisions	6,938	7,270	8,433	9,571	10,541
Total liabilities	9,949	10,746	12,271	13,665	14,781
Net assets	35,023	34,505	33,412	31,949	30,559
EQUITY*					
Contributed equity	38,917	42,845	46,737	50,724	54,784
Reserves	1,056	1,056	1,056	1,056	1,056
Retained surplus (accumulated deficit)	(4,950)	(9,396)	(14,381)	(19,831)	(25,281)
Total equity	35,023	34,505	33,412	31,949	30,559

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(4,950)	1,056	38,917	35,023
Adjusted opening balance	(4,950)	1,056	38,917	35,023
Comprehensive income				
Surplus/(deficit) for the period	(4,446)	-	-	(4,446)
Total comprehensive income	(4,446)	-	-	(4,446)
of which:				
Attributable to the Australian Government	(4,446)	-	-	(4,446)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	3,928	3,928
Sub-total transactions with owners	-	-	3,928	3,928
Estimated closing balance as at 30 June 2016	(9,396)	1,056	42,845	34,505
Closing balance attributable to the Australian Government	(9,396)	1,056	42,845	34,505

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	28,820	28,200	30,364	33,036	34,700
Net GST received	818	825	830	840	850
Total cash received	29,638	29,025	31,194	33,876	35,550
Cash used					
Employees	19,610	20,308	20,490	21,058	22,420
Suppliers	9,880	9,999	10,640	10,882	11,231
Total cash used	29,490	30,307	31,130	31,940	33,651
Net cash from/(used by) operating activities	148	(1,282)	64	1,936	1,899
Cash used					
Buildings	250	350	1,020	325	225
Purchase of property, plant and equipment	405	1,898	2,043	1,993	1,563
Intangibles	1,693	4,653	3,932	3,605	4,172
Total cash used	2,348	6,901	6,995	5,923	5,960
Net cash from/(used by) investing activities	(2,348)	(6,901)	(6,995)	(5,923)	(5,960)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,348	6,901	6,931	3,987	4,060
Total cash received	2,348	6,901	6,931	3,987	4,060
Net cash from/(used by) financing activities	2,348	6,901	6,931	3,987	4,060
Net increase/(decrease) in cash held	148	(1,282)	-	-	(1)
Cash and cash equivalents at the beginning of the reporting period	1,792	1,940	658	658	658
Cash and cash equivalents at the end of the reporting period	1,940	658	658	658	657

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	3,789	3,928	3,892	3,987	4,060
Total new capital appropriations	3,789	3,928	3,892	3,987	4,060
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	3,789	3,928	3,892	3,987	4,060
Total items	3,789	3,928	3,892	3,987	4,060
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ^(a)	2,348	6,901	6,931	3,987	4,060
Funded internally from departmental resources ^(b)	-	-	64	1,936	1,900
TOTAL	2,348	6,901	6,995	5,923	5,960
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,348	6,901	6,995	5,923	5,960
Total cash used to acquire assets	2,348	6,901	6,995	5,923	5,960

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(b) Includes current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category			Total
	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	20,002	3,457	6,568	30,027
Accumulated depreciation/amortisation and impairment	(1,629)	(2,148)	(4,559)	(8,336)
Opening net book balance	18,373	1,309	2,009	21,691
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	350	1,898	4,653	6,901
Total additions	350	1,898	4,653	6,901
Other movements				
Depreciation/amortisation expense	(1,683)	(1,543)	(1,220)	(4,446)
Total other movements	(1,683)	(1,543)	(1,220)	(4,446)
As at 30 June 2016				
Gross book value	20,352	5,355	11,221	36,928
Accumulated depreciation/amortisation and impairment	(3,312)	(3,691)	(5,779)	(12,782)
Closing net book balance	17,040	1,664	5,442	24,146

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2015-16 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Office of the Commonwealth Ombudsman

Entity Resources and Planned Performance

OFFICE OF THE COMMONWEALTH OMBUDSMAN

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OFFICE OF THE COMMONWEALTH OMBUDSMAN

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The planned outcome of the Office of the Commonwealth Ombudsman (OCO) is fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.

The OCO's strategic vision over the next five years is as follows:

- to provide assurance that the Australian Government entities and prescribed private sector organisations that the OCO oversees act with integrity and treat people fairly, and
- to influence enduring systemic improvement in public administration in Australia and the region.

The Government's decision (announced in the 2014-15 Budget) to transfer the functions of the Private Health Insurance Ombudsman to the OCO from 1 July 2015 is a significant new measure which will impact on the OCO's role. The new role requires the OCO to provide assurance to the Australian Government with respect to investigating industry practices associated with private health insurance and health care providers, in particular, the performance of the sector, and the protection of private health insurance consumers through complaints handling and provision of information to consumers on insurance options. Implementation of this measure is subject to the passage of legislation currently before the Parliament.

The transfer of the tax complaints function from the OCO to the Inspector-General of Taxation (announced in the 2014-15 Budget) occurred on 1 May 2015, consistent with the *Tax and Superannuation Laws Amendment (2014 Measures No. 1) Act 2014*.

The *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* which was recently passed by the Parliament creates new oversight responsibilities for the OCO. These new statutory oversight responsibilities involve mandatory regular compliance audits of certain agencies' use of covert and intrusive powers and will require a significant expansion of existing capacity.

Changing expectations of government and citizens about the delivery of public services poses challenges to all public sector entities. While being responsive to the challenges, it is critical in maintaining ongoing confidence in the Australian Public Service that standards of good public administration and integrity of government operations are sustained. The OCO will contribute to that effort through the Office's complaint handling, examination of systemic issues, consideration of integrity issues and inspections.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: OCO Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	9,432	9,870	-	9,870
Departmental appropriation ^(c)	18,480	-	22,643	22,643
s74 Retained revenue receipts ^(d)	2,539	-	2,422	2,422
Total	30,451	9,870	25,065	34,935
Total ordinary annual services	[A] 30,451	9,870	25,065	34,935
Other services				
Total other services	[B] -	-	-	-
Total available annual appropriations [A+B]	30,451	9,870	25,065	34,935
Special appropriations				
Total special appropriations	[C] -	-	-	-
Special accounts				
Total special accounts	[D] -	-	-	-
Total resourcing [A+B+C+D]	30,451	9,870	25,065	34,935
Total net resourcing for OCO	30,451	9,870	25,065	34,935

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$1.2m for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated Retained revenue receipts under section 74 of the PGPA Act (s74).

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

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

Table 1.2: Entity 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures						
National Security -						
Implementation of mandatory telecommunications data retention						
	1.1					
		-	-	-	-	-
		-	1,807	1,511	1,511	1,511
		-	1,807	1,511	1,511	1,511
Total expense measures						
		-	-	-	-	-
		-	1,807	1,511	1,511	1,511
		-	1,807	1,511	1,511	1,511
Capital measures						
National Security -						
Implementation of mandatory telecommunications data retention						
	1.1					
		-	-	-	-	-
		-	350	-	-	-
		-	350	-	-	-
Total capital measures						
		-	-	-	-	-
		-	350	-	-	-
		-	350	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

The OCO's outcome is described below together with its related programme, specifying the performance indicators and targets used to assess and monitor the performance of the OCO in achieving government outcomes.

Outcome 1: Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.

The OCO undertook a detailed review of its objectives, deliverables and key performance indicators (KPIs) reported in the 2014-15 PB Statements to align with the current and future operations of the OCO. The revised objectives, deliverables and KPIs are detailed below.

Outcome 1 Strategy

The key strategies OCO will seek to achieve its outcome are based on the strategic direction set out in Section 1.1 and further detailed below.

Assurance

- providing a professional and impartial complaint handling and investigation service.

Integrity

- enhancing the OCO's integrity role in assessing Australian Government entities' compliance with legislation in the use of covert or coercive powers
- maintaining the OCO's oversight of the Commonwealth public interest disclosure scheme
- enhancing the OCO's immigration ombudsman capability.

Influence

- enhancing the trusted relationships the OCO has with the Australian Government entities and industry sectors the Office oversees, the community and international partners
- continuing to influence, achieve outcomes and effect change through the OCO's investigation of complaints, own motion investigations and recommendations to government.

Improvement

- continuing to encourage systemic improvement in public administration.

The table below details the amendments OCO has made to its Outcome Statement, to better reflect the responsibilities of the OCO.

New Outcome 1	<i>Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.</i>
Description of change: New outcome, created for Budget 2015-16, supersedes the old Outcome 1.	
Old Statement: <i>Fair and accountable administrative action by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies.</i>	

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Office of the Commonwealth Ombudsman		
Departmental expenses		
Departmental appropriation ^(a)	20,932	23,212
Expenses not requiring appropriation in the Budget year ^(b)	725	833
Total for Programme 1.1	21,657	24,045
Outcome 1 totals by appropriation type		
Departmental expenses		
Departmental appropriation ^(a)	20,932	23,212
Expenses not requiring appropriation in the Budget year ^(b)	725	833
Total expenses for Outcome 1	21,657	24,045
<hr/>		
Average Staffing Level (number)	137	149

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74).

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

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

Contributions to Outcome 1

Programme 1.1: Office of the Commonwealth Ombudsman

Programme 1.1 Objectives

The objectives of this programme are to:

- influence Australian Government entities, prescribed private sector organisations and our regional partners, to improve the administration of their programmes and complaint handling systems
- provide an efficient and effective complaints handling service
- provide effective oversight of entities and prescribed private sector organisations compliance with legislation and policy in the use of selected intrusive or coercive powers
- provide effective oversight and promotion of the administration of the public interest disclosure scheme for the Commonwealth public sector
- provide quality and accessible private health insurance information.

Programme 1.1 Expenses

The significant increase in the level of activity and funding required for this programme in 2015-16 mainly relates to new oversight functions under the *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* and the transfer of the Private Health Insurance Ombudsman function to the OCO from 1 July 2015.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Departmental appropriation	20,932	23,212	22,130	22,497	22,677
Expenses not requiring appropriation in the Budget year ^(a)	725	833	942	1,003	1,058
Total programme expenses	21,657	24,045	23,072	23,500	23,735

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Programme 1.1 Deliverables

The programme deliverables include:

- identifying and reporting on systemic issues in public administration, including making recommendations
- influencing Australian Government entities, prescribed private sector organisations and our regional partners to improve complaint handling systems and administration of programmes through stakeholder engagement and guidance
- assistance to regional partners consistent with the Australian Aid priorities
- ensuring OCO's complaint handling service is delivered within its service standards
- Office statutory requirements in relation to oversight of entities and prescribed private sector organisations compliance with legislation and policy in the use of selected intrusive or coercive powers are met
- inspecting and reporting on entity and private sector organisation compliance with accountability principles and policy requirements
- Office statutory requirements in relation to Commonwealth public interest disclosures are met
- providing consumers with accurate and up to date private health insurance information.

