



Budget

2019-20

Portfolio Budget Statements 2019-20
Budget Related Paper No. 1.14

PRIME MINISTER AND CABINET PORTFOLIO

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

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**PRIME MINISTER
PARLIAMENT HOUSE
CANBERRA 2600**

President of the Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2019-20 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 blue ink, appearing to read 'Scott Morrison'.

SCOTT MORRISON

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nfp	not for publication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 5089.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2019-20 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) 2019-20* (or *Appropriation (Parliamentary Departments) Bill (No. 1) 2019-20* for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework Key components of relevant publications

Portfolio Budget Statements (April) *Portfolio based*

Supports Annual Appropriations. Informs *Senators and Members of Parliament* of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for *current, ongoing* programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program or significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its **purposes** and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured and assessed**.



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

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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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 Assistant Ministers 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 on policy and implementation across Government
- assistance to the Prime Minister in managing the Cabinet program
- Commonwealth Aboriginal and Torres Strait Islander policy, programs and service delivery
- enhancing the lives of Aboriginal and Torres Strait Islander people through improved wealth acquisition to support economic independence, the provision of improved access to education, employment, health and other services, as well as the maintenance of cultural identity
- international and national security policy coordination
- coordination and evaluation of Australia's foreign intelligence activities
- intergovernmental relations and communications with state and territory governments
- coordination of government administration
- Australian Government employment workplace relations policy to position the Australian Public Service (APS) workforce for the future by improving people management, manager capability and professional development across the APS
- Australian honours and symbols policy
- official and ceremonial support
- support to the Governor-General to perform his official duties
- women's policies and women's leadership and development strategy
- promoting and improving workplace gender equality in Australian workplaces
- Whole-of-Government service delivery policy, focusing on increasing the accessibility and efficiency of digital government service interfaces
- maximising the economic and social benefits of using public sector data, while maintaining strong privacy and security safeguards
- Official Establishments, ownership and property management of the Prime Minister's official residences

Portfolio Overview

- the National Office for Child Safety
- leadership and coordination for the recovery and reconstruction of the flood affected areas of North, Far North and Western Queensland.

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

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
- Digital Transformation Agency
- North Queensland Livestock Industry Recovery Agency
- Office of National Intelligence
- Office of the Official Secretary to the Governor-General
- Workplace Gender Equality Agency.

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

- Australian Institute of Aboriginal and Torres Strait Islander Studies
- Indigenous Business Australia
- Indigenous Land and Sea 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 **Department of the Prime Minister and Cabinet** (PM&C) is a non-corporate Commonwealth entity and is subject to the PGPA Act. PM&C provides support to the Prime Minister, the Cabinet, Portfolio Ministers and Assistant Ministers 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 programs relating to Indigenous affairs and women.

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 of accommodation facilities. AHL provides accommodation that supports Aboriginal and Torres Strait Islander people to access educational, employment-related and health opportunities.

The **Aboriginal Land Commissioner** is an independent statutory office holder under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR 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 Institute of Aboriginal and Torres Strait Islander Studies** (AIATSIS) is an independent statutory authority created by the *Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989*. The purpose of AIATSIS, as a national collecting institution and publicly funded research agency which creates unique research infrastructure for Australia, is to build pathways for the knowledge of Aboriginal and Torres Strait Islander people to grow and be shared.

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 functions under the *Auditor-General Act 1997*.

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 Australian Public Service (APS), supporting high ethical standards and fostering improved capability and leadership.

Portfolio Overview

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 **Digital Transformation Agency (DTA)** is a non-corporate Commonwealth entity subject to the PGPA Act. Its mission is to accelerate the government's digital transformation agenda by helping agencies move more services online, deliver a better user experience to users and ensure the best use of the government's Information and Communication Technology (ICT) spend.

The position of **Executive Director of Township Leasing (EDTL)** is an independent statutory office holder 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 on Aboriginal land in the Northern Territory following agreement between the Commonwealth and the respective Aboriginal Land Council and Land Trust.

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 and funds that generate financial returns and can also provide employment, training and supply chain opportunities.

The Indigenous Land and Sea Corporation (ILSC) is a corporate Commonwealth entity established under the ATSI Act and subject to the PGPA Act. The ILSC assists Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land, fresh water and salt water can bring. This includes economic independence (in particular jobs for Indigenous people); social benefits; cultural identity and connection; and environmental sustainability. The ILSC provides assistance in the acquisition and management of rights and interests in land, salt water and fresh water country.

The **National Australia Day Council Limited (NADC)** is a Commonwealth Company that is subject to the PGPA Act. NADC's mission is to inspire national pride and spirit through a range of activities including Australia Day programs and the Australian of the Year Awards.

The **North Queensland Livestock Industry Recovery Agency (NQLIRA)** is a non-corporate Commonwealth entity and is subject to the PGPA Act. The NQLIRA provides strategic leadership and coordination for the Commonwealth's recovery and reconstruction activities in the flood affected areas of North, Far North and Western Queensland.

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 Intelligence (ONI)** is a non-corporate Commonwealth entity operating under the *Office of National Intelligence Act 2018* and is subject to the PGPA Act. The ONI provides assessments on matters of political, strategic or economic significance to Australia, to the Prime Minister, senior ministers and senior officials. The ONI is also responsible for integration, coordination and evaluation of Australia's national intelligence capabilities.

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*.

The **Office of the Registrar of Indigenous Corporations (ORIC)** 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.

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 **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.

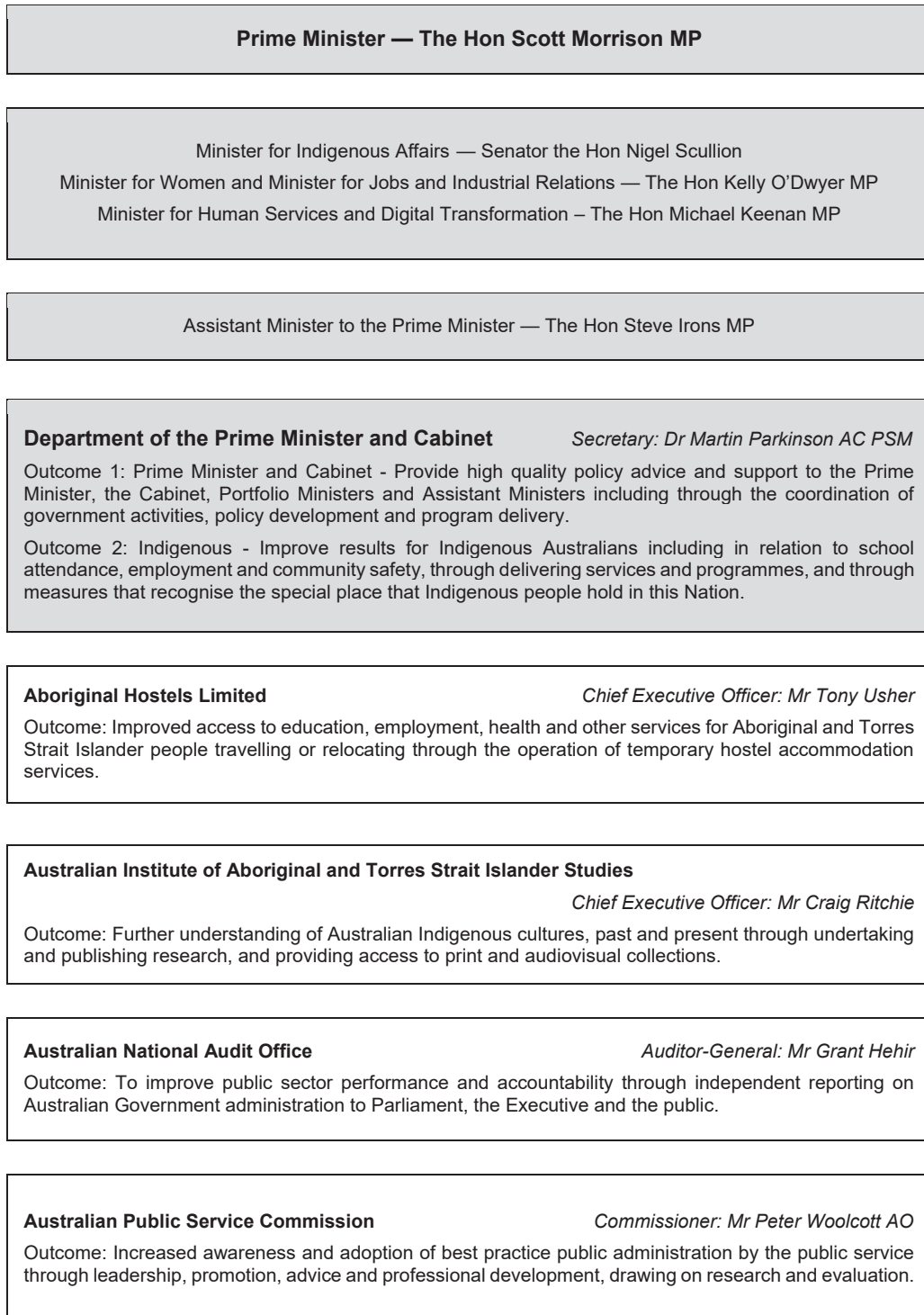
Portfolio Overview

The **Torres Strait Regional Authority (TSRA)** is a corporate Commonwealth entity established by the *ATSI Act 2005* and is subject to the PGPA Act. The TSRA formulates, implements and monitors the effectiveness of programs 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 Strait to determine their own affairs based on the *ailan kastom* (island custom) of the Torres Strait.

The **Workplace Gender Equality Agency (WGEA)** is a non-corporate Commonwealth entity which is subject to the PGPA Act. The WGEA is responsible for promoting and improving gender equality in Australian workplaces and administering the *Workplace Gender Equality Act 2012*.

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 Jervis Bay.

Figure 1: Prime Minister and Cabinet Portfolio structure and outcome



Portfolio Overview

Digital Transformation Agency

Chief Executive Officer: Mr Randall Brugeaud

Outcome: Improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services.

Indigenous Business Australia

Chief Executive Officer: Mr Rajiv Viswanathan

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

Indigenous Land and Sea Corporation

Chief Executive Officer: Mr John Maher

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

National Australia Day Council Limited

Chief Executive Officer: Ms Karlie Brand

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.

North Queensland Livestock Industry Recovery Agency

Chief Executive Officer: Mr Shane Stone AC QC

Outcome: To coordinate Commonwealth activities for the purpose of recovery and reconstruction in areas affected by the North and Far North Queensland Monsoon Trough (25 Jan – 14 Feb 2019), including through strategic leadership, consultation and administration of the loan mechanism to provide assistance to eligible primary producers by way of loans to Authorised Deposit taking Institutions at the Government's cost of borrowing.

Northern Territory Land Councils

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

Central Land Council - *Accountable Authority: Mr Francis Kelly (Chair) and Mr Joe Martin-Jard (Chief Executive Officer)*

Northern Land Council – *Accountable Authority: Mr Samuel Bush-Blanos (Chair) and Mr Jak Ah Kit (Interim Chief Executive Officer)*

Tiwi Land Council – *Accountable Authority: Mr Gibson Farmer Illortaminni (Chair) and Mr Andrew Tjprungwuti (Chief Executive Officer)*

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 Intelligence

Director General: Mr Nick Warner AO PSM

Outcome: Advancement of Australia's national interests through increased government awareness of international developments affecting Australia, and integration, coordination and evaluation of Australia's national intelligence capabilities.

Office of the Official Secretary to the Governor-General

Acting Official Secretary: Mr Paul Singer MVO

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

Outback Stores Pty Ltd

Chief Executive Officer: Mr Michael Borg

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

Acting Chief Executive Officer: Ms Mary Bani

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 Indigenous culture.

Workplace Gender Equality Agency

Director: Ms Libby Lyons

Objective: Promote and improve gender equality in Australian workplaces including through the provision of advice and assistance to employers and the assessment and measurement of workplace gender data.

Wreck Bay Aboriginal Community Council

Chief Executive Officer: Ms Anne-Marie Farrugia

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.

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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 the Department of the Prime Minister and Cabinet (PM&C) is to provide policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Assistant Ministers 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
- supporting the effective functioning of the Government
- providing advice on major domestic, international and national security policy issues, drawing on expertise from across government
- monitoring and providing advice on the implementation of key Government initiatives, policies and programs
- leading the APS in collaboration with the Australian Public Service Commission (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, programs and services deliver benefits to Indigenous Australians
- advising the Prime Minister and Minister for Women on women's safety, economic security, workforce participation, leadership and international engagement and coordinating this work across government
- advising the Prime Minister on delivering national policies and strategies to enhance children's safety and reduce future harm to children.

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 funding from all sources available to PM&C for its operations and to deliver programs and services on behalf of the Government.

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

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

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

Table 1.1: PM&C resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	76,901	76,000
Departmental appropriation (c) (d)	395,534	402,720
s74 external revenue (e)	20,783	14,248
Departmental capital budget (f)	12,146	20,277
Annual appropriations - other services - non-operating (g)		
Prior year appropriations available (c)	6,581	5,516
Equity injection	8,273	1,897
Total departmental annual appropriations	<u>520,218</u>	<u>520,658</u>
Total departmental resourcing	520,218	520,658
Administered		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	52,328	54,738
Outcome 1	14,878	16,431
Outcome 2 (c)	1,237,938	1,274,253
Administered capital budget (h)	1,086	1,233
Payments to corporate entities (i)	111,105	110,898
Annual appropriations - other services - non-operating (g)		
Payments to corporate entities (i)	24,913	22,924
Annual appropriations - other services - specific payments to States, ACT, NT and local government (g)		
Outcome 2 (j)	6,536	4,779
Total administered annual appropriations	<u>1,448,784</u>	<u>1,485,256</u>
Total administered special appropriations	<u>510,157</u>	<u>389,467</u>
Special accounts (k)		
Opening balance	23,496	24,483
Appropriation receipts (l)	462,000	325,000
Non-appropriation receipts	2,205,114	849,865
Total special account receipts	<u>2,690,610</u>	<u>1,199,348</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(462,000)	(325,000)
<i>less payments to corporate entities from annual/special appropriations</i>	(136,018)	(133,822)
Total administered resourcing	4,051,533	2,615,249
Total resourcing for PM&C	4,571,751	3,135,907
	2018-19	2019-20
Average staffing level (number)	2,057	2,065

Third party payments from and on behalf of other entities

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue receipts section above)	20,783	14,248
Payments made to corporate entities within the Portfolio		
Australian Institute of Aboriginal and Torres Strait Islander Studies	20,462	20,445
Indigenous Land and Sea Corporation	8,749	8,617
Indigenous Business Australia	32,612	32,437
Aboriginal Hostels Limited	36,323	36,426
Torres Strait Regional Authority	37,872	35,897

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

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

- (a) Annual appropriation amounts appearing for 2018-19 do not include the *Appropriation Bills (No. 3) and (No. 4) 2018-2019*, as they had not been enacted at the time of publication.
- (b) *Appropriation Bill (No. 1) 2019-20*.
- (c) Excludes \$32.046 million subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (d) Excludes Departmental Capital Budget (DCB).
- (e) Estimated retained revenue receipts under section 74 of the *PGPA Act*.
- (f) DCB is not separately identified in *Appropriation Bill (No. 1)* and forms part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (g) *Appropriation Bill (No. 2) 2019-20*.
- (h) Administered Capital Budgets (ACBs) are not separately identified in *Appropriation Bill (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.
- (i) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the *PGPA Act*.
- (j) Relates to appropriations sought for payment to the States, ACT, NT and local governments in *Appropriation Bill (No. 2) 2019-20*. Outcome 2 – Program 2.2: Children and Schooling includes the National Partnership on Northern Territory Remote Aboriginal Investment (Non-Government Schools) with payments of \$4.779 million to the Northern Territory in 2019-20. Information on the terms and conditions can be found in the National Partnership on Northern Territory Remote Aboriginal Investment at http://www.federalfinancialrelations.gov.au/content/npa/community_services/national-partnership/NT_remote_aboriginal_investment_NP.pdf. Terms and conditions are made under authority from section 7(2) of the *COAG Reform Fund Act 2008* and the Intergovernmental Agreement on Federal Financial Relations.
- (k) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (l) Amounts credited to the special account(s) from PM&C annual and special appropriations.

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 2019-20 Budget measures

Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures						
Fourth Action Plan (2019—22) to reduce violence against women and their children (a)						
Administered expenses	2.6	(2,513)	-	-	-	-
Departmental expenses	1.1	-	389	921	665	-
Total		(2,513)	389	921	665	-
Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples — Co-design process (b)						
Departmental expenses	2.7	-	-	-	-	-
Total		-	-	-	-	-
North Queensland Flood Recovery Package (c)						
Departmental expenses	1.1	2,700	-	-	-	-
Total		2,700	-	-	-	-
Closing the Gap refresh — Indigenous Youth Education Package						
Administered expenses	2.2	-	5,750	5,750	5,750	5,750
Total		-	5,750	5,750	5,750	5,750
Australia Day — additional support						
Administered expenses	1.1	-	270	250	250	-
Total		-	270	250	250	-
National Office for Child Safety — additional funding						
Departmental expenses	1.1	-	1,877	1,205	992	997
Total		-	1,877	1,205	992	997
Barkly Regional Deal (d)						
Administered expenses	2.1	-	(2,000)	(4,000)	(2,500)	-
Total		-	(2,000)	(4,000)	(2,500)	-
Social Impact Investing						
Departmental expenses	1.1	-	5,000	-	-	-
Total		-	5,000	-	-	-
Remote Housing in South Australia (e)						
Administered expenses	2.5	-	-	-	-	-
Total		-	-	-	-	-

Table 1.2: PM&C 2019-20 Budget measures
Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2021-22 \$'000
Indigenous Suicide Prevention Initiatives						
Administered expenses	2.3	-	1,250	1,250	1,250	1,250
Total		-	1,250	1,250	1,250	1,250
National museum and memorial for Victims and Survivors of Institutional Child Sexual Abuse (f)						
Departmental expenses	1.1	-	2,000	-	-	-
Total		-	2,000	-	-	-
Securing Tourism and Jobs in Kakadu (g)						
Administered expenses	2.1	-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		(2,513)	5,270	3,250	4,750	7,000
Departmental		2,700	9,266	2,126	1,657	997
Total		187	14,536	5,376	6,407	7,997
Capital measures						
North Queensland Flood Recovery Package (c)						
Departmental capital	1.1	300	-	-	-	-
Total		300	-	-	-	-
Total capital measures						
Departmental		300	-	-	-	-
Total		300	-	-	-	-

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

- (a) The lead entity for measure *Fourth Action Plan (2019-22) to reduce violence against women and their children* is the Department of Social Services. The full measure description and package details appear in *Budget Paper No. 2* under the Social Services portfolio.
- (b) Funding of \$7.340 million in 2019-20 for this measure has already been provided for by the Government.
- (c) The measure *North Queensland Flood Recovery Package* is a cross portfolio measure. The full measure description and package details appear in *Budget Paper No. 2* under Cross Portfolio. Funding for the establishment of the North Queensland Livestock Industry Recovery Agency is provided in 2019-20 as supplementation funding for expenses in 2018-19.
- (d) The lead entity for measure *Barkly Regional Deal* is the Department of Infrastructure, Regional Development and Cities. The full measure description and package details appear in *Budget Paper No. 2* under the Infrastructure, Regional Development and Cities portfolio.
- (e) The *Remote Housing in South Australia* measure includes a payment of \$37.5 million in 2018-19 to be made through the Department of the Treasury.
- (f) The lead entity for measure *National museum and memorial for Victims and Survivors of Institutional Child Sexual Abuse* is the Attorney-General's Department. The full measure description and package details appear in *Budget Paper No. 2* under the Attorney-General's portfolio.
- (g) The lead entity for measure *Securing Tourism and Jobs in Kakadu* is the Department of Environment and Energy. The full measure description and package details appear in *Budget Paper No. 2* under the Environment and Energy portfolio.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent annual performance statement can be found at:
www.pmc.gov.au/who-we-are/accountability-and-reporting/annual-reports.

The most recent corporate plan for PM&C can be found at:
www.pmc.gov.au/who-we-are/accountability-and-reporting/corporate-plans

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Linked programs

Department of Industry, Innovation and Science

Program

- Program 1 - Supporting Science and Commercialisation

The Department of Industry, Innovation and Science is working with PM&C to develop the Future Female Entrepreneurs Program, which will provide girls and young women with the knowledge and skills they need to start their own businesses and create employment opportunities for themselves and others.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forward estimate	2021-22 Forward estimate	2022-23 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: Prime Minister and Cabinet					
Administered expenses					
Compensation and Legal Expenses	122	124	126	128	131
National Australia Day Council Limited	3,883	4,177	4,231	4,267	4,089
Office for Women	4,975	4,088	4,139	4,171	3,482
Parliament House Briefing Room	453	620	629	634	644
Prime Minister's Official Residences	2,182	2,193	2,228	2,245	2,279
State Occasion and Official Visits	3,784	3,807	3,879	3,914	3,984
Support to the former Governors-General (a)	1,499	1,422	1,340	1,256	1,169
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	16,898	16,431	16,572	16,615	15,778
Special appropriations <i>Public Governance, Performance and Accountability Act 2013- s77</i>	-	10	10	10	10
Unwinding of provision for Support to the former Governors-General (a)	2,379	(1,031)	(975)	(915)	(851)
Other	349	349	349	349	349
Administered total	19,626	15,759	15,956	16,059	15,286
Departmental expenses					
Departmental appropriation (c)	138,015	130,824	103,286	104,457	104,344
s74 External Revenue (b)	14,252	10,212	9,212	9,212	9,212
Expenses not requiring appropriation in the Budget year (d)	10,349	8,257	8,702	8,702	8,702
Departmental total	162,616	149,293	121,200	122,371	122,258
Total expenses for Outcome 1	182,242	165,052	137,156	138,430	137,544
	2018-19	2019-20			
Average Staffing Level (number)	609	618			

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

- (a) The annual expense figure reflects the appropriation provided for the provision for future entitlements for each of the former Governors-General. This is unwound as expenses not requiring appropriation in the Budget year. The increase in unwinding in 2019-20 relates to the recognition of a provision for projected future entitlements for former Governors-General.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (c) Funding for the establishment of the North Queensland Livestock Industry Recovery Agency is provided in 2019-20 as supplementation funding for expenses in 2018-19.
- (d) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and other services provided free of charge.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Provide high quality policy advice and support to the Prime Minister and the Cabinet, Portfolio Ministers and Assistant Ministers including through the coordination of government activities, policy development and program delivery.		
Program 1.1 – Prime Minister and Cabinet		
The objectives of this program are to: <ul style="list-style-type: none"> • provide advice, support and services to the Prime Minister, the Cabinet, Portfolio Ministers and Assistant Ministers, and coordination across Government, on major domestic, international and national security matters. • provide support to the Cabinet and its committees, the Federal Executive Council and Council of Australian Governments (COAG) to facilitate informed decision making. 		
Delivery	This program is delivered through the provision of advice, support and services to the Prime Minister, the Cabinet, Portfolio Ministers, Assistant Ministers and/or the Executive Council and through leadership and coordinated public sector responses to Government decisions and strategic priorities.	
Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • The Prime Minister, Portfolio Ministers and the Cabinet are satisfied with the quality and timeliness of advice and support provided on major domestic economic, social and innovation policy, national security and international matters. • Support timely, relevant and effective collaboration and coordination across government and external parties on major domestic economic, social and innovation policy, national security and international matters. • High level of satisfaction with the secretariat support services provided to the Cabinet Secretary. 	<ul style="list-style-type: none"> • Feedback from the Prime Minister, Portfolio Ministers, the Cabinet, ministerial officers and the Executive shows a high level of satisfaction with the quality and timeliness of advice and support received. • 85% of responses to requests for briefs and ministerial correspondence are delivered within agreed timelines. • Feedback from Commonwealth agencies, State and Territory agencies and private sector organisations demonstrates a high level of satisfaction with the quality and timeliness of collaboration and policy coordination provided. • Feedback from the Cabinet Secretary demonstrates a high level of satisfaction with the timeliness and accuracy of the functions delivered.

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Year	Performance criteria	Targets
2019-20	<ul style="list-style-type: none"> • Quality and timely policy advice, support and services to the Prime Minister, Portfolio Ministers, the Cabinet and key stakeholders. • Effective public sector leadership, coordination and monitoring of responses to Government decisions, policies and strategic priorities. 	<ul style="list-style-type: none"> • Maintain or increase stakeholder satisfaction by 2020.
2020-21 and beyond	As per 2019-20.	As per 2019-20.
Purposes (a)	<ol style="list-style-type: none"> 1. Supporting the Prime Minister, as the head of the Australian Government, the Cabinet and Portfolio Ministers 2. Providing advice on major domestic policy, national security and international matters 	

(a) Purposes 1 & 2 in the Corporate Plan 2018-22 both map to Program 1.1.

2.2 BUDGETED EXPENSES AND PERFORMANCE 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.

Linked programs

Attorney-General's Department
Programs <ul style="list-style-type: none">• Program 1.4 - Justice Services• Program 1.6 - Indigenous Legal and Native Title Assistance
Contribution to Outcome 2 made by linked programs <p>The Attorney-General's Department works with PM&C by supporting the efficient operation of the native title system.</p> <p>The Attorney-General's Department contributes to the Indigenous Advancement Strategy by administering the Indigenous Legal Assistance Program that funds organisations to deliver culturally appropriate legal assistance services to ensure Indigenous Australians receive the help needed to overcome legal problems and fully exercise their legal rights.</p>

Department of Agriculture and Water Resources
Programs <ul style="list-style-type: none">• Program 1.2 - Sustainable Management - Natural Resources• Program 2.1 - Biosecurity and Export Services
Contribution to Outcome 2 made by linked programs <p>The Department of Agriculture and Water Resources works with PM&C to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program.</p> <p>The Department of Agriculture and Water Resources and PM&C partner with Aboriginal and Torres Strait Islander Ranger groups to deliver biosecurity work that protects Australian agriculture and the northern Australian environment.</p>

Department of the Environment and Energy
Programs
<ul style="list-style-type: none"> • Program 1.1 - Sustainable Management of Natural Resources and the Environment
Contribution to Outcome 2 made by linked programs
<p>The Departments of the Environment and Energy, PM&C and Agriculture and Water Resources work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program. The Department of the Environment and Energy and PM&C work cooperatively on Indigenous Protected Areas.</p>

Department of Health
Program
<ul style="list-style-type: none"> • Program 2.2 - Aboriginal and Torres Strait Islander Health
Contribution to Outcome 2 made by linked programs
<p>The Department of Health works with PM&C to deliver high quality essential health services to Aboriginal and Torres Strait Islander people, and respond to new and emerging health needs.</p>

Department of Human Services
Program
<ul style="list-style-type: none"> • Program 1.1 - Services to the Community - Social Security and Welfare
Contribution to Outcome 2 made by linked programs
<p>Payments and services under the Indigenous Advancement Strategy are delivered by the Department of Human Services under a number of indigenous specific and mainstream programs administered by a number of portfolios.</p>

Department of Industry, Innovation and Science
Program <ul style="list-style-type: none">• Program 2 - Growing Business Investment and Improving Business Capability
Contribution to Outcome 2 made by linked programs <p>The Department of the Prime Minister and Cabinet is implementing initiatives that enable Indigenous Australians to benefit economically from their land. This includes pilot land reform projects, capacity building of native title corporations, and land administration and township leasing under the White Paper on Developing Northern Australia. The Department of Industry, Innovation and Science oversees implementation of the White Paper.</p>

Department of Jobs and Small Business
Program <ul style="list-style-type: none">• Program 1.1 - Employment Services
Contribution to Outcome 2 made by linked programs <p>The Department of Jobs and Small Business fosters a productive and competitive labour market through employment policies and programs that assist job seekers, including Indigenous Australians, into work, meet employer needs and increase Australia's workforce participation.</p>

<p>Department of Social Services</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.10 – Working Age Payments • Program 1.11 – Student Payments • Program 2.1 – Families and Communities • Program 3.1 – Disability Mental Health and Carers • Program 4.1 – Housing and Homelessness Program
<p>Contribution to Outcome 2 made by linked programs</p> <p>The Department of Social Services has policy responsibility for student payments, including ABSTUDY, which provide financial assistance to Indigenous families and students to encourage attendance and retention at school. In addition, some payments (i.e. Relocation Scholarships and Student Start-up Loans) are subject to mutual exclusion provisions for some scholarships (i.e. Commonwealth Accommodation Costs Scholarship and Commonwealth Education Costs Scholarship) paid for the same period, which are administered by PM&C.</p> <p>The Department of Social Services contributes to the Indigenous Advancement Strategy by supporting the development of stronger families and more resilient communities by supporting Indigenous families and communities to enjoy similar levels of physical emotional and social wellbeing to that enjoyed by other Australians; supporting families to give children a good start in life; supporting access to affordable housing; and supporting remote strategic investments and remote housing strategies.</p> <p>The Department of Social Services also contributes to the Indigenous Advancement Strategy by supporting eligible Indigenous Australians living in non-remote regions with a disability into work.</p> <p>The Department of Social Services works with state and territory governments under the National Framework for Protecting Australia’s Children 2009-2020 to improve outcomes for Indigenous children in contact with or at risk of entering child protection systems.</p> <p>The Department of Social Services is also leading the implementation of the Commonwealth response to the recommendations and findings of the Royal Commission into the Protection and Detention of children in the Northern Territory, working closely with PM&C, in partnership with the Northern Territory government and non-government organisations and local communities.</p>