Programme 1.1 Key Performance Indicators*

Objective 1: Influence Australian Government entities, prescribed private sector organisations and our regional partners, to improve the administration of their programmes and complaint handling systems:

- percentage of systemic issue recommendations accepted by entities (2015-16 target: 80%)
- stakeholders participating in engagement activities are satisfied (2015-16 target: 90% stakeholder satisfaction)
- the Office obligations under Australian Aid arrangements are met (2015-16 target: 80% of outputs delivered and 100% of reporting obligations met).

Objective 2: Provide an efficient and effective complaints handling service:

- percentage of complaints finalised within the OCO's service standards (2015-16 target: 85%).

Objective 3: Provide effective oversight of entities and prescribed private sector organisations compliance with legislation and policy in the use of selected intrusive or coercive powers:

- percentage of statutory requirements met (2015-16 target: 100%)
- percentage of recommendations accepted by entities (2015-16 target: 80%).

Objective 4: Provide effective oversight and promotion of the administration of the public interest disclosure scheme for the Commonwealth public sector:

- percentage of statutory requirements met (2015-16 target: 100%)
- stakeholders participating in engagement activities are satisfied (2015-16 target: 90% stakeholder satisfaction).

Objective 5: Provide quality and accessible private health insurance information:

- reliable information is provided to consumers via the private health insurance consumer website (2015-16 target: 80% user satisfaction).

*Note: The OCO undertook a detailed review of key performance indicators (KPI) reported in the 2013-14 PB Statements to align with the current and future operations of the OCO. The actual results against these KPIs will be reported in the 2014-15 Annual Report.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

The OCO has no movement of administered funds between years.

3.1.2 Special Accounts

The OCO has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

The OCO has no Indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The Entity Resource Statement (Table 1.1) provides a consolidated view of the resources available to the OCO in 2015-16. This includes equity injections (provided as a Departmental Capital Budget) and appropriations receivable. The Comprehensive Income Statement (Table 3.2.1) shows only the operating appropriation provided in 2015-16.

3.2.2 Analysis of Budgeted Financial Statements

Comprehensive Income Statement

The OCO is budgeting for a break-even operating result after adjustments for unfunded depreciation and amortisation expense in 2015-16 and the forward years.

Revenue from Government (appropriation funding) has increased from \$18.4 million in 2014-15 to \$20.8 million in 2015-16. The increase is mainly due to additional resourcing (\$1.8 million) for the new oversight functions under the *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* and the transfer of the Private Health Insurance Ombudsman function to the OCO (\$2.1 million) from 1 July 2015. These increases are offset by the transfer of the tax complaints function to the Inspector-General of Taxation (\$0.5 million), additional funding for profiling and restructuring in 2014-15 (\$0.7 million) and the impact of targeted savings, changes in price and wage indices, and additional efficiency dividends (\$0.4 million).

Supplier and employee expenses will increase in line with the increased appropriation.

Budgeted Departmental Balance Sheet

The OCO's budgeted net asset position at 30 June 2016 is estimated at \$6.0 million (30 June 2015: \$4.8 million).

The main payables and provisions are expected to remain stable at current levels with the primary liability continuing to be employee provisions for accrued entitlements.

Departmental Statement of Changes in Equity

The Departmental Statement of Changes in Equity (Table 3.2.3) shows the expected movements in equity during 2015-16. The retained earnings portion of equity will reduce as a result of the net cash appropriations not providing revenue to fund the depreciation expense and the transfer of the balance of the Private Health Insurance Ombudsman's retained earnings. This is offset by an increase in contributed equity relating to Departmental Capital Budget and the transfer of the Private Health Insurance Ombudsman's net assets to the OCO.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	16,090	17,344	16,685	17,010	17,190
Suppliers	4,887	5,913	5,490	5,532	5,532
Depreciation and amortisation	680	788	897	958	1,013
Total expenses	21,657	24,045	23,072	23,500	23,735
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,539	2,422	1,954	2,239	2,291
Total own-source revenue	2,539	2,422	1,954	2,239	2,291
Gains					
Other	45	45	45	45	45
Total gains	45	45	45	45	45
Total own-source income	2,584	2,467	1,999	2,284	2,336
Net cost of/(contribution by) services	19,073	21,578	21,073	21,216	21,399
Revenue from Government	18,393	20,790	20,176	20,258	20,386
Surplus/(deficit) attributable to the Australian Government	(680)	(788)	(897)	(958)	(1,013)
Total comprehensive income/(loss)	(680)	(788)	(897)	(958)	(1,013)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations	680	788	897	958	1,013
Total comprehensive income/(loss) - as per the statement of comprehensive income	(680)	(788)	(897)	(958)	(1,013)

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	126	216	216	216	216
Trade and other receivables	9,821	9,067	9,095	8,955	8,601
Other financial assets	45	17	1	1	1
Total financial assets	9,992	9,300	9,312	9,172	8,818
Non-financial assets					
Property, plant and equipment	2,085	2,184	2,154	2,229	2,308
Intangibles	451	1,628	1,591	1,396	1,147
Other non-financial assets	294	277	241	241	241
Total non-financial assets	2,830	4,089	3,986	3,866	3,696
Total assets	12,822	13,389	13,298	13,038	12,514
LIABILITIES					
Payables					
Suppliers	580	714	697	709	714
Lease incentives	1,273	1,102	942	802	665
Fixed lease increase	1,205	1,256	1,274	1,255	1,186
Other payables	670	333	550	435	199
Total payables	3,728	3,405	3,463	3,201	2,764
Provisions					
Employee provisions	4,170	3,830	3,808	3,930	4,013
Other provisions	125	167	107	107	107
Total provisions	4,295	3,997	3,915	4,037	4,120
Total liabilities	8,023	7,402	7,378	7,238	6,884
Net assets	4,799	5,987	5,920	5,800	5,630
EQUITY*					
Contributed equity	5,627	8,031	8,861	9,699	10,542
Reserves	1,113	1,213	1,213	1,213	1,213
Retained surplus (accumulated deficit)	(1,941)	(3,257)	(4,154)	(5,112)	(6,125)
Total equity	4,799	5,987	5,920	5,800	5,630

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity —
Summary of Movement (Budget Year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(1,941)	1,113	5,627	4,799
Adjusted opening balance	(1,941)	1,113	5,627	4,799
Comprehensive income				
Surplus/(deficit) for the period	(788)	-	-	(788)
Total comprehensive income	(788)	-	-	(788)
of which:				
Attributable to the Australian Government	(788)	-	-	(788)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,181	1,181
Restructuring	(528)	100	1,223	795
Sub-total transactions with owners	(528)	100	2,404	1,976
Estimated closing balance as at 30 June 2016	(3,257)	1,213	8,031	5,987
Closing balance attributable to the Australian Government	(3,257)	1,213	8,031	5,987

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	17,569	21,584	20,152	20,400	20,753
Sale of goods and rendering of services	2,627	2,621	2,183	2,122	2,042
Total cash received	20,196	24,205	22,335	22,522	22,795
Cash used					
Employees	16,018	17,684	16,717	16,888	17,107
Suppliers	4,523	6,431	5,618	5,634	5,688
Total cash used	20,541	24,115	22,335	22,522	22,795
Net cash from/(used by) operating activities	(345)	90	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	760	1,181	830	838	843
Total cash used	760	1,181	830	838	843
Net cash from/(used by) investing activities	(760)	(1,181)	(830)	(838)	(843)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	760	1,181	830	838	843
Total cash received	760	1,181	830	838	843
Net cash from/(used by) financing activities	760	1,181	830	838	843
Net increase/(decrease) in cash held	(345)	90	-	-	-
Cash and cash equivalents at the beginning of the reporting period	471	126	216	216	216
Cash and cash equivalents at the end of the reporting period	126	216	216	216	216

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	760	1,181	830	838	843
Total new capital appropriations	760	1,181	830	838	843
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	760	1,181	830	838	843
Total items	760	1,181	830	838	843
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation					
- DCB ^(a)	760	1,181	830	838	843
TOTAL	760	1,181	830	838	843
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	760	1,181	830	838	843
Total cash used to acquire assets	760	1,181	830	838	843

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category		Total \$'000
	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	
As at 1 July 2015			
Gross book value	3,048	1,957	5,005
Accumulated depreciation/amortisation and impairment	(963)	(1,506)	(2,469)
Opening net book balance	2,085	451	2,536
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services ^(a)	540	641	1,181
From acquisition of entities or operations (including restructuring) ^(b)	92	791	883
Total additions	632	1,432	2,064
Other movements			
Depreciation/amortisation expense	(533)	(255)	(788)
Total other movements	(533)	(255)	(788)
As at 30 June 2016			
Gross book value	3,680	3,389	7,069
Accumulated depreciation/amortisation and impairment	(1,496)	(1,761)	(3,257)
Closing net book balance	2,184	1,628	3,812

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

(b) Related to the assets transferred from the Private Health Insurance Ombudsman.

Prepared on Australian Accounting Standards basis.

Office of the Inspector-General of Intelligence and Security

Entity Resources and Planned Performance

OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY

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OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The planned outcome for the Office of the Inspector-General of Intelligence and Security (OIGIS) is the provision of independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.

OIGIS provides a specialised review mechanism for the six Australian intelligence agencies including:

- Australian Security Intelligence Organisation (ASIO)
- Australian Secret Intelligence Service (ASIS)
- Australian Geospatial-Intelligence Organisation (AGO)
- Defence Intelligence Organisation (DIO)
- Australian Signals Directorate (ASD)
- Office of National Assessments (ONA).