Table 2.2.1: Budgeted expenses for Outcome 2

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forw ard estimate	2021-22 Forw ard estimate	2022-23 Forw ard estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 2.1: Jobs, Land and Economy					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	658,894	685,422	693,758	705,374	719,200
Special appropriations					
<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>	440,000	318,000	365,000	374,000	374,000
<i>Ranger Agreement</i>	1,021	1,043	1,065	1,092	1,119
Special accounts					
Aboriginal and Torres Strait Islander Land Account (a)	53,636	-	-	-	-
Indigenous Land and Sea Corporation Funding Special Account (a)	-	54,356	55,606	56,829	58,250
Aboriginals Benefit Account	231,303	196,450	211,701	215,349	216,309
Payments to corporate entities	18,511	18,204	18,243	18,158	17,971
Administered total	1,403,365	1,273,475	1,345,373	1,370,802	1,386,849
<i>less expenses made from special appropriations credited to special accounts</i>	(440,000)	(318,000)	(365,000)	(374,000)	(374,000)
Total expenses for program 2.1	963,365	955,475	980,373	996,802	1,012,849
Program 2.2: Children and Schooling (b)					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	219,000	229,846	233,490	237,165	240,931
Other services (Appropriation Act No. 2 and Bill No. 4) (b)	6,536	4,779	3,609	3,635	-
Special appropriations					
<i>Higher Education Support Act 2003</i>	69,136	70,414	71,859	73,512	75,128
Administered total	294,672	305,039	308,958	314,312	316,059
Total expenses for program 2.2	294,672	305,039	308,958	314,312	316,059

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 2.3: Safety and Wellbeing					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	245,311	243,453	260,793	256,697	260,784
Payments to corporate entities	36,323	36,426	36,596	36,734	36,906
Administered total	281,634	279,879	297,389	293,431	297,690
Total expenses for program 2.3	281,634	279,879	297,389	293,431	297,690
Program 2.4: Culture and Capability					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	48,396	49,921	50,725	51,536	52,360
Payments to corporate entities	20,388	20,371	19,484	19,597	19,711
Administered total	68,784	70,292	70,209	71,133	72,071
Total expenses for program 2.4	68,784	70,292	70,209	71,133	72,071
Program 2.5: Remote Australia Strategies					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	66,975	53,611	54,474	55,346	56,232
Special accounts					
Indigenous Remote Services Delivery	22,000	7,000	7,000	7,000	7,000
Payments to corporate entities	35,883	35,897	36,194	36,487	36,748
Administered total	124,858	96,508	97,668	98,833	99,980
<i>less expenses made from special appropriations credited to special accounts</i>	(22,000)	(7,000)	(7,000)	(7,000)	(7,000)
Total expenses for program 2.5	102,858	89,508	90,668	91,833	92,980
Program 2.6: Evaluation and Research					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	12,487	12,000	10,020	10,180	10,343
Administered total	12,487	12,000	10,020	10,180	10,343
Total expenses for program 2.6	12,487	12,000	10,020	10,180	10,343

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2018-19 Estimated actual	2019-20 Budget	2020-21 Forw ard estimate	2021-22 Forw ard estimate	2022-23 Forw ard estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 2.7: Program Support					
Departmental expenses					
Departmental appropriations 74 External Revenue (c)	266,805	269,196	257,710	256,655	258,402
Expenses not requiring appropriation in the Budget year (d)	6,536	4,036	4,036	4,036	4,036
	11,103	16,154	18,905	17,947	17,947
Departmental total	284,444	289,386	280,651	278,638	280,385
Total expenses for program 2.7	284,444	289,386	280,651	278,638	280,385
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,251,063	1,274,253	1,303,260	1,316,298	1,339,850
Other services (Appropriation Act No. 2 and Bill No. 4) (b)	6,536	4,779	3,609	3,635	-
Special appropriations	510,157	389,457	437,924	448,604	450,247
Special accounts	306,939	257,806	274,307	279,178	281,559
Payments to corporate entities	111,105	110,898	110,517	110,976	111,336
<i>less expenses made from special appropriations credited to special accounts</i>	<i>(462,000)</i>	<i>(325,000)</i>	<i>(372,000)</i>	<i>(381,000)</i>	<i>(381,000)</i>
Administered total	1,723,800	1,712,193	1,757,617	1,777,691	1,801,992
Departmental expenses					
Departmental appropriations 74 External Revenue (c)	266,805	269,196	257,710	256,655	258,402
Expenses not requiring appropriation in the Budget year (d)	6,536	4,036	4,036	4,036	4,036
	11,103	16,154	18,905	17,947	17,947
Departmental total	284,444	289,386	280,651	278,638	280,385
Total expenses for Outcome 2	2,008,244	2,001,579	2,038,268	2,056,329	2,082,377
	2018-19	2019-20			
Average Staffing Level (number)	1,448	1,447			

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

- (a) The Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) was established in the Finance Portfolio from 1 February 2019. The balance of the Aboriginal and Torres Strait Islander Land Account was transferred from PM&C to the ATSILSFF. The new Indigenous Land and Sea Corporation Funding Special Account was established on 1 February 2019 to continue payments to the Indigenous Land and Sea Corporation.
- (b) Program 2.2: Children and Schooling includes the National Partnership on Northern Territory Remote Aboriginal Investment (Non-Government Schools) with payments of \$4.779 million to the Northern Territory in 2019-20. Information on the terms and conditions can be found in the National Partnership on Northern Territory Remote Aboriginal Investment at http://www.federalfinancialrelations.gov.au/content/npa/community_services/national-partnership/NT_remote_aboriginal_investment_NP.pdf. Terms and conditions are made under authority from section 7(2) of the *COAG Reform Fund Act 2008* and the Intergovernmental Agreement on Federal Financial Relations.
- (c) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.
- (d) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and other services provided free of charge.

Table 2.2.2: Performance criteria for Outcome 2

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

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.		
Program 2.1 – Jobs, Land and Economy		
The objectives of this program are to get adults into work, foster Indigenous business and assist Indigenous people to generate economic and social benefits from effective use of their land, particularly in remote areas.		
Delivery	This program is delivered through Indigenous Advancement Strategy (IAS) activities aimed at increasing Indigenous employment, business and economic development.	
Performance information		
Year	Performance criteria	Targets
2018-19	Indigenous Advancement Strategy activities contribute towards increased Indigenous employment, business and economic development.	<ul style="list-style-type: none"> • At least 70 per cent of funded activities within this program achieved the outcome KPIs^(b) specified in funding agreements. • Target of 3 per cent of Commonwealth Government contracts are awarded to Indigenous-owned business.
2019-20	As per 2018-19	As per 2018-19
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes (a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

(b) Specified IAS activity outcomes for Program 2.1 include improved: School Based Traineeships completion rates; employment outcomes for Indigenous participants; tertiary retention and completion rates for Indigenous students undertaking cadetships; delivery of remote employment services; sustainability of Indigenous businesses; technical and leadership skills of Indigenous Rangers; land management outcomes; and support of Native Title determination.

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Program 2.2 – Children and Schooling		
The objectives of this program are to get children to school, particularly in remote Indigenous communities, improving education outcomes and supporting families to give children a good start in life. This program includes measures to improve access to further education.		
Delivery	This program is delivered through Indigenous Advancement Strategy activities aimed at increasing Indigenous school attendance and improved educational outcomes.	
Performance information		
Year	Performance criteria	Targets
2018-19	Indigenous Advancement Strategy activities contribute towards increased Indigenous school attendance and improved educational outcomes.	<ul style="list-style-type: none"> At least 70 per cent of funded activities within the program achieved the primary outcome KPI^(b) specified in funding agreement.
2019-20	As per 2018-19	As per 2018-19
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes (a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

(b) Specified IAS activity outcomes for Program 2.2 include improved: educational environment at home; language and social skills, health and learning outcomes of Indigenous children; student engagement, attendance, retention and attainment; enrolment in vocational and tertiary education amongst Indigenous Australians.

Program 2.3 – Safety and Wellbeing		
The objectives of this program are to ensure that the ordinary law of the land applies to Indigenous communities and ensure Indigenous people enjoy similar levels of physical, emotional and social wellbeing enjoyed by other Australians.		
Delivery	This program is delivered through Indigenous Advancement Strategy activities aimed at improving wellbeing and/or reducing levels of offending, violence and substance abuse.	
Performance information		
Year	Performance criteria	Targets
2018-19	Indigenous Advancement Strategy activities contribute towards reduced levels of offending, violence and substance abuse.	<ul style="list-style-type: none"> At least 70 per cent of funded activities within the program achieved the primary outcome KPI^(b) specified in funding agreements.
2019-20	Indigenous Advancement Strategy activities contribute towards improved wellbeing and/or reduced levels of offending, violence and substance abuse.	As per 2018-19
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes (a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

(b) Specified IAS activity outcomes for Program 2.3 include: improved community safety and security; crime prevention; reduced family domestic violence and harm and distress amongst victims of violence; improved victim support and increased understanding of legal rights and available support; increased support of families dealing with critical mental health incidents; reduced anti-social behaviour and improved community engagement amongst Indigenous youth; reduced substance misuse and harm; and improved community awareness of available on demand support.

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Program 2.4 – Culture and Capability		
The objectives of this program are to support Aboriginal and Torres Strait Islander people to maintain their culture, participate equally in the economic and social life of the nation and ensuring that Indigenous organisations are capable of delivering quality services to their clients, particularly in remote areas.		
Delivery	This program is delivered through Indigenous Advancement Strategy activities aimed at: <ul style="list-style-type: none"> • Indigenous cultural expression and conservation • increasing participation of Indigenous people in society through healing and improved capability and leadership • promoting the unique place of Indigenous cultures in Australian society. 	
Performance information		
Year	Performance criteria	Targets
2018-19	Indigenous Advancement Strategy activities contribute towards increased participation of Indigenous people in Australian society and improved capability of Indigenous organisations.	• At least 70 per cent of funded activities within this program achieved the primary outcome KPI ^(b) specified in funding agreements.
2019-20	As per 2018-19	As per 2018-19
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes (a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

(b) Specified IAS activity outcomes for Program 2.4 include: increased knowledge and understanding of Aboriginal and Torres Strait Islander cultures, history and practices; improved capability and leadership; promoting, supporting and encouraging reconciliation between Aboriginal and Torres Strait Island peoples and non-Indigenous Australians.

Program 2.5 – Remote Australia Strategies		
The objectives of this program are to ensure strategic investments in local, flexible solutions based on community and Government priorities.		
Delivery	This program is delivered through Indigenous Advancement Strategy activities aimed at investment in local, flexible solutions based on community and government priorities.	
Performance information		
Year	Performance criteria	Targets
2018-19	Indigenous Advancement Strategy activities invest in local solutions based on community and government priorities.	<ul style="list-style-type: none"> At least 70 per cent of funded activities within this program achieved the primary outcome KPI^(b) specified in funding agreements.
2019-20	As per 2018-19	As per 2018-19
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes(a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

(b) Specified IAS activity outcomes for Program 2.5 include: in consultation with community stakeholders, supporting infrastructure, physical asset, housing, training and economic development projects that address remote community need and/or support local innovations.

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Program 2.6 – Evaluation and Research		
The objective of this program is to improve the lives of Indigenous Australians by increasing evaluation and research into policies and programs impacting on Indigenous Peoples.		
Delivery	This program is delivered through Indigenous Advancement Strategy activities aimed at investment in evaluation of IAS activities and research into Indigenous priorities.	
Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> Increased understanding of whether Indigenous Advancement Strategy funding and policies are effective. Increased research and/or existing research made more usable. 	<ul style="list-style-type: none"> Publication of the Annual Evaluation Work Plan taking into account size, reach and 'policy risk' of the program or activity and the strategic need of the evaluation. Establishment of an Indigenous Evaluation Committee in 2018 to strengthen the quality, credibility and independence of evaluation activity. Establishment of an Indigenous Research Exchange in 2018, to facilitate the improved use of research in policy development and implementation.
2019-20	<ul style="list-style-type: none"> Increased understanding of whether Indigenous Advancement Strategy funding and policies are effective. Increased research and/or existing research made more usable. 	<ul style="list-style-type: none"> Publication of the Annual Evaluation Work Plan each September taking into account size, reach and 'policy risk' of the program or activity and the strategic need of the evaluation.
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes(a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

Program 2.7 – Program Support		
This program is the departmental support program to the six Indigenous Advancement Strategy programs. 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 through the principle of empowering communities.		
Delivery	Departmental support to the six Indigenous Advancement Strategy programs.	
Performance information		
Year	Performance criteria	Targets
2018-19	Efficient department support to the six Indigenous Advancement Strategy programs.	<ul style="list-style-type: none"> At least 70 per cent of relevant^(b) key performance measures in the PM&C Corporate Plan are met or are on track.
2019-20	Nil	Nil ^(c)
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes(a)	Improving the lives of Indigenous Australians	

(a) Refers to Purpose 3 in the Corporate Plan 2018-22.

(b) Relevant measures in the Corporate Plan address key focus areas under Purpose 3.

(c) The 2018-19 Portfolio budget Statements included performance information for Program 2.7. As Program 2.7 is the departmental support program to the six Indigenous Advancement Strategy programs, separate performance information will no longer be reported for this program. Please refer to the performance information for the six Indigenous Advancement Strategy programs.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements Departmental

Comprehensive Income Statement

Budgeted Revenue from Government in 2019-20 is estimated at \$400.0 million. This represents an increase of \$16.1 million compared to the estimate for 2019-20 reported in the 2018-19 Portfolio Additional Estimates Statements (PAES). The increase is largely attributable to additional funding received from 2019-20 Budget measures.

Budgeted Departmental Balance Sheet

PM&C's net asset position is expected to decrease in 2019-20 and over the remaining forward estimates with depreciation outweighing capital investment.

Administered

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

The estimated administered expenditure for 2019-20 has increased by \$21.3 million since the 2018-19 PAES from \$1,706.6 million to \$1,727.9 million, which is largely attributable to the increase in payments to the Northern Territory land councils from the Aboriginal Benefit Account due to higher mining royalties.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

PM&C's budgeted administered net assets position in 2019-20 is expected to be \$3,645.8 million, which has increased by \$144.8 million since the 2018-19 PAES due to an increase in forecast investments.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	279,848	275,031	257,620	254,258	254,275
Suppliers	148,034	140,868	118,255	121,733	123,350
Grants	402	402	402	402	402
Depreciation and amortisation	18,763	22,365	25,561	24,603	24,603
Finance costs	13	13	13	13	13
Total expenses	447,060	438,679	401,851	401,009	402,643
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	18,288	14,248	13,248	13,248	13,248
Total own-source revenue	18,288	14,248	13,248	13,248	13,248
Gains					
Other	5,189	2,046	2,046	2,046	2,046
Total gains	5,189	2,046	2,046	2,046	2,046
Total own-source income	23,477	16,294	15,294	15,294	15,294
Net cost of (contribution by) services	(423,583)	(422,385)	(386,557)	(385,715)	(387,349)
Revenue from Government	404,820	400,020	360,996	361,112	362,746
Surplus/(deficit) attributable to the Australian Government	(18,763)	(22,365)	(25,561)	(24,603)	(24,603)
Total comprehensive income/(loss) attributable to the Australian Government	(18,763)	(22,365)	(25,561)	(24,603)	(24,603)

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

Note: Impact of net cash appropriation arrangements

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations(a)	18,763	22,365	25,561	24,603	24,603
Total comprehensive income/(loss) - as per the statement of comprehensive income	(18,763)	(22,365)	(25,561)	(24,603)	(24,603)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where *Bill 1* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Bill 1* equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,910	1,910	1,910	1,910	1,910
Trade and other receivables	89,078	88,356	88,947	88,947	88,947
Other financial assets	4,059	4,059	4,059	4,059	4,059
Total financial assets	95,047	94,325	94,916	94,916	94,916
Non-financial assets					
Land and buildings	93,711	87,255	80,795	74,605	68,418
Property, plant and equipment	21,979	28,609	24,681	22,514	20,229
Intangibles	38,633	37,968	37,351	36,612	36,078
Other non-financial assets	5,958	5,958	5,958	5,958	5,958
Total non-financial assets	160,281	159,790	148,785	139,689	130,683
Total assets	255,328	254,115	243,701	234,605	225,599
LIABILITIES					
Payables					
Suppliers	22,715	21,808	22,399	22,399	22,399
Grants	232	232	232	232	232
Other payables	29,327	29,327	29,327	29,327	29,327
Total payables	52,274	51,367	51,958	51,958	51,958
Provisions					
Employee provisions	83,896	83,781	83,781	83,781	83,781
Other provisions	548	548	548	548	548
Total provisions	84,444	84,329	84,329	84,329	84,329
Total liabilities	136,718	135,696	136,287	136,287	136,287
Net assets	118,610	118,419	107,414	98,318	89,312
EQUITY*					
Parent entity interest					
Contributed equity	221,510	243,684	258,240	273,747	289,344
Reserves	5,760	5,760	5,760	5,760	5,760
Retained surplus (accumulated deficit)	(108,660)	(131,025)	(156,586)	(181,189)	(205,792)
Total parent entity interest	118,610	118,419	107,414	98,318	89,312
Total Equity	118,610	118,419	107,414	98,318	89,312

*'Equity' is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous	(108,660)	5,760	221,510	118,610
Adjusted opening balance	(108,660)	5,760	221,510	118,610
Comprehensive income				
Other comprehensive income				
Surplus/(deficit) for the period	(22,365)	-	-	(22,365)
Total comprehensive income	(22,365)	-	-	(22,365)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	1,897	1,897
Departmental Capital Budget (DCB)	-	-	20,277	20,277
Sub-total transactions with owners	-	-	22,174	22,174
Closing balance attributable to the Australian Government	(131,025)	5,760	243,684	118,419

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	425,965	415,290	373,653	374,360	375,994
Sale of goods and rendering of services	18,283	14,248	13,248	13,248	13,248
Total cash received	444,248	429,538	386,901	387,608	389,242
Cash used					
Employees	279,599	275,146	257,620	254,258	254,275
Suppliers	145,964	139,742	115,631	119,700	121,317
Grants	402	402	402	402	402
s74 External Revenue transferred to the OPA	20,783	14,248	13,248	13,248	13,248
Total cash used	446,748	429,538	386,901	387,608	389,242
Net cash from/(used by) operating activities	(2,500)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	2,500	-	-	-	-
Total cash received	2,500	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	33,650	21,874	14,556	15,507	15,597
Total cash used	33,650	21,874	14,556	15,507	15,597
Net cash from/(used by) investing activities	(31,150)	(21,874)	(14,556)	(15,507)	(15,597)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	33,650	21,874	14,556	15,507	15,597
Total cash received	33,650	21,874	14,556	15,507	15,597
Net cash used by financing activities	33,650	21,874	14,556	15,507	15,597
Net increase/(decrease) in cash	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,910	1,910	1,910	1,910	1,910
Cash and cash equivalents at the end of the reporting period	1,910	1,910	1,910	1,910	1,910

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)(a)	17,496	20,277	13,316	13,406	13,496
Equity injections - Act No. 2	8,273	1,897	1,240	2,101	2,101
Total new capital appropriations	25,769	22,174	14,556	15,507	15,597
Provided for:					
Purchase of non-financial assets	25,769	22,174	14,556	15,507	15,597
Total Items	25,769	22,174	14,556	15,507	15,597
PURCHASE OF NON-FINANCIAL					
Funded by capital appropriations(b)	14,802	1,897	1,240	2,101	2,101
Funded by capital appropriation - DCB (c) (d)	18,848	19,977	13,316	13,406	13,496
TOTAL AMOUNT SPENT	33,650	21,874	14,556	15,507	15,597
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	33,650	21,874	14,556	15,507	15,597
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	33,650	21,874	14,556	15,507	15,597

Prepared on Australian Accounting Standards basis.

- (a) Funding for the establishment of the North Queensland Livestock Industry Recovery Agency is in 2019-20 as supplementation funding for expenses in 2018-19.
- (b) Includes both current *Bill 2* and prior *Act 2/4/6* appropriations.
- (c) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs)
- (d) Funding for the establishment of the North Queensland Livestock Industry Recovery Agency is provided in 2019-20 as supplementation funding for purchases in 2018-19.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019					
Gross book value	10,616	104,873	35,898	57,884	209,271
Accumulated depreciation/amortisation and impairment	-	(21,778)	(13,919)	(19,251)	(54,948)
Opening net book balance	10,616	83,095	21,979	38,633	154,323
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity(a)	-	400	948	549	1,897
By purchase - appropriation ordinary annual services(b)	-	268	13,642	6,067	19,977
Total additions	-	668	14,590	6,616	21,874
Other movements					
Depreciation/amortisation expense	-	(7,124)	(7,960)	(7,281)	(22,365)
Total other movements	-	(7,124)	(7,960)	(7,281)	(22,365)
As at 30 June 2020					
Gross book value	10,616	105,541	50,488	64,500	231,145
Accumulated depreciation/amortisation and impairment	-	(28,902)	(21,879)	(26,532)	(77,313)
Closing net book balance	10,616	76,639	28,609	37,968	153,832

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2019-20*.
- (b) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	918	1,068	1,089	1,090	1,091
Suppliers	66,560	73,281	71,538	71,152	71,435
Subsidies	1,688	1,931	1,931	1,931	1,931
Grants	1,307,536	1,319,228	1,350,477	1,365,733	1,386,259
Depreciation and amortisation	349	349	349	349	349
Finance costs	331	391	365	341	318
Payments to corporate entities	111,105	110,898	110,517	110,976	111,336
Other expenses	254,939	220,806	237,307	242,178	244,559
Total expenses administered on behalf of Government	1,743,426	1,727,952	1,773,573	1,793,750	1,817,278
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	55,292	22,405	21,577	20,663	19,715
Other revenue	10,787	65,143	66,393	67,616	69,037
Total non-taxation revenue	66,079	87,548	87,970	88,279	88,752
Total own-source revenue administered on behalf of Government	66,079	87,548	87,970	88,279	88,752
Total own-source income administered on behalf of Government	66,079	87,548	87,970	88,279	88,752
Net cost of/(contribution by) services	(1,677,347)	(1,640,404)	(1,685,603)	(1,705,471)	(1,728,526)
Surplus/(deficit)	(1,677,347)	(1,640,404)	(1,685,603)	(1,705,471)	(1,728,526)

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	23,575	23,575	23,575	23,575	23,575
Trade and other receivables	56,514	48,076	40,355	33,721	29,232
Other investments	3,399,409	3,589,243	3,804,977	4,014,988	4,207,456
Total financial assets	3,479,498	3,660,894	3,868,907	4,072,284	4,260,263
Non-financial assets					
Land and buildings	50,524	51,295	52,363	53,564	54,765
Property, plant and equipment	745	858	975	1,097	1,232
Other non-financial assets	2,463	2,463	2,463	2,463	2,463
Total non-financial assets	53,732	54,616	55,801	57,124	58,460
Total assets administered on behalf of Government	3,533,230	3,715,510	3,924,708	4,129,408	4,318,723
LIABILITIES					
Payables					
Suppliers	3,905	3,905	3,905	3,905	3,905
Grants	48,197	48,197	48,197	48,197	48,197
Other payables	2,636	2,636	2,636	2,636	2,636
Total payables	54,738	54,738	54,738	54,738	54,738
Provisions					
Employee provisions	293	293	293	293	293
Other provisions	15,735	14,691	13,685	12,716	11,787
Total provisions	16,028	14,984	13,978	13,009	12,080
Total liabilities administered on behalf of Government	70,766	69,722	68,716	67,747	66,818
Net assets/(liabilities)	3,462,464	3,645,788	3,855,992	4,061,661	4,251,905

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	11,198	65,143	66,393	67,616	69,037
Total cash received	11,198	65,143	66,393	67,616	69,037
Cash used					
Grants	1,307,536	1,319,228	1,350,477	1,365,733	1,386,259
Subsidies paid	1,688	1,931	1,931	1,931	1,931
Suppliers	62,504	69,156	71,538	71,152	71,435
Employees	918	1,068	1,089	1,090	1,091
Payments to corporate entities	111,105	110,898	110,517	110,976	111,336
Other	252,663	222,241	238,678	241,012	245,806
Total cash used	1,736,414	1,724,522	1,774,230	1,791,894	1,817,858
Net cash from/(used by) operating activities	(1,725,216)	(1,659,379)	(1,707,837)	(1,724,278)	(1,748,821)
INVESTING ACTIVITIES					
Cash received					
Repayment of loans	29,659	7,197	7,379	7,565	4,656
Investments	2,151,749	775,513	765,040	781,518	804,816
Interest on Investments	52,447	20,100	19,918	19,732	19,548
Total cash received	2,233,855	802,810	792,337	808,815	829,020
Cash used					
Purchase of property, plant, equipment and intangibles	1,276	1,233	1,534	1,672	1,685
Payments to Corporate Commonwealth entities and companies	24,913	22,924	22,924	22,924	22,924
Investments	2,360,464	918,975	940,311	962,141	984,479
Total cash used	2,386,653	943,132	964,769	986,737	1,009,088
Net cash from/(used by) investing activities	(152,798)	(140,322)	(172,432)	(177,922)	(180,068)

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,276	1,233	1,534	1,672	1,685
Total cash received	1,276	1,233	1,534	1,672	1,685
Net cash from/(used by) financing activities					
	1,276	1,233	1,534	1,672	1,685
Net increase/(decrease) in cash held					
	(1,876,738)	(1,798,468)	(1,878,735)	(1,900,528)	(1,927,204)
Cash and cash equivalents at beginning of reporting period					
	23,576	23,575	23,575	23,575	23,575
Cash from Official Public Account for:					
- Appropriations	1,912,564	1,818,056	1,900,442	1,916,585	1,953,858
<i>Total cash from Official Public Account</i>	<i>1,912,564</i>	<i>1,818,056</i>	<i>1,900,442</i>	<i>1,916,585</i>	<i>1,953,858</i>
Cash to Official Public Account for:					
- Appropriations	35,827	19,588	21,707	16,057	26,654
<i>Total cash to Official Public Account</i>	<i>35,827</i>	<i>19,588</i>	<i>21,707</i>	<i>16,057</i>	<i>26,654</i>
Cash and cash equivalents at end of reporting period					
	23,575	23,575	23,575	23,575	23,575

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act 1 (ACB)	1,276	1,233	1,534	1,672	1,685
Total new capital appropriations	1,276	1,233	1,534	1,672	1,685
Provided for:					
Purchase of non-financial assets	1,276	1,233	1,534	1,672	1,685
Total Items	1,276	1,233	1,534	1,672	1,685
PURCHASE OF NON-FINANCIAL					
Funded by capital appropriation - ACB (a)	1,276	1,233	1,534	1,672	1,685
TOTAL AMOUNT SPENT	1,276	1,233	1,534	1,672	1,685
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	1,276	1,233	1,534	1,672	1,685
Total cash used to acquire assets	1,276	1,233	1,534	1,672	1,685

Prepared on Australian Accounting Standards basis

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' administered capital budgets (ACBs).

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2019				
Gross book value	44,000	6,927	1,352	52,279
Accumulated depreciation/amortisation and impairment	-	(403)	(607)	(1,010)
Opening net book balance	44,000	6,524	745	51,269
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	976	257	1,233
Total additions	-	976	257	1,233
Other movements				
Depreciation/amortisation expense	-	(205)	(144)	(349)
Total other movements	-	(205)	(144)	(349)
As at 30 June 2020				
Gross book value	44,000	7,903	1,609	53,512
Accumulated depreciation/amortisation and impairment	-	(608)	(751)	(1,359)
Closing net book balance	44,000	7,295	858	52,153

Prepared on Australian Accounting Standards basis

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20*.

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 a Commonwealth 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 improves access to education, employment, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating through the operation of hostel accommodation services.

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 2019-20 AHL will continue to:

- be a provider of 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 type across Australia
- sustainably manage and maintain its property portfolio
- operate within available resources
- respond to need through evidence based business planning
- ensure all hostels are fit for purpose
- pursue best practice in workplace health and safety.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: AHL resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 Estimated actual \$'000	2019-20 Estimate \$'000
Opening balance/cash reserves at 1 July	29,566	30,216
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	36,323	36,426
Amounts received from related entities		
Department of the Prime Minister and Cabinet (b)	3,435	2,465
Amounts from other entities (c)	2,899	2,252
Total amounts received from related entities	6,334	4,717
Total funds from Government	42,657	41,143
Funds from other sources		
Interest	567	517
Sale of goods and services	14,017	14,964
Other	315	-
Total funds from other sources	14,899	15,481
Total net resourcing for AHL	87,122	86,840
	2018-19	2019-20
Average staffing level (number)	355	386

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

(a) *Appropriation Bill (No. 1) 2019-20*

(b) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills. The payment relates to the operations of the Kardu Darrikardu Numida Hostel in Wadeye, Northern Territory.

(c) Amounts received from Northern Territory Government for operations and management of three hostels by AHL in Alice Springs.

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 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for AHL can be found at:
www.ahl.gov.au/about-us/publications

The most recent annual performance statement can be found at:
www.ahl.gov.au/about-us/publications

2.1 BUDGETED EXPENSES AND PERFORMANCE 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.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Company Operated Hostels					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	36,323	36,426	36,596	36,734	36,906
Payment from related and other entities	4,334	4,717	4,779	4,855	4,969
Expenses not requiring appropriation in the budget year	3,078	970	970	-	-
Revenues from other independent sources	14,782	15,657	16,275	16,232	16,227
Total expenses for Program 1.1	58,517	57,770	58,620	57,821	58,102
	2018-19	2019-20			
Average staffing level (number)	355	386			

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

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.		
Program 1.1 – The objective of this program is to provide temporary accommodation for Indigenous Australians who must live away from home to access services and economic opportunities.		
Delivery	Deliver a network of accommodation services across Australia that provide special purpose accommodation for Aboriginal and Torres Straits Islander people.	
Performance information		
Year	Performance criteria	Targets
2018-19	Occupancy level as a percentage of resident bed nights available per annum.	70%
2019-20	Occupancy level as a percentage of resident bed nights available per annum.	70%
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes (a)	To provide culturally safe, fit-for-purpose, affordable accommodation for Indigenous Australians who need to be away from home to access employment opportunities, and health, education and other services.	

(a) Refers to updated purpose that will be reflected in the 2018-2022 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Comprehensive Income Statement

The increase in employee benefits in 2019-20 and out years from 2018-19 is in line with AHL's estimated Average staffing level increase from 355 to 386.

AHL is forecasting a technical operating loss for 2018-19 to 2020-21 due to timing differences with recognition of grant funding and associated payments and an increase in depreciation expense following building revaluations in 2017-18.

Budgeted Departmental Balance Sheet

The increase in land and buildings in 2020-21 and 2021-22 is due to forecast investment in new hostels so as to increase AHL's hostel network footprint.

The increase in employee provisions in 2019-20 and the forward years is mainly due to the accumulation of AHL employees' long service leave provision.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	28,634	31,736	31,750	31,764	31,778
Suppliers	24,218	20,369	21,205	20,392	20,659
Depreciation and amortisation	5,039	5,039	5,039	5,039	5,039
Write-down and impairment of assets	176	176	176	176	176
Losses from asset sales	450	450	450	450	450
Total expenses	58,517	57,770	58,620	57,821	58,102
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	14,263	15,138	15,777	15,777	15,777
Interest	517	517	496	453	448
Rental income	2	2	2	2	2
Other	4,334	4,717	4,779	4,855	4,969
Total own-source revenue	19,116	20,374	21,054	21,087	21,196
Total own-source income	19,116	20,374	21,054	21,087	21,196
Net (cost of)/contribution by services	(39,401)	(37,396)	(37,566)	(36,734)	(36,906)
Revenue from Government	36,323	36,426	36,596	36,734	36,906
Surplus/(deficit) attributable to the Australian Government	(3,078)	(970)	(970)	-	-
Total comprehensive income/(loss)	(3,078)	(970)	(970)	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(3,078)	(970)	(970)	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	30,216	30,995	28,229	26,414	28,048
Trade and other receivables	630	630	630	630	630
Total financial assets	30,846	31,625	28,859	27,044	28,678
Non-financial assets					
Land and buildings	119,062	117,709	119,856	122,003	120,648
Property, plant and equipment	3,414	3,286	3,158	3,030	2,902
Intangibles	30	22	14	6	0
Other non-financial assets	244	244	244	244	244
Total non-financial assets	122,750	121,261	123,272	125,283	123,794
Total assets	153,596	152,886	152,131	152,327	152,472
LIABILITIES					
Payables					
Suppliers	2,392	2,392	2,372	2,331	2,268
Other payables	1,068	1,025	982	937	894
Total payables	3,460	3,417	3,354	3,268	3,162
Provisions					
Employee provisions	3,657	3,960	4,238	4,520	4,771
Total provisions	3,657	3,960	4,238	4,520	4,771
Total liabilities	7,117	7,377	7,592	7,788	7,933
Net assets	146,479	145,509	144,539	144,539	144,539
EQUITY*					
Parent entity interest					
Contributed equity	94,243	94,243	94,243	94,243	94,243
Reserves	53,744	53,744	53,744	53,744	53,744
Retained surplus (accumulated deficit)	(1,508)	(2,478)	(3,448)	(3,448)	(3,448)
Total parent entity interest	146,479	145,509	144,539	144,539	144,539
Total equity	146,479	145,509	144,539	144,539	144,539

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(1,508)	53,744	94,243	146,479
Comprehensive income				
Surplus/(deficit) for the period	(970)	-	-	(970)
Total comprehensive income	(970)	-	-	(970)
of which:				
Attributable to the Australian Government	(970)	-	-	(970)
Estimated closing balance as at 30 June 2020	(2,478)	53,744	94,243	145,509
Closing balance attributable to the Australian Government	(2,478)	53,744	94,243	145,509

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	40,657	41,143	41,375	41,589	41,875
Sale of goods and rendering of services	14,017	14,964	15,603	15,603	15,603
Interest	567	517	496	453	448
Net GST received	1,697	1,429	1,489	1,433	1,454
Other	2,317	-	-	-	-
Total cash received	59,255	58,053	58,963	59,078	59,380
Cash used					
Employees	28,657	31,433	31,471	31,484	31,527
Suppliers	24,250	20,412	21,269	20,476	20,765
Net GST paid	1,698	1,429	1,489	1,433	1,454
Total cash used	54,605	53,274	54,229	53,393	53,746
Net cash from/(used by) operating activities	4,650	4,779	4,734	5,685	5,634
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,000	4,000	7,500	7,500	4,000
Total cash used	4,000	4,000	7,500	7,500	4,000
Net cash from/(used by) investing activities	(4,000)	(4,000)	(7,500)	(7,500)	(4,000)
Net increase/(decrease) in cash held	650	779	(2,766)	(1,815)	1,634
Cash and cash equivalents at the beginning of the reporting period	29,566	30,216	30,995	28,229	26,414
Cash and cash equivalents at the end of the reporting period	30,216	30,995	28,229	26,414	28,048

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	4,000	4,000	7,500	7,500	4,000
TOTAL	4,000	4,000	7,500	7,500	4,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,000	4,000	7,500	7,500	4,000
Total cash used to acquire assets	4,000	4,000	7,500	7,500	4,000

Prepared on Australian Accounting Standards basis.

(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 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019						
Gross book value	37,794	86,311	4,143	2,137	531	130,916
Accumulated depreciation/ amortisation and impairment	-	(5,043)	(2,851)	(15)	(501)	(8,410)
Opening net book balance	37,794	81,268	1,292	2,122	30	122,506
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation ordinary annual services (a)	-	3,476	481	12	31	4,000
Total additions	-	3,476	481	12	31	4,000
Other movements						
Depreciation/amortisation expense	-	(4,379)	(606)	(15)	(39)	(5,039)
Disposals	-	(450)	-	-	-	(450)
Total other movements	-	(4,829)	(606)	(15)	(39)	(5,489)
As at 30 June 2020						
Gross book value	37,794	89,337	4,624	2,149	562	134,466
Accumulated depreciation/ amortisation and impairment	-	(9,422)	(3,457)	(30)	(540)	(13,449)
Closing net book balance	37,794	79,915	1,167	2,119	22	121,017

Prepared on Australian Accounting Standards basis.

(a) Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1)* 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses

**AUSTRALIAN INSTITUTE OF
ABORIGINAL AND TORRES STRAIT
ISLANDER STUDIES**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN INSTITUTE OF ABORIGINAL AND TORRES STRAIT ISLANDER STUDIES

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AUSTRALIAN INSTITUTE OF ABORIGINAL AND TORRES STRAIT ISLANDER STUDIES

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) is a Corporate Commonwealth Entity established under the *Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989*. AIATSIS, which turns 55 in 2019, is a world renowned research, collections and publishing organisation and occupies a unique place at the nexus between the academic and cultural sectors, government, Indigenous communities, and the broader Australian public. The Institute promotes knowledge and understanding of Aboriginal and Torres Strait Islander cultures, traditions, languages and stories, past and present. AIATSIS's vision is of an Australia in which Aboriginal and Torres Strait Islander peoples' knowledge and cultures are recognised, respected, celebrated and valued.

The mission of AIATSIS is to tell the story of Aboriginal and Torres Strait Islander Australia; creating opportunities for people to encounter, engage with and be transformed by that story; supporting and facilitating cultural resurgence; and shaping the national narrative, through its collection, leadership in research and collections and providing information and advice on heritage and culture.

AIATSIS' strategic priorities are to:

- Build and preserve a national collection and make it accessible
- Promote better understanding of Indigenous peoples, cultures and heritage
- Lead and influence on Aboriginal and Torres Strait Islander research, ethics and protocols and collections
- Partner and collaborate with our communities, partners and governments
- Advise on Aboriginal and Torres Strait Islander cultures and heritage.

Priorities in 2019-20 are designed around the following themes:

- *Discovery*, to help Australians discover the richness of the histories, cultures and heritage of our First Nations people.
- *Resurgence*, to contribute to the ongoing cultural resurgence across Aboriginal and Torres Strait Islander Australia.
- *Transformation*, of peoples' understanding of Aboriginal and Torres Strait Islander Australia.

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- *Extending Our Reach*, by exploring opportunities to extend the reach of AIATSIS, both in terms of presence and influence, through physical and digital means.
- *United Nations International Year of Indigenous Languages*, as language is intrinsic to life and plays an integral role in maintaining the identity, sustainability, vitality and strength of Indigenous cultures around the world.
- *Return of Cultural Heritage project*, for the return of culturally significant Aboriginal and Torres Strait Islander items from overseas, reflecting the critical role that AIATSIS plays in supporting and facilitating Aboriginal and Torres Strait Islander cultural resurgence and signifying that the first story of Australia is an Indigenous one and this story is central to our national story.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: AIATSIS resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 Estimated actual \$'000	2019-20 Estimate \$'000
Opening balance/cash reserves at 1 July	26,895	24,741
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	20,388	20,371
Annual appropriations - other services (b)		
Equity injection	74	74
Total annual appropriations	20,462	20,445
Total funds from Government	20,462	20,445
Funds from other sources		
Interest	450	450
Sale of goods and services	797	797
Other	4,713	4,713
Total funds from other sources	5,960	5,960
Total net resourcing for AIATSIS	53,317	51,146
	2018-19	2019-20
Average staffing level (number)	121	121

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

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

(a) *Appropriation Bill (No. 1) 2019-20.*

(b) *Appropriation Bill (No. 2) 2019-20.*

1.3 BUDGET MEASURES

AIATSIS has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for AIATSIS can be found at: <http://aiatsis.gov.au>.

The most recent annual performance statement can be found at:
<https://aiatsis.gov.au/publications/products/aiatsis-annual-report-2017-2018>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Further understanding of Australian Indigenous cultures, past and present through undertaking and publishing research, and providing access to print and audiovisual collections.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Australian Institute of Aboriginal and Torres Strait Islander Studies					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	20,388	20,371	19,484	19,597	19,711
Revenues from other independent sources	5,960	5,960	5,947	5,926	5,926
Total expenses for Program 1.1	26,348	26,331	25,431	25,523	25,637
Total expenses for Outcome 1	26,348	26,331	25,431	25,523	25,637
	2018-19	2019-20			
Average staffing level (number)	121	121			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Further understanding of Australian Indigenous cultures, past and present through undertaking and publishing research, and providing access to print and audiovisual collections.		
Build and preserve a national collection, and make it accessible.		
Delivery	Ensure that our collection is representative, relevant and diverse. Optimise appropriate accessibility. Maximise opportunities provided by digital innovation.	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Ability to accept new material that is offered to and accepted into the collection, the rate at which it is preserved and made discoverable and accessible. Preservation of Aboriginal and Torres Strait Islander cultural heritage to enable all Australians to appropriately access and experience knowledge of Aboriginal and Torres Strait Islander cultures, traditions, languages, past and present	Percentage increase in the rate at which: <ul style="list-style-type: none"> Material is accepted into the collection: +2% The collection is made discoverable: +1.5% The collection is accessed: +10% Preservation of the collection: +5%.
2019-20	<ul style="list-style-type: none"> Collection growth Collection accessibility 	Percentage increase in collection growth from 2018-19 baseline. Number of requests met and items provided by source and location: <ul style="list-style-type: none"> 1.5% increase in online collection discoverability and accessibility Proportion of requests actioned within 60 days (service standard): <ul style="list-style-type: none"> 100% Proportion of collection digitised by format: <ul style="list-style-type: none"> Increase from 2018-19 baseline.
2020-21 and beyond	As per 2019-20	As per 2019-20

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Promote better understanding of Indigenous peoples' cultures and heritage.		
Delivery	<p>Provide a national forum for dialogue on Aboriginal and Torres Strait Islander culture.</p> <p>Deliver transformative experiences of Aboriginal and Torres Strait Islander cultures, histories and heritage.</p> <p>Deliver high quality exhibitions, products and publications.</p>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	<p>Target groups include: Aboriginal and Torres Strait Islander peoples and communities; non-Indigenous Australians; academic researchers; students; governments, industry; practitioners; people world-wide who are interested in Aboriginal and Torres Strait Islander culture and heritage.</p> <p>This program enables all Australians to learn about and experience knowledge of Aboriginal and Torres Strait Islander cultures, traditions, languages and stories, past and present.</p>	<p>Number and value of publications:</p> <ul style="list-style-type: none"> • 6 books published (\$243,000 revenue) • journal editions (\$20,000 revenue) • 5 other publications. <p>Monitor the reach and impact of communication and community engagement activity through:</p> <ul style="list-style-type: none"> • Media coverage • Website and social media reach and activity • Reach:- estimated actuals • 35 media releases, alerts and web news stories • 10 AIATSIS e-newsletters • 10 Members e-newsletters • 35 interviews by media outlets with AIATSIS staff or affiliates • 26 requests for content/information by media completed • Percentage increase in website traffic +10% • % increase in Indigenous author contributions +5% • Train and develop web publishers and editors 10 • Percentage increase in Indigenous members +8% • Percentage increase in members +5% • Percentage increase in partnerships +5% • Percentage increase in value of partnerships +5% • Percentage increase in value of a public program +5%.

Promote better understanding of Indigenous peoples' cultures and heritage.		
Performance information (continued)		
Year	Performance criteria (a)	Targets
2019-20	<ul style="list-style-type: none"> • Communication • Engagement with Education - Increased contribution to Australian curriculum and cultural learning • Public events • Aboriginal Studies Press (ASP) Publications program 	<p>Number and quality of public communication, education and engagement:</p> <ul style="list-style-type: none"> • 70% of respondents assess AIATSIS communication, education and engagement provide high level impact <p>Number and type of activities with an education focus:</p> <ul style="list-style-type: none"> • Increase from 2018/19 baseline <p>Number and satisfaction of attendees at AIATSIS events:</p> <ul style="list-style-type: none"> • 5 Individual events <p>Indigenous Author Engagement</p> <ul style="list-style-type: none"> • Majority Indigenous authors. <p>Number of Publications by type:</p> <ul style="list-style-type: none"> • Publish up to 8 publications annually across all types.
2020-21 and beyond	As per 2019-20	As per 2019-20

AIATSIS Budget Statements

Lead and influence on Aboriginal and Torres Strait Islander research, ethics, protocols and collections.		
Delivery	<p>Lead through evidence based research and culturally based representative networks.</p> <p>Articulate national priorities for Aboriginal and Torres Strait Islander research.</p> <p>AIATSIS is the arbiter of standards in relation to research ethics, Indigenous research and management of Indigenous Collections.</p> <p>Foster innovation in ethical, impactful research and collection practice.</p>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Delivery of contracted outputs and outcomes to actively strengthen, preserve and renew Indigenous knowledge, promote understanding of Indigenous peoples and contribute positively to the wellbeing of Aboriginal and Torres Strait Islander peoples	<p>100% contracts completed.</p> <p>Monitor levels of quality and efficiency:</p> <ul style="list-style-type: none"> • Number and value of research publications, grants and other outputs: 10% increase in numbers, maintain ratio • Number of staff publications (7 per researcher) • Number of staff presentations (5 per researcher) • Size of grants and research contracts • Revenue from research activities (ratio income to investment). • Reach and take-up of standards and guidance on best practice in research, engagement, publication and collections: 100% increase • 50% increase in external take-up.

Lead and influence on Aboriginal and Torres Strait Islander research, ethics, protocols and collections.		
Performance information (continued)		
Year	Performance criteria (a)	Targets
2019-20	<ul style="list-style-type: none"> Use and influence of Guidelines for Ethical Research in Australian Indigenous Studies (GERAIS) External use of Ethics clearances through Research Ethics Committee Take up of AIATSIS collection protocols and standards AIATSIS Influence in Aboriginal and Torres Strait Islander Research 	<p>Number of times GERAIS utilised:</p> <ul style="list-style-type: none"> 5000 <p>Number of Ethics clearances annually:</p> <ul style="list-style-type: none"> 20 Annually <p>AIATSIS Collections' protocols and standards adopted:</p> <ul style="list-style-type: none"> Increase from 2018/19 baseline <p>Requests for advice and input (number and type of requests):</p> <ul style="list-style-type: none"> Increase from 2018/19 Baseline <p>Number and value of partnerships:</p> <ul style="list-style-type: none"> Increase from 2018/19 Baseline <p>Number of publications and presentations by staff by type:</p> <ul style="list-style-type: none"> AIATSIS has 100 publications and presentations by staff.
2020-21 and beyond	As per 2019-20	As per 2019-20
Partner and collaborate with our communities, partners and governments.		
Delivery	<p>Actively building diverse and enduring relationships domestically and internationally.</p> <p>Being responsive and professional, with culturally competent work practices.</p> <p>Build an active network of corporate partners.</p> <p>Engage our network of members, friends, volunteers, visitors and affiliates.</p>	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	Delivery of contracted outputs and outcomes to actively strengthen, preserve and renew Indigenous knowledge, promote understanding of Indigenous peoples and contribute positively to the wellbeing of Aboriginal and Torres Strait Islander peoples.	<p>Monitor levels of engagement and impact through:</p> <ul style="list-style-type: none"> Number and value of research partnerships and applied research: 2% increase Number and value of research impact assessments: Evaluations.

AIATSIS Budget Statements

Partner and collaborate with our communities, partners and governments.		
Performance information (continued)		
Year	Performance criteria (a)	Targets
2019-20	<ul style="list-style-type: none"> AIATSIS Membership Research Collaborations Networks Interaction with Indigenous Communities Partnerships in place 	<p>Number and engagement of AIATSIS Members:</p> <ul style="list-style-type: none"> Increase by 10 new members per year 3 Members' events annually <p>Type, number and level of interactions in research collaborations:</p> <ul style="list-style-type: none"> Increase from 2018/19 Baseline <p>Number and type of networks:</p> <ul style="list-style-type: none"> Increase from 2018/19 Baseline <p>Interactions with Indigenous communities by type:</p> <ul style="list-style-type: none"> Increase from 2018/19 Baseline <p>Number of partnerships by type:</p> <ul style="list-style-type: none"> Increase from 2018/19 Baseline.
2020-21 and beyond	As per 2019-20	As per 2019-20
Advise on Aboriginal and Torres Strait Islander culture and heritage.		
Delivery	<p>Deliver world class expertise on policy and provide trusted advice on Aboriginal and Torres Strait Islander culture and heritage.</p> <p>Report regularly on the situation and status of Indigenous culture and heritage.</p>	
Performance information		
Year	Performance criteria (a)	Targets
2019-20	<ul style="list-style-type: none"> <i>AIATSIS reports and Policy briefs produced</i> <i>Engagement with decision makers, policy leaders, Senior Bureaucrats and Politicians (number and type)</i> 	<p><i>Number of reports, policy briefs and requests for advice:</i></p> <ul style="list-style-type: none"> <i>5 annually</i> <p><i>Number and type of engagements with decision makers:</i></p> <ul style="list-style-type: none"> <i>10 engagements per year</i>
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	<p>To tell the story of Aboriginal and Torres Strait Islander Australia; to create opportunities for people to encounter, engage with and be transformed by that story; to support and facilitate Aboriginal and Torres Strait Islander cultural resurgence; and to shape our national narrative.</p>	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

The statement shows the estimated net cost of services for AIATSIS.

The budgeted net cost of services to AIATSIS for delivering its programs in 2019-20 is \$20.4 million.

Expenses

Total departmental expenses budgeted for in 2019-20 are \$26.3 million, comprising \$10.7 million for employee expenses, \$14.4 million for suppliers and \$1.2 million for depreciation and amortisation.

Income

Total departmental own-source income budgeted for in 2019-20 is \$6.0 million, comprising \$0.8 million from sale of goods and services, \$0.5 million for interest and \$4.7 million from other sources.

Budgeted departmental balance sheet

The statement shows the estimated end of year position for departmental assets and liabilities.

Assets

Total departmental assets budgeted for 2019-20 are \$53.7 million, comprising \$28.4 million in non-financial assets (\$12.9 million Land and building, \$14.7 million Property, plant and equipment and \$0.8 million Other) and \$25.3 million in financial assets.

Liabilities

Total departmental liabilities budgeted for in 2019-20 are \$15.6 million, comprising \$3.1 million in provisions and \$12.4 million in payables.

Budgeted departmental statement of cash flows

The statement provides information on estimates of the extent and nature of cash flows by categorising the expected cash flows against operating, investing and financing activities.

Statement of changes in equity – summary of movement

The statement shows the expected movement of equity during the budget year.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	10,746	10,661	10,774	10,887	11,001
Suppliers	14,406	14,474	13,474	13,474	13,474
Depreciation and amortisation	1,196	1,196	1,183	1,162	1,162
Total expenses	26,348	26,331	25,431	25,523	25,637
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	797	797	784	763	763
Interest	450	450	450	450	450
Other	4,713	4,713	4,713	4,713	4,713
Total own-source revenue	5,960	5,960	5,947	5,926	5,926
Total own-source income	5,960	5,960	5,947	5,926	5,926
Net (cost of)/contribution by services	(20,388)	(20,371)	(19,484)	(19,597)	(19,711)
Revenue from Government	20,388	20,371	19,484	19,597	19,711
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,179	10,179	10,179	10,179	10,179
Trade and other receivables	864	864	864	864	864
Other investments	14,562	14,258	13,941	13,603	13,265
Total financial assets	25,605	25,301	24,984	24,646	24,308
Non-financial assets					
Land and buildings	13,112	12,899	12,686	12,473	12,260
Property, plant and equipment	14,098	14,723	15,348	15,973	16,598
Intangibles	55	21	-	-	-
Inventories	206	206	206	206	206
Other non-financial assets	525	525	525	525	525
Total non-financial assets	27,996	28,374	28,765	29,177	29,589
Total assets	53,601	53,675	53,749	53,823	53,897
LIABILITIES					
Payables					
Suppliers	2,092	2,092	2,092	2,092	2,092
Other payables	10,343	10,343	10,343	10,343	10,343
Total payables	12,435	12,435	12,435	12,435	12,435
Provisions					
Employee provisions	3,147	3,147	3,147	3,147	3,147
Total provisions	3,147	3,147	3,147	3,147	3,147
Total liabilities	15,582	15,582	15,582	15,582	15,582
Net assets	38,019	38,093	38,167	38,241	38,315
EQUITY*					
Parent entity interest					
Contributed equity	3,909	3,983	4,057	4,131	4,205
Reserves	13,971	13,971	13,971	13,971	13,971
Retained surplus (accumulated deficit)	20,139	20,139	20,139	20,139	20,139
Total parent entity interest	38,019	38,093	38,167	38,241	38,315
Total equity	38,019	38,093	38,167	38,241	38,315

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	20,139	13,971	3,909	38,019
Adjusted opening balance	20,139	13,971	3,909	38,019
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	74	74
Sub-total transactions with owners	-	-	74	74
Estimated closing balance as at 30 June 2020	20,139	13,971	3,983	38,093
Closing balance attributable to the Australian Government	20,139	13,971	3,983	38,093

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	20,388	20,371	19,484	19,597	19,711
Sale of goods and rendering of services	797	797	784	763	763
Interest	450	450	450	450	450
Other	4,713	4,713	4,713	4,713	4,713
Total cash received	26,348	26,331	25,431	25,523	25,637
Cash used					
Employees	10,746	10,661	10,774	10,887	11,001
Suppliers	14,406	14,474	13,474	13,474	13,474
Total cash used	25,152	25,135	24,248	24,361	24,475
Net cash from/(used by) operating activities	1,196	1,196	1,183	1,162	1,162
INVESTING ACTIVITIES					
Cash received					
Investments	2,154	304	317	338	338
Total cash received	2,154	304	317	338	338
Cash used					
Purchase of property, plant and equipment and intangibles	3,424	1,574	1,574	1,574	1,574
Total cash used	3,424	1,574	1,574	1,574	1,574
Net cash from/(used by) investing activities	(1,270)	(1,270)	(1,257)	(1,236)	(1,236)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	74	74	74	74	74
Total cash received	74	74	74	74	74
Net cash from/(used by) financing activities	74	74	74	74	74
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	10,179	10,179	10,179	10,179	10,179
Cash and cash equivalents at the end of the reporting period	10,179	10,179	10,179	10,179	10,179

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	74	74	74	74	74
Total new capital appropriations	74	74	74	74	74
Provided for:					
Purchase of non-financial assets	74	74	74	74	74
Total items	74	74	74	74	74
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriations (a)	74	74	74	74	74
Funded internally from departmental resources (b)	3,350	1,500	1,500	1,500	1,500
TOTAL	3,424	1,574	1,574	1,574	1,574
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,424	1,574	1,574	1,574	1,574
Total cash used to acquire assets	3,424	1,574	1,574	1,574	1,574

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 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;
- s74 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019					
Gross book value	13,715	5,312	11,424	270	30,721
Accumulated depreciation/ amortisation and impairment	(603)	(2,417)	(221)	(215)	(3,456)
Opening net book balance	13,112	2,895	11,203	55	27,265
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	74	-	74
By purchase - other	-	1,500	-	-	1,500
Total additions	-	1,500	74	-	1,574
Other movements					
Depreciation/amortisation expense	(213)	(798)	(151)	(34)	(1,196)
Total other movements	(213)	(798)	(151)	(34)	(1,196)
As at 30 June 2020					
Gross book value	13,715	6,812	11,498	270	32,295
Accumulated depreciation/ amortisation and impairment	(816)	(3,215)	(372)	(249)	(4,652)
Closing net book balance	12,899	3,597	11,126	21	27,643

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2)* 2019-20, including CDABs

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) purpose is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance. The Auditor-General is an independent officer of the Australian Parliament whose mandate and functions are set out in the *Auditor-General Act 1997* (the Act). The Auditor-General is assisted by the ANAO in delivering against this mandate.

The ANAO delivers a range of audit and related services that include:

- auditing the financial statements of Commonwealth entities, Commonwealth companies and their subsidiaries;
- conducting performance audits, assurance reviews and audits of the performance measures of Commonwealth entities and Commonwealth companies and their subsidiaries;
- conducting a performance audit of a Commonwealth partner as described in section 18B of the Act;
- providing other audit services as required by other legislation or allowed under section 20 of the Act; and
- reporting directly to the Parliament on any matter or to a minister on any important matter.

To achieve its purpose, the ANAO has focused on implementing strategies that enable it to operate as a leading public sector audit practice delivering quality audit services. This occurs through strong methodology, efficient and whole-of-organisation work practices and a focus on communicating the outcomes of its work.

The ANAO's Corporate Plan outlines capability investments that will be required to support achieving the ANAO's purpose in the dynamic environment in which it operates. The ANAO will continue to make investments in improving data analytics capability, growing and maintaining a skilled and professional workforce, supporting contemporary communication, particularly with the Parliament, and ensuring quality in its audit work. More details can be found in the ANAO's corporate plan which is published on the ANAO's website – www.anao.gov.au.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

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 Act, 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 Table 3.7 (Schedule of budgeted income and expenses administered on behalf of Government) and Table 3.9 (Schedule of budgeted administered cash flows), respectively.

The ANAO is also permitted to charge for 'audits by arrangement' under subsection 20(2) of the Act. The revenue is shown as sales of goods and rendering of services in Table 3.1 (Comprehensive income statement).

Table 1.1: ANAO resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	31,474	23,604
Departmental appropriation (b)	69,329	68,890
s74 Retained revenue receipts (c)	4,100	4,100
Departmental capital budget (d)	971	968
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	150	150
Total departmental annual appropriations	106,024	97,712
Total departmental special appropriations (f)	748	762
Total departmental resourcing	106,772	98,474
Total resourcing for ANAO	106,772	98,474
	2018-19	2019-20
Average staffing level (number)	325	321

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

- (a) *Appropriation Bill (No. 1) 2019-20.*
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated external revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in *Appropriation Bill (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) *Appropriation Bill (No. 2) 2019-20.*
- (f) For further information on special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

ANAO has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the ANAO can be found at:

<https://www.anao.gov.au/work/corporate/anao-corporate-plan-2018-19>

The most recent annual performance statement can be found at:

<https://www.anao.gov.au/work/annual-report/australian-national-audit-office-anao-annual-report-2017-18>.

2.1 BUDGETED EXPENSES AND PERFORMANCE 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.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Assurance Audit Services					
Departmental expenses					
Departmental appropriation	38,189	37,955	38,064	38,604	38,868
s74 Retained revenue receipts (a)	3,166	3,166	3,166	3,166	3,166
Special appropriations					
<i>Auditor-General remuneration and expense - Auditor-General Act 1997 Schedule 1, sections 3 and 7</i>	374	381	389	389	389
Expenses not requiring appropriation in the Budget year (b)	2,616	1,432	1,345	1,311	1,215
Departmental total	44,345	42,934	42,964	43,470	43,638
Total expenses for program 1.1	44,345	42,934	42,964	43,470	43,638
Program 1.2: Performance Audit Services					
Departmental expenses					
Departmental appropriation	31,140	30,935	31,022	31,462	31,677
s74 Retained revenue receipts (a)	934	934	934	934	934
Special appropriations					
<i>Auditor-General remuneration and expense - Auditor-General Act 1997 Schedule 1, sections 3 and 7</i>	374	381	389	389	389
Expenses not requiring appropriation in the Budget year (b)	2,009	1,225	1,151	1,121	1,040
Departmental total	34,457	33,475	33,496	33,906	34,040
Total expenses for program 1.2	34,457	33,475	33,496	33,906	34,040

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	Estimated actual	Budget	Forw ard estimate	Forw ard estimate	Forw ard estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses					
Departmental appropriation	69,329	68,890	69,086	70,066	70,545
s74 Retained revenue receipts (a)	4,100	4,100	4,100	4,100	4,100
Special appropriations	748	762	778	778	778
Expenses not requiring appropriation in the Budget year (b)	4,625	2,657	2,496	2,432	2,255
Departmental total	78,802	76,409	76,460	77,376	77,678
Total expenses for Outcome 1	78,802	76,409	76,460	77,376	77,678
	2018-19	2019-20			
Average staffing level (number)	325	321			

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and expenses where funding has been provided in a prior year.