A proactive inspection programme is undertaken by OIGIS each year into the activities of each intelligence agency. Formal inquiries may also be conducted at the Inspector-General's own motion, as a result of complaints received, or by request from relevant ministers. The Prime Minister can request the Inspector-General to inquire into an intelligence or security matter relating to any Commonwealth agency¹. During formal inquiries, the *Inspector-General of Intelligence and Security Act 1986* provides for the use of strong coercive powers, immunities and protections.

In conducting its inquiries and inspections, OIGIS focuses on compliance by the intelligence agencies with Australian law and ministerial directions, the propriety of their activities, and respect for human rights.

¹ 'Commonwealth agency' is defined in the *Inspector-General of Intelligence and Security Act 1986*. It is not the same as a 'Commonwealth entity' as defined in the *Public Governance, Performance and Accountability Act 2013*.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: OIGIS Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	2,223	2,760	-	2,760
Departmental appropriation ^(c)	3,029	-	3,075	3,075
s74 Retained revenue receipts ^(d)	-	90	-	90
Total	5,252	2,850	3,075	5,925
Total ordinary annual services	[A] 5,252	2,850	3,075	5,925
Other services				
Total other services	[B] -	-	-	-
Total available annual appropriations [A+B]	5,252	2,850	3,075	5,925
Special appropriations				
Total special appropriations	[C] -	-	-	-
Total appropriations excluding special accounts	5,252	2,850	3,075	5,925
Special accounts				
Total special accounts	[D] -	-	-	-
Total resourcing [A+B+C+D]	5,252	2,850	3,075	5,925
Total net resourcing for OIGIS	5,252	2,850	3,075	5,925

(a) *Appropriation Bill (No.1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$0.025m in 2015-16 for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated Retained revenue receipts under section 74 of the PGPA Act (s74).

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

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

Table 1.2: OIGIS 2015-16 Budget Measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
National Security - The Office of National Assessments and the Office of the Inspector-General of Intelligence and Security resourcing					
1.1					
Administered expenses	-	-	-	-	-
Departmental expenses	-	77	160	196	234
Total	-	77	160	196	234
Total expense measures					
Administered	-	-	-	-	-
Departmental	-	77	160	196	234
Total	-	77	160	196	234
Capital measures					
National Security - The Office of National Assessments and the Office of the Inspector-General of Intelligence and Security resourcing					
1.1					
Administered expenses	-	-	-	-	-
Departmental expenses	-	-	-	-	-
Total	-	-	-	-	-
Total capital measures					
Administered	-	-	-	-	-
Departmental	-	-	-	-	-
Total	-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence and security agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.

Outcome 1 Strategy

The key strategies by which OIGIS will seek to achieve its outcome are:

- to continue and expand the entity's inspection activities, which involve proactively monitoring and reviewing the activities of the intelligence agencies
- where appropriate, to initiate 'own motion' inquiries and investigate complaints or referrals about the activities of the intelligence agencies
- at the request of the Prime Minister, to inquire into an intelligence and security matter relating to any Commonwealth agency.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence and security agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Office of the Inspector-General of Intelligence and Security		
Departmental expenses		
Departmental appropriation ^(a)	3,003	3,050
Expenses not requiring appropriation in the Budget year ^(b)	131	131
Total for Programme 1.1	3,134	3,181
Outcome 1 totals by appropriation type		
Departmental expenses		
Departmental appropriation ^(a)	3,003	3,050
Expenses not requiring appropriation in the Budget year ^(b)	131	131
Total expenses for Outcome 1	3,134	3,181
	2014-15	2015-16
Average Staffing Level (number)^(c)	13	16

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, audit fees, IT and other services provided free of charge.

(c) Increase in ASL relates to the expense measure reported in Table 1.2.

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

Contributions to Outcome 1

Programme 1.1: Office of the Inspector-General of Intelligence and Security

Programme 1.1 Objectives

The objectives of this programme are:

- to fulfil the responsibilities and functions outlined in the *Inspector-General of Intelligence and Security Act 1986*
- to provide independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence agencies are acting legally and with propriety.

Programme 1.1 Expenses

The most significant programme expenses are employee-related expenses. OIGIS also receives significant assistance free of charge from the Department of the Prime Minister and Cabinet.

Factors that may have future resourcing implications include:

- changes in intelligence agency activities
- changes in the jurisdiction or role of OIGIS
- changes in complaint or inquiry numbers.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Departmental appropriation	3,003	3,050	3,124	3,169	3,224
Expenses not requiring appropriation in the Budget year ^(a)	131	131	140	166	166
Total programme expenses	3,134	3,181	3,264	3,335	3,390

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, audit fees, IT and other services provided free of charge.

Programme 1.1 Deliverables

The programme deliverables include:

- conducting own motion inquiries as appropriate
- undertaking a comprehensive inspection and visits programme to monitor and review casework
- providing effective and timely responses to complaints or referrals received from members of the public, ministers or members of parliament
- undertaking presentations to new and existing employees of intelligence agencies to ensure an awareness and understanding of their responsibilities and accountability
- liaising with other accountability or integrity agencies in Australia and overseas.

Programme 1.1 Key Performance Indicators

- The breadth and depth of inspection work undertaken
- the timeliness of completion of inquiries or complaint resolution
- the level of acceptance by agencies, complainants and ministers of findings and recommendations of inquiries conducted
- the extent to which there has been change within the agencies as a result of activities of OIGIS.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and Budgeted Financial Statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds between Years

OIGIS has no movements of administered funds between years.

3.1.2 Special Accounts

OIGIS has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

OIGIS has no Indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The Entity Resource Statement (Table 1.1) provides a consolidated view of all the resources available to the entity in 2015-16. This includes equity injections and appropriations receivable that is yet to be drawn down to cover payables and provisions in the Budgeted Departmental Balance Sheet (Table 3.2.2). The Comprehensive Income Statement (Table 3.2.1) shows only the operating appropriations provided in 2015-16.

3.2.2 Analysis of Budgeted Financial Statements

Comprehensive Income Statement

OIGIS is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense, in 2015-16 and the forward years.

As in previous years, the most significant component of the standard operating expenditure will be salary related, which reflects the nature of the entity's activities and functions.

The resources received free of charge include the office space occupied in the Department of the Prime Minister and Cabinet building (estimated value: \$0.1 million per year), the financial audit services provided by the Australian National Audit Office (estimated value: \$0.014 million per year) and maintenance of the internal secure communications network provided by the Australian Signals Directorate (estimated value: \$0.002 million per year).

Budgeted Departmental Balance Sheet

In early 2015-16 it is anticipated that the secure IT network, which represents the most significant component of OIGIS' assets, will be upgraded. OIGIS also holds office equipment and furniture, the majority of which are owned by the Department of the Prime Minister and Cabinet and provided free of charge.

OIGIS' significant liabilities include accrued leave liabilities.

Budgeted Departmental Statement of Cash Flows

The cash holdings remain relatively constant over the years due to the cash level agreement between OIGIS and the Department of Finance.

OIGIS Budget Statements

Departmental Capital Budget Statement

The capital budget for 2015-16 is \$0.025 million.

Departmental Statement of Changes in Equity

Following the government's net cash arrangements, whereby depreciation expenses are no longer funded, it is expected that the equity position will continue to decrease across the forward years by the amount of the budgeted depreciation expense for the year. This decline is offset by capital budget appropriations.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	2,669	2,775	2,857	2,955	3,034
Suppliers	452	393	394	341	317
Depreciation and amortisation	13	13	13	39	39
Total expenses	3,134	3,181	3,264	3,335	3,390
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	118	118	127	127	127
Total gains	118	118	127	127	127
Total own-source income	118	118	127	127	127
Net cost of/(contribution by) services	3,016	3,063	3,137	3,208	3,263
Revenue from Government	3,003	3,050	3,124	3,169	3,224
Surplus/(deficit) attributable to the Australian Government	(13)	(13)	(13)	(39)	(39)
Total comprehensive income/(loss)	(13)	(13)	(13)	(39)	(39)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	(13)	(13)	(13)	(39)	(39)
Total comprehensive income/(loss) - as per the statement of comprehensive income	(13)	(13)	(13)	(39)	(39)

(a) From 2010-11 the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	206	206	206	206	206
Trade and other receivables	7	7	7	7	7
Appropriations receivable	2,222	2,156	2,182	2,182	2,182
Total financial assets	2,435	2,369	2,395	2,395	2,395
Non-financial assets					
Property, plant and equipment	77	155	167	153	139
Total non-financial assets	77	155	167	153	139
Total assets	2,512	2,524	2,562	2,548	2,534
LIABILITIES					
Payables					
Suppliers	115	115	115	115	115
Total payables	115	115	115	115	115
Provisions					
Employee provisions	730	730	756	756	756
Total provisions	730	730	756	756	756
Total liabilities	845	845	871	871	871
Net assets	1,667	1,679	1,691	1,677	1,663
EQUITY*					
Contributed equity	489	514	539	564	589
Reserves	16	16	16	16	16
Retained surplus (accumulated deficit)	1,162	1,149	1,136	1,097	1,058
Total equity	1,667	1,679	1,691	1,677	1,663

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity —
Summary of Movement (Budget Year 2015-16)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	1,162	16	489	1,667
Adjusted opening balance	1,162	16	489	1,667
Comprehensive income				
Surplus/(deficit) for the period	(13)	-	-	(13)
Total comprehensive income	(13)	-	-	(13)
of which:				
Attributable to the Australian Government	(13)	-	-	(13)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	25	25
Sub-total transactions with owners	-	-	25	25
Estimated closing balance as at 30 June 2016	1,149	16	514	1,679
Closing balance attributable to the Australian Government	1,149	16	514	1,679

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	3,179	3,170	3,227	3,169	3,224
Other	-	2	-	127	127
Total cash received	3,179	3,172	3,227	3,296	3,351
Cash used					
Employees	2,696	2,775	2,831	2,955	3,034
Suppliers	483	397	396	341	317
Total cash used	3,179	3,172	3,227	3,296	3,351
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	26	91	25	25	25
Total cash used	26	91	25	25	25
Net cash from/(used by) investing activities	(26)	(91)	(25)	(25)	(25)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	26	91	25	25	25
Total cash received	26	91	25	25	25
Net cash from/(used by) financing activities	26	91	25	25	25
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	206	206	206	206	206
Cash and cash equivalents at the end of the reporting period	206	206	206	206	206

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	26	25	25	25	25
Total new capital appropriations	26	25	25	25	25
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	26	25	25	25	25
Total items	26	25	25	25	25
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ^(a)	26	91	25	25	25
TOTAL	26	91	25	25	25
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	26	91	25	25	25
Total cash used to acquire assets	26	91	25	25	25

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs). Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category	
	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2015		
Gross book value	90	90
Accumulated depreciation/amortisation and impairment	(13)	(13)
Opening net book balance	77	77
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation ordinary annual services ^(a)	91	91
Total additions	91	91
Other movements		
Depreciation/amortisation expense	(13)	(13)
Total other movements	(13)	(13)
As at 30 June 2016		
Gross book value	181	181
Accumulated depreciation/amortisation and impairment	(26)	(26)
Closing net book balance	155	155

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Office of the Official Secretary to the Governor-General

Entity Resources and Planned Performance

**OFFICE OF THE OFFICIAL SECRETARY TO THE
GOVERNOR-GENERAL**

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OFFICE OF THE OFFICIAL SECRETARY TO THE GOVERNOR-GENERAL

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The planned outcome for the Office of the Official Secretary to the Governor-General (OOSGG) is the facilitation of the performance of the Governor-General's role through the organisation and management of official duties, management and maintenance of the official household and property, and administration of the Australian Honours and Awards system.