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – To improve public sector performance and accountability through independent reporting on Australian Government administration to Parliament, the Executive and the public.		
Program 1.1 – Assurance Audit Services		
This program contributes to the outcome through:		
<ul style="list-style-type: none"> • providing assurance on the fair presentation of financial statements of the Australian Government and its controlled entities by providing independent audit opinions for the Parliament, the executive and the public; • presenting two reports annually addressing the outcomes of the financial statement audits of Australian Government entities and the consolidated financial statements of the Australian Government, to provide the Parliament with an independent examination of the financial accounting and reporting of public sector entities; and • contributing to improvements in the financial administration of Australian Government entities. 		
Delivery	Providing independent assurance to the Parliament by:	
	<ul style="list-style-type: none"> • issuing financial statement audit opinions to the Australian Government and its controlled entities • issuing other assurance audit reports • preparing and producing financial statement related reports for the Parliament 	
Performance information		
Year	Performance criteria (a)	Targets
2018-19 (a)	<ul style="list-style-type: none"> • <i>Percentage of the mandatory financial statements auditor's reports completed</i> • <i>Number of financial statements–related audit reports presented to Parliament</i> • <i>Number of assurance audit reports by arrangement</i> • <i>Percentage of auditor's reports issued within three months of the financial-year-end reporting date</i> • <i>Percentage increase to average cost per financial statements audit</i> • <i>Percentage of moderate or significant findings from assurance audit reports agreed to by audited entities</i> • <i>Percentage of moderate and significant findings that are addressed by entities within one year of reporting</i> 	<ul style="list-style-type: none"> • 100% of the 241 entities provided an auditor's report for tabling in the Parliament (against a target of 100%) • Expect 2 assurance reports to be presented to Parliament (against a target of 2) • 41 other assurance reports produced (against a target of 45) • 89% of auditor's reports to be issued within three months of the financial year end reporting date (against a target of 85%) • 0% increase to the average cost per audit (against a target of 0%) • Expected that 100% of recommendations included in audit reports are agreed by audited entities (against a target of 90%) • 67% of moderate and significant findings are addressed by material entities within one year of reporting (against a target of 90%)

Performance information (continued)		
Year	Performance criteria	Targets
2019-20	<ul style="list-style-type: none"> • Percentage of the mandatory financial statements auditor's reports completed • Number of financial statements–related audit reports presented to Parliament • Number of assurance audit reports by arrangement • Percentage of auditor's reports issued within three months of the financial-year-end reporting date • Percentage variation to the average cost per financial statements audit • Percentage of moderate or significant findings from assurance audit reports agreed to by audited material entities • Percentage of moderate and significant findings that are addressed by material³ entities within one year of reporting 	<ul style="list-style-type: none"> • 100% of the mandatory financial statements auditor's reports completed • 2 financial statement related audit reports presented to Parliament • 45 assurance audit reports by arrangement • 85% of auditor's reports to be issued within three months of the financial year end reporting date • Greater than 0% reduction to the average cost per financial statements audit • 90% of moderate or significant findings from assurance audit reports are agreed to by audited entities • 90% of moderate and significant findings are addressed by entities within one year of reporting
2020-21 and beyond	As per 2019-20.	As per 2019-20.
Purpose	To support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.	

(a) The Performance criteria published for 2018-19 have been revised since the publication of the 2018-19 Portfolio Budget Statements. These revised Performance criteria provide an increased level of transparency and demonstrate more clearly the direct relationship between the Performance criteria and the targets. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

ANAO Budget Statements

<p>Program 1.2 – Performance Audit Services</p> <p>This program contributes to the outcome through:</p> <ul style="list-style-type: none"> • audits of the performance of Australian Government programs and entities, including identifying opportunities for improvement and lessons for the sector; and • other assurance reviews and information reports to Parliament. 		
<p>Delivery</p>		<p>Improving public sector performance by:</p> <ul style="list-style-type: none"> • providing performance and other audit reports for the information of Parliament, the Executive and the public
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria (a)</p>	<p>Targets</p>
<p>2018-19 (a)</p>	<ul style="list-style-type: none"> • <i>Number of performance reports prepared for Parliament</i> • <i>Average elapsed time (months) for completion of performance audits</i> • <i>Percentage increase to average cost per performance audit</i> • <i>Percentage of recommendations included in performance audit reports agreed by audited entities</i> • <i>Percentage of ANAO recommendations implemented within 24 months of a performance audit report</i> 	<ul style="list-style-type: none"> • Expected that 48 performance audit reports to be produced (against a target of 48) • Expect 10.5 months average elapsed time for completion of performance audits (against a target of 10.5 months) • Expected to achieve 0% increase to average cost per performance audit (against a target of 0%) • Expected that 90% of recommendations included in performance audit reports agreed by audited entities (against a target of 90%) • Expected that 70% of ANAO recommendations implemented within 24 months of a performance audit report (against a target of 70%)
<p>2019-20</p>	<ul style="list-style-type: none"> • Number of performance reports prepared for Parliament • Average elapsed time (months) for completion of performance audits • Percentage variation to the average cost per performance audit • Percentage of recommendations included in performance audit reports agreed by audited entities • Percentage of ANAO recommendations implemented within 24 months of a performance audit report 	<ul style="list-style-type: none"> • 48 performance audit reports prepared for Parliament • Less than 10 months average elapsed time for completion of performance audits (against a target of 10 months) • Greater than 0% reduction to average cost per performance audit • 90% of recommendations included in performance audit reports agreed by audited entities • 70% of ANAO recommendations implemented within 24 months of a performance audit report

Performance information (continued)		
Year	Performance criteria	Targets
2020-21 and beyond	As per 2019-20.	As per 2019-20.
Purpose	To support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.	

- (a) The Performance criteria published for 2018-19 have been revised since the publication of the 2018-19 Portfolio Budget Statements. These revised Performance criteria provide a better level of transparency and demonstrate more clearly the direct relationship between the Performance criteria and the targets. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

ANAO Budget Statements

<p>Shared performance criteria for programs 1.1 and 1.2</p> <p>The ANAO has a number of performance criteria that apply to both programs 1.1 and 1.2, and are reported on collectively. Both programs contribute to the outcome by:</p> <ul style="list-style-type: none"> • facilitating dissemination of the ANAO's findings to members of Parliament, the Executive and the public; • providing organisation-wide support services for the ANAO, based on specialised knowledge, professional practice and technology; and • ensuring ANAO audits are of high quality and compliant with auditing standards. 		
<p>Delivery</p>	<p>Providing independent assurance to the Parliament and improving public sector performance by:</p> <ul style="list-style-type: none"> • providing information to Members of Parliament and parliamentary committees; • undertaking an audit Quality Assurance program; and • publishing insights and key learnings from audits. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria (a)</p>	<p>Targets</p>
<p>2018-19 (a)</p>	<ul style="list-style-type: none"> • <i>Number of appearances and submissions to parliamentary committees</i> • <i>Percentage of private briefings undertaken at request of parliamentarians</i> • <i>The ANAO Quality Assurance Program indicates that audit opinions and conclusions are appropriate</i> • <i>Percentage of inquiries and audit requests from parliamentarians finalised within 28 days</i> • <i>Percentage of JCPAA members surveyed who were satisfied that the ANAO improved public sector performance and supported accountability and transparency</i> • <i>Number of published audit insights and key learnings from across ANAO activities</i> 	<ul style="list-style-type: none"> • The ANAO has undertaken 20 appearances and submissions to Parliamentary committees (against a target of 20) • Expect that more than 90% of requests from parliamentarians for private briefings or educational sessions that are undertaken (against a target of 100%) • Expect that the ANAO Quality Assurance Program indicates that audit opinions and conclusions are appropriate (against a target of Yes) • Expect that 100% of inquiries and audit requests from parliamentarians finalised within 28 days (against a target of 90%) • Expect that 90% of JCPAA members surveyed were satisfied that the ANAO improved public sector performance and supported accountability and transparency (against a target of 90%) • Expect to publish 4 papers on audit insights and key learnings from across ANAO activities (against a target of 4)

Performance information (continued)		
Year	Performance criteria	Targets
2019-20	<ul style="list-style-type: none"> • Number of appearances and submissions to parliamentary committees • Percentage of private briefings undertaken at request of parliamentarians • The ANAO Quality Assurance Program indicates that audit opinions and conclusions are appropriate • Percentage of inquiries and audit requests from parliamentarians finalised within 28 days • Percentage of JCPAA members surveyed who were satisfied that the ANAO improved public sector performance and supported accountability and transparency • Number of published audit insights and key learnings from across ANAO activities 	<ul style="list-style-type: none"> • There is an equal to or greater than 0% increase in appearances and submissions to Parliamentary committees • 100% of private briefings undertaken by request of Parliamentarians • The ANAO Quality Assurance Program indicates that 100% of audit opinions and conclusions are appropriate (against a target of 100%) • 90% of inquiries and audit requests from parliamentarians finalised within 28 days • 90% of JCPAA members surveyed who were satisfied that the ANAO improved public sector performance and supported accountability and transparency • Publish 4 papers on audit insights and key learnings from across ANAO activities (against a target of 4)
2020-21 and beyond	As per 2019-20.	As per 2019-20.
Purpose	To support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.	

- (a) The Performance criteria published for 2018-19 have been revised since the publication of the 2018-19 Portfolio Budget Statements. These revised Performance criteria provide a better level of transparency and demonstrate more clearly the direct relationship between the Performance criteria and the targets. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ANAO's finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement (Table 1.1) provides a consolidated view of all the resources available to an entity in 2019-20. This includes appropriation receivable that is yet to be drawn down to cover payables and provisions on the balance sheet. The comprehensive income statement (Table 3.1) shows the operating appropriation provided in 2019-20.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental

Comprehensive income statement

Total income in 2019-20 is budgeted at \$73.8 million (2018-19 \$74.2 million). Revenue from Government (annual departmental appropriation and special appropriation funding) in 2019-20 has decreased to \$69.7 million (2018-19 \$70.1 million) due to the impact of efficiency dividends and other savings measures.

Other revenue is expected to be \$4.1 million (2018-19 \$4.1 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 \$2.3 million for 'audits by arrangement' under section 20(2) of the *Auditor-General Act 1997* and other miscellaneous income.

Operating expenses, including depreciation, for 2019-20 are estimated to total \$76.4 million (2018-19: \$78.8 million).

In order to meet the ANAO's performance targets, the ANAO proposes to use its available reserves to transition to a new funding base.

Balance sheet

The departmental balance sheet shows the ANAO's net asset position remaining strong and stable.

The ANAO's accommodation lease and Information Technology (IT) service delivery arrangements expired in June 2018. New arrangements were finalised in 2018-19 with the ANAO negotiating a new accommodation lease and IT service provider arrangements. The ANAO will be drawing on its reserves to fund the refurbishment of its leased premises and investment in IT including new tools and approaches for data analytics.

Statement of cash flows

The cash flow is consistent with, and representative of, the transactions reported in the comprehensive income statement, 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.

Capital budget statement

The departmental capital budget statement shows the expected capital works program for the current and forward years. Total capital expenditure in 2019-20 is estimated to be \$8.8 million (2018-19 \$6.6 million). In addition, the ANAO forecasts spending a further \$2.9 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. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	45,991	45,323	46,086	46,475	47,724
Suppliers	31,316	28,429	27,878	28,469	27,699
Depreciation and amortisation (a)	1,495	2,657	2,496	2,432	2,255
Total expenses	78,802	76,409	76,460	77,376	77,678
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,100	4,100	4,100	4,100	4,100
Total own-source revenue	4,100	4,100	4,100	4,100	4,100
Total own-source income	4,100	4,100	4,100	4,100	4,100
Net (cost of)/contribution by services	(74,702)	(72,309)	(72,360)	(73,276)	(73,578)
Revenue from Government	70,077	69,652	69,864	70,844	71,323
Surplus/(deficit) attributable to the Australian Government	(4,625)	(2,657)	(2,496)	(2,432)	(2,255)
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(4,625)	(2,657)	(2,496)	(2,432)	(2,255)
Total comprehensive income/(loss) attributable to the Australian Government	(4,625)	(2,657)	(2,496)	(2,432)	(2,255)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(3,130)	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	(1,495)	(2,657)	(2,496)	(2,432)	(2,255)
Total comprehensive income/(loss) - as per the statement of comprehensive income	(4,625)	(2,657)	(2,496)	(2,432)	(2,255)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	549	549	549	549	549
Trade and other receivables	33,401	25,531	25,531	25,531	25,531
Total financial assets	33,950	26,080	26,080	26,080	26,080
Non-financial assets					
Land and buildings	3,626	10,348	9,200	8,052	6,904
Property, plant and equipment	2,130	2,289	1,707	1,315	1,298
Intangibles	1,338	638	842	934	834
Other non-financial assets	809	809	809	809	809
Total non-financial assets	7,903	14,084	12,558	11,110	9,845
Total assets	41,853	40,164	38,638	37,190	35,925
LIABILITIES					
Payables					
Suppliers	2,799	2,799	2,799	2,799	2,799
Other payables	347	347	347	347	347
Total payables	3,146	3,146	3,146	3,146	3,146
Provisions					
Employee provisions	10,756	10,756	10,756	10,756	10,756
Other provisions	2	2	2	2	2
Total provisions	10,758	10,758	10,758	10,758	10,758
Total liabilities	13,904	13,904	13,904	13,904	13,904
Net assets	27,949	26,260	24,734	23,286	22,021
EQUITY*					
Parent entity interest					
Contributed equity	14,676	15,644	16,614	17,598	18,588
Reserves	564	564	564	564	564
Retained surplus (accumulated deficit)	12,709	10,052	7,556	5,124	2,869
Total equity	27,949	26,260	24,734	23,286	22,021

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	12,709	564	14,676	27,949
Adjusted opening balance	12,709	564	14,676	27,949
Comprehensive income				
Surplus/(deficit) for the period	(2,657)	-	-	(2,657)
Total comprehensive income	(2,657)	-	-	(2,657)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	968	968
Sub-total transactions with owners	-	-	968	968
Estimated closing balance as at 30 June 2020	10,052	564	15,644	26,260
Closing balance attributable to the Australian Government	10,052	564	15,644	26,260

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	78,903	77,522	69,864	70,844	71,323
Sale of goods and rendering of services	4,100	4,100	4,100	4,100	4,100
Total cash received	83,003	81,622	73,964	74,944	75,423
Cash used					
Employees	45,991	45,323	46,086	46,475	47,724
Suppliers	31,316	28,429	27,878	28,469	27,699
Other	43	-	-	-	-
Total cash used	77,350	73,752	73,964	74,944	75,423
Net cash from/(used by) operating activities	5,653	7,870	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	6,624	8,838	970	984	990
Total cash used	6,624	8,838	970	984	990
Net cash from/(used by) investing activities	(6,624)	(8,838)	(970)	(984)	(990)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	971	968	970	984	990
Total cash received	971	968	970	984	990
Net cash from/(used by) financing activities	971	968	970	984	990
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	549	549	549	549	549
Cash and cash equivalents at the end of the reporting period	549	549	549	549	549

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	971	968	970	984	990
Total new capital appropriations	971	968	970	984	990
Provided for:					
Purchase of non-financial assets	971	968	970	984	990
Total items	971	968	970	984	990
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriation - DCB (a)	971	968	970	984	990
Funded internally from departmental resources (b)	5,653	7,870	-	-	-
TOTAL	6,624	8,838	970	984	990
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	6,624	8,838	970	984	990
Total cash used to acquire assets	6,624	8,838	970	984	990

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

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

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	9,081	5,508	7,864	22,453
Accumulated depreciation/ amortisation and impairment	(5,455)	(3,378)	(6,526)	(15,359)
Opening net book balance	3,626	2,130	1,338	7,094
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	7,870	801	167	8,838
Total additions	7,870	801	167	8,838
Other movements				
Depreciation/amortisation expense	(1,148)	(642)	(867)	(2,657)
Total other movements	(1,148)	(642)	(867)	(2,657)
As at 30 June 2020				
Gross book value	16,951	6,309	8,031	31,291
Accumulated depreciation/ amortisation and impairment	(6,603)	(4,020)	(7,393)	(18,016)
Closing net book balance	10,348	2,289	638	13,275

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.
Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	12,300	12,300	12,300	12,300	12,300
Total non-taxation revenue	12,300	12,300	12,300	12,300	12,300
Total own-source revenue administered on behalf of Government	12,300	12,300	12,300	12,300	12,300
Total own-sourced income administered on behalf of Government	12,300	12,300	12,300	12,300	12,300
Net (cost of)/contribution by services	(12,300)	(12,300)	(12,300)	(12,300)	(12,300)

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	477	477	477	477	477
Trade and other receivables	6,934	6,934	6,934	6,934	6,934
Total financial assets	7,411	7,411	7,411	7,411	7,411
Total assets administered on behalf of Government	7,411	7,411	7,411	7,411	7,411
LIABILITIES					
Payables					
Other payables	429	429	429	429	429
Total payables	429	429	429	429	429
Total liabilities administered on behalf of Government	429	429	429	429	429
Net assets/(liabilities)	6,982	6,982	6,982	6,982	6,982

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	12,300	12,300	12,300	12,300	12,300
Total cash received	12,300	12,300	12,300	12,300	12,300
Net cash from/(used by) operating activities					
	12,300	12,300	12,300	12,300	12,300
Net increase/(decrease) in cash held					
	12,300	12,300	12,300	12,300	12,300
Cash and cash equivalents at beginning of reporting period	477	477	477	477	477
Cash to Official Public Account for:					
- Appropriations	(12,300)	(12,300)	(12,300)	(12,300)	(12,300)
Total cash to Official Public Account	(12,300)	(12,300)	(12,300)	(12,300)	(12,300)
Cash and cash equivalents at end of reporting period					
	477	477	477	477	477

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 2019-20 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 funding from all sources available to APSC for its operations and to deliver programs and services on behalf of the Government.

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

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

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

Table 1.1: APSC resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	15,930	15,691
Departmental appropriation (b)	21,299	20,353
s74 External Revenue (c)	22,735	22,095
Departmental capital budget (d)	411	413
Total departmental annual appropriations	60,375	58,552
Total departmental resourcing	60,375	58,552
Administered		
Total administered special appropriations	4,170	4,230
Total administered resourcing	4,170	4,230
Total resourcing for APSC	64,545	62,782
	2018-19	2019-20
Average staffing level (number)	209	209

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

(a) *Appropriation Bill (No. 1) 2019-20*.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in *Appropriation Bill (No.1)* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

Third party payments from and on behalf of other entities

	<i>2018-19 Estimated actual \$'000</i>	<i>2019-20 Estimate \$'000</i>
Payments made by other entities on behalf of APSC (disclosed above)		
Attorney-General's Department - <i>Remuneration Tribunal Act 1973</i>	4,170	4,230

1.3 BUDGET MEASURES

The APSC has no measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for the APSC can be found at:

<https://www.apsc.gov.au/corporate-plan-2018-19>.

The most recent annual performance statement can be found at:

<https://www.apsc.gov.au/australian-public-service-commissioner-annual-report-2017-18>.

2.1 BUDGETED EXPENSES AND PERFORMANCE 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.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Australian Public Service Commission					
Departmental expenses					
Departmental appropriation	21,299	20,353	20,136	20,203	20,219
s74 External Revenue (a)	22,735	22,095	22,351	22,611	22,875
Expenses not requiring appropriation in the Budget year (b)	1,484	1,706	1,706	1,707	1,708
Departmental total	45,518	44,154	44,193	44,521	44,802
Total expenses for program 1.1	45,518	44,154	44,193	44,521	44,802
Program 1.2: Judicial Office Holders' Remuneration and Entitlements					
Administered expenses					
Special appropriations					
Remuneration Tribunal Act 1973	4,170	4,230	4,310	4,370	4,449
Administered total	4,170	4,230	4,310	4,370	4,449
Total expenses for program 1.2	4,170	4,230	4,310	4,370	4,449
Outcome 1 Totals by appropriation type					
Administered expenses					
Special appropriations	4,170	4,230	4,310	4,370	4,449
Administered total	4,170	4,230	4,310	4,370	4,449
Departmental expenses					
Departmental appropriation	21,299	20,353	20,136	20,203	20,219
s74 External Revenue (a)	22,735	22,095	22,351	22,611	22,875
Expenses not requiring appropriation in the Budget year (b)	1,484	1,706	1,706	1,707	1,708
Departmental total	45,518	44,154	44,193	44,521	44,802
Total expenses for Outcome 1	49,688	48,384	48,503	48,891	49,251
	2018-19	2019-20			
Average staffing level (number)	209	209			

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

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

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<ul style="list-style-type: none"> 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. 		
Program 1.1 – Australian Public Service Commission This program contributes to the outcome through building capacity, driving productivity and performance, streamlining processes and reducing red tape and promoting integrity and accountability among the APS		
Delivery	The APSC works with entities to develop opportunities to improve productivity and efficiency and to reduce regulation.	
Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> Shape the APS workforce Modernise the APS employment framework to reflect changes to the nature of work Build workforce capability in the APS Promote a high standard of integrity in the APS. 	<ul style="list-style-type: none"> Support the Government's reform agenda Partner with agencies to achieve compliance with the Government's bargaining policies Support agencies to improve their workplace relations skills and performance Strengthen leadership and core capabilities by providing contemporary learning solutions Build digital capability in the APS by partnering with the Digital Transformation Agency.
2019-20	<ul style="list-style-type: none"> Shape the APS workforce Modernise the APS employment framework Build workforce capability in the APS Promote a high standard of integrity in the APS. 	<ul style="list-style-type: none"> Support the Government's reform agenda Partner with agencies to achieve compliance with the Government's bargaining policies Support agencies to improve their workplace relations skills and performance Strengthen leadership and core capabilities by providing contemporary learning solutions Build digital capability in the APS by partnering with the Digital Transformation Agency.
2020-21 and beyond	As per 2019-20.	As per 2019-20.
Purpose	To position the APS workforce for the future.	

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Program 1.2 – Judicial Office Holders’ Remuneration and Entitlements		
This program contributes to the outcome through facilitating the payment of remuneration, allowances and entitlements to Judicial Office Holders.		
Delivery	The Attorney-General’s Department makes all of the payments for this program. These payments are funded by a special appropriation that the APSC administers.	
Performance information		
Year	Performance criteria	Targets
2018-19	Meet all requirements for the budgeting and reporting of Judicial Office Holders remuneration and entitlements.	Budget in the Portfolio Budget Statements and the actual result in the financial statements are prepared within required timeframes and free of material misstatements.
2019-20	Meet all requirements for the budgeting and reporting of Judicial Office Holders remuneration and entitlements.	Budget in the Portfolio Budget Statements and the actual result in the financial statements are prepared within required timeframes and free of material misstatements.
2020-21 and beyond	As per 2019-20.	As per 2019-20.
Purpose	To position the APS workforce for the future.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement (Table 1.1) provides a consolidated view of all the resources available to the APSC in 2018-19 including both departmental and administered funding. This includes appropriations that are yet to be drawn down to cover departmental payables and provisions on the balance sheet. The departmental comprehensive income statement (Table 3.1) shows only the departmental operating appropriation provided in each year.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental

Comprehensive Income Statement

In all Budget years the APSC is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense. Appropriation revenue from Government will decrease in 2019-20 due to lower levels of funding for the 2017-18 Public Service Modernisation Fund budget measure to build digital capability in the APS. Funding for the measure was \$2.8 million in 2017-18, reducing to \$1.4 million in 2018-19 and to \$0.3 million in 2019-20.

Goods and services income is expected to remain stable between 2018-19 to 2019-20.

Budgeted Departmental Balance Sheet

Cash holdings above agreed working level limits 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.

Total 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.

Administered

The administered schedules report payments of Judicial Office Holders' remuneration and entitlements. Payments are made by the Attorney-General's Department.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	26,754	27,155	27,617	28,086	28,563
Suppliers	17,177	15,191	14,769	14,630	14,435
Depreciation and amortisation (a)	1,582	1,803	1,803	1,803	1,803
Finance costs	5	5	4	2	1
Total expenses	45,518	44,154	44,193	44,521	44,802
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	22,735	22,095	22,351	22,611	22,875
Other	40	41	41	42	43
Total own-source revenue	22,775	22,136	22,392	22,653	22,918
Total own-source income	22,775	22,136	22,392	22,653	22,918
Net (cost of)/contribution by services	(22,743)	(22,018)	(21,801)	(21,868)	(21,884)
Revenue from Government	21,299	20,353	20,136	20,203	20,219
Surplus/(deficit) attributable to the Australian Government	(1,444)	(1,665)	(1,665)	(1,665)	(1,665)
Total comprehensive income/(loss)	(1,444)	(1,665)	(1,665)	(1,665)	(1,665)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,444	1,665	1,665	1,665	1,665
Total comprehensive income/(loss) - as per the statement of comprehensive income	(1,444)	(1,665)	(1,665)	(1,665)	(1,665)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	750	750	750	750	750
Trade and other receivables	17,042	16,752	16,267	15,925	15,441
Total financial assets	17,792	17,502	17,017	16,675	16,191
Non-financial assets					
Land and buildings	5,408	4,740	4,061	3,387	2,696
Property, plant and equipment	1,214	1,029	794	604	403
Intangibles	1,665	1,606	1,610	1,567	1,555
Prepayments paid	561	561	561	561	561
Total non-financial assets	8,848	7,936	7,026	6,119	5,215
Total assets	26,640	25,438	24,043	22,794	21,406
LIABILITIES					
Payables					
Suppliers	4,259	4,304	4,310	4,306	4,268
Prepayments received	5,795	5,795	5,795	5,795	5,795
Total payables	10,054	10,099	10,105	10,101	10,063
Provisions					
Employee provisions	7,164	7,164	7,164	7,164	7,164
Provision for restoration obligations	250	255	104	106	-
Total provisions	7,414	7,419	7,268	7,270	7,164
Total liabilities	17,468	17,518	17,373	17,371	17,227
Net assets	9,172	7,920	6,670	5,423	4,179
EQUITY*					
Contributed equity	2,562	2,975	3,390	3,808	4,229
Reserves	763	763	763	763	763
Retained surplus (accumulated deficit)	5,847	4,182	2,517	852	(813)
Total equity	9,172	7,920	6,670	5,423	4,179

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	5,847	763	2,562	9,172
Comprehensive income				
Surplus/(deficit) for the period	(1,665)	-	-	(1,665)
Total comprehensive income	(1,665)	-	-	(1,665)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	413	413
Sub-total transactions with owners	-	-	413	413
Estimated closing balance as at 30 June 2020	4,182	763	2,975	7,920

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,299	20,353	20,136	20,203	20,219
Sale of goods and rendering of services	22,735	22,095	22,351	22,611	22,875
Net GST received	1,803	1,604	1,578	1,548	1,540
Other	418	290	485	342	484
Total cash received	46,255	44,342	44,550	44,704	45,118
Cash used					
Employees	26,754	27,155	27,617	28,086	28,563
Suppliers	18,844	16,709	16,300	16,140	15,970
Total cash used	45,598	43,864	43,917	44,226	44,533
Net cash from/(used by) operating activities	657	478	633	478	585
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	889	891	893	896	899
Other	-	-	155	-	107
Total cash used	889	891	1,048	896	1,006
Net cash from/(used by) investing activities	(889)	(891)	(1,048)	(896)	(1,006)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	411	413	415	418	421
Total cash received	411	413	415	418	421
Net cash from/(used by) financing activities	411	413	415	418	421
Net increase/(decrease) in cash held	179	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	571	750	750	750	750
Cash and cash equivalents at the end of the reporting period	750	750	750	750	750

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	411	413	415	418	421
Total new capital appropriations	411	413	415	418	421
Provided for:					
Purchase of non-financial assets	411	413	415	418	421
Total items	411	413	415	418	421
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriation - DCB (a)	411	413	415	418	421
Funded internally from departmental resources (b)	478	478	478	478	478
TOTAL	889	891	893	896	899
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	889	891	893	896	899
Total cash used to acquire assets	889	891	893	896	899

(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);
 internally developed assets;
 s74 External Revenue; and
 proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	6,715	2,109	5,243	14,067
Accumulated depreciation/ amortisation and impairment	(1,307)	(895)	(3,578)	(5,780)
Opening net book balance	5,408	1,214	1,665	8,287
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	100	166	625	891
Total additions	100	166	625	891
Other movements				
Depreciation/amortisation expense	(768)	(351)	(684)	(1,803)
Total other movements	(768)	(351)	(684)	(1,803)
As at 30 June 2020				
Gross book value	6,815	2,275	5,868	14,958
Accumulated depreciation/ amortisation and impairment	(2,075)	(1,246)	(4,262)	(7,583)
Closing net book balance	4,740	1,029	1,606	7,375

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	4,170	4,230	4,310	4,370	4,449
Total expenses administered on behalf of Government	4,170	4,230	4,310	4,370	4,449
Net (cost of)/contribution by services	(4,170)	(4,230)	(4,310)	(4,370)	(4,449)
Surplus/(deficit)	(4,170)	(4,230)	(4,310)	(4,370)	(4,449)
Total comprehensive income/(loss)	(4,170)	(4,230)	(4,310)	(4,370)	(4,449)

Prepared on Australian Accounting Standards basis.

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

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

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash used					
Employees	4,170	4,230	4,310	4,370	4,449
Total cash used	4,170	4,230	4,310	4,370	4,449
Net cash from/(used by) operating activities	(4,170)	(4,230)	(4,310)	(4,370)	(4,449)
Net increase/(decrease) in cash held	(4,170)	(4,230)	(4,310)	(4,370)	(4,449)
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	4,170	4,230	4,310	4,370	4,449
Total cash from Official Public Account	4,170	4,230	4,310	4,370	4,449
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

DIGITAL TRANSFORMATION AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

DIGITAL TRANSFORMATION AGENCY

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DIGITAL TRANSFORMATION AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Digital Transformation Agency (DTA)'s mission is to encourage coordinated investment in digital services, assist to transform the user experience for individuals and business, and improve the return on information and communications technology (ICT) and digital investment.

In 2019–20, the DTA will deliver on this mission in the following ways:

- Delivery of a Digital Transformation Strategy and Roadmap, looking out to 2025.
 - Developing whole-of-government strategies and policies that accelerate digital transformation, focusing on emerging technologies and improving services for users.
- Delivery of investment advice and whole-of-government portfolio oversight on ICT and digital investments.
 - Providing advice on all significant ICT and digital investment projects and new policy proposals – ensuring delivery of intended benefits and alignment to the digital transformation agenda.
- Delivery of whole-of-government digital platforms such as Digital Identity, Notifications, Tell us Once and improvements to myGov.
 - Developing whole-of-government digital platforms and services to reduce costs, reduce duplication and provide better ICT infrastructure for Commonwealth entities.
- A program of digital capability improvement, including sourcing reform.
 - Transforming ICT and digital sourcing to make it a simpler and faster process and help government buy and sell the ICT and digital products and services it needs.
 - Building the digital capability of the APS – focusing on upskilling staff, developing digital leadership skills and attracting and retaining digital talent.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: DTA resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	15,083	15,083
Departmental appropriation (c)	115,356	57,345
s74 External revenue (d)	-	2,170
Total departmental annual appropriations	130,439	74,598
Special accounts		
Opening balance	25,306	25,306
Non appropriation receipts	199,220	70,085
Total special accounts	224,526	95,391
Total departmental resourcing	354,965	169,989
	2018-19	2019-20
Average staffing level (number)	202	205
Third party payments from and on behalf of other entities		
	2018-19 <i>Estimated actual</i> \$'000	2019-20 Estimate \$'000
Receipts received from other entities for the provision of services (e)	204,371	194,821

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

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

- (a) *Appropriation Bill (No. 1) 2019-20.*
- (b) Excludes departmental capital budget (DCB).
- (c) Departmental capital budgets are not separately identified in *Appropriation Bill (No.1)* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (d) Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (e) Includes the sum of s74 and other receipts from other entities, including pass through cost which are not recognised revenue.

1.3 BUDGET MEASURES

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

Table 1.2: DTA 2019-20 Budget measures
Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures						
Continued Funding for GovPass -						
	Trusted Digital Identity					
	1.1					
	Departmental expenses	-	6,526	-	-	-
	Total	-	6,526	-	-	-
Whole-of-Government - Cyber Uplift						
for Federal Government Systems and						
for the 2019 Federal Election						
	1.1					
	Departmental expenses	-	nfp	-	-	-
	Total	-	nfp	-	-	-
	Departmental	-	6,526	-	-	-
	Total	-	6,526	-	-	-

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for DTA can be found at:
<https://www.dta.gov.au/about-us/reporting-and-plans/corporate-plans/corporate-plan-2018-22>

The most recent annual performance statement can be found at:
<https://www.dta.gov.au/about-us/reporting-and-plans/annual-reports/annual-report-2017-18>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Digital Transformation Agency					
Departmental expenses					
Departmental appropriations	115,356	57,345	35,206	34,434	34,670
Section 74 External Revenue (a)	2,171	2,170	2,121	2,121	2,121
Special accounts					
ICT Coordinated Procurement	199,568	64,808	74,322	27,416	5,121
Expenses not requiring appropriation in the Budget year (b)					
	1,906	1,636	906	1,298	1,295
Departmental total	319,001	125,959	112,555	65,269	43,207
Total expenses for program 1.1	319,001	125,959	112,555	65,269	43,207
	2018-19	2019-20			
Average staffing level (number)	202	205			

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expenses, resources received free of charge and expenses where funding has been provided in a prior year.

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined-up services.	
Program 1.1 – <i>The objective of this program is to support agency delivery of high volume services, build and contribute to whole-of-government platforms and increase capability of the public service to deliver digital transformation.</i>	
Delivery	<p><u>Delivery of a Digital Transformation Strategy and Roadmap, looking out to 2025.</u></p> <ul style="list-style-type: none"> • Developing annual digital transformation priorities to inform investment decisions • Creating policy to support consistent service transformation across Commonwealth entities • Supporting delivery of government-wide initiatives to join up services • Providing advice to government on emerging trends and opportunities <p><u>Delivery of investment advice and whole-of-government oversight on ICT and digital investments.</u></p> <ul style="list-style-type: none"> • Providing advice to government and Commonwealth entities on ICT investment, delivery and implementation of ICT policies <p><u>Delivery of whole-of-government digital platforms such as Digital Identity, Tell Us Once Notifications and improvements to myGov.</u></p> <ul style="list-style-type: none"> • Delivering whole-of-government platforms and services • Partnering with Commonwealth entities on delivery of services so that these services are simpler, clearer and faster for their users <p><u>A program of digital capability improvement, including sourcing reform.</u></p> <ul style="list-style-type: none"> • Simplifying sourcing processes for suppliers • Making sourcing processes easier for Commonwealth entities • Driving value optimisation on government ICT spend • Improving the tools that support sourcing • Delivering high quality ICT Emerging Talent Programs to entities • Establishing communities, developing best practices and building a digital culture • Building digital leadership and capability across government and Commonwealth entities

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • Influence whole-of-government investment in ICT and digital services to move more government services online and deliver a better user experience. • Develop whole-of-government digital platforms and services to reduce costs, reduce duplication and provide better infrastructure for government agencies. • Oversee the delivery of significant ICT and digital investments to ensure the best use of the government's ICT spend. • Improve the sourcing experience for the sellers and buyers of government digital products and services. • Improve the digital capability of the APS to accelerate the government's transformation agenda. 	<ul style="list-style-type: none"> • Provide advice to government and agencies on how to leverage emerging technologies and maximise digital investment. • Lead and partner on the development and enhancement of digital platforms and services. • Provide oversight and assurance to government that the design and delivery of ICT projects is on track to deliver the intended outcomes. • Provide greater value for money when buying government digital products and services. • Deliver programs and resources that increase the ICT and digital capability of agencies and their staff.
2019-20	<ul style="list-style-type: none"> • Provide advice to Government and Commonwealth entities on digital and ICT investment to deliver a better user experience. • Develop whole-of-government digital platforms and services to reduce costs, reduce duplication and provide better infrastructure for Commonwealth entities • Improve the sourcing experience for the sellers and buyers of government digital products and services. • Improve the digital capability of the APS to accelerate the government's transformation agenda. 	<ul style="list-style-type: none"> • Provide advice to government and Commonwealth entities on how to leverage emerging technologies. • Provide advice to government and Commonwealth entities on the design and delivery of digital and ICT projects. • Lead and partner on the development and enhancement of digital platforms and services. • Provide greater value for money when buying government digital products and services. • Deliver programs and resources that increase the ICT and digital capability of Commonwealth entities and their staff.
2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	We accelerate the digital transformation of government by: <ul style="list-style-type: none"> • encouraging investment in digital services • helping to transform the user experience for people and businesses dealing with government • improving the return on ICT and digital investment. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement (Table 1.1) provides a consolidated view of all the resources available to the DTA in 2019-20. This includes appropriation receivable that is yet to be drawn to cover payables and provisions on the balance sheet. The comprehensive income statement (Table 3.1) shows the operating appropriation provided in 2019-20.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted Revenue from Government in 2019-20 is estimated at \$57.3 million, an increase of \$16.2 million compared to the estimate for 2019-20 reported in the 2018-19 Portfolio Budget Statements (PBS). This increase is largely attributable to additional funding received from 2019-20 Budget measures.

Budgeted Sales of Goods and Rendering of Services in 2019-20 is estimated at \$72.3 million, a decrease of \$87.7 million compared to the estimate for 2019-20 reported in the 2018-19 PBS. This decrease is largely attributable to a technical accounting adjustment relating to the ICT Coordinated Procurement Special Account.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	29,684	25,068	23,651	24,070	23,146
Suppliers	287,596	99,440	88,183	40,478	19,343
Depreciation and amortisation (a)	1,721	1,451	721	721	718
Total expenses (b)	319,001	125,959	112,555	65,269	43,207
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services (c)	204,371	72,255	80,941	36,680	14,362
Total own-source revenue	204,371	72,255	80,941	36,680	14,362
Gains					
Other	185	185	185	577	577
Total gains	185	185	185	577	577
Total own-source income	204,556	72,440	81,126	37,257	14,939
Net (cost of)/contribution by services	(114,445)	(53,519)	(31,429)	(28,012)	(28,268)
Revenue from Government	115,356	57,345	35,206	34,434	34,670
Surplus/(deficit) attributable to the Australian Government	911	3,826	3,777	6,422	6,402
Total comprehensive income/(loss)	911	3,826	3,777	6,422	6,402
Total comprehensive income/(loss) attributable to the Australian Government	911	3,826	3,777	6,422	6,402

Prepared on Australian Accounting Standards basis.

Note: Impact of net cash appropriation arrangements

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	2,632	5,277	4,498	7,143	7,120
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,721	1,451	721	721	718
Total comprehensive income/(loss) - as per the statement of comprehensive income	911	3,826	3,777	6,422	6,402

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Includes estimates for expenses anticipated to be funded from the ICT Coordinated Procurement Special Account.
- (c) Includes estimates for revenue to be credited to the ICT Coordinated Procurement Special Account for onboarding agencies to WoAG contract arrangements.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	56,827	54,003	51,174	49,166	47,136
Trade and other receivables	214,302	204,669	173,132	122,110	33,232
Total financial assets	271,129	258,672	224,306	171,276	80,368
Non-financial assets					
Land and buildings	782	1,400	933	466	-
Property, plant and equipment	1,229	760	506	252	-
Other non-financial assets	7,501	7,503	7,503	7,503	7,503
Total non-financial assets	9,512	9,663	8,942	8,221	7,503
Total assets	280,641	268,335	233,248	179,497	87,871
LIABILITIES					
Payables					
Suppliers	48,814	50,441	50,441	50,441	50,441
Other payables	189,695	180,029	148,492	97,470	8,592
Total payables	238,509	230,470	198,933	147,911	59,033
Provisions					
Employee provisions	8,151	8,170	8,170	8,170	8,170
Other provisions	559	559	559	559	559
Total provisions	8,710	8,729	8,729	8,729	8,729
Total liabilities	247,219	239,199	207,662	156,640	67,762
Net assets	33,422	29,136	25,586	22,857	20,109
EQUITY*					
Parent entity interest					
Contributed equity	28,660	28,660	28,660	28,660	28,660
Reserves	239	239	239	239	239
Retained surplus (accumulated deficit)	4,523	237	(3,313)	(6,042)	(8,790)
Total parent entity interest	33,422	29,136	25,586	22,857	20,109
Total equity	33,422	29,136	25,586	22,857	20,109

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	4,523	239	-	28,660	33,422
Adjusted opening balance	4,523	239	-	28,660	33,422
Comprehensive income					
Surplus/(deficit) for the period	3,826	-	-	-	3,826
Total comprehensive income	3,826	-	-	-	3,826
Transactions with owners					
Distributions to owners					
Distribution of equity	(8,112)	-	-	-	(8,112)
Sub-total transactions with owners	(8,112)	-	-	-	(8,112)
Estimated closing balance as at 30 June 2020	237	239	-	28,660	29,136
Closing balance attributable to the Australian Government	237	239	-	28,660	29,136

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	124,286	57,345	35,206	34,434	34,670
Sale of goods and rendering of services	199,220	194,821	162,303	111,034	22,155
Total cash received	323,506	252,166	197,509	145,468	56,825
Cash used					
Employees	29,664	25,049	23,651	24,070	23,146
Suppliers	282,280	220,229	169,360	114,255	26,559
Total cash used	311,944	245,278	193,011	138,325	49,705
Net cash from/(used by) operating activities	11,562	6,888	4,498	7,143	7,120
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	-	1,600	-	-	-
Total cash used	-	1,600	-	-	-
Net cash from/(used by) investing activities	-	(1,600)	-	-	-
FINANCING ACTIVITIES					
Cash used					
Other	-	8,112	7,327	9,151	9,150
Total cash used	-	8,112	7,327	9,151	9,150
Net cash from/(used by) financing activities	-	(8,112)	(7,327)	(9,151)	(9,150)
Net increase/(decrease) in cash held	11,562	(2,824)	(2,829)	(2,008)	(2,030)
Cash and cash equivalents at the beginning of the reporting period	45,265	56,827	54,003	51,174	49,166
Cash and cash equivalents at the end of the reporting period	56,827	54,003	51,174	49,166	47,136

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	-	1,600	-	-	-
TOTAL	-	1,600	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	1,600	-	-	-
Total cash used to acquire assets	-	1,600	-	-	-

Prepared on Australian Accounting Standards basis.

(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 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	3,238	1,718	841	5,797
Accumulated depreciation/ amortisation and impairment	(2,456)	(489)	(841)	(3,786)
Opening net book balance	782	1,229	-	2,011
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	1,600	-	-	1,600
Total additions	1,600	-	-	1,600
Other movements				
Depreciation/amortisation expense	(982)	(469)	-	(1,451)
Total other movements	(982)	(469)	-	(1,451)
As at 30 June 2020				
Gross book value	4,838	1,718	841	7,397
Accumulated depreciation/ amortisation and impairment	(3,438)	(958)	(841)	(5,237)
Closing net book balance	1,400	760	-	2,160

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.

INDIGENOUS BUSINESS AUSTRALIA

ENTITY RESOURCES AND PLANNED PERFORMANCE

INDIGENOUS BUSINESS AUSTRALIA

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INDIGENOUS BUSINESS AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

IBA's vision is for a nation in which the Aboriginal and Torres Strait Islander 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; and
- 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:

- IBA supports Aboriginal and Torres Strait Islander people to achieve their aspirations for home ownership;
- IBA provides financial and business support to Aboriginal and Torres Strait Islander business owners and entrepreneurs; and
- IBA invests where others will not in partnership with Aboriginal and Torres Strait Islander organisations and businesses to identify and access impactful investment opportunities and source and link investors to investments to grow wealth.

To achieve these objectives, and based on ongoing monitoring and evaluation of its activities, IBA has adjusted its performance criteria from the previous financial year and has established new measures as set out in Table 2.1.2.

- Performance Criteria 1 - Aboriginal and Torres Strait Islander Australians and communities experience improved access to economic and business opportunities;
- Performance Criteria 2 - Aboriginal and Torres Strait Islander Australians experience improved access to employment and procurement opportunities; and
- Performance Criteria 3 - Aboriginal and Torres Strait Islander Australians experience improved access to secure and stable housing.

Demand continues to grow from IBA's customers for access to IBA's products and services that support greater financial inclusion, and which reduce barriers to economic participation.

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Against this backdrop of growing demand, IBA's products, services and activities are influenced by factors in the external operating environment, including:

- the ongoing disparity between Indigenous and non-Indigenous home ownership levels;
- higher unemployment rates and intergenerational welfare dependency;
- the financial exclusion experienced by Aboriginal and Torres Strait Islander people limits the ability to leverage assets and grow wealth and contributes to a lack of intergenerational wealth;
- that the recent growth in native title, land settlements and negotiated settlements presents a compelling opportunity to convert assets into wealth for the benefit of current and future generations of Aboriginal and Torres Strait Islander people, communities and groups;
- the proportion of Aboriginal and Torres Strait Islander owned businesses is significantly lower than the non-Indigenous rate; and
- the shift in the national narrative, driven by a growth in Aboriginal and Torres Strait Islander communities and businesses towards aspiration, empowerment, independence and achievement.

IBA intends to address these by focussing on the following areas in the year ahead:

- address constraints on IBA's operating model by exploring pathways to enable greater access to capital and increase its funding certainty to meet growing customer demand and support service delivery;
- support greater access to housing solutions and finance given the considerable social and economic benefits of secure and stable housing;
- support the economic empowerment of Aboriginal and Torres Strait Islander women;
- support the economic ambitions and aspirations of Aboriginal and Torres Strait Islander youth; and
- grow IBA's research, evaluation and thought leadership capabilities to support, promote and scale successful Aboriginal and Torres Strait Islander-led economic development outcomes.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: IBA resource statement - Budget estimates for 2019-20 as at Budget April 2019

	2018-19 Estimated actual \$'000	2019-20 Estimate \$'000
Opening balance/cash reserves at 1 July	172,733	176,734
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	9,762	9,587
Annual appropriations - other services (b)		
Equity injection	22,850	22,850
Total annual appropriations	32,612	32,437
Amounts received from related entities		
Department of the Prime Minister and Cabinet (c)	28,748	33,926
Total amounts received from related entities	28,748	33,926
Total funds from Government	61,360	66,363
Funds from other sources		
Sale of goods and services	94,649	75,091
Interest	52,819	53,175
Dividends	8,605	8,401
Rental Income	18,752	20,482
Other	1,790	1,356
Total funds from other sources	176,615	158,505
Total net resourcing for Indigenous business Australia	410,708	401,602
	2018-19	2019-20
Average staffing level (number)	204	204

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

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

(a) Appropriation Bill (No. 1) 2019-20

(b) Appropriation Bill (No. 2) 2019-20

(c) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the Corporate Commonwealth Entity (CCE) (for example, a grant awarded to a CCE from one of its portfolio department's administered programs).

1.3 BUDGET MEASURES

IBA has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for IBA can be found at:
<http://www.iba.gov.au/2018/08/iba-corporate-plan-2018-19/>

The most recent annual performance statement can be found at:
<http://iba.gov.au/reports/AR1718/overview/index.html>

2.1 BUDGETED EXPENSES AND PERFORMANCE 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

Budgeted expenses for Outcome 1

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

Table 2.2: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Indigenous Economic Participation and Wealth Creation					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	9,762	9,587	9,712	9,712	9,609
Expenses not requiring appropriation in the budget year	90,195	71,488	76,311	75,298	74,798
Revenues from other independent sources	137,498	154,904	140,070	141,790	142,171
Total expenses for Program 1.1	237,455	235,979	226,093	226,800	226,578
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	9,762	9,587	9,712	9,712	9,609
Expenses not requiring appropriation in the budget year	90,195	71,488	76,311	75,298	74,798
Revenues from other independent sources	137,498	154,904	140,070	141,790	142,171
Total expenses for Outcome 1	237,455	235,979	226,093	226,800	226,578
	2018-19	2019-20			
Average staffing level (number)	204	204			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Improved wealth acquisition to support the economic independence of Aboriginal and Torres Strait Islander peoples through commercial enterprise, asset acquisition and access to concessional business and home finance		
Delivery	IBA increases wealth and assets for Aboriginal and Torres Strait Islander Australians, families, businesses, organisations and communities through: <ol style="list-style-type: none"> 1. Delivering finance products and support to assist Indigenous customers to enter into home ownership. 2. Providing finance products and support to help start-up, acquire or grow their own businesses. 3. Building commercial capability and creating wealth through investment in and direct management of businesses and assets. 	
Performance information		
Year	Performance criteria	Target, Measure
2018-19	To make a lasting difference to the economic prosperity of Aboriginal and Torres Strait Islander communities and people across Australia.	Total value of business finance products approved in financial year ¹ , \$40m
		Portfolio value of business finance products ¹ , \$120m
		Survivability of Indigenous businesses ² , Meets or exceeds the Australian average
		Value of finance for home ownership outcomes approved ³ , \$220m
		Portfolio value of finance for home ownership outcomes ³ , \$800m
		Percentage of housing customers who transition or are supported into mainstream lending ⁴ , 4.5%
		Percentage of housing loans to applicants who are first home buyers, 90%
		Total amount of Indigenous co-investments with IBA ⁵ , \$155m
		Portfolio return to Indigenous co-investors ^{6,7} , CPI + 4%
		Total value of Indigenous procurement ⁸ , \$4.5m
% of suppliers that are Indigenous ¹⁰ , 12.5%		

IBA Budget Statements

Performance information		
Year	Performance criteria	Target, Measure
	To invest in and develop a skilled, culturally capable and outcome focused team that puts our customers first.	% of jobs held by Aboriginal and Torres Strait Islander people within IBA, 30%
		% of jobs supported by IBA's associates, subsidiaries and program customers held by Indigenous Australians ⁹ , 40%
2019-20	Aboriginal and Torres Strait Islander communities and people experience improved access to economic and business opportunities.	Value of business finance approved (annual), \$40m ¹
		Survivability of IBA business finance customers, meets or exceeds the Australian average ²
		Total amount of Indigenous co-investments with IBA, \$200m ⁵
		Portfolio return to Indigenous co-investors (annual), CPI +3.5% ^{6,7}
	Aboriginal and Torres Strait Islander Australians experience improved access to employment and procurement opportunities.	% of total value of goods or services purchased from Indigenous suppliers (annual), 5% ⁸
		% of IBA's suppliers that are Indigenous (annual), 15% ¹⁰
		% of jobs supported by IBA's associates, subsidiaries and program customers held by Indigenous Australians, 40% ⁹
	Aboriginal and Torres Strait Islander Australians experience improved equitable access to secure and stable housing.	Number of home ownership outcomes approved (annual), 650 ^{3,11}
		Value of home ownership outcomes approved (annual), \$200m ³
		% of Indigenous home owners who transition or are supported into mainstream lending (annual), 4.5% ⁴
% of housing loans to applicants who are first home buyers (annual), 90%		
% of homeowners who transition from social housing and affordable rental to homeownership (annual), 5% ¹²		
2020-21 and beyond	Aboriginal and Torres Strait Islander communities and people experience improved access to economic and business opportunities.	Value of business finance approved (annual), \$45m ¹
		Survivability of IBA business finance customers, Meets or exceeds the Australian average ²
		Total amount of Indigenous co-investments with IBA, \$220m ⁵

Performance information		
Year	Performance criteria	Target, Measure
		Portfolio return to Indigenous co-investors (annual), CPI +3.5% ^{6,7}
	Aboriginal and Torres Strait Islander Australians experience improved access to employment and procurement opportunities.	% of total value of goods or services purchased from Indigenous suppliers (annual), 5% ⁸
		% of IBA's suppliers that are Indigenous (annual), 15% ¹⁰
		% of jobs supported by IBA's associates, subsidiaries and program customers held by Indigenous Australians, 40% ⁹
	Aboriginal and Torres Strait Islander Australians experience improved equitable access to secure and stable housing.	Number of home ownership outcomes approved (annual), 650 ^{3,11}
		Value of home ownership outcomes approved (annual), \$220m ³
		% of Indigenous home owners who transition or are supported into mainstream lending (annual), 4.5% ⁴
		% of housing loans to applicants who are first home buyers (annual), 90%
		% of homeowners who transition from social housing and affordable rental to homeownership (annual), 5% ¹²
Purposes	<ol style="list-style-type: none"> To assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency. To advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of the Aboriginal and Torres Strait Islander peoples. 	

¹ Business related finance products include loans, performance bonds, leases and other finance products approved in financial year

² The trading status of business finance customers is measured at the end of each financial year. Results are compared with data showing "survival rate by employment size range" as published by the Australian Bureau of Statistics in the most recent available version of: Cat. no. 81650.0 Counts of Australian Businesses, including entry and exits. Measure will be reported on by survivability of finance clients compared to Australian average.

³ Loans, guarantees and other finance products provided for home acquisitions (including purchase of residential land), property settlement, refinance and essential home improvements approved in financial year.

⁴ Total Transition to mainstream lending arises where the customer refinances home finance with a commercial lender. Support provided by IBA to access mainstream lending includes loans, guarantees, deposit assistance and other finance products that enable the customer to access finance with a commercial lender

⁵ Total value of funds invested by Indigenous organisations, businesses and individuals alongside IBA, including in managed funds, direct investments and property.

⁶ Portfolio return to IBA's Indigenous co-investors during the year, calculated as the after-tax comprehensive income (including valuation increments and decrements) generated by Indigenous co-investors' and beneficiaries' interests in the investment portfolio in the budget year, expressed as a percentage of the aggregate value of Indigenous co-investors' and beneficiaries' holdings.

⁷ Portfolio CPI refers to the average consumer price index for Australia during the measurement period. For example, if the realised CPI for 2018-19 is 1.7%, the expected return based on a target of CPI + 4% is 5.7% (1.7% + 4%).

⁸ Goods and services procured from Indigenous businesses by IBA and its subsidiaries and associates.

⁹ Is calculated as the sum of (i) the rolling twelve-month average of all Indigenous employees of IBA subsidiaries and associates (to incorporate seasonality changes); and (ii) the number of Indigenous employees within IBA's businesses finance customers (recorded annually).

¹⁰ Total percentage of suppliers who are Indigenous owned businesses used to procure goods and services by IBA and its subsidiaries and associates

¹¹ Is calculated as the sum of the rolling twelve-month average of all home loans approved to Aboriginal and Torres Strait Islander Australians

¹² Calculated using the total number of IBA home loan customers who were previously in social housing (including public housing or community housing).

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

An analysis of the primary causes of movements in the budgeted financial statements is provided below. The 2018-19 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 46 subsidiaries, of which, 30 trading. 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 \$18.5 million in 2018-19 and an estimated operating surplus of \$29.9 million in 2019-20.

Budgeted Departmental Balance Sheet

Budgeted net assets as at 30 June 2020 of \$1,550.0 million represents an increase of \$72.8 million over the net assets of \$1,477.2 million as at 30 June 2019. The main drivers of the increase (\$72.8 million) are:

- continuing capital injections from the Government of \$22.9 million.
- estimated contributions of equity from indigenous partners of \$20.0 million.
- the estimated operating surplus of \$29.9 million.

Budgeted Departmental Statement of Cash Flows

Net lending activity is expected to be \$102.1 million in 2019-20.

Departmental Statement of Changes in Equity

Total equity is expected to increase by \$72.8 million to \$1,550 million as at 30 June 2020, with the additional equity injection of \$22.9 million from the Commonwealth, indigenous co-investment of \$20.0 million and the Budget year surplus of \$29.9 million.

Notes to budgeted financial statements

Concessional Loan Discount

IBA continues to designate its loan portfolio in accordance with applicable accounting standards. In line with updated accounting standards, IBA amortises the concessional loan discount over the course of its estimated remaining life.

Financial Assets – Trade and Other 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 amortised over the course of their estimated remaining lives in accordance with applicable accounting standards.

Non-Financial Assets

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.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	49,958	52,301	53,342	54,199	54,216
Suppliers	79,426	80,920	79,309	79,802	80,063
Grants	9,612	13,428	8,003	8,011	8,011
Depreciation and amortisation	7,476	8,032	8,311	8,712	8,712
Finance costs (a)	74,909	72,831	70,066	69,475	69,475
Losses on financial assets held at fair value through profit or loss	9,196	23	-	-	-
Impairment Loss on Financial Instruments (a)	6,090	7,623	6,245	5,823	5,323
Losses from asset sales	61	70	66	66	66
Other expenses	727	751	751	712	712
Total expenses	237,455	235,979	226,093	226,800	226,578
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	75,838	78,799	79,067	81,607	81,645
Interest (a)	52,819	53,175	53,358	53,931	54,931
Unwinding concessional discount	56,874	57,615	57,600	57,300	57,600
Dividends	8,605	8,401	6,421	6,507	6,507
Rental income	18,752	20,482	19,564	20,609	20,609
Other	30,538	35,282	28,426	28,472	28,472
Total own-source revenue	243,426	253,754	244,436	248,426	249,764
Gains					
Sale of assets	2,102	-	-	-	-
Other	664	2,589	2,415	2,492	2,542
Total gains	2,766	2,589	2,415	2,492	2,542
Total own-source income	246,192	256,343	246,851	250,918	252,306
Net (cost of)/contribution by services	8,737	20,364	20,758	24,118	25,728
Revenue from Government	9,762	9,587	9,712	9,712	9,609
Surplus/(deficit) before income tax on continuing operations	18,499	29,951	30,470	33,830	35,337
OTHER COMPREHENSIVE INCOME					
Income tax expense	37	37	38	38	38
Total tax expenses	37	37	38	38	38
Surplus/(deficit) before income tax on continuing operations	18,462	29,914	30,432	33,792	35,299
Surplus/(deficit) attributable to the non-controlling interest	2,191	2,822	3,157	3,376	3,658
Surplus/(deficit) attributable to the Australian Government	16,271	27,092	27,275	30,416	31,641

Prepared on Australian Accounting Standards basis.