The OOSGG delivers its planned outcome through one programme, being 'Support for the Governor-General and Official Functions'.

The OOSGG's role is to support the Governor-General to enable him to perform official duties, including support in connection with official functions, the management and maintenance of Government House in Canberra and Admiralty House in Sydney, and the effective administration of the Australian Honours and Awards system.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: OOSGG Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year appropriations ^(b)	1,986	2,726	-	2,726
Departmental appropriation ^(c)	11,945	-	11,629	11,629
Total	13,931	2,726	11,629	14,355
Administered expenses				
Outcome 1 ^(d)	1,574	-	3,754	3,754
Total	1,574	-	3,754	3,754
Total ordinary annual services	[A] 15,505	2,726	15,383	18,109
Other services				
Departmental non-operating				
Equity injections	1,739	-	-	-
Total	1,739	-	-	-
Total other services	[B] 1,739	-	-	-
Total available annual appropriations [A+B]	17,244	2,726	15,383	18,109
Special appropriations				
Special appropriations limited by amount				
Governor-General Act 1974	425	-	425	425
Total special appropriations	[C] 425	-	425	425
Total appropriations excluding special accounts	17,669	2,726	15,808	18,534
Special accounts				
Total special accounts	[D] -	-	-	-
Total resourcing [A+B+C+D]	17,669	2,726	15,808	18,534
Total net resourcing for OOSGG	17,669	2,726	15,808	18,534

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$0.4m in 2015-16 for the Departmental Capital Budget (refer to Table 3.2.5 Departmental Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Includes an amount of \$2.3m in 2015-16 for the Administered Capital Budget (refer to Table 3.2.10 Administered Capital Budget Statement for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

1.3 BUDGET MEASURES

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

Table 1.2: OOSGG 2015-16 Budget Measures

Part 1: Measures Announced Since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures						
Australian Honours and Awards System - additional funding	1.1					
Administered expenses		-	543	568	611	646
Departmental expenses		-	-	-	-	-
Total		-	543	568	611	646
Total expense measures						
Administered		-	543	568	611	646
Departmental		-	-	-	-	-
Total		-	543	568	611	646
Capital measures						
Preserving Australia's heritage properties	1.1					
Administered capital		-	1,569	2,231	2,527	1,616
Departmental capital		-	-	-	-	-
Total		-	1,569	2,231	2,527	1,616
Total capital measures						
Administered		-	1,569	2,231	2,527	1,616
Departmental		-	-	-	-	-
Total		-	1,569	2,231	2,527	1,616

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: The performance of the Governor-General's role is facilitated through the organisation and management of official duties, management and maintenance of the official household and property and administration of the Australian Honours and Awards system.

Outcome 1 Strategy

The OOSGG will seek to achieve its outcome by:

- providing a high standard of advice and service delivery to the Governor-General and stakeholders
- delivering effective governance and management arrangements in support of the official duties of the Governor-General
- ensuring efficient and effective stewardship of the properties in accordance with heritage requirements and approved capital works and maintenance programmes
- educating and informing Australians about the role of the Governor-General
- delivering efficient and effective administration of the Australian Honours and Awards system.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: The performance of the Governor-General's role is facilitated through the organisation and management of official duties, management and maintenance of the official household and property and administration of the Australian Awards and Honours system.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Support the Governor-General		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	864	1,410
Special appropriations	425	425
Departmental expenses		
Departmental appropriation ^(a)	11,545	11,233
Expenses not requiring appropriation in the Budget year ^(b)	1,123	1,212
Total for Programme 1.1	13,957	14,280
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	864	1,410
Special appropriations	425	425
Departmental expenses		
Departmental appropriation ^(a)	11,545	11,233
Expenses not requiring appropriation in the Budget year ^(b)	1,123	1,212
Total expenses for Outcome 1	13,957	14,280
	2014-15	2015-16
Average Staffing Level (number)	76	75

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses and audit fees.

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

Contributions to Outcome 1

Programme 1.1: Support for the Governor-General and Official Functions

Programme 1.1 Objectives

The programme comprises two components:

- support of the Governor-General
- administration of the Australian Honours and Awards system.

The objectives of this programme are:

- to provide a high level of advice and administrative support to the Governor-General in support of official duties
- to effectively and efficiently manage and maintain the Governor-General's official residences in Canberra and Sydney, including capital improvements, building and grounds maintenance, and caretaker responsibilities
- to administer, on behalf of the Governor-General, the Australian Honours and Awards system, including all civilian honours, and awards for members of the Australian Defence Force
- to undertake research and prepare nominations for consideration by the Council for the Order of Australia, the Australian Bravery Decorations Council and the National Emergency Medal Committee
- to provide efficient and effective secretariat support to the Australian honours advisory bodies
- to undertake the efficient procurement of Australian honours medals/insignia, warrants and investiture items.

Programme 1.1 Expenses					
	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
Programme support	864	1,410	1,444	1,499	1,541
Special appropriations:					
Governor-General Act 1974	425	425	425	425	425
Annual departmental expenses:					
Programme support	11,545	11,233	11,197	11,306	11,416
Expenses not requiring appropriation in the Budget year ^(a)	1,123	1,212	1,157	1,169	1,313
Total programme expenses	13,957	14,280	14,223	14,399	14,695

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses and audit fees.

Programme 1.1 Components					
	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<u>1.1.1 - Component 1 - Support of the Governor-General</u>					
Special appropriations:					
Governor-General Act 1974	425	425	425	425	425
Annual departmental expenses:					
Programme support	6,350	6,178	6,158	6,218	6,279
Total component expenses	6,775	6,603	6,583	6,643	6,704
<u>1.1.2 - Component 2: Administration of the Australian Honours and Awards system</u>					
Annual administered expenses:					
Programme support	864	1,410	1,444	1,499	1,541
Annual departmental expenses:					
Programme support	5,195	5,055	5,039	5,088	5,137
Total component expenses	6,059	6,465	6,483	6,587	6,678
Expenses not requiring appropriation in the Budget year ^(a)	1,123	1,212	1,157	1,169	1,313
Total programme expenses	13,957	14,280	14,223	14,399	14,695

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses and audit fees.

Programme 1.1 Deliverables

The deliverables for the primary components of this programme are listed below.

Component 1: Support of the Governor-General

- executive support—includes providing advice to the Governor-General, planning, implementing and managing Their Excellencies' forward programme of engagements, and liaising with representatives of governments, related authorities, and community groups
- personal support—includes providing support for Their Excellencies and hospitality services for official functions
- administrative services—includes providing governance advice and administrative services to OOSGG and managing the Governor-General's official residences, including maintenance of property, equipment and grounds.

Component 2: Administration of the Australian Honours and Awards system

- management of the honours and awards system
- providing secretariat support for the Council for the Order of Australia, the Australian Bravery Decorations Council and the National Emergency Medal Committee
- undertaking research and preparation of nominations for consideration by the Australian honours advisory bodies
- contributing to the Australian Government's promotional activities to increase awareness of the Australian honours system.

Programme 1.1 Key Performance Indicators

Component 1: Support of the Governor-General

- the Governor-General is satisfied with the level of advice and administrative support provided that enables him to successfully perform official duties
- the Governor-General is satisfied with the management of the households
- the properties are managed in accordance with the requirements of the *Environment Protection and Biodiversity Conservation Act 1999* and government policies relating to heritage properties, and with due consideration of advice provided by the National Capital Authority and other relevant authorities.

Component 2: Administration of the Australian Honours and Awards system

- the Order of Australia, the Australian Bravery Decorations and the National Emergency Medal advisory bodies are satisfied with the quality of research and administrative support provided
- the Order of Australia, the Australian Bravery Decorations and the National Emergency Medal advisory bodies are satisfied with processing times for nominations presented by the Australian Honours and Awards Secretariat
- the Governor-General and other key stakeholders are satisfied with the timeliness of processing, gazettal and issue of awards by the Australian Honours and Awards Secretariat
- annual statistics are published on the number of nominations/applications received and timeliness of submissions to relevant advisory bodies
- activities comply with the regulations for honours and awards, including the Constitution for the Order of Australia
- medals and insignia meet design specifications.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

The OOSGG has no movement of administered funds between years.

3.1.2 Special Accounts

The OOSGG has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

The OOSGG has no Indigenous-specific expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

The OOSGG does not have any significant differences between entity resourcing and the financial statements.

3.2.2 Analysis of Budgeted Financial Statements

Departmental

Comprehensive Income Statement

The OOSGG is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense, in 2015-16 and the forward years.

In line with net cash appropriation arrangements that became effective from 2010-11, revenue from government has been reduced by an amount equal to depreciation and amortisation expense. Future asset replacements are funded through the Departmental Capital Budget detailed in Table 3.2.5.

The Comprehensive Income Statement (Table 3.2.1) sets out the expected operating results for the ordinary annual services provided by the OOSGG, which are funded by departmental appropriations and other revenue.

Balance Sheet

The movement in the OOSGG's net asset position is principally as a result of the procurement of replacement infrastructure, plant and equipment assets owned by the OOSGG.

The OOSGG's primary liability is accrued employee entitlements.

Administered

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

In 2015-16, the OOSGG will receive administered appropriations of \$0.425 million for the Governor-General's salary, \$1.410 million for support of the Australian Honours and Awards System and \$2.344 million for the Administered Capital Budget to sustain the capability and the condition of its Heritage properties.

The Government has agreed to extend funding by \$2.368 million over the forward estimates period to meet the cost of medals and associated expenses under the Australian Honours and Awards system.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

The value of land and buildings are expected to increase in 2015-16 and the forward years due to the completion of projects developed under the Asset Management Strategy.

OOSGG Budget Statements

The Government has agreed to an increase in OOSGG's Administered Capital Budget by \$7.943 million over the forward estimates period to fund an ongoing programme of restoration and refurbishment of the two official properties, Government House in Canberra and Admiralty House in Sydney. This will enable the two official properties to sustain their capability and condition as heritage properties, in the national estate, in accordance with statutory obligations and heritage requirements.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	7,920	7,768	7,861	7,949	8,029
Suppliers	3,682	3,522	3,393	3,414	3,444
Depreciation and amortisation	356	359	353	384	392
Total expenses	11,958	11,649	11,607	11,747	11,865
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	57	57	57	57	57
Total gains	57	57	57	57	57
Total own-source income	57	57	57	57	57
Net cost of/(contribution by) services	11,901	11,592	11,550	11,690	11,808
Revenue from Government	11,545	11,233	11,197	11,306	11,416
Surplus/(deficit) attributable to the Australian Government	(356)	(359)	(353)	(384)	(392)
Total comprehensive income/(loss)	(356)	(359)	(353)	(384)	(392)

Note: Impact of Net Cash Appropriation Arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	356	359	353	384	392
Total comprehensive income/(loss) - as per the statement of comprehensive income	(356)	(359)	(353)	(384)	(392)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	146	146	146	146	146
Trade and other receivables	2,958	2,708	2,747	2,776	2,776
Total financial assets	3,104	2,854	2,893	2,922	2,922
Non-financial assets					
Property, plant and equipment	1,037	1,058	1,092	1,100	1,187
Intangibles	289	305	315	324	250
Other non-financial assets	20	40	30	30	30
Total non-financial assets	1,346	1,403	1,437	1,454	1,467
Total assets	4,450	4,257	4,330	4,376	4,389
LIABILITIES					
Payables					
Suppliers	158	158	158	158	158
Total payables	158	158	158	158	158
Provisions					
Employee provisions	2,100	1,870	1,899	1,928	1,928
Total provisions	2,100	1,870	1,899	1,928	1,928
Total liabilities	2,258	2,028	2,057	2,086	2,086
Net assets	2,192	2,229	2,273	2,290	2,303
EQUITY*					
Contributed equity	1,293	1,689	2,086	2,487	2,892
Reserves	239	239	239	239	239
Retained surplus (accumulated deficit)	660	301	(52)	(436)	(828)
Total equity	2,192	2,229	2,273	2,290	2,303

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	660	239	1,293	2,192
Adjusted opening balance	660	239	1,293	2,192
Comprehensive income				
Surplus/(deficit) for the period	(359)	-	-	(359)
Total comprehensive income	(359)	-	-	(359)
of which:				
Attributable to the Australian Government	(359)	-	-	(359)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	396	396
Sub-total transactions with owners	-	-	396	396
Estimated closing balance as at 30 June 2016	301	239	1,689	2,229
Closing balance attributable to the Australian Government	301	239	1,689	2,229

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,436	11,499	11,154	11,299	11,450
Net GST received	263	314	329	375	23
Total cash received	11,699	11,813	11,483	11,674	11,473
Cash used					
Employees	7,828	7,998	7,832	7,920	8,029
Suppliers	3,561	3,465	3,336	3,357	3,387
Net GST paid	310	350	315	397	57
Total cash used	11,699	11,813	11,483	11,674	11,473
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,139	396	397	401	405
Total cash used	2,139	396	397	401	405
Net cash from/(used by) investing activities	(2,139)	(396)	(397)	(401)	(405)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,139	396	397	401	405
Total cash received	2,139	396	397	401	405
Net cash from/(used by) financing activities	2,139	396	397	401	405
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	146	146	146	146	146
Cash and cash equivalents at the end of the reporting period	146	146	146	146	146

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	400	396	397	401	405
Total new capital appropriations	400	396	397	401	405
<i>Provided for:</i>					
Purchase of non-financial assets	400	396	397	401	405
Total items	400	396	397	401	405
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	1,739	-	-	-	-
Funded by capital appropriation - DCB ^(b)	400	396	397	401	405
TOTAL	2,139	396	397	401	405
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,139	396	397	401	405
Total cash used to acquire assets	2,139	396	397	401	405

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category		Total
	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000
As at 1 July 2015			
Gross book value	2,351	931	3,282
Accumulated depreciation/amortisation and impairment	(1,314)	(642)	(1,956)
Opening net book balance	1,037	289	1,326
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services ^(a)	340	56	396
Total additions	340	56	396
Other movements			
Depreciation/amortisation expense	(319)	(40)	(359)
Total other movements	(319)	(40)	(359)
As at 30 June 2016			
Gross book value	2,691	987	3,678
Accumulated depreciation/amortisation and impairment	(1,633)	(682)	(2,315)
Closing net book balance	1,058	305	1,363

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Suppliers	864	1,410	1,444	1,499	1,541
Personal benefits	425	425	425	425	425
Depreciation and amortisation	710	796	747	728	864
Total expenses administered on behalf of Government	1,999	2,631	2,616	2,652	2,830
Non-taxation revenue					
Sale of goods and rendering of services	27	27	27	27	27
Total non-taxation revenue	27	27	27	27	27
Total own-source revenue administered on behalf of Government	27	27	27	27	27
Total own-sourced income administered on behalf of Government	27	27	27	27	27
Net cost of/(contribution by) services	1,972	2,604	2,589	2,625	2,803
Total comprehensive income/(loss)	(1,972)	(2,604)	(2,589)	(2,625)	(2,803)

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1	1	1	1	1
Trade and other receivables	3	3	3	3	3
Total financial assets	4	4	4	4	4
Non-financial assets					
Land and buildings	90,373	91,689	93,458	95,417	96,565
Property, plant and equipment	1,691	1,843	2,290	2,845	3,170
Inventories	876	915	966	966	966
Total non-financial assets	92,940	94,447	96,714	99,228	100,701
Total assets administered on behalf of Government	92,944	94,451	96,718	99,232	100,705
LIABILITIES					
Payables					
Suppliers	3	3	3	3	3
Total payables	3	3	3	3	3
Total liabilities administered on behalf of Government	3	3	3	3	3
Net assets/(liabilities)	92,941	94,448	96,715	99,229	100,702

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	27	27	27	27	27
Total cash received	27	27	27	27	27
Cash used					
Personal benefits	425	425	425	425	425
Suppliers	864	1,410	1,444	1,499	1,541
Net GST paid	86	141	144	150	154
Other	20	20	20	20	27
Total cash used	1,395	1,996	2,033	2,094	2,147
Net cash from/(used by) operating activities	(1,368)	(1,969)	(2,006)	(2,067)	(2,120)
INVESTING ACTIVITIES					
Cash received					
Administered Capital Budget (ACB)	710	2,344	2,963	3,242	2,337
Total cash received	710	2,344	2,963	3,242	2,337
Cash used					
Purchase of property, plant and equipment	710	2,344	2,963	3,242	2,337
Total cash used	710	2,344	2,963	3,242	2,337
Net cash from/(used by) investing activities	-	-	-	-	-
Net increase/(decrease) in cash held	(1,368)	(1,969)	(2,006)	(2,067)	(2,120)
Cash and cash equivalents at beginning of reporting period	1	1	1	1	1
Cash from Official Public Account for:					
- Appropriations	1,395	1,996	2,033	2,094	2,147
Total cash from Official Public Account	1,395	1,996	2,033	2,094	2,147
Cash to Official Public Account for:					
- Appropriations	(27)	(27)	(27)	(27)	(27)
Total cash to Official Public Account	(27)	(27)	(27)	(27)	(27)
Cash and cash equivalents at end of reporting period	1	1	1	1	1

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Administered Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	710	2,344	2,963	3,242	2,337
Total new capital appropriations	710	2,344	2,963	3,242	2,337
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	710	2,344	2,963	3,242	2,337
Total items	710	2,344	2,963	3,242	2,337
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB ^(a)	710	2,344	2,963	3,242	2,337
Funded internally from departmental resources ^(b)	4,324	-	-	-	-
TOTAL	5,034	2,344	2,963	3,242	2,337
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	710	2,344	2,963	3,242	2,337
less s75 transfers/restructuring	4,324	-	-	-	-
Total cash used to acquire assets	5,034	2,344	2,963	3,242	2,337

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' administered capital budgets (ACBs).

(b) Includes the following sources of funding:

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

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Statement of Administered Asset Movements (Budget Year 2015-16)

	Asset Category			
	Land	Buildings	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	63,000	31,171	2,029	96,200
Accumulated depreciation/amortisation and impairment	-	(3,798)	(338)	(4,136)
Opening net book balance	63,000	27,373	1,691	92,064
Capital Asset Additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	-	2,050	294	2,344
Total additions	-	2,050	294	2,344
Other movements				
Depreciation/amortisation expense	-	(734)	(62)	(796)
Disposals ^(b)				
From disposal of entities or operations (including restructuring)	-	-	(80)	(80)
Total other movements	-	(734)	(142)	(876)
As at 30 June 2016				
Gross book value	63,000	33,221	2,323	98,544
Accumulated depreciation/amortisation and impairment	-	(4,532)	(480)	(5,012)
Closing net book balance	63,000	28,689	1,843	93,532

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, ACBs or other operational expenses.

(b) Net proceeds may be returned to the OPA.

Prepared on Australian Accounting Standards basis.

Torres Strait Regional Authority

Entity Resources and Planned Performance

TORRES STRAIT REGIONAL AUTHORITY

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TORRES STRAIT REGIONAL AUTHORITY

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Torres Strait Regional Authority (TSRA) is the peak Commonwealth representative body for Torres Strait Islander and Aboriginal people living in the Torres Strait Region.