(a) Accounting Standard AASB 9 was recently revised and adopted for reporting from 1 July 2018. The revised standard transitions from recognising and impairing loan assets on fair value basis to an amortisation cost approach basis. As a consequence the expenses and revenues associated with loan assets were revised.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	176,734	149,816	141,410	138,684	136,129
Trade and other receivables	919,860	1,002,554	1,072,395	1,142,808	1,217,785
Investments accounted for under the equity method	25,520	25,520	25,520	25,520	25,520
Other investments	206,681	215,351	231,855	246,947	258,418
Total financial assets	1,328,795	1,393,241	1,471,180	1,553,959	1,637,852
Non-financial assets					
Land and buildings	26,761	26,382	26,024	25,687	25,372
Property, plant and equipment	19,493	19,167	16,568	13,469	10,990
Investment property	168,586	168,586	168,586	168,586	168,586
Intangibles	5,637	14,942	13,242	10,542	7,592
Inventories	2,371	2,371	2,371	2,371	2,371
Tax assets	628	628	628	628	628
Other non-financial assets	1,628	1,628	1,628	1,628	1,628
Total non-financial assets	225,104	233,704	229,047	222,911	217,167
Total assets	1,553,899	1,626,945	1,700,227	1,776,870	1,855,019
LIABILITIES					
Payables					
Suppliers	12,125	12,125	12,125	12,125	12,125
Other payables	12,349	10,723	10,723	10,723	10,723
Total payables	24,474	22,848	22,848	22,848	22,848
Interest bearing liabilities					
Loans	36,487	36,487	36,487	36,487	36,487
Total interest bearing liabilities	36,487	36,487	36,487	36,487	36,487
Provisions					
Employee provisions	7,293	7,293	7,293	7,293	7,293
Other provisions	8,447	10,355	10,355	10,355	10,355
Total provisions	15,740	17,648	17,648	17,648	17,648
Total liabilities	76,701	76,983	76,983	76,983	76,983
Net assets	1,477,198	1,549,962	1,623,244	1,699,887	1,778,036

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	1,056,386	1,079,236	1,102,086	1,124,936	1,147,786
Reserves	5,121	5,121	5,121	5,121	5,121
Retained surplus (accumulated deficit)	281,696	308,788	336,063	366,479	398,120
Total parent entity interest	1,343,203	1,393,145	1,443,270	1,496,536	1,551,027
Attributed to non-controlling interest					
Contributed equity	130,269	150,269	170,269	190,269	210,269
Reserves	1,446	1,446	1,446	1,446	1,446
Retained surplus (accumulated deficit)	2,280	5,102	8,259	11,636	15,294
Total non-controlling interest	133,995	156,817	179,974	203,351	227,009
Total equity	1,477,198	1,549,962	1,623,244	1,699,887	1,778,036

*'Equity' is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	283,976	6,567	1,186,655	1,477,198
Adjusted opening balance	283,976	6,567	1,186,655	1,477,198
Comprehensive income				
Surplus/(deficit) for the period	29,914	-	-	29,914
Total comprehensive income	29,914	-	-	29,914
Transactions with owners				
Distributions to owners				
Returns of capital:				
Distribution of equity	-	-	22,850	22,850
Other	-	-	20,000	20,000
Sub-total transactions with owners	-	-	42,850	42,850
Closing balance attributable to the Australian Government	313,890	6,567	1,229,505	1,549,962

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	9,762	9,587	9,712	9,712	9,609
Receipts from Government	28,748	33,926	27,500	27,500	27,500
Sale of goods and rendering of services	65,169	82,087	78,835	89,690	99,190
Interest	52,819	53,175	53,358	53,931	54,931
Dividends	8,605	8,401	6,421	6,508	6,507
Other	37,027	18,144	22,415	2,710	1,077
Total cash received	202,130	205,320	198,241	190,051	198,814
Cash used					
Employees	49,273	52,114	53,052	54,199	54,216
Suppliers	76,843	78,557	78,957	64,398	80,063
Borrowing costs	259	1,366	1,366	1,375	1,375
Other	9,147	13,335	9,761	10,585	8,761
Total cash used	135,522	145,372	143,136	130,557	144,415
Net cash from/(used by) operating activities	66,608	59,948	55,105	59,494	54,399
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	16,111	-	-	-	-
Proceeds from sales of financial instruments	32,878	33,479	32,281	32,866	35,064
Other - loans and advances	298,277	300,921	302,920	302,225	301,396
Total cash received	347,266	334,400	335,201	335,091	336,460
Cash used					
Purchase of property, plant and equipment and intangibles	36,337	16,632	3,660	3,588	3,034
Purchase of financial instruments	36,066	44,478	51,289	50,413	43,993
Investments	3,334				
Other - loans and advances	395,986	403,006	386,613	386,160	389,237
Total cash used	471,723	464,116	441,562	440,161	436,264
Net cash from/(used by) investing activities	(124,457)	(129,716)	(106,361)	(105,070)	(99,804)

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	22,850	22,850	22,850	22,850	22,850
Proceeds from issuing financial instruments	20,000	20,000	20,000	20,000	20,000
Other	25,000	-	-	-	-
Total cash received	67,850	42,850	42,850	42,850	42,850
Cash used					
Repayments of borrowings	6,000	-	-	-	-
Total cash used	6,000	-	-	-	-
Net cash from/(used by) financing activities	61,850	42,850	42,850	42,850	42,850
Net increase/(decrease) in cash held	4,001	(26,918)	(8,406)	(2,726)	(2,555)
Cash and cash equivalents at the beginning of the reporting period	172,734	176,734	149,816	141,410	138,684
Cash and cash equivalents at the end of the reporting period	176,734	149,816	141,410	138,684	136,129

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	22,850	22,850	22,850	22,850	22,850
Total new capital appropriations	22,850	22,850	22,850	22,850	22,850
Provided for:					
Other Items	22,850	22,850	22,850	22,850	22,850
Total items	22,850	22,850	22,850	22,850	22,850
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	36,337	16,632	3,654	3,576	2,968
TOTAL	36,337	16,632	3,654	3,576	2,968
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	36,337	16,632	3,654	3,576	2,968
Total cash used to acquire assets	36,337	16,632	3,654	3,576	2,968

Prepared on Australian Accounting Standards basis.

(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 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019					
Gross book value	30,680	43,617	168,586	11,081	253,964
Accumulated depreciation/ amortisation and impairment	(3,919)	(24,124)	-	(5,444)	(33,487)
Opening net book balance	26,761	19,493	168,586	5,637	220,477
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - Other	-	6,187	-	10,445	16,632
Total additions	-	6,187	-	10,445	16,632
Other movements					
Depreciation/amortisation expense	(379)	(6,513)	-	(1,140)	(8,032)
Total other movements	(379)	(6,513)	-	(1,140)	(8,032)
As at 30 June 2020					
Gross book value	30,680	49,804	168,586	21,526	270,596
Accumulated depreciation/ amortisation and impairment	(4,298)	(30,637)	-	(6,584)	(41,519)
Closing net book balance	26,382	19,167	168,586	14,942	229,077

Prepared on Australian Accounting Standards basis.

INDIGENOUS LAND AND SEA CORPORATION

ENTITY RESOURCES AND PLANNED PERFORMANCE

INDIGENOUS LAND AND SEA CORPORATION

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INDIGENOUS LAND AND SEA CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Indigenous Land and Sea Corporation (ILSC) is a corporate Commonwealth entity established (as the Indigenous Land Corporation) on 1 June 1995 as a component of the national settlement after the *Mabo* judgment (1992) recognised common law native title rights to land. It is governed by the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act).

The ILSC assists Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land and fresh water and salt water rights can bring. The ILSC provides this assistance through the acquisition and management of rights and interests in land, salt water and fresh water country.

Amendments to the ATSI Act, effective 1 February 2019, renamed the Indigenous Land Corporation as the Indigenous Land and Sea Corporation and extended the ILSC's remit to include acquisition and management functions in relation to fresh and salt-water country. The ILSC's purposes are to assist Indigenous Australians to acquire land, waters and water-related rights and to manage Indigenous land (however it was acquired) and waters so as to achieve economic, environmental, social or cultural benefits. The ATSI Act requires that the ILSC grant interests in land and waters acquired to Indigenous corporations 'within a reasonable time', and perform its management functions only in relation to Indigenous-held land and Indigenous waters.

The operationalisation of this expanded remit is the ILSC's core strategic focus for the 2019-20 budget period. In the period to August 2019, the ILSC will be consulting with Indigenous stakeholders on the preparation of its inaugural National Indigenous Land and Sea Strategy and related Regional Indigenous Land and Sea Strategies (NILSS and RILSS respectively). The NILSS will replace the current National Indigenous Land Strategy in setting out how the ILSC will deliver its functions to 2022.

The ILSC's acquisition and management functions are primarily delivered through the *Our Land Our Future* (OLOF) program. The ILSC will prioritise the refresh of OLOF in the first half for the budget period, ensuring alignment with the ILSC's expanded remit and broadened stakeholder base. Key features of the revised program will be increased transparency in project assessment and enhanced commitment to meeting customer service standards, ensuring that the ILSC provide maximum benefits for Indigenous Australians.

ILSC Budget Statements

As of 1 February 2019, the ILSC draws its funding from the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF). Established by the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018* (ATSILSFF Act), introduced in cognate with amendments to the ATSI Act, the ATSILSFF is managed by the Future Fund Management Agency and Board of Guardians. Funding is released to the ILSC annually through the ILSC funding special account, in accordance with s20 (3) of the ATSILSFF Act.

The ILSC's primary decision-making body is a seven-member Board, of whom five members including the Chairperson must be Indigenous Australians. The Board sets the ILSC's strategic direction, oversees governance, considers significant project proposals and monitors performance

The ATSI Act provides for the establishment of subsidiaries as vehicles for performance of the ILSC's functions. With the ILSC, the three wholly-owned subsidiaries below form the ILSC Group:

- Voyages Indigenous Tourism Australia (Voyages) Pty Ltd, which owns and manages Ayers Rock Resort, Northern Territory (NT), and manages two other tourism enterprises developed by the ILSC
- Australian Indigenous Agribusiness Company (AIA) Pty Ltd, which employs labour on a number of agribusinesses developed by the ILSC on ILSC-owned land or land leased from Indigenous owners – the management of agribusiness operations has recently been reintegrated into the ILSC
- National Centre of Indigenous Excellence (NCIE) Ltd, which manages the ILSC-developed social enterprise of the same name in Redfern, Sydney, NSW.

ILSC-developed enterprises in agriculture and tourism are a vehicle for Indigenous development in regional and remote areas and offer a base for Indigenous training-to-employment projects funded by the ILSC and its subsidiaries in collaboration with the Australian Government's Indigenous Advancement Strategy.

The ILSC works with Aboriginal and Torres Strait Islander people to invest in Indigenous held-land and waters to build Indigenous prosperity and wellbeing. The ILSC supports the return and management of country to and by Aboriginal and Torres Strait Islander people and corporations to achieve economic independence (in particular jobs); social benefit; strengthened cultural identity through connection to country; and environmental sustainability. To align with the Australian Government's priority of Indigenous economic development, and in particular economic development on Indigenous-held land, the ILSC will in 2019-20 and future years continue to work closely with Indigenous Business Australia (IBA).

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1 ILSC resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 Estimated actual \$'000	2019-20 Estimate \$'000
Funds from Government		
Annual appropriations - ordinary annual services		
Outcome 1	8,749	8,617
Total annual appropriations	8,749	8,617
Special accounts (a)		
Aboriginal and Torres Strait Islander Land Account	53,290	-
Indigenous Land and Sea Corporation Funding Special Account	-	54,356
Total special accounts	53,290	54,356
Total funds from Government	62,039	62,973
Funds from other sources		
Interest	13,246	13,779
Other	19,700	9,200
Total funds from other sources	32,946	22,979
Total net resourcing for Indigenous Land and Sea Corporation	94,985	85,952
	2018-19	2019-20
Average staffing level (number)	265	265

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

(a) A Commonwealth Corporate Entity (CCE) may receive payment from a special account held by a Non-Corporate Commonwealth Entity (NCCE). The CCE does not hold the special account itself and therefor does not have a balance carried forward from earlier years.

1.3 BUDGET MEASURES

The ILSC has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

<http://www.ilc.gov.au/IndigenousLandCorporation/media/Items/Content/Publications/Corporate%20Documents/ILC-Corporate-Plan-2018-19-StrategyTo2022.pdf>.

The most recent annual performance statement can be found at:

<http://www.ilc.gov.au/Home/About/Publications/Latest-Annual-Report>).

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Assistance in the acquisition and management of an Indigenous land					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	8,749	8,617	8,531	8,446	8,362
Payment from related entities	12,246	12,279	12,279	12,279	12,279
Special accounts					
Aboriginal and Torres Strait Islander Land Account	43,278	-	-	-	-
Indigenous Land and Sea Corporation Funding Special Account	-	44,022	45,407	45,716	46,190
Revenues from other independent sources	5,700	6,200	5,700	5,700	5,700
Total expenses for Program 1.1	69,973	71,118	71,917	72,141	72,531
	2018-19	2019-20			
Average staffing level (number)	265	265			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

<p>• Outcome 1 – Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through the acquisition and management of land, water and water-related rights.</p>		
<p>Program 1.1 – The objective of this program is to acquire and manage Indigenous land and water-related interests.</p>		
Delivery	<p>The ILSC delivers this program by:</p> <ul style="list-style-type: none"> • acquiring and granting interests in land and water to Indigenous corporations to provide access to and protection of cultural and environmental values and to achieve socioeconomic development • assisting Indigenous groups manage their land and water-based interests (through grants, guarantees, loans or provision of services) to manage their interests sustainably including the development of viable enterprises • operating subsidiary companies that manage agricultural, tourism and community-based enterprises on lands and waters over which Indigenous Australians hold a legal interest; these enterprises provide training, employment and other opportunities for Indigenous communities and individuals. 	
Performance information		
Year	Performance criteria (a)	Targets
2018-19	<u>Deliverable 1</u> Properties Acquired	4
	<u>Deliverable 2</u> Properties granted	6
	<u>Deliverable 3</u> Number of active land acquisition and management projects	105
	<u>KPI 1</u> <u>Indigenous employment</u>	
	• Number of Indigenous staff directly employed across the ILSC Group	525
	• Number of Indigenous employment outcomes enabled by ILSC land acquisition and management projects active in financial year	525
	<u>KPI 2</u> <u>Indigenous training</u>	
• Number of Indigenous trainees hosted/employed across the ILSC Group	120	
• Number of Indigenous training completions enabled by ILSC land acquisition and management projects active in financial year	1050	
<u>KPI 3</u> <u>Indigenous business development</u> Number of Indigenous enterprises assisted by ILSC Group projects		63

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Performance information (continued)		
Year	Performance criteria (a)	Targets
	<p><u>KPI 4</u> <u>Protection of Indigenous culture, heritage and the environment</u> Proportion of active ILSC Group projects (Deliverable 3) that maintained or protected Indigenous culture, heritage and/or the environment</p>	50%
	<p><u>KPI 5</u> <u>Collaboration</u> Proportion of active ILSC Group projects (Deliverable 3) that involved contributions from third parties (beyond immediate beneficiary group)</p>	60%
	<p><u>KPI 6</u> <u>ILSC Group contribution to the Indigenous Estate</u></p>	Qualitative measure
2019-20	<p><u>Deliverable 1</u> <i>Interests in land and water/waters acquired</i></p>	5
	<p><u>Deliverable 2</u> <i>Interests granted</i></p>	8
	<p><u>Deliverable 3</u> <i>Number of active acquisition and management projects</i></p>	110
	<p><u>KPI 1</u> <u>Indigenous employment</u></p> <ul style="list-style-type: none"> • Number of Indigenous staff directly employed across the ILSC Group • <i>Number of Indigenous employment outcomes enabled by ILSC funded projects active in financial year</i> 	550 550
	<p><u>KPI 2</u> <u>Indigenous training</u></p> <ul style="list-style-type: none"> • Number of Indigenous trainees hosted/employed across the ILSC Group • <i>Number of Indigenous training completions enabled by ILSC funded projects active in financial year</i> 	140 1100
	<p><u>KPI 3</u> <u>Indigenous business development</u> Number of Indigenous enterprises assisted by ILSC Group projects</p>	66
	<p><u>KPI 4</u> <u>Protection of Indigenous culture, heritage and the environment</u> Proportion of active ILSC Group projects (Deliverable 3) that maintained or protected Indigenous culture, heritage and/or the environment</p>	50%
	<p><u>KPI 5</u> <u>Collaboration</u> Proportion of active ILSC Group projects (Deliverable 3) that involved contributions from third parties (beyond immediate beneficiary group)</p>	60%

Performance information (continued)		
Year	Performance criteria (a)	Targets
	<u>KPI 6</u> <u>ILSC Group contribution to the Indigenous Estate</u>	Qualitative measure
2020-21 and beyond	<u>Deliverable 1</u> <i>Interests in land and water/waters acquired</i>	5
	<u>Deliverable 2</u> <i>Interests granted</i>	8
	<u>Deliverable 3</u> <i>Number of active acquisition and management projects</i>	110
	<u>KPI 1</u> <u>Indigenous employment</u> <ul style="list-style-type: none"> • Number of Indigenous staff directly employed across the ILSC Group • <i>Number of Indigenous employment outcomes enabled by ILSC funded projects active in financial year</i> 	550 550
	<u>KPI 2</u> <u>Indigenous training</u> <ul style="list-style-type: none"> • Number of Indigenous trainees hosted/employed across the ILSC Group • <i>Number of Indigenous training completions enabled by ILSC funded projects active in financial year</i> 	140 1100
	<u>KPI 3</u> <u>Indigenous business development</u> Number of Indigenous enterprises assisted by ILSC Group projects	66
	<u>KPI 4</u> <u>Protection of Indigenous culture, heritage and the environment</u> Proportion of active ILSC Group projects (Deliverable 3) that maintained or protected Indigenous culture, heritage and/or the environment	50%
	<u>KPI 5</u> <u>Collaboration</u> Proportion of active ILSC Group projects (Deliverable 3) that involved contributions from third parties (beyond immediate beneficiary group)	60%
	<u>KPI 6</u> <u>ILSC Group contribution to the Indigenous Estate</u>	Qualitative measure
	Purposes (b)	The ILSC assists Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land and fresh water and salt water rights can bring.

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

(b) Refers to updated purposes that will be reflected in the 2019-20 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

The financial statements included in the Portfolio Budget Statements are for the ILSC Group comprising the ILSC (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.

The ILSC's primary source of income is an annual minimum payment of \$45 million indexed from the Aboriginal and Torres Strait Islander Future Fund pursuant to section 193(2) of the ATSI Act. Indexation has been applied annually to the base amount of \$45 million since 2010-11. Since February 2019, the Aboriginal and Torres Strait Islander Future Fund is managed by the Finance Portfolio with the legislated payments being made to the ILSC through the Indigenous Land and Sea Corporation Funding Special Account managed by PM&C. The total resources for the ILSC's outcome include the income from the Aboriginal and Torres Strait Islander Future Fund, and represent the funds available to ILSC to carry out its legislated functions.

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

Under section 191H of the ATSI Act, ILSC has the specific power to invest money. Earnings on these investments are represented in the Comprehensive Income Statement (Table 3.1).

Under its legislation, the ILSC acquires interests in land, water and water-related rights for the specific purpose of granting that interest to an Aboriginal or Torres Strait Islander corporation. The ILSC capitalises the interest on purchase and makes an immediate provision for the grant equivalent to the purchase price. In the Comprehensive Income Statement (Table 3.1), the expenses associated with the purchase and grant of interests are recognised in the period in which the interest is purchased. Expenses associated with projects providing for the management of Indigenous land and or waters are recognised in the period in which the expenditure is incurred.

The ILSC also holds properties for granting that have significant livestock on them. In accordance with Australian Accounting Standards, the ILSC 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 3.1).

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	25,205	25,775	24,900	24,945	25,330
Suppliers	39,269	40,935	43,437	44,530	45,482
Depreciation and amortisation	1,500	1,500	1,500	1,500	1,500
Finance costs	3,999	2,908	2,080	1,166	219
Total expenses	69,973	71,118	71,917	72,141	72,531
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	13,246	13,779	13,279	13,279	13,279
Income from Special Account	53,290	54,356	55,606	56,829	58,250
Other	4,700	4,700	4,700	4,700	4,700
Total own-source revenue	71,236	72,835	73,585	74,808	76,229
Net (cost of)/contribution by services	1,263	1,717	1,668	2,667	3,698
Revenue from Government	8,749	8,617	8,531	8,446	8,362
Surplus/(deficit) attributable to the Australian Government	10,012	10,334	10,199	11,113	12,060
Total comprehensive income/(loss)	10,012	10,334	10,199	11,113	12,060
Total comprehensive income/(loss) attributable to the Australian Government	10,012	10,334	10,199	11,113	12,060

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	19,491	19,154	18,154	18,154	18,368
Trade and other receivables	285,677	291,657	297,135	301,614	308,971
Other investments	63,501	69,301	72,301	72,301	72,301
Other financial assets	5,314	3,009	1,350	419	251
Total financial assets	373,983	383,121	388,940	392,488	399,891
Non-financial assets					
Property, plant and equipment	92,362	92,362	92,362	92,362	92,362
Intangibles	233	233	233	233	233
Biological Assets	20,042	14,042	11,042	11,042	11,042
Inventories	152,869	152,869	152,869	152,869	152,869
Other non-financial assets	3,636	3,636	3,636	3,636	3,636
Total non-financial assets	269,142	263,142	260,142	260,142	260,142
Total assets	643,125	646,263	649,082	652,630	660,033
LIABILITIES					
Payables					
Suppliers	7,542	7,542	7,542	7,542	7,542
Total payables	7,542	7,542	7,542	7,542	7,542
Interest bearing liabilities					
Loans	26,798	19,602	12,222	4,657	-
Total interest bearing liabilities	26,798	19,602	12,222	4,657	-
Provisions					
Employee provisions	4,045	4,045	4,045	4,045	4,045
Other provisions	152,871	152,871	152,871	152,871	152,871
Total provisions	156,916	156,916	156,916	156,916	156,916
Total liabilities	191,256	184,060	176,680	169,115	164,458
Net assets	451,869	462,203	472,402	483,515	495,575
EQUITY*					
Reserves	24,083	24,083	24,083	24,083	24,083
Retained surplus (accumulated deficit)	427,786	438,120	448,319	459,432	471,492
Total parent entity interest	451,869	462,203	472,402	483,515	495,575
Total equity	451,869	462,203	472,402	483,515	495,575

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	427,786	24,083	451,869
Adjusted opening balance	427,786	24,083	451,869
Comprehensive income			
Surplus/(deficit) for the period	14,834	-	14,834
Total comprehensive income	14,834	-	14,834
of which:			
Attributable to the Australian Government	14,834	-	14,834
Estimated closing balance as at 30 June 2020	442,620	24,083	466,703
Closing balance attributable to the Australian Government	442,620	24,083	466,703

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	8,749	8,617	8,531	8,446	8,362
Receipts from Government	53,290	54,356	55,606	56,829	58,250
Interest	1,000	1,500	870	430	680
Other	4,700	4,700	5,700	5,700	5,700
Total cash received	67,739	69,173	70,707	71,405	72,992
Cash used					
Employees	25,205	25,775	24,900	24,945	25,330
Suppliers	39,269	40,935	43,437	44,530	45,482
Borrowing costs	1,153	603	421	235	52
Total cash used	65,627	67,313	68,758	69,710	70,864
Net cash from/(used by) operating activities	2,112	1,860	1,949	1,695	2,128
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,500	1,500	1,500	1,500	1,500
Total cash used	1,500	1,500	1,500	1,500	1,500
Net cash from/(used by) investing activities	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
FINANCING ACTIVITIES					
Cash received					
Receipts of Borrowings	30,813	7,799	7,801	7,800	4,922
Total cash received	30,813	7,799	7,801	7,800	4,922
Cash used					
Repayments of borrowings	30,113	8,496	9,250	7,995	5,336
Total cash used	30,113	8,496	9,250	7,995	5,336
Net cash from/(used by) financing activities	700	(697)	(1,449)	(195)	(414)
Net increase/(decrease) in cash held	1,312	(337)	(1,000)	-	214
Cash and cash equivalents at the beginning of the reporting period	18,179	19,491	19,154	18,154	18,154
Cash and cash equivalents at the end of the reporting period	19,491	19,154	18,154	18,154	18,368

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	1,500	1,500	1,500	1,500	1,500
TOTAL	1,500	1,500	1,500	1,500	1,500
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,500	1,500	1,500	1,500	1,500
Total cash used to acquire assets	1,500	1,500	1,500	1,500	1,500

Prepared on Australian Accounting Standards basis.

(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 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Biological Assets \$000	Total \$'000
As at 1 July 2019				
Gross book value	92,362	1,109	20,042	113,513
Accumulated depreciation/ amortisation and impairment	-	(876)	-	(876)
Opening net book balance	92,362	233	20,042	112,637
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	1,500	-	-	1,500
Total additions	1,500	-	-	1,500
Other movements				
Depreciation/amortisation expense	(1,500)	-	-	(1,500)
Disposals	-	-	(6,000)	(6,000)
Total other movements	(1,500)	-	(6,000)	(7,500)
As at 30 June 2020				
Gross book value	93,862	1,109	14,042	109,013
Accumulated depreciation/ amortisation and impairment	(1,500)	(876)	-	(2,376)
Closing net book balance	92,362	233	14,042	106,637

NORTH QUEENSLAND LIVESTOCK INDUSTRY RECOVERY AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

NORTH QUEENSLAND LIVESTOCK INDUSTRY RECOVERY AGENCY

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NORTH QUEENSLAND LIVESTOCK INDUSTRY RECOVERY AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In late January and early February 2019, a monsoon trough caused widespread flooding across Northern and Western Queensland. As floodwaters moved west of the Great Dividing Range, widespread and catastrophic impacts materialised in the pastoral zone of North Western Queensland, impacting severely on grazing properties. In addition to high stock losses, reports indicated extensive damage to on-farm infrastructure related to livestock production – particularly fences, dams and other watering infrastructure. A consolidated picture of the likely scale and extent of this damage across the affected region is yet to emerge.

The North Queensland Livestock Industry Recovery Agency (NQLIRA) was announced by Prime Minister Scott Morrison on 1 March 2019 to assist with the immediate response, recovery and reconstruction efforts in support of North, Far North and Western Queensland communities affected by the heavy rainfall and wide-spread flooding in early 2019.

The NQLIRA is working closely with affected agricultural businesses, communities, local, state and Commonwealth agencies, and provides advice to the Prime Minister on how Australian Government programs can best provide tailored support to flood affected primary producers and communities in North Queensland. NQLIRA will complement existing Disaster Recovery Funding Arrangements (DFRA) with a focus on what needs to be done both immediately and in the longer-term, through a staged approach.

1.2 ENTITY RESOURCE STATEMENT

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

The table summarises how resources will be applied by outcome (government strategic policy objectives) and departmental (for NQLIRA's operations) classification.

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

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

Table 1.1: NQLIRA resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Departmental appropriation (c)	-	8,790
Departmental capital budget (d)	-	701
Total departmental annual appropriations	-	9,491
Total departmental resourcing	-	9,491
Administered		
Total administered special appropriations (e)	-	1,669,118
Total administered resourcing	-	1,669,118
Total resourcing for NQLIRA	-	1,678,609
	2018-19	2019-20
Average staffing level (number)	-	34

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

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

- (a) Funding in 2018-19 is provided to the Department of the Prime Minister and Cabinet for the establishment of NQLIRA.
- (b) *Appropriation Bill (No. 1) 2019-20*.
- (c) Excludes departmental capital budget (DCB).
- (d) DCB is not separately identified in *Appropriation Bill (No. 1)* and forms part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Subject to passing of legislation.

1.3 BUDGET MEASURES

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

Table 1.2: Entity 2019-20 Budget measures
Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Revenue measures						
North Queensland Flood Recovery						
Package (a) 1.1						
Administered revenues						
		-	(46,774)	(48,108)	(49,484)	-
Total		-	(46,774)	(48,108)	(49,484)	-
Total revenue measures						
Administered						
		-	(46,774)	(48,108)	(49,484)	-
Total		-	(46,774)	(48,108)	(49,484)	-
Expense measures						
North Queensland Flood Recovery						
Package (a) 1.1						
Administered expenses						
		-	19,506	284	126	-
Departmental expenses						
		-	8,790	6,976	7,020	6,909
Total		-	28,296	7,260	7,146	6,909
Total expense measures						
Administered						
		-	19,506	284	126	-
Departmental						
		-	8,790	6,976	7,020	6,909
Total		-	28,296	7,260	7,146	6,909
Capital measures						
North Queensland Flood Recovery						
Package (a) 1.1						
Departmental capital						
		-	701	-	-	-
Total		-	701	-	-	-
Total capital measures						
Departmental						
		-	701	-	-	-
Total		-	701	-	-	-

Note: Prepared on a Government Finance Statistics (fiscal) basis.

(a) The measure *North Queensland Flood Recovery Package* is a cross portfolio measure. The full measure description and package details appear in *Budget Paper No. 2* under Cross Portfolio. Funding in 2018-19 is provided to the Department of the Prime Minister and Cabinet for the establishment of NQLIRA.

Section 2: Outcomes and planned performance

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

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

Note:

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

NQLIRA's corporate plan and annual report are currently being drafted and will be available on the NQLIRA website once established.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: To coordinate Commonwealth activities for the purpose of recovery and reconstruction in areas affected by the North and Far North Queensland Monsoon Trough (25 Jan – 14 Feb 2019), including through strategic leadership, consultation and administration of the loan mechanism to provide assistance to eligible primary producers by way of loans to Authorised Deposit-taking Institutions at the Government’s cost of borrowing.