The role of the TSRA is progress toward closing the gap for Torres Strait Islander and Aboriginal people living in the Torres Strait region, and to empower Torres Strait Islander and Aboriginal people living in the region to determine their own affairs based on the *ailan kastom* (island custom) of the Torres Strait. The TSRA also provides advice to the Minister for Indigenous Affairs about issues that are relevant to Torres Strait Islander and Aboriginal people living in the Torres Strait region.

The TSRA also performs separate functions under the *Native Title Act 1993* (Cth) as the Native Title Representative Body for the Torres Strait region.

The TSRA's strategic plan is articulated in the TSRA's Torres Strait Development Plan 2014-18 (the Development Plan). The Development Plan and its eight programme components have been informed and driven by, the Torres Strait and Northern Peninsula Area Regional Plan 2009-29 (the Regional Plan) and the goals and aspirations of the residents of the Torres Strait. The TSRA vision, which is shared by both the Regional Plan and the Development Plan, is:

- 'Empowering our people, in our decision, in our culture, for our future'
- '*Ngalpun yangu kaaba woeydhay, a ngalpun muruygaw danalagan mabaygal kunakan palayk, bathayngaka*' (KALA LAGAU YA)
- '*Buaigiz kelar obaiswerare, merbi mir apuge mena obakedi, muiige merbi areribi tonarge, ko merbi keub kerkerem*' (MERIAM MIR)
- '*Ngalpan moebaygal thoepoeriwoeyamoeyn, ngalpan ya kuduthoeraynu, ngalpan igililmaypa, sepa setha wara goeygil sey boey wagel*' (KALA KAWAU YA).

The TSRA's Development Plan also aligns with the Australian Government's Indigenous Advancement Strategy.

Priority areas for TSRA include:

- continuing to drive the regional planning processes, including improving the integration of service delivery between governments at all levels working in the region and engaging with local stakeholders, informing them of the TSRA's Development Plan

TSRA Budget Statements

- monitoring, evaluating and delivering advice on the sustainable management of the natural resources (land and sea) of the Torres Strait communities. This includes the sustainable use of marine turtle and dugong; engagement with neighbouring PNG treaty villages on environmental issues and maintaining the natural resource base to foster economic opportunity and maintain the cultural values that are linked to natural assets
- implementing the Torres Strait Climate Change Strategy to help reduce climate change risks and build regional and community resilience while building an understanding to inform a flexible and adaptive approach to responding to future uncertainties
- enhancing the Torres Strait region's wealth by creating sustainable industries and increasing employment opportunities for our people equivalent to the wider Australian community
- protecting, maintaining and progressing Native Title rights and recognition over the Torres Strait region's land and sea country
- progressing the Major Infrastructure Programme (MIP), a bilateral commitment between the Australian and Queensland Governments, to build essential health infrastructure in the region including water supply and reticulation; sanitation and wastewater; community roads and drainage; serviced housing lots; and asset sustainability
- leading the coastal management infrastructure project to protect existing community infrastructure from rising seawater.

Further details of the TSRA's objectives and performance monitoring are set out in Section 2 of this document.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1: TSRA Resource Statement — Budget Estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation</i>	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	<i>2014-15 \$'000</i>	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/Reserves at bank	-	3,355	-	3,355
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	48,159	-	39,498	39,498
Total ordinary annual services	48,159	3,355	39,498	42,853
Total funds from Government	48,159	3,355	39,498	42,853
FUNDS FROM OTHER SOURCES				
Interest	1,462	-	1,462	1,462
Sale of goods and services	556	-	556	556
Other ^(b)	13,178	-	9,414	9,414
Total	15,196	-	11,432	11,432
Total net resourcing for TSRA	63,355	3,355	50,930	54,285

(a) *Appropriation Bill (No.1) 2015-16.*

(b) Other comprises Commonwealth and State government receipts for environmental management activities.

All figures are GST exclusive.

TSRA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to non-corporate Commonwealth entity PM&C which are then paid to TSRA and are considered 'departmental' for all purposes.

1.3 BUDGET MEASURES

The TSRA has no budget measures in the 2015-16 Budget.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

Outcome 1: Progress towards Closing the Gap for Torres Strait Islander and Aboriginal people living in the Torres Strait Region through development planning, coordination, sustainable resource management, and preservation and promotion of Indigenous culture.

Outcome 1 Strategy

The TSRA is focused on the delivery of outcomes and realisation of measurable benefits as set out in the TSRA's Development Plan. The TSRA's programme components, as set out in the Development Plan, contribute to the achievement of the goals of the TSRA's Regional Plan and the Australian Government's Indigenous Advancement Strategy.

The TSRA's Development Plan that came into effect on 1 July 2014 is an action plan with a focus on delivering outcomes and benefits for Torres Strait Islander and Aboriginal people of the Torres Strait region. This and subsequent development plans will contribute to achieving the outcome statement for the TSRA.

The Development Plan contains both short and long-term objectives, some of which will not be achieved fully within the four-year life of the Development Plan. The phasing of objectives reflects the Australian Government's long-term goals of generational change and impact.

The Programme 1.1 objective is currently delivered through eight component programmes, which are derived from the Development Plan. These are:

- economic development
- fisheries
- culture, art and heritage
- Native Title
- environmental management
- governance and leadership
- healthy communities
- safe communities.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Progress towards Closing the Gap for Torres Strait Islander and Aboriginal people living in the Torres Strait Region through development planning, coordination, sustainable resource management, and preservation and promotion of Indigenous culture.	2014-15 Estimated actual expenses	2015-16 Estimated expenses
	\$'000	\$'000
Programme 1.1: Torres Strait Regional Development		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)*	48,159	39,498
Revenues from other independent sources	15,196	11,432
Total for Programme 1.1	63,355	50,930
Outcome 1 totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	48,159	39,498
Revenues from other independent sources	15,196	11,432
Total expenses for Outcome 1	63,355	50,930
	2014-15	2015-16
Average Staffing Level (number)	146	150

* Note: The forecast reduction in TSRA's revenue between 2014-15 and 2015-16 is linked to three separate measures. The measures include CDEP Wages, Seawall Infrastructure and the Major Infrastructure Programme. The reduction in revenue linked to these measures will not impact on the TSRA's Average Staffing Levels for 2015-16.

Contributions to Outcome 1

Programme 1.1: Torres Strait Regional Development

Programme 1.1 Objectives

Economic Development

The TSRA's Economic Development programme will contribute to regional, community and individual economic improvement by taking the lead as whole of region economic development solution broker.

The programme aims are to:

- stimulate economic development across the region
- advance business skills and align training initiatives with regional employment opportunities
- advance Torres Strait Islander and Aboriginal ownership and management of businesses in the region.

Fisheries

The Fisheries programme will increase wealth in the region through commercially viable businesses and employment in the fishing industry, while ensuring the ecologically sustainable management of fishery resources.

The programme aims are to:

- provide greater access for Torres Strait Islander and Aboriginal people to the region's commercial fisheries towards attaining a 100 per cent share
- increase commercially viable businesses in the fishing industry that are Torres Strait Islander and Aboriginal owned and/or operated
- deliver initiatives to increase capability and capacity of Torres Strait Islander and Aboriginal people to utilise the region's commercial fisheries resources
- ensure that the region's fisheries resources are sustainably managed
- ensure that Torres Strait Islander and Aboriginal people are engaged in the management of the region's fisheries resources.

Culture, Art and Heritage

The TSRA recognises that culture, art and heritage are central pillars of regional development, and will protect, promote, revitalise and maintain Torres Strait Islander and Aboriginal traditions and cultural heritage.

The programme aims are to:

- protect culturally significant sites and artefacts to ensure longevity
- revitalise and maintain traditional cultural practices (art, dance, language, storytelling and songs) among communities

- ensure the protection of traditional knowledge, intellectual property and copyright underpin services and management practices with cultural values and protocols.

Native Title Programme

The Native Title programme provides high quality and culturally appropriate professional services to Native Title holders and claimants through consultation with and effectively representing Traditional Owners in the Torres Strait region in the performance of our functions under the *Native Title Act 1993* (Cth).

The programme will continue to facilitate the securing of legal recognition of Native Title to land and waters in the Torres Strait, and the proper regard for Native Title rights in relation to all projects affecting Torres Strait land and waters.

The programme aims are to:

- assist Traditional Owners obtain legal recognition of Native Title over land and sea in the Torres Strait region
- manage and legally protect Native Title rights
- build the capacity of Native Title Prescribed Bodies Corporate (PBCs).

Environmental Management

The TSRA's Environmental Management programme, through its Land and Sea Management unit, seeks to improve and maintain the natural and cultural resources of the region and individual communities. The Environmental Management programme approach uses community-based management to maximise local participation in the Programme's activities and creating linkages to other TSRA programmes including fisheries; healthy communities; culture and heritage; and economic development.

The programme aim is to:

- contribute to supporting the regional goal to protect and preserve the region's natural and cultural environmental assets through sustainable management practices.

Governance and Leadership

The Governance and Leadership programme will support positive and meaningful outcomes for Torres Strait Islander and Aboriginal people in the region in leadership, communication and governance. The programme will work towards achieving equality in leadership, as appropriate to *ailan kastom*, by delivering targeted activities for women and youth.

The programme aims are to:

- involve Torres Strait Islander and Aboriginal leaders in legislative processes, policies and priorities
- undertake capacity building for current and future leaders across the region

- support effective regional communication
- coordinate the integration of the delivery of government services to the region
- develop the capacity of PBCs in the region
- improve the governance and leadership capacity of the TSRA.

Healthy Communities

The TSRA's Healthy Communities programme will monitor and provide strategic policy advice to the Torres Strait Health Partnership and Integrated Service Delivery partners to ensure that advances are being made in primary and preventative health care. The TSRA will play a more direct role through the provision of funding and support to preventative health initiatives that will improve a healthy lifestyle and will link with the Environmental Management programme to support local fresh food production. Additionally, the TSRA will be directly involved in making housing more affordable for Indigenous people in the region.

The programme aims are to:

- seek to influence policy for all health programmes across all tiers of government
- monitor health services and health initiatives across the Torres Strait and Northern Peninsular and provide strategic policy advice (via Integrated Service Delivery arrangements)
- direct support targeting healthy lifestyles, including improving availability of fresh produce and healthy food options and encouraging people to undertake healthy activities
- provide some direct support for home ownership and other specific housing initiatives when linked to economic development, including small enterprise and trade skills development and/or environmental management in terms of water management and renewable energies
- engage with Traditional Owners regarding negotiations for land release for housing development, where appropriate.

Safe Communities

The Safe Communities programme recognises that if people are not safe in their homes and communities it is difficult to implement economic development, healthy lifestyles, environmental management and other initiatives. The Safe Communities programme will influence policy and monitor service delivery by other entities. The TSRA will undertake a leading and supporting role through Integrated Service Delivery forums, contributing to the development and monitoring of standards for the provision of social services in the region. The programme will also contribute directly to some public and community safety and community accessibility outcomes through funding and support for targeted initiatives.

The programme aims to:

- contribute to the development of standards for the provision of all mainstream social services and facilities, including emergency response services, through engagement with responsible entities
- undertaking a policy advocacy, monitoring and supporting role with respect to mainstream services, advocating and acting as a solution broker on behalf of communities and the region, using Integrated Service Delivery forums
- provide direct funding and resource support for some social support services, infrastructure, facilities and equipment that contribute to improved safety and accessibility for communities and families (the TSRA will not provide mainstream social or community services).

Linked to: DHS' Programme 1.1 Services to the Community – Social Security and Welfare – Community Development Employment Projects. For more information please refer to DHS' 2015-16 PB Statements.

Programme 1.1 Expenses

The budgeted expenditure set out in the tables of this report includes all the costs associated with the programme deliverables listed in this report.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Programme support	63,355	50,930	47,654	48,163	48,501
Total programme expenses	63,355	50,930	47,654	48,163	48,501

Programme 1.1 Deliverables

The TSRA's deliverables by programme component for 2015-16 and forward years are below:

Economic Development

- increased capability of Torres Strait Islander and Aboriginal people in the region to manage commercially viable businesses
- improved access to capital and other opportunities to finance commercially viable businesses
- increased number of commercially viable businesses owned and or operated by Torres Strait and Aboriginal people in the region
- improved wealth of Torres Strait Islander and Aboriginal people in the region.

Fisheries

- a commercially viable fishing industry which is 100 per cent owned by Torres Strait Islander and Aboriginal people
- improved wealth of Torres Strait Islander and Aboriginal people of the region through sustainable management of fisheries resources.

Culture, Art and Heritage

- an active and sustainable arts and craft industry in the region
- cultural values and protocols are integrated into service planning and management practice
- the unique cultural heritage and histories of the region are preserved, maintained and promoted
- strong, supported and respected *ailan kastom*
- the copyright, intellectual property and traditional knowledge of Torres Strait Islander and Aboriginal people in the region are protected.

Native Title

- successfully negotiated Future Acts and Indigenous Land Use Agreements
- Native Title claims are successfully determined
- PBCs understand and meet their responsibilities under the Native Title Act
- changes to Native Title and Fisheries legislation which recognise the commercial rights as part of Native Title rights of Traditional Owners under the Torres Strait Sea Claim Part A determination.

Environmental Management

- strengthened sustainable use, protection and management of natural and cultural resources
- improved community adaptation to climate change impacts, including sea level rise
- increased uptake of renewable energy for the Torres Strait
- support community sustainable horticulture.

Governance and Leadership

- appropriate Torres Strait Islander and Aboriginal participation in decision-making
- improved communication, cultural competence and service delivery within a community development framework across governments
- strong Torres Strait Islander and Aboriginal organisational leadership and governance
- strong PBC leadership and governance.

Healthy Communities

- secure whole-of-government investment for infrastructure to support healthy homes and healthy living environments
- policies support community managed delivery of primary and public health care services and are based on regional needs and priorities
- improved access to affordable fresh and healthy foods
- more active and healthy communities
- affordable home ownership available across the region.

Safe Communities

- effective community and social services support
- families and individuals are safe in home and community
- public areas are safe and accessible for community members
- communities have access to appropriate transport infrastructure.

Programme 1.1 Key Performance Indicators

The Development Plan articulates all the TSRA's performance measures. The purpose of this table is to list only key performance indicators:

- increase in the number of Torres Strait Islander and Aboriginal owned commercially viable businesses
- increased availability of approved business training
- increases in catches by Torres Strait and Aboriginal Fishers relative to total allowable catch, strengthening claims for increased ownership
- increase in the number of emerging and professionally active artists and cultural practitioners that have access to information and support to ensure copyright and intellectual property rights
- number of Native Title claims successfully determined
- number of Indigenous Land Use Agreements (ILUA) that have compensation or other benefits as part of ILUA terms
- number of endorsed community based management plans for the natural and cultural resources of the region being actively implemented
- increase the level of engagement of elected Torres Strait Islander and Aboriginal leaders in policy development and decision-making
- number of PBCs that achieve Office of the Registrar of Indigenous Corporations (ORIC) compliance as at 31 December each year
- increased investment into new and existing regional environmental health infrastructure.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds between Years

The TSRA has no administered funds.

3.1.2 Special Accounts

The TSRA has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	<i>Approp Bill No. 1 \$'000</i>	<i>Total approp \$'000</i>	<i>Other \$'000</i>	<i>Total \$'000</i>	<i>Programme</i>
Torres Strait Regional Authority					
Outcome 1					
Departmental 2015-16	39,498	39,498	11,432	50,930	1.1
<i>Departmental 2014-15</i>	<i>48,159</i>	<i>48,159</i>	<i>15,196</i>	<i>63,355</i>	<i>1.1</i>
Total outcome 1 2015-16	39,498	39,498	11,432	50,930	
<i>Total outcome 1 2014-15</i>	<i>48,159</i>	<i>48,159</i>	<i>15,196</i>	<i>63,355</i>	
Total Departmental 2015-16	39,498	39,498	11,432	50,930	
<i>Total Departmental 2014-15</i>	<i>48,159</i>	<i>48,159</i>	<i>15,196</i>	<i>63,355</i>	
Total AGIE 2015-16	39,498	39,498	11,432	50,930	
<i>Total AGIE 2014-15</i>	<i>48,159</i>	<i>48,159</i>	<i>15,196</i>	<i>63,355</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Entity Resourcing and Financial Statements

There are no differences between the TSRA's resourcing and financial statements.

3.2.2 Analysis of Budgeted Financial Statements

This statement provides a picture of the expected financial results for the TSRA by identifying full accrual expenses and revenues, which highlights whether the TSRA is operating at a sustainable level. The TSRA is forecasting income of \$50.930 million and expenditure of \$50.930 million resulting in a breakeven result for the 2015-16 financial year.

Budgeted Departmental Balance Sheet

The TSRA's forecast balance sheet for the financial year ending 30 June 2016 shows the TSRA with total assets of \$80.332 million and liabilities of \$7.976 million, resulting in a net asset position of \$72.356 million.

Budgeted Departmental Statement of Cash Flows

Predicted departmental cash flows have been adjusted to reflect the anticipated impact on cash after taking into account the forecast movements in the Departmental Balance Sheet (Table 3.2.2) and Comprehensive Income Statement (Table 3.2.1). The agency is forecasting a cash position of \$1.687 million for the financial year ending 30 June 2016.

Departmental Capital Budget Statement and Statement of Asset Movements

The TSRA has a Capital Management Plan that is linked to the TSRA's Departmental Capital Budget Statement (Table 3.2.5). The TSRA is forecast to spend \$14.853 million on capital expenditure in the 2015-16 financial year.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	15,648	16,008	16,486	16,978	16,978
Suppliers	21,668	19,223	17,092	17,161	17,499
Grants	24,989	14,658	13,051	12,999	12,999
Depreciation and amortisation	900	891	875	875	875
Finance costs	150	150	150	150	150
Total expenses	63,355	50,930	47,654	48,163	48,501
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	556	556	556	556	556
Interest	1,462	1,462	1,462	1,462	1,462
Other ^(a)	13,178	9,414	9,573	9,736	9,736
Total own-source revenue	15,196	11,432	11,591	11,754	11,754
Total own-source income	15,196	11,432	11,591	11,754	11,754
Net cost of/(contribution by) services	48,159	39,498	36,063	36,409	36,747
Revenue from Government	48,159	39,498	36,063	36,409	36,747
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-

(a) Other comprises Commonwealth and State government funding for environmental management projects in the Torres Strait

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,355	1,687	917	212	2,063
Trade and other receivables ^(a)	6,409	6,409	6,409	6,409	6,409
Other investments	29,794	17,500	16,500	15,500	13,500
Total financial assets	39,558	25,596	23,826	22,121	21,972
Non-financial assets					
Land and buildings	38,476	51,536	53,255	55,024	54,993
Property, plant and equipment	2,238	3,140	3,191	3,127	3,307
Heritage and Cultural	60	60	60	60	60
Total non-financial assets	40,774	54,736	56,506	58,211	58,360
Total assets	80,332	80,332	80,332	80,332	80,332
LIABILITIES					
Payables					
Suppliers	2,680	2,680	2,680	2,680	2,680
Grants	288	288	288	288	288
Other payables	1,567	1,567	1,567	1,567	1,567
Total payables	4,535	4,535	4,535	4,535	4,535
Provisions					
Employee provisions	3,441	3,441	3,441	3,441	3,441
Total provisions	3,441	3,441	3,441	3,441	3,441
Total liabilities	7,976	7,976	7,976	7,976	7,976
Net assets	72,356	72,356	72,356	72,356	72,356
EQUITY*					
Contributed equity	32	32	32	32	32
Reserves	13,862	13,862	13,862	13,862	13,862
Retained surplus	58,462	58,462	58,462	58,462	58,462
Total equity	72,356	72,356	72,356	72,356	72,356

(a) Trade and other receivables include loans and advances made by the TSRA to clients in the delivery of its programmes, in addition to amounts owing to the TSRA for delivery of goods and services. Loans receivable are measured at amortised cost using the effective interest method less impairment.