Budgeted expenses for Outcome 1

Table 2.1.1 details how much NQLIRA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 (a)	2019-20	2020-21	2021-22	2022-23
	Estimated actual \$'000	Budget \$'000	Forw ard estimate \$'000	Forw ard estimate \$'000	Forw ard estimate \$'000
Program 1.1: North Queensland Livestock Industry Recovery					
Administered expenses					
Special appropriations					
<i>Treasury Laws Amendment (Flood Assistance) Act 2019 (b)</i>					
	-	19,506	284	126	-
Administered total	-	19,506	284	126	-
Departmental expenses					
Departmental appropriation					
	-	8,790	6,976	7,020	6,909
Expenses not requiring appropriation in the Budget year (c)					
	-	18	18	18	18
Departmental total	-	8,808	6,994	7,038	6,927
Total expenses for program 1.1	-	28,314	7,278	7,164	6,927
	2018-19	2019-20			
Average staffing level (number)	-	34			

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

- (a) Funding 2018-19 is provided to the Department of the Prime Minister and Cabinet for the establishment of NQLIRA.
- (b) Subject to passing of legislation.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – To coordinate Commonwealth activities for the purpose of recovery and reconstruction in areas affected by the North and Far North Queensland Monsoon Trough (25 Jan – 14 Feb 2019), including through strategic leadership, consultation and administration of the loan mechanism to provide assistance to eligible primary producers by way of loans to Authorised Deposit-taking Institutions at the Government’s cost of borrowing.		
Program 1.1 – North Queensland Livestock Industry Recovery Agency		
Delivery		
The North Queensland Livestock Industry Recovery Agency (NQLIRA) was established to provide advice on and coordinate the Australian Government’s assistance and support for the North Queensland livestock industry and affected communities, following the significant flood event in the region in late January and early February 2019. The agency will also design, develop, consult on and coordinate the delivery of a long-term plan for the recovery of the livestock industry in the region.		
Performance information		
Year	Performance criteria	Targets
2019-20	NQLIRA will coordinate the provision of assistance and support to flood impacted individuals, families, primary producers, businesses and communities to improve their circumstances. The NQLIRA is working in collaboration with a range of stakeholders across the Australian and Queensland governments.	<ul style="list-style-type: none"> • At least \$300 million of grants will be made available to primary producers for restocking, replanting and infrastructure rebuilding. • Up to \$1.75 billion worth of low-cost loans may be made available to Authorised Deposit-taking Institutions to pass on to eligible primary producers
2020-21 and beyond	The NQLIRA will continue to coordinate the provision of assistance and support to, and provide advice on the needs of flood impacted individuals, families, primary producers, businesses and communities; and facilitate the delivery of long term plan for the recovery and reconstruction of these areas.	<ul style="list-style-type: none"> • NQLIRA has arrangements in place to coordinate, oversight and provide advice on the needs of flood impacted individuals, families, primary producers, businesses and communities. • Delivery of a long-term plan for the recovery and reconstruction of affected communities.
Purpose	The NQLIRA has been established to: <ol style="list-style-type: none"> to provide strategic leadership and coordination for the Commonwealth’s recovery and reconstruction activities in the flood affected areas of North, Far North and Western Queensland following the North and Far North Queensland Monsoon Trough (25 January – 14 February 2019) to design, develop, consult on and coordinate the delivery of a long-term plan for the recovery and reconstruction of these areas to build and maintain effective working relationship with stakeholders in these areas to inform recovery and reconstruction priorities to provide advice to the Prime Minister on how existing and new Commonwealth policies and programs can best contribute to the recovery and reconstruction efforts in these areas to provide a coordination point for information on associated Commonwealth recovery and reconstruction activities to provide advice to the Prime Minister on matters relevant to the NQLIRA, and to undertake other relevant tasks as directed by the Prime Minister. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NQLIRA finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Departmental

Departmental Comprehensive Income Statement

In all Budget years the NQLIRA is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense. Appropriation revenue from Government will decrease in 2020-21 due to lower levels of funding for the 2019-20 *North Queensland Flood Recovery Package* measure to establish the NQLIRA. Funding for the measure was \$8.8 million in 2019-20 then reduces to a baseline of \$7.0 million in 2020-21 through the forwards.

Schedule of budgeted income and expenses administered on behalf of Government

NQLIRA will provide low interest loans of up to \$1.75 billion to eligible financial institutions for up to three years to reduce the cost of interest on new and existing loans to eligible flood-affected primary producers (beef and cattle farmers) affected by floods in Northern Queensland in 2019.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	-	6,323	5,375	5,408	5,285
Suppliers	-	2,467	1,601	1,612	1,624
Depreciation and amortisation	-	18	18	18	18
Total expenses	-	8,808	6,994	7,038	6,927
Net (cost of)/contribution by services	-	(8,808)	(6,994)	(7,038)	(6,927)
Revenue from Government	-	8,790	6,976	7,020	6,909
Surplus/(deficit) attributable to the Australian Government	-	(18)	(18)	(18)	(18)
Total comprehensive income/(loss)	-	(18)	(18)	(18)	(18)
Total comprehensive income/(loss) attributable to the Australian Government	-	(18)	(18)	(18)	(18)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	18	18	18	18
Total comprehensive income/(loss) - as per the statement of comprehensive income	-	(18)	(18)	(18)	(18)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Bill 1* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Bill 1* equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents					
Trade and other receivables	-	1,186	1,006	1,006	1,006
Total financial assets	-	1,186	1,006	1,006	1,006
Non-financial assets					
Land and buildings	-	683	665	647	629
Total non-financial assets	-	683	665	647	629
Total assets	-	1,869	1,671	1,653	1,635
LIABILITIES					
Provisions					
Employee provisions	-	1,186	1,006	1,006	1,006
Total provisions	-	1,186	1,006	1,006	1,006
Total liabilities	-	1,186	1,006	1,006	1,006
Net assets	-	683	665	647	629
EQUITY*					
Parent entity interest					
Contributed equity	-	701	701	701	701
Retained surplus (accumulated deficit)	-	(18)	(36)	(54)	(72)
Total equity	-	683	665	647	629

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	-	-	-
Adjusted opening balance	-	-	-
Comprehensive income			
Surplus/(deficit) for the period	(18)	-	(18)
Total comprehensive income	(18)	-	(18)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	701	701
Sub-total transactions with owners	-	701	701
Estimated closing balance as at 30 June 2020	(18)	701	683
Closing balance attributable to the Australian Government	(18)	701	683

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	-	8,790	6,976	7,020	6,909
Total cash received	-	8,790	6,976	7,020	6,909
Cash used					
Employees	-	6,323	5,375	5,408	5,285
Suppliers	-	2,467	1,601	1,612	1,624
Total cash used	-	8,790	6,976	7,020	6,909
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	-	701	-	-	-
Total cash used	-	701	-	-	-
Net cash from/(used by) investing activities	-	(701)	-	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	701	-	-	-
Total cash received	-	701	-	-	-
Net cash from/(used by) financing activities	-	701	-	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	701	-	-	-
Total new capital appropriations	-	701	-	-	-
Provided for:					
Purchase of non-financial assets	-	701	-	-	-
Total items	-	701	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	-	701	-	-	-
TOTAL	-	701	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	701	-	-	-
Total cash used to acquire assets	-	701	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2019		
Gross book value	-	-
Accumulated depreciation/ amortisation and impairment	-	-
Opening net book balance	-	-
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation ordinary annual services (a)	701	701
Total additions	701	701
Other movements		
Depreciation/amortisation expense	18	18
Total other movements	18	18
As at 30 June 2020		
Gross book value	701	701
Accumulated depreciation/ amortisation and impairment	18	18
Closing net book balance	719	719

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1)* 2019-20 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Other expenses	-	19,506	284	126	-
Total expenses administered on behalf of Government	-	19,506	284	126	-
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Interest	-	40,481	41,475	42,493	-
Other revenue	-	6,293	6,633	6,991	-
Total non-taxation revenue	-	46,774	48,108	49,484	-
Total own-source revenue administered on behalf of Government	-	46,774	48,108	49,484	-
Total own-sourced income administered on behalf of Government	-	46,774	48,108	49,484	-
Net (cost of)/contribution by services	-	(27,268)	(47,824)	(49,358)	-
Surplus/(deficit)	-	(27,268)	(47,824)	(49,358)	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	-	1,655,905	1,703,229	1,752,075	-
Total financial assets	-	1,655,905	1,703,229	1,752,075	-
Total assets administered on behalf of Government	-	1,655,905	1,703,229	1,752,075	-
Net assets/(liabilities)	-	1,655,905	1,703,229	1,752,075	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	40,481	41,475	42,493	-
Total cash received	-	40,481	41,475	42,493	-
Net cash from/(used by) operating activities	-	40,481	41,475	42,493	-
INVESTING ACTIVITIES					
Cash received					
Advances and loans	-	-	-	-	1,752,075
Total cash used	-	-	-	-	1,752,075
Cash used					
Advances and loans made	-	1,669,118	40,975	41,981	-
Total cash used	-	1,669,118	40,975	41,981	-
Net cash from/(used by) investing activities	-	(1,669,118)	(40,975)	(41,981)	1,752,075
Net increase/(decrease) in cash held	-	(1,628,637)	500	512	1,752,075
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	-	1,669,118	40,975	41,981	-
Total cash from Official Public Account	-	1,669,118	40,975	41,981	-
Cash to Official Public Account for:					
- Appropriations	-	40,481	41,475	42,493	1,752,075
Total cash to Official Public Account	-	40,481	41,475	42,493	1,752,075
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**OFFICE OF NATIONAL
INTELLIGENCE**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

OFFICE OF NATIONAL INTELLIGENCE

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OFFICE OF NATIONAL INTELLIGENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of National Intelligence (ONI) is an independent statutory authority within the Prime Minister and Cabinet portfolio and reports directly to the Prime Minister. ONI was established by the *Office of National Intelligence Act 2018* (the ONI Act) in December 2018, subsuming the functions of the Office of National Assessments.

ONI positions the Australian Government to respond to a changing and complex environment through the provision of intelligence assessments and collection of open source information. In parallel with this, ONI is responsible for enterprise-level management of the national intelligence community (NIC) and ensures a single point of accountability to the Prime Minister and National Security Committee of Cabinet on intelligence matters.

All-source assessment

ONI's intelligence assessment function – drawing on all sources – is central to its purpose, and will continue to improve on responsiveness to the needs of the Prime Minister and other key policy customers. ONI's success hinges on the ability to access, understand and interpret intelligence – and publicly available information – and to identify, analyse and communicate meaning effectively.

ONI's assessment function has expanded in scale and scope to meet government's requirements. Significantly, ONI now has an assessment remit that extends to matters of political, strategic or economic significance to Australia without an international aspect, in support of ONI's other functions and to complement the work of other NIC agencies.

Open Source Centre

ONI's Open Source Centre (OSC) is responsible for collecting, interpreting and disseminating information relating to matters of political, strategic or economic significance to Australia, which is available in the public domain. The OSC's output provides unique value to government by supplementing classified intelligence sources and assessment, and filling information gaps for decision-makers.

Enterprise Management

ONI is responsible for leading the NIC, with a focus on promoting the integration of the community. ONI's goal is to ensure Australia has an agile, joined-up intelligence enterprise that will meet the challenges of Australia's evolving security environment. To achieve this, ONI has a broad coordination, evaluation and prioritisation remit; this includes overseeing the mechanism that sets and implements Australia's intelligence priorities, as well as being accountable for evaluating the NIC's performance against these priorities.

Another key element of the enterprise leadership function is addressing the NIC's future capability requirements by developing and coordinating capability funding proposals. ONI is also responsible for NIC governance structures and strategic workforce planning for the community, which will diversify and equip a highly-skilled, adept and agile NIC workforce.

Advisory functions

The Director-General of National Intelligence is the principal advisor to the Prime Minister on intelligence matters, which includes providing advice on intelligence collection and assessment priorities, NIC intelligence capabilities, the allocation of responsibility for intelligence collection across the NIC, as well as matters relating to the NIC more generally.

Although ONI is mandated to perform its various functions, there are factors and trends – external and beyond control – that provide the broader context for ONI's work and impact on the ability for ONI to achieve its purpose. These include:

- political, economic and strategic shifts in international circumstances;
- evolutions in ONI's operating environment domestically;
- a customer base that is increasing the demand on ONI and the broader NIC; and
- a rapidly growing and diversifying information environment.

ONI's broader strategic risks – those that relate to the fulfilment of its purpose – are mitigated in part by a robust strategic management framework. In addition, ONI is seeking to achieve the mandated outcomes for government by nurturing and advancing its people; knowledge management capabilities and solutions; relationships, both domestic and international; and business processes.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: ONI resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	30,652	33,587
Departmental appropriation (c)	51,739	66,426
Departmental capital budget (d)	4,070	4,116
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	11,700	5,700
Equity injection	-	11
Total departmental annual appropriations	98,161	109,840
Total departmental resourcing	98,161	109,840
Total resourcing for ONI	98,161	109,840
	2018-19	2019-20
Average staffing level (number)	223	267

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

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

- (a) Annual appropriation amounts appearing for 2018-19 do not include the *Appropriation Bills (No. 3) and (No. 4) 2018-2019*, as they had not been enacted at the time of publication.
- (b) *Appropriation Bill (No. 1) 2019-20*. Excludes \$2.018m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes departmental capital budget (DCB).
- (d) Departmental capital budgets are not separately identified in *Appropriation Bill (No.1)* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) *Appropriation Bill (No. 2) 2019-20*.

1.3 BUDGET MEASURES

ONI has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Advancement of Australia's national interests through increased government awareness of international developments affecting Australia and integration, coordination and evaluation of Australia's national intelligence capabilities.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Assessments and Reports					
Departmental expenses					
Departmental appropriation	27,641	33,213	35,686	35,869	35,311
Expenses not requiring appropriation in the Budget year (a)	2,500	3,022	3,270	3,565	3,892
Departmental total	30,141	36,235	38,956	39,434	39,203
Total expenses for program 1.1	30,141	36,235	38,956	39,434	39,203
Program 1.2: Coordination and Evaluation					
Departmental expenses					
Departmental appropriation	27,641	33,213	35,686	35,869	35,312
Expenses not requiring appropriation in the Budget year (a)	2,500	3,024	3,270	3,566	3,892
Departmental total	30,141	36,237	38,956	39,435	39,204
Total expenses for program 1.2	30,141	36,237	38,956	39,435	39,204
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	55,282	66,426	71,372	71,738	70,623
Expenses not requiring appropriation in the Budget year (a)	5,000	6,046	6,540	7,131	7,784
Departmental total	60,282	72,472	77,912	78,869	78,407
Total expenses for Outcome 1	60,282	72,472	77,912	78,869	78,407
	2018-19	2019-20			
Average staffing level (number)	223	267			

(a) 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.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ONI's finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The Entity Resource Statement (Table 1.1) provides a consolidated view of all the resources available to ONI in 2019-20. 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). The Comprehensive Income Statement (Table 3.1) shows only the operating appropriation provided in 2019-20.

3.1.2 Explanatory notes and analysis of budgeted financial statements

ONI does not have any special accounts or manage administered funds.

Comprehensive Income Statement

ONI is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense in 2019-20, and forward estimate years. Employee and supplier expenses are budgeted to grow in line with the increase in over the Budget and forward estimate years.

Budgeted Departmental Balance Sheet

Cash balances are maintained within a working capital limit 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 change in supplier payables reflects the rent payable liability changing 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 3.1), adjusted for non-cash items and anticipated capital purchases.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	37,853	46,725	53,193	53,347	54,413
Suppliers	17,456	19,728	18,206	18,418	16,237
Depreciation and amortisation (a)	4,970	6,016	6,510	7,101	7,754
Finance costs	3	3	3	3	3
Total expenses	60,282	72,472	77,912	78,869	78,407
LESS:					
OWN-SOURCE INCOME					
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	(60,252)	(72,442)	(77,882)	(78,839)	(78,377)
Revenue from Government	55,282	66,426	71,372	71,738	70,623
Surplus/(deficit) attributable to the Australian Government	(4,970)	(6,016)	(6,510)	(7,101)	(7,754)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(4,970)	(6,016)	(6,510)	(7,101)	(7,754)
Total comprehensive income/(loss) attributable to the Australian Government	(4,970)	(6,016)	(6,510)	(7,101)	(7,754)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	4,970	6,016	6,510	7,101	7,754
Total comprehensive income/(loss) - as per the statement of comprehensive income	(4,970)	(6,016)	(6,510)	(7,101)	(7,754)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Bill 1* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Bill 1* equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	393	393	393	393	393
Trade and other receivables	41,158	40,049	41,586	43,509	44,967
Total financial assets	41,551	40,442	41,979	43,902	45,360
Non-financial assets					
Land and buildings	21,082	23,397	21,087	18,777	16,308
Property, plant and equipment	3,804	4,142	3,686	3,073	2,596
Intangibles	3,343	3,119	2,795	2,821	2,247
Other non-financial assets	1,425	1,425	1,425	1,425	1,445
Total non-financial assets	29,654	32,083	28,993	26,096	22,596
Total assets	71,205	72,525	70,972	69,998	67,956
LIABILITIES					
Payables					
Suppliers	4,625	4,636	4,523	4,298	3,960
Other payables	454	554	654	754	854
Total payables	5,079	5,190	5,177	5,052	4,814
Provisions					
Employee provisions	13,648	16,776	17,634	19,712	21,464
Other provisions	125	95	65	35	-
Total provisions	13,773	16,871	17,699	19,747	21,464
Total liabilities	18,852	22,061	22,876	24,799	26,278
Net assets	52,353	50,464	48,096	45,199	41,678
EQUITY*					
Parent entity interest					
Contributed equity	66,433	70,560	74,702	78,906	83,139
Reserves	1,545	1,545	1,545	1,545	1,545
Retained surplus (accumulated deficit)	(15,625)	(21,641)	(28,151)	(35,252)	(43,006)
Total parent entity interest	52,353	50,464	48,096	45,199	41,678
Total equity	52,353	50,464	48,096	45,199	41,678

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(15,625)	1,545	66,433	52,353
Adjusted opening balance	(15,625)	1,545	66,433	52,353
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(6,016)	-	-	(6,016)
Total comprehensive income	(6,016)	-	-	(6,016)
of which:				
Attributable to the Australian Government	(6,016)	-	-	(6,016)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	11	11
Departmental Capital Budget (DCB)	-	-	4,116	4,116
Sub-total transactions with owners	-	-	4,127	4,127
Estimated closing balance as at 30 June 2020	(21,641)	1,545	70,560	50,464
Closing balance attributable to the Australian Government	(21,641)	1,545	70,560	50,464

Prepared on Australian Accounting Standards basis

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	52,637	63,216	70,558	69,815	69,165
Net GST received	1,942	1,762	1,835	1,864	1,658
Total cash received	54,579	64,978	72,393	71,679	70,823
Cash used					
Employees	35,394	43,499	52,240	51,173	52,590
Suppliers	17,243	19,717	18,319	18,643	16,575
s74 External Revenue transferred to the OPA	1,942	1,762	1,834	1,864	1,658
Total cash used	54,579	64,978	72,393	71,680	70,823
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	9,780	8,446	3,419	4,204	4,233
Total cash used	9,780	8,446	3,419	4,204	4,233
Net cash from/(used by) investing activities	(9,780)	(8,446)	(3,419)	(4,204)	(4,233)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,780	8,446	3,419	4,204	4,233
Total cash received	9,780	8,446	3,419	4,204	4,233
Net cash from/(used by) financing activities	9,780	8,446	3,419	4,204	4,233
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	393	393	393	393	393
Cash and cash equivalents at the end of the reporting period	393	393	393	393	393

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	4,070	4,116	4,142	4,204	4,233
Equity injections - Bill 2	-	11	-	-	-
Total new capital appropriations	4,070	4,127	4,142	4,204	4,233
Provided for:					
Purchase of non-financial assets	4,070	4,127	4,142	4,204	4,233
Total items	4,070	4,127	4,142	4,204	4,233
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriations (a)	6,000	3,711	-	-	-
Funded by capital appropriation - DCB (b)	3,780	4,735	3,419	4,204	4,233
TOTAL	9,780	8,446	3,419	4,204	4,233
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	9,780	8,446	3,419	4,204	4,233
Total cash used to acquire assets	9,780	8,446	3,419	4,204	4,233

Prepared on Australian Accounting Standards basis.

(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).

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	25,761	6,351	11,241	43,353
Accumulated depreciation/ amortisation and impairment	(4,679)	(2,547)	(7,898)	(15,124)
Opening net book balance	21,082	3,804	3,343	28,229
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	3,707	-	-	3,707
By purchase - appropriation ordinary annual services (b)	1,728	2,011	1,000	4,739
Total additions	5,435	2,011	1,000	8,446
Other movements				
Depreciation/amortisation expense	(3,120)	(1,672)	(1,224)	(6,016)
Total other movements	(3,120)	(1,672)	(1,224)	(6,016)
As at 30 June 2020				
Gross book value	31,196	8,362	12,241	51,799
Accumulated depreciation/ amortisation and impairment	(7,799)	(4,220)	(9,122)	(21,141)
Closing net book balance	23,397	4,142	3,119	30,659

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2019-20*, including CDABs.
- (b) Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.

**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 program, being 'Support for the Governor-General and Official Functions'.

The OOSGG's role is to support the Governor-General to enable the performance of 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 funding from all sources available to OOSGG for its operations and to deliver programs and services on behalf of the government.

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

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

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

Table 1.1: OOSGG resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	3,652	3,432
Departmental appropriation (c)	12,239	13,950
s74 External Revenue (d)	351	171
Departmental capital budget (e)	390	650
Total departmental annual appropriations	16,632	18,203
Total departmental resourcing	16,632	18,203
Administered		
Annual appropriations - ordinary annual services (b)		
Outcome 1	1,547	1,561
Administered capital budget (f)	2,684	3,459
Total administered annual appropriations	4,231	5,020
Total administered special appropriations	425	425
Total administered resourcing	4,656	5,445
Total resourcing for OOSGG	21,288	23,648
	2018-19	2019-20
Average staffing level (number)	80	80

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

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

- (a) Annual appropriation amounts appearing for 2018-19 do not include the *Appropriation Bills (No. 3) and (No. 4) 2018-2019*, as they had not been enacted at the time of publication.
- (b) *Appropriation Bill (No. 1) 2019-20*.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act 2013.
- (e) Departmental capital budgets are not separately identified in *Appropriation Bill (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Administered capital budgets are not separately identified in *Appropriation Bill (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

OOSGG has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

<https://www.gg.gov.au/office-official-secretary-governor-general/corporate-plans>

The most recent annual performance statement can be found at:

<https://www.gg.gov.au/office-official-secretary-governor-general/annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The performance of the Governor-General's role is facilitated through organisation and management of official duties, management and maintenance of the official household and property and administration of the Australian Honours and Awards system.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Support for the Governor-General and Official Activities					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,547	1,561	1,590	1,614	1,638
Special appropriations <i>Special appropriation - Governor-General</i>	425	425	425	425	425
Expenses not requiring appropriation in the Budget year (a)	1,218	1,499	1,513	1,717	1,838
Administered total	3,190	3,485	3,528	3,756	3,901
Departmental expenses					
Departmental appropriation	12,897	13,950	13,860	13,996	14,115
s74 External Revenue (b)	167	171	-	-	-
Expenses not requiring appropriation in the Budget year (a)	461	457	418	442	550
Departmental total	13,525	14,578	14,278	14,438	14,665
Total expenses for program 1.1	16,715	18,063	17,806	18,194	18,566
	2018-19	2019-20			
Average staffing level (number)	80	80			

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

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

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures (if any) have created new programs or materially changed existing programs.

Outcome 1 – The performance of the Governor-General’s role is facilitated through organisation and management of official duties, management and maintenance of the official household and property and administration of the Australian Honours and Awards system.		
Program 1.1 – The objective of this program is to support the Governor-General and Official Functions. It comprises two components: support for the Governor-General and administration of the Australian Honours and Awards system.		
Delivery (component 1)	<p>The program component deliverables include:</p> <ul style="list-style-type: none"> • Executive support—providing advice to the Governor-General, planning, implementing and managing Their Excellencies’ forward program of engagements and liaising with representatives of governments, related authorities and community groups • Personal support— providing support for Their Excellencies and hospitality services for official functions • Administrative services— providing governance advice and administrative services to OOSGG and managing the Governor-General’s official residences, including maintenance of property, equipment and grounds. 	
Performance information (component 1)		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • 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 <i>Environment Protection and Biodiversity Conservation Act 1999</i> and government policies relating to heritage properties, and with due consideration of advice provided by the National Capital Authority and other relevant authorities. 	It is expected all performance criteria as outlined in the 2018-19 PBS will be met.
2019-20	As per 2018-19.	As per 2018-19.
2020-21 and beyond	As per 2018-19.	As per 2018-19.

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Delivery (component 2)	<p>The program component will be delivered by administering, 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. This includes:</p> <ul style="list-style-type: none"> • Researching and preparing nominations for consideration by the Council for the Order of Australia, the Australian Bravery Decorations Council and the National Emergency Medal Committee • Providing secretariat support to the Australian honours advisory bodies • Undertaking the administrative tasks associated with the approval of recipients in the Australian honours system and subsequent announcement where applicable • Procuring Australian honours insignia, warrants and investiture items. • Facilitating the approval of, and changes to, governing instruments within the Australian honours system <p>Providing insignia to State/Territory Government Houses, service organisations and individuals for issue, and arrange local investitures.</p>	
Performance information (component 2)		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • The Governor-General and other key stakeholders express satisfaction with the administration of the Australian Honours and Awards system and support provided • Activities comply with the governing instruments for honours and awards, including the Constitution for the Order of Australia • The medals and insignia meet design specifications, adequate stock levels are maintained and control processes are adhered to • Ensure the accurate and timely issue of insignia and other resources for investitures and honours list announcements. 	It is expected all performance criteria as outlined in the 2018-19 PBS will be met.
2019-20	As per 2018-19.	As per 2018-19.
2020-21 and beyond	As per 2018-19.	As per 2018-19.
Purpose	The OOSGG was established in 1984, by amendment to the <i>Governor-General Act 1974</i> , to support the Governor-General in the fulfilment of his/her responsibilities. It has one Outcome and one Program, which has two components as outlined above.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and 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 2019-20 and the forward years.

The Comprehensive Income Statement (Table 3.1) 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 2019-20, the OOSGG will receive administered appropriations of \$0.4 million for the Governor-General's salary and \$1.6 million for support of the Australian Honours and Awards System.

Administered Capital Budget Statement

In 2019-20 the OOSGG will receive \$3.5 million for the Administered Capital Budget to sustain the capability and condition of its Heritage properties.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

The value of land and buildings is expected to increase in 2019-20 and the forward years due to the completion of projects developed under the Asset Management Strategy.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	7,702	7,639	7,553	7,704	7,687
Suppliers	5,431	6,551	6,376	6,372	6,508
Depreciation and amortisation (a)	392	388	349	362	470
Total expenses	13,525	14,578	14,278	14,438	14,665
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	351	171	-	-	-
Total own-source revenue	351	171	-	-	-
Gains					
Other	69	69	69	80	80
Total gains	69	69	69	80	80
Total own-source income	420	240	69	80	80
Net (cost of)/contribution by services	(13,105)	(14,338)	(14,209)	(14,358)	(14,585)
Revenue from Government	12,897	13,950	13,860	13,996	14,115
Surplus/(deficit) attributable to the Australian Government	(208)	(388)	(349)	(362)	(470)
Total comprehensive income/(loss)	(208)	(388)	(349)	(362)	(470)
Total comprehensive income/(loss) attributable to the Australian Government	(208)	(388)	(349)	(362)	(470)

Note: Impact of net cash appropriation arrangements

Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	184	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	392	388	349	362	470
Total comprehensive income/(loss) - as per the statement of comprehensive income	(208)	(388)	(349)	(362)	(470)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	149	149	149	149	149
Trade and other receivables	3,302	3,302	3,352	3,352	3,352
Total financial assets	3,451	3,451	3,501	3,501	3,501
Non-financial assets					
Property, plant and equipment	1,549	1,765	1,758	1,855	1,804
Intangibles	701	747	748	689	673
Inventories	38	38	38	38	38
Other non-financial assets	71	71	71	71	71
Total non-financial assets	2,359	2,621	2,615	2,653	2,586
Total assets	5,810	6,072	6,116	6,154	6,087
LIABILITIES					
Payables					
Suppliers	548	548	548	548	548
Other payables	62	62	62	62	62
Total payables	610	610	610	610	610
Provisions					
Employee provisions	2,126	2,126	2,126	2,126	2,126
Total provisions	2,126	2,126	2,126	2,126	2,126
Total liabilities	2,736	2,736	2,736	2,736	2,736
Net assets	3,074	3,336	3,380	3,418	3,351
EQUITY*					
Parent entity interest					
Contributed equity	2,622	3,272	3,665	4,065	4,468
Reserves	558	558	558	558	558
Retained surplus (accumulated deficit)	(106)	(494)	(843)	(1,205)	(1,675)
Total parent entity interest	3,074	3,336	3,380	3,418	3,351
Total equity	3,074	3,336	3,380	3,418	3,351

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(106)	558	2,622	3,074
Adjusted opening balance	(106)	558	2,622	3,074
Comprehensive income				
Surplus/(deficit) for the period	(388)	-	-	(388)
Total comprehensive income	(388)	-	-	(388)
of which:				
Attributable to the Australian Government	(388)	-	-	(388)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	650	650
Sub-total transactions with owners	-	-	650	650
Estimated closing balance as at 30 June 2020	(494)	558	3,272	3,336
Closing balance attributable to the Australian Government	(494)	558	3,272	3,336

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	13,290	13,950	13,860	13,996	14,115
Other	351	171	-	-	-
Total cash received	13,641	14,121	13,860	13,996	14,115
Cash used					
Employees	7,702	7,639	7,553	7,704	7,687
Suppliers	5,362	6,482	6,307	6,292	6,428
Total cash used	13,064	14,121	13,860	13,996	14,115
Net cash from/(used by) operating activities	577	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	967	650	393	400	403
Total cash used	967	650	393	400	403
Net cash from/(used by) investing activities	(967)	(650)	(393)	(400)	(403)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	390	650	393	400	403
Total cash received	390	650	393	400	403
Net cash from/(used by) financing activities	390	650	393	400	403
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	149	149	149	149	149
Cash and cash equivalents at the end of the reporting period	149	149	149	149	149

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	390	650	393	400	403
Total new capital appropriations	390	650	393	400	403
<i>Provided for:</i>					
Purchase of non-financial assets	390	650	393	400	403
Total items	390	650	393	400	403
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	390	650	393	400	403
Funded internally from departmental resources (b)	577	-	-	-	-
TOTAL	967	650	393	400	403
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	967	650	393	400	403
Total cash used to acquire assets	967	650	393	400	403

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Include 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 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of departmental asset movements (Budget year 2019-20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	3,370	1,648	5,018
Accumulated depreciation/amortisation and impairment	(1,821)	(947)	(2,768)
Opening net book balance	1,549	701	2,250
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services (a)	530	120	650
Total additions	530	120	650
Other movements			
Depreciation/amortisation expense	(314)	(74)	(388)
Total other movements	(314)	(74)	(388)
As at 30 June 2020			
Gross book value	3,900	1,768	5,668
Accumulated depreciation/amortisation and impairment	(2,135)	(1,021)	(3,156)
Closing net book balance	1,765	747	2,512

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No.1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Suppliers	1,547	1,561	1,590	1,614	1,638
Personal benefits	425	425	425	425	425
Depreciation and amortisation (a)	1,218	1,499	1,513	1,717	1,838
Total expenses administered on behalf of Government	3,190	3,485	3,528	3,756	3,901
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	27	27	30	30	30
Total non-taxation revenue	27	27	30	30	30
Total own-source revenue administered on behalf of Government	27	27	30	30	30
Total own-sourced income administered on behalf of Government	27	27	30	30	30
Net (cost of)/contribution by services	(3,163)	(3,458)	(3,498)	(3,726)	(3,871)
Total comprehensive income/(loss)	(3,163)	(3,458)	(3,498)	(3,726)	(3,871)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Administered Capital Budget, or ACB) provided through Bill 1 equity appropriations. For information regarding ACBs, please refer to Table 3.10 Administered Capital Budget Statement.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1	1	1	1	1
Trade and other receivables	91	91	91	91	91
Total financial assets	92	92	92	92	92
Non-financial assets					
Land and buildings	138,781	140,571	141,553	142,516	143,559
Property, plant and equipment	1,865	2,035	2,198	2,418	2,451
Inventories	1,806	1,806	1,806	1,806	1,806
Total non-financial assets	142,452	144,412	145,557	146,740	147,816
Total assets administered on behalf of Government	142,544	144,504	145,649	146,832	147,908
LIABILITIES					
Payables					
Suppliers	209	209	209	209	209
Total payables	209	209	209	209	209
Total liabilities administered on behalf of Government	209	209	209	209	209
Net assets/(liabilities)	142,335	144,295	145,440	146,623	147,699

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	27	27	30	30	30
Total cash received	27	27	30	30	30
Cash used					
Personal benefits	425	425	425	425	425
Suppliers	1,547	1,561	1,590	1,614	1,638
Total cash used	1,972	1,986	2,015	2,039	2,063
Net cash from/(used by) operating activities	(1,945)	(1,959)	(1,985)	(2,009)	(2,033)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	3,684	3,459	2,658	2,900	2,914
Total cash used	3,684	3,459	2,658	2,900	2,914
Net cash from/(used by) investing activities	(3,684)	(3,459)	(2,658)	(2,900)	(2,914)
Net increase/(decrease) in cash held	(5,629)	(5,418)	(4,643)	(4,909)	(4,947)
Cash and cash equivalents at beginning of reporting period	1	1	1	1	1
Cash from Official Public Account for:					
- Appropriations	5,656	5,445	4,673	4,939	4,977
Total cash from Official Public Account	5,656	5,445	4,673	4,939	4,977
Cash to Official Public Account for:					
- Appropriations	(27)	(27)	(30)	(30)	(30)
Total cash to Official Public Account	(27)	(27)	(30)	(30)	(30)
Cash and cash equivalents at end of reporting period	1	1	1	1	1

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	3,684	3,459	2,658	2,900	2,914
Total new capital appropriations	3,684	3,459	2,658	2,900	2,914
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	3,684	3,459	2,658	2,900	2,914
Total items	3,684	3,459	2,658	2,900	2,914
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB (a)	3,684	3,459	2,658	2,900	2,914
TOTAL	3,684	3,459	2,658	2,900	2,914
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	3,684	3,459	2,658	2,900	2,914
Total cash used to acquire assets	3,684	3,459	2,658	2,900	2,914

Prepared on Australian Accounting Standards basis.