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	58,462	13,862	32	72,356
Adjusted opening balance	58,462	13,862	32	72,356
Comprehensive income				
Surplus/(deficit) for the period	-	-	-	-
Total comprehensive income	-	-	-	-
Estimated closing balance as at 30 June 2016	58,462	13,862	32	72,356
Closing balance attributable to the Australian Government	58,462	13,862	32	72,356

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	48,159	39,498	36,063	36,409	36,747
Sale of goods and rendering of services	556	556	556	556	556
Interest	1,312	1,312	1,312	1,312	1,312
Other	13,178	9,414	9,573	9,736	9,736
Total cash received	63,205	50,780	47,504	48,013	48,351
Cash used					
Employees	15,648	16,008	16,486	16,978	16,978
Suppliers	21,668	19,223	17,092	17,161	17,499
Other	25,139	14,808	13,201	13,149	12,999
Total cash used	62,455	50,039	46,779	47,288	47,476
Net cash from/(used by) operating activities	750	741	725	725	875
INVESTING ACTIVITIES					
Cash received					
Investments	7,600	12,294	1,000	1,000	2,000
Other	600	600	600	600	-
Total cash received	8,200	12,894	1,600	1,600	2,000
Cash used					
Purchase of property, plant and equipment	7,856	14,853	2,645	2,580	1,024
Other - Loans	450	450	450	450	-
Total cash used	8,306	15,303	3,095	3,030	1,024
Net cash from/(used by) investing activities	(106)	(2,409)	(1,495)	(1,430)	976
Net increase/(decrease) in cash held	644	(1,668)	(770)	(705)	1,851
Cash and cash equivalents at the beginning of the reporting period	2,711	3,355	1,687	917	212
Cash and cash equivalents at the end of the reporting period	3,355	1,687	917	212	2,063

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	7,856	14,853	2,645	2,580	1,024
TOTAL	7,856	14,853	2,645	2,580	1,024
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,856	14,853	2,645	2,580	1,024
Total cash used to acquire assets	7,856	14,853	2,645	2,580	1,024

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 Retained revenue receipts; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (Budget Year 2015-16)

	Asset Category				Total
	Land	Buildings	Other property, plant and equipment	Heritage and cultural	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	9,360	33,805	5,116	60	48,341
Accumulated depreciation/amortisation and impairment	-	(4,689)	(2,878)	-	(7,567)
Opening net book balance	9,360	29,116	2,238	60	40,774
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services ^(a)	-	643	248	-	891
By purchase - other	-	13,060	902	-	13,962
Total additions	-	13,703	1,150	-	14,853
Other movements					
Depreciation/amortisation expense	-	(643)	(248)	-	(891)
Total other movements	-	(643)	(248)	-	(891)
As at 30 June 2016					
Gross book value	9,360	47,508	6,266	60	63,194
Accumulated depreciation/amortisation and impairment	-	(5,332)	(3,126)	-	(8,458)
Closing net book balance	9,360	42,176	3,140	60	54,736

a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

GLOSSARY AND ACRONYMS

GLOSSARY

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Actual available appropriation	The actual available appropriation indicates the total appropriations available to the entity for 2014-15 as at the 2015-16 Budget. It includes all appropriations made available to the entity in the year (+/- Section 75 transfers, formal reductions, advance to the Finance Minister and movements of funds). It is the same as the comparator figure included in the Appropriation Bills and, as such, provides a comparison with the appropriation proposed for the Budget year.
Administered item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the Consolidated Revenue Fund (CRF) at the end of the financial year. An administered item is a component of an administered programme. It may be a measure but will not constitute a programme in its own right.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the CRF). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes in the Appropriation Acts.
Appropriation Bill (No. 1)	This Bill proposes spending from the CRF for the ordinary annual services of government. Bills proposing appropriations for ordinary annual services cannot be amended by the Senate under Section 53 of the Australian Constitution. Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 1).

Glossary

Term	Meaning
Appropriation Bill (No. 2)	This Bill proposes spending from the CRF for purposes other than the ordinary annual services of government. Under existing arrangements between the two Houses of Parliament, this Bill includes appropriation funding of administered expenses for new outcomes, for payments to the states and territories, and for departmental or administered capital. Funding for extensions to existing programmes can be included in Appropriation Bill (No. 1). Once the Bill is passed by Parliament and given Royal Assent, it becomes Appropriation Act (No. 2).
Appropriation Bills (Nos. 3 and 4)	If an amount provided in Appropriation Acts (Nos. 1 or 2) is not enough to meet approved expenditure in a financial year, supplementary appropriation may be sought in Appropriation Bills (Nos. 3 or 4). Once these Bills are passed by Parliament and given royal assent, they become the Appropriation Acts (Nos. 3 and 4). They are also commonly referred to as the Additional Estimates Bills.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Average staffing level	The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole-of-government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on federal funding provided to the states and territories.
Budget Paper 4 (BP4)	Entity Resourcing. Details total resourcing available to agencies.
Capital Expenditure	Expenditure by an entity on capital projects; for example, purchasing a building.

Term	Meaning
<i>Commonwealth Authorities and Companies Act 1997</i>	Sets out the financial management, accountability and audit obligations on Commonwealth statutory authorities and companies in which the Commonwealth has at least a direct controlling interest. The CAC Act has been replaced by the PGPA Act.
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Departmental Capital Budget (DCB)	Net cash appropriation arrangements involve the cessation of funding for depreciation, amortisation and make good expenses. Funding for these expenses has been replaced with a collection development and acquisition budget (CDAB) for designated collection institutions (DCIs), and departmental capital budgets (DCBs).
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity chief executive officers control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental programme.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Entity	A department, agency, company or authority under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) or any other Commonwealth statutory authority.

Glossary

Term	Meaning
Estimated actual expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenditure	Spending money from the Consolidated Revenue Fund or a notional payment to a PGPA entity.
Expense	Decreases in economic benefits in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed; for example, ANAO audit services. The ANAO does not charge for audit services; however, the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
<i>Financial Management and Accountability Act 1997 (FMA Act)</i>	The FMA Act sets out the financial management, accountability and audit obligations of agencies (including departments) that are financially part of the Commonwealth (and form part of the General Government Sector). The FMA Act has been replaced by the PGPA Act.
Forward estimates period	The three years following the Budget year. For example if 2015-16 is the Budget year, 2016-17 is forward year 1, 2017-18 is forward year 2 and 2018-19 is forward year 3. This period does not include the current or Budget year.
Funds	Money that has been appropriated but not drawn from the Consolidated Revenue Fund.
Income	Total value of resources earned or received to cover the production of goods and services.

Term	Meaning
Make good	Make good is the cost of dismantling and removing an item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. A common example of make good in the public sector is the restoration of office premises at the end of a lease period.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance, fiscal balance, operating balance, headline cash balance, net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
'Movement of Funds' between years	A 'movement of funds' process is carried out twice each year in relation to un-expensed administered operating appropriations. This involves portfolio ministers submitting requests to the Finance Minister advising of timing changes to funding requirements. If agreed by the Finance Minister, there will be an increase in the amount appropriated in later year(s).
Net cash framework	The net cash framework, implemented from the 2010-11 Budget, replaces funding for depreciation and amortisation expenses with a departmental capital budget (DCB) and the funding of make good expenses will cease to be paid in advance.

Glossary

Term	Meaning
	The net cash framework applies to general government sector entities that receive funding from annual appropriations directly or via a special account, with the exception of the Department of Defence and the Defence Materiel Organisation.
Non-operating	Sometimes called 'capital' costs.
Official Public Account (OPA)	The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Operating	Normally related to ongoing, or recurring expenses, such as paying salaries or making programme payments.
Operating result	Equals income less expenses.
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.
<i>Public Governance, Performance and Accountability Act 2013 (PGPA Act)</i>	The PGPA Act is the principal legislation concerning the governance, performance and accountability of, and the use and management of public resources by the Commonwealth.
Portfolio Budget Statements	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and programme by each entity within a portfolio.
Programme	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Programme support	The entity running costs allocated to a programme. This is funded as part of the entity's departmental appropriations.

Term	Meaning
Special account	Balances existing within the CRF that are supported by standing appropriations, PGPA Act s.78, s.79 and s.80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a special account can only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (s. 78 of the PGPA Act) or through an Act of Parliament (referred to in s. 80 of the PGPA Act).
Special appropriations (including standing appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from the CRF does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a subcategory consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>

FREQUENTLY USED ACRONYMS

ABA	Aboriginals Benefit Account
AAO	Administrative Arrangements Order
AAS	Australian Accounting Standards
ACB	Administered Capital Budget
AGD	Attorney General's Department
AGE	Australian Government Employee
AGIE	Australian Government Indigenous Expenditure
AHL	Aboriginal Hostels Limited
ALCNT	Anindilyakwa Land Council
ALRA	<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>
ANAO	Australian National Audit Office
ATSI Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>
APS	Australian Public Service
APSC	Australian Public Service Commission
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CDAB	Collection Development and Acquisition Budget
CDB	Collection Development Budget
CDEP	Community Development Employment Projects
CEO	Chief Executive Officer
CLC	Central Land Council
COAG	Council of Australian Governments

Acronyms

CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DHS	Department of Human Services
DSS	Department of Social Services
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI	Freedom of Information
G20	Group of 20 Meeting
GFS	Government Finance Statistics
IBA	Indigenous Business Australia
ILC	Indigenous Land Corporation
KPI	Key Performance Indicator
MOU	Memorandum of Understanding
MYEFO	Mid-Year Economic and Fiscal Outlook
NADC	National Australia Day Council
NLC	Northern Land Council
OBS	Outback Stores Pty Ltd
OCO	Office of the Commonwealth Ombudsman
OIGIS	Office of the Inspector-General of Intelligence and Security
ONA	Office of National Assessments
OOSGG	Office of the Official Secretary to the Governor-General
OPA	Official Public Account
OTM	Other Trust Monies

Acronyms

PBC	Prescribed Bodies Corporate under the <i>Native Title Act 1993</i> and the <i>Native Title (Prescribed Bodies Corporate) Regulations 1999</i>
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PM&C	Department of Prime Minister and Cabinet
RJCP	Remote Jobs and Communities Programme
S74	Section 74 Retained Revenue Receipts (PGPA Act).
SOETM	Services for Other Entities and Trust Monies special accounts
TLC	Tiwi Land Council
TSRA	Torres Strait Regional Authority
WBACC	Wreck Bay Aboriginal Community Council