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

	Land	Buildings	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	102,000	43,215	2,232	147,447
Accumulated depreciation/amortisation and impairment	-	(6,434)	(367)	(6,801)
Opening net book balance	102,000	36,781	1,865	140,646
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	3,169	290	3,459
Total additions	-	3,169	290	3,459
Other movements				
Depreciation/amortisation expense	-	(1,379)	(120)	(1,499)
Total other movements	-	(1,379)	(120)	(1,499)
As at 30 June 2020				
Gross book value	102,000	46,384	2,522	150,906
Accumulated depreciation/amortisation and impairment	-	(7,813)	(487)	(8,300)
Closing net book balance	102,000	38,571	2,035	142,606

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No.1) 2019-20* for depreciation/amortisation expenses, ACBs or other operational expenses

**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 to 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 2019–22 (the Development Plan). The Development Plan and its eight program 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, wagem goeygooyika bathayngaka*' (KALA LAGAU YA)
- '*Buaigiz kelar obaiswerare, merbi mir apuge mena obakedi, muike merbi areribi tonarge, ko merbi keub kerkerem*' (MERIAM MIR)
- '*Ngalpan moebaygal thoepoeriwioeyamoeyn, ngalpan ya kuduthoeraynu, ngalpan igililmaypa, sepa setha wara goeygil sey boey wagem*' (KALA KAWAU YA).

The TSRA's Development Plan also aligns with the Australian Government's Indigenous Advancement Strategy.

TSRA Budget Statements

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
- 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 Papua New Guinea 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
- securing whole-of-government infrastructure investment for Torres Strait Communities in the region to support healthy homes and healthy living environments, including 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
- improving access to safe and accessible community infrastructure and improved land and sea communications systems
- protect, promote, revitalise and maintain Torres Strait Islander and Aboriginal traditions and cultural heritage
- 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 funding from all sources available to TSRA for its operations and to deliver programs and services on behalf of the government.

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

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

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

Table 1.1: TSRA resource statement - Budget estimates for 2019-20 as at Budget April 2019

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000
Opening balance/cash reserves at 1 July	2,391	2,479
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1	35,883	35,897
Annual appropriations - other services (b)		
Equity injection	1,989	-
Total annual appropriations	37,872	35,897
Amounts received from related entities		
Amounts from portfolio department (c)	9,756	9,756
Total amounts received from related entities	9,756	9,756
Total funds from Government	47,628	45,653
Funds from other sources		
Interest	1,090	915
Sale of goods and services	505	505
Other	1,750	1,142
Total funds from other sources	3,345	2,562
Total net resourcing for Torres Strait Regional Authority	53,364	50,694
	2018-19	2019-20
Average staffing level (number)	154	154

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

(a) *Appropriation Bill (No. 1) 2019-20*

(b) *Appropriation Bill (No. 2) 2019-20*

(c) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills.

1.3 BUDGET MEASURES

TSRA has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

http://www.tsra.gov.au/__data/assets/pdf_file/0014/21335/TSRA_2018-2019_Corporate_Plan.pdf

The most recent annual performance statement can be found at:

<http://www.tsra.gov.au/news-and-resources/annual-reports/annual-report-2017-2018/section-2-programme-performance/annual-performance-statements>

2.1 BUDGETED EXPENSES AND PERFORMANCE 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.

Budgeted expenses for Outcome 1

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

Table 2.1.1 Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Torres Strait Regional Development					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	35,883	35,897	36,194	36,487	36,748
Payment from related entities	9,756	9,756	9,211	9,214	9,218
Revenues from other independent sources	6,635	2,712	2,667	2,607	2,075
Total expenses for Program 1.1	52,274	48,365	48,072	48,308	48,041
	2017-18	2018-19			
Average staffing level (number)	154	154			

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

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.	
Program 1.1 – The objective of this program is currently delivered through eight activities, which are derived from the Development Plan	
Delivery	<p>Increasing economic development by:</p> <ul style="list-style-type: none"> • improving commercial capability of Torres Strait Islander and Aboriginal people in the region • providing access to capital for commercially viable businesses. <p>Improving the use of fisheries by:</p> <ul style="list-style-type: none"> • Implementing commercially and environmentally sustainable strategies to increase Torres Strait Islander and Aboriginal ownership of the local fishing industry. <p>Maintaining culture, art and heritage by:</p> <ul style="list-style-type: none"> • supporting an active and sustainable arts and craft industry in the region • integrating cultural values and protocols into service planning and management practice • preserving and promoting cultural heritage and histories of the region. <p>Improving Native Title claim outcomes by:</p> <ul style="list-style-type: none"> • assisting with negotiating successful Future Acts and Indigenous Land Use Agreements • assisting with Native Title claims • supporting Prescribed Body Corporates to understand and meet their responsibilities under the Native Title Act. <p>Improving environmental management by:</p> <ul style="list-style-type: none"> • strengthening sustainable use, protection and management of natural and cultural resources • facilitating community adaptation to climate change impacts, including sea level rise • supporting community sustainable horticulture. <p>Enhancing governance and leadership by:</p> <ul style="list-style-type: none"> • improving communication, cultural competence and service delivery within a community development framework across governments • strengthening Torres Strait Islander and Aboriginal organisational leadership and governance. <p>Improving Community health and safety by:</p> <ul style="list-style-type: none"> • investing in whole-of-government infrastructure to support healthy homes and healthy living environments • implementing policies to support community managed delivery of primary and public health care services based on regional needs and priorities • improving access to affordable fresh and healthy foods • ensuring affordable home ownership is available across the region. • investing in effective community and social services • supporting law enforcement and community safety programs • ensuring communities have access to appropriate transport infrastructure.

TSRA Budget Statements

Performance information		
Year	Performance criteria	Targets
2018-19	<ul style="list-style-type: none"> • 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. <p>In addition to the criteria above:</p> <ul style="list-style-type: none"> • the percentage ownership of Torres Strait Commercial Fisheries by Torres Strait Islanders and Aboriginal People in the region • improve regional environmental health, telecommunication and marine infrastructure. 	The Benefits and Targets for each of the TSRA's eight activity areas are set out in the TSRA's (2019-2022) Development Plan.
2019-20	<ul style="list-style-type: none"> • As per 2018-19 	As per 2018-19.
2020-21 and beyond	<ul style="list-style-type: none"> • As per 2019-20 	As per 2019-20.
Purposes	The TSRA's Purpose Statement, in the Corporate plan – is the same as the TSRA's Outcome Statement above.	

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Departmental

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 \$48.4 million and expenditure of \$48.4 million resulting in a breakeven result for the 2019-20 financial year.

Budgeted Departmental Balance Sheet

The TSRA's forecast balance sheet for the financial year ending 30 June 2020 shows the TSRA with total assets of \$89.2 million and liabilities of \$6.8 million, resulting in a net asset position of \$82.4 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) and Comprehensive Income Statement (Table 3.1). The agency is forecasting a cash position of \$2.5 million for the financial year ending 30 June 2020.

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 3.5). The TSRA is forecast to spend \$5.5 million on capital expenditure in the 2019-20 financial year.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	19,017	19,111	19,495	19,886	20,282
Suppliers	16,234	15,371	14,692	14,537	13,874
Grants	15,728	12,588	12,590	12,590	12,590
Depreciation and amortisation	1,145	1,145	1,145	1,145	1,145
Finance costs	150	150	150	150	150
Total expenses	52,274	48,365	48,072	48,308	48,041
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	505	505	505	505	505
Interest	1,240	1,065	1,020	960	970
Grant revenue	9,756	9,756	9,211	9,214	9,218
Other	1,750	1,142	1,142	1,142	600
Total own-source revenue	13,251	12,468	11,878	11,821	11,293
Total own-source income	13,251	12,468	11,878	11,821	11,293
Net (cost of)/contribution by services	(39,023)	(35,897)	(36,194)	(36,487)	(36,748)
Revenue from Government	35,883	35,897	36,194	36,487	36,748
Surplus/(deficit) attributable to the Australian Government	(3,140)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(3,140)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,479	2,479	2,479	2,479	2,479
Trade and other receivables	4,197	4,197	4,197	4,197	4,197
Other investments	27,050	22,724	21,524	21,514	20,749
Total financial assets	33,726	29,400	28,200	28,190	27,425
Non-financial assets					
Land and buildings	54,003	58,268	59,537	59,476	59,975
Property, plant and equipment	1,430	1,491	1,422	1,493	1,759
Other non-financial assets	77	77	77	77	77
Total non-financial assets	55,510	59,836	61,036	61,046	61,811
Total assets	89,236	89,236	89,236	89,236	89,236
LIABILITIES					
Payables					
Suppliers	1,407	1,407	1,407	1,407	1,407
Grants	741	741	741	741	741
Total payables	2,148	2,148	2,148	2,148	2,148
Provisions					
Employee provisions	4,503	4,503	4,503	4,503	4,503
Other provisions	136	136	136	136	136
Total provisions	4,639	4,639	4,639	4,639	4,639
Total liabilities	6,787	6,787	6,787	6,787	6,787
Net assets	82,449	82,449	82,449	82,449	82,449
EQUITY*					
Parent entity interest					
Contributed equity	3,021	3,021	3,021	3,021	3,021
Reserves	14,967	14,967	14,967	14,967	14,967
Retained surplus (accumulated deficit)	64,461	64,461	64,461	64,461	64,461
Total parent entity interest	82,449	82,449	82,449	82,449	82,449
Total equity	82,449	82,449	82,449	82,449	82,449

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	64,461	14,967	3,021	82,449
Adjusted opening balance	64,461	14,967	3,021	82,449
Comprehensive income				
Surplus/(deficit) for the period	-	-	-	-
Total comprehensive income	-	-	-	-
Estimated closing balance as at 30 June 2020	64,461	14,967	3,021	82,449
Closing balance attributable to the Australian Government	64,461	14,967	3,021	82,449

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	35,883	35,897	36,194	36,487	36,748
Sale of goods and rendering of services	505	505	505	505	505
Interest	1,090	915	870	810	820
Grants	9,756	9,756	9,211	9,214	9,218
Other	1,750	1,142	1,142	1,142	600
Total cash received	48,984	48,215	47,922	48,158	47,891
Cash used					
Employees	19,017	19,111	19,495	19,886	20,282
Suppliers	16,234	15,371	14,692	14,537	13,874
Grants	15,728	12,588	12,590	12,590	12,590
Total cash used	50,979	47,070	46,777	47,013	46,746
Net cash from/(used by) operating activities	(1,995)	1,145	1,145	1,145	1,145
INVESTING ACTIVITIES					
Cash received					
Investments	7,724	4,326	1,200	10	765
Total cash received	7,724	4,326	1,200	10	765
Cash used					
Purchase of property, plant and equipment and intangibles	7,630	5,471	2,345	1,155	1,910
Total cash used	7,630	5,471	2,345	1,155	1,910
Net cash from/(used by) investing activities	94	(1,145)	(1,145)	(1,145)	(1,145)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,989	-	-	-	-
Total cash received	1,989	-	-	-	-
Net cash from/(used by) financing activities	1,989	-	-	-	-
Net increase/(decrease) in cash held	88	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,391	2,479	2,479	2,479	2,479
Cash and cash equivalents at the end of the reporting period	2,479	2,479	2,479	2,479	2,479

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	1,989	-	-	-	-
Total new capital appropriations	1,989	-	-	-	-
Provided for:					
Purchase of non-financial assets	1,989	-	-	-	-
Total items	1,989	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	2,901	-	-	-	-
Funded internally from departmental resources (b)	4,729	5,471	2,345	1,155	1,910
TOTAL	7,630	5,471	2,345	1,155	1,910
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,630	5,471	2,345	1,155	1,910
Total cash used to acquire assets	7,630	5,471	2,345	1,155	1,910

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget year 2019-20)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019					
Gross book value	11,805	43,102	5,137	77	60,121
Accumulated depreciation/ amortisation and impairment	-	(904)	(3,707)	-	(4,611)
Opening net book balance	11,805	42,198	1,430	77	55,510
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services (a)	-	5,166	305	-	5,471
Total additions	-	5,166	305	-	5,471
Other movements					
Depreciation/amortisation expense	-	(901)	(244)	-	(1,145)
Total other movements	-	(901)	(244)	-	(1,145)
As at 30 June 2020					
Gross book value	11,805	48,268	5,442	77	65,592
Accumulated depreciation/ amortisation and impairment	-	(1,805)	(3,951)	-	(5,756)
Closing net book balance	11,805	46,463	1,491	77	59,836

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2019-20* for depreciation/amortisation expenses, DCBs or other operational expenses.

WORKPLACE GENDER EQUALITY AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

WORKPLACE GENDER EQUALITY AGENCY

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WORKPLACE GENDER EQUALITY AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Workplace Gender Equality Agency (WGEA) is established by the *Workplace Gender Equality Act 2012* (the Act) and is charged with promoting and improving gender equality in Australian workplaces.

The Act requires non-public sector employers with 100 or more employees to submit a report to WGEA annually against standardised gender equality indications (GEIs):

- GEI 1: gender composition of the workforce
- GEI 2: gender composition of governing bodies
- GEI 3: equal remuneration between women and men
- GEI 4: availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities
- GEI 5: consultation with employees on issues concerning gender equality in the workplace
- GEI 6: sex-based harassment and discrimination.

WGEA's dataset provides a comprehensive picture of the state of gender equality in Australian workplaces.

Over the five years of reporting, there has been a strong increase in employer action on gender equality. As employers have taken action, gender equality outcomes have improved and the gender pay gap has declined. There has been solid growth in the number of women moving into management roles and increased employer commitment to promoting flexible work.

WGEA's data also shows the areas where more effort and improvement is needed by employers. Gender segregation remains deeply entrenched across Australian industries, occupations and workplaces and access to parental leave has virtually stalled. Although the proportion of women in management overall has increased, most senior roles, especially at the CEO level, are still dominated by men.

WGEA's growing dataset is a valuable resource for employers, employees and researchers. The breadth of data collected means that Australia has the most comprehensive dataset of this kind in the world. There has been growing international

WGEA Budget Statements

interest in WGEA's work, and Australia's approach to gender equality reporting and data collection. A number of countries and individual organisations contacted WGEA for information, advice and guidance.

The data set underpins WGEA's activities to promote workplace gender equality in a range of ways. These include:

- the annual publication of key findings in *Australia's gender equality scorecard*
- the publication of organisation-specific public reports, which provide information on a range of gender equality policies, strategies and practices for reporting organisations
- providing each employer with a confidential customised competitor analysis benchmark report
- WGEA's Data Explorer – an interactive tool which allows the public to drill down into WGEA's data and examine gender equality indicators by industry
- research partnerships to glean further insights from the data into drivers of improved gender equality outcomes
- an extensive public speaking program presenting data insights
- the development of educational tools and resources and delivery of educational workshops and events
- the WGEA Employer of Choice for Gender Equality citation recognising leading practice
- the Pay Equity Ambassador program, building a network of business leaders advocating for business commitment to pay equity
- extensive engagement with business, government and the community to drive public awareness and debate of gender equality issues.

The strategic priorities of WGEA in 2019–20 and the forward years are to increase WGEA's impact and reach, realise the potential of the dataset and to develop the WGEA team.

WGEA believes Australia is well positioned to capitalise on the economic benefits that improved workplace gender equality can deliver and will continue to work towards the vision that women and men are equally represented, valued and rewarded in Australian workplaces.

More information about WGEA is available on the website, www.wgea.gov.au where the WGEA Corporate Plan is also published.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

Table 1.1: WGEA resource statement — Budget estimates for 2019-20 as at Budget April 2019

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Prior year appropriations available (b)	1,129	925
Departmental appropriation (c)	4,856	5,531
s74 External Revenue (d)	100	100
Departmental capital budget (e)	199	3,055
Total departmental annual appropriations	6,284	9,611
Total departmental resourcing	6,284	9,611
	2018-19	2019-20
Average staffing level (number)	32	33

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

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

- (a) Annual appropriation amounts appearing for 2018-19 do not include the *Appropriation Bills (No. 3) and (No. 4) 2018-2019*, as they had not been enacted at the time of publication.
- (b) Estimated adjusted balance carried forward from previous year.
- (c) *Appropriation Bill (No. 1) 2019-20*.
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

WGEA has no budget measures in the 2019-20 Budget.

Section 2: Outcomes and planned performance

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

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

Note:

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

The most recent corporate plan for WGEA can be found at: www.wgea.gov.au/about-us/corporate-plan.

The most recent annual performance statement can be found at: www.wgea.gov.au/about-us/annual-reports.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Promote and improve gender equality in Australian workplaces including through the provision of advice and assistance to employers and the assessment and measurement of workplace gender data.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Workplace Gender Equality					
Departmental expenses					
Departmental appropriations	5,817	5,531	5,407	5,395	5,535
Section 74 External revenue (a)	100	100	100	100	-
Expenses not requiring appropriation in the Budget year (b)	648	185	1,648	1,630	1,500
Departmental total	6,565	5,816	7,155	7,125	7,035
Total expenses for program 1.1	6,565	5,816	7,155	7,125	7,035
	2018-19	2019-20			
Average staffing level (number)	32	33			

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

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

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Promote and improve gender equality in Australian workplaces including through the provision of advice and assistance to employers and the assessment and measurement of workplace gender data.		
Program 1.1 – Workplace Gender Equality WGEA will deliver on Outcome 1 by assisting relevant employers to report to WGEA; educating employers on improving gender equality outcomes; promoting and contributing to understanding, acceptance and public discussion of gender equality in the Australian workplace; using gender equality data to improve workplace gender equality and fostering compliance with the reporting and transparency provisions of the Act.		
Delivery	Key activities to support the purpose of WGEA are: <ol style="list-style-type: none"> 1. advising and assisting employers to promote and improve gender equality in the workplace including providing advice and assistance on the collection and analysis of workplace data 2. undertaking research, educational and other programs designed to promote and improve gender equality in the workplace 3. promoting and contributing to understanding, acceptance and public discussion of gender equality in the workplace 4. reviewing compliance with the Act by relevant employers. 	
Performance information		
Year	Performance criteria	Targets
2018-19	Measuring the progress of gender equality in Australian workplaces through analysis of reporting data	<ul style="list-style-type: none"> • Movement in the gender pay gap • Improved gender composition in leadership • Increase in employer actions to address gender equality • Analysis of five-year trends Assessment: Targets on track
	Broadening the stakeholder base for promotion of gender equality in Australian workplaces	<ul style="list-style-type: none"> • Increase in the number of organisations participating in WGEA’s leading practice programs • Stakeholders use WGEA tools and resources to promote gender equality in their own networks Assessment: Targets on track
	Increasing WGEA’s impact and reach internationally	<ul style="list-style-type: none"> • Visits to WGEA from international delegations • Interviews with international media outlets • Participation in international events Assessment: Targets on track

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Performance information		
Year	Performance criteria	Targets
2019-20	Gender equality continues to be recognised as a mainstream business issue	<ul style="list-style-type: none"> Increased use of gender data in business reporting Continued improvement relating to flexible working arrangement and working arrangements to support employees with family or caring responsibilities
	Analyse WGEA data to provide targeted and accessible insights	<ul style="list-style-type: none"> Circulation of targeted employer resources based on analysis of WGEA's dataset to improve key gender equality outcomes in their own workplace and industry Website incorporates data visualisation functionality Establish new research partnerships
	WGEA meets key milestones in the development of a new reporting and data management system	<ul style="list-style-type: none"> Identify and incorporate areas of improvement for reporting and leading practice and analysis outputs Development of requirements for new reporting and data management system
2020-21 and beyond	WGEA implements a fit-for-purpose reporting and data management system that provides for expanded voluntary reporting	<ul style="list-style-type: none"> Employers report utilising new reporting and data management system Increased take-up and use of education and communication tools
	WGEA data collection is relevant to the workforce of the future	<ul style="list-style-type: none"> Reporting framework is assessed and recommendations made to Government Minimum standards reflect community expectations of employers regarding workplace gender equality
Purposes	WGEA is charged with promoting and improving gender equality in Australian workplaces, including through the provision of advice and assistance to employers and the assessment and measurement of workplace gender data.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

WGEA is budgeting for a break-even net cost of service for 2018-19 and the forward estimates.

Total revenue for WGEA in 2019-20 is budgeted at \$5.7 million (2018-19: \$5.9 million) and comprises:

- revenue from Government (appropriation funding) of \$5.5 million: and
- own source revenue of \$0.13 million.

Operating expenses in 2019-20 are estimated to total \$5.8 million (2018-19: \$6.6 million). The reduction in operating expenses in 2019-20 is attributed to lower depreciation and amortisation expenses compared to 2018-19 and change in the activities related to the Mid-Year Economic and Fiscal Outlook measure Women's Economic Security Package that provides \$0.96 million in 2018-19 compared to \$0.67 million in 2019-20.

Total assets at the end of the 2019-20 year are estimated to be \$4.4 million. The majority of the assets represent receivables (appropriation receivables) and intangible assets.

Total liabilities for 2019-20 are estimated at \$0.9 million. The largest liability items are accrued expenses and accrued employee entitlements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	3,637	3,605	3,540	3,342	3,426
Suppliers	2,303	2,049	1,990	2,176	2,109
Depreciation and amortisation	615	152	1,615	1,597	1,500
Finance costs	10	10	10	10	-
Total expenses	6,565	5,816	7,155	7,125	7,035
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	100	100	100	100	-
Total own-source revenue	100	100	100	100	-
Gains					
Other	33	33	33	33	-
Total gains	33	33	33	33	-
Total own-source income	133	133	133	133	-
Net (cost of)/contribution by services	(6,432)	(5,683)	(7,022)	(6,992)	(7,035)
Revenue from Government	5,817	5,531	5,407	5,395	5,535
Surplus/(deficit) attributable to the Australian Government	(615)	(152)	(1,615)	(1,597)	(1,500)
Total comprehensive income/(loss) attributable to the Australian Government	(615)	(152)	(1,615)	(1,597)	(1,500)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	615	152	1,615	1,597	1,500
Total comprehensive income/(loss) - as per the Statement of comprehensive income	(615)	(152)	(1,615)	(1,597)	(1,500)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	180	180	180	180	180
Trade and other receivables	782	782	782	782	782
Total financial assets	962	962	962	962	962
Non-financial assets					
Land and buildings	231	231	231	231	188
Property, plant and equipment	60	74	60	32	-
Intangibles	252	3,141	3,940	2,967	1,748
Other non-financial assets	5	5	5	5	5
Total non-financial assets	548	3,451	4,236	3,235	1,941
Total assets	1,510	4,413	5,198	4,197	2,903
LIABILITIES					
Payables					
Suppliers	89	89	89	89	89
Other payables	24	24	24	24	24
Total payables	113	113	113	113	113
Interest bearing liabilities					
Leases	20	20	20	20	20
Total interest bearing liabilities	20	20	20	20	20
Provisions					
Employee provisions	600	600	600	600	600
Other provisions	189	189	189	189	189
Total provisions	789	789	789	789	789
Total liabilities	922	922	922	922	922
Net assets	588	3,491	4,276	3,275	1,981
EQUITY*					
Parent entity interest					
Contributed equity	4,500	7,555	9,955	10,551	10,757
Retained surplus (accumulated deficit)	(3,912)	(4,064)	(5,679)	(7,276)	(8,776)
Total parent entity interest	588	3,491	4,276	3,275	1,981
Total equity	588	3,491	4,276	3,275	1,981

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	(3,912)	4,500	588
Adjusted opening balance	(3,912)	4,500	588
Comprehensive income			
Surplus/(deficit) for the period	(152)	-	(152)
Total comprehensive income	(152)	-	(152)
Contributions by owners			
Departmental Capital Budget (DCB)	-	3,055	3,055
Sub-total transactions with owners	-	3,055	3,055
Estimated closing balance as at 30 June 2020	(4,064)	7,555	3,491
Closing balance attributable to the Australian Government	(4,064)	7,555	3,491

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,817	5,531	5,407	5,395	5,535
Sale of goods and rendering of services	100	100	100	100	-
Total cash received	5,917	5,631	5,507	5,495	5,535
Cash used					
Employees	3,637	3,605	3,540	3,342	3,426
Suppliers	2,280	2,026	1,967	2,153	2,109
Total cash used	5,917	5,631	5,507	5,495	5,535
Net cash from/(used by) operating activities	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	249	3,055	2,400	596	206
Total cash used	249	3,055	2,400	596	206
Net cash from/(used by) investing activities	(249)	(3,055)	(2,400)	(596)	(206)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	249	3,055	2,400	596	206
Total cash received	249	3,055	2,400	596	206
Net cash from/(used by) financing activities	249	3,055	2,400	596	206
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	180	180	180	180	180
Cash and cash equivalents at the end of the reporting period	180	180	180	180	180

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	249	3,055	2,400	596	206
Total new capital appropriations	249	3,055	2,400	596	206
<i>Provided for:</i>					
Purchase of non-financial assets	249	3,055	2,400	596	206
Total items	249	3,055	2,400	596	206
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	249	3,055	2,400	596	206
TOTAL	249	3,055	2,400	596	206
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	249	3,055	2,400	596	206
Total cash used to acquire assets	249	3,055	2,400	596	206

'Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	262	538	3,120	3,920
Accumulated depreciation/ amortisation and impairment	(31)	(478)	(2,868)	(3,377)
Opening net book balance	231	60	252	543
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	44	3,011	3,055
Total additions	-	44	3,011	3,055
Other movements				
Depreciation/amortisation expense		(30)	(122)	(152)
Total other movements	-	(30)	(122)	(152)
As at 30 June 2020				
Gross book value	262	582	6,131	6,975
Accumulated depreciation/ amortisation and impairment	(31)	(508)	(2,990)	(3,529)
Closing net book balance	231	74	3,141	3,446

Prepared on Australian Accounting Standards basis.

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

GLOSSARY AND ACRONYMS

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 2016-17 as at the 2017-18 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 program. It may be a measure but will not constitute a program 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).
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

Glossary and Acronyms

Term	Meaning
	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 programs 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.
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.

Term	Meaning
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 program.
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.
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.

Glossary and Acronyms

Term	Meaning
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.
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.
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, and in the Mid-Year Economic and Fiscal Outlook (MYEFO).

Term	Meaning
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	<p>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.</p> <p>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.</p>
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 program payments.
Operating result	Equals income less expenses.
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.

Glossary and Acronyms

Term	Meaning
Public Governance, Performance and Accountability Act 2013 (PGPA Act)	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 program by each entity within a portfolio.
Program	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.
Program support	The entity running costs allocated to a program. This is funded as part of the entity's departmental appropriations.
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)	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. Standing appropriations are a subcategory consisting of ongoing special appropriations - the amount appropriated will depend on circumstances specified in the legislation.

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
AIATSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies
AHL	Aboriginal Hostels Limited
ALC	Anindilyakwa Land Council
ALRA	Aboriginal Land Rights (Northern Territory) Act 1976
ANAO	Australian National Audit Office
ATSI Act	Aboriginal and Torres Strait Islander Act 2005
APS	Australian Public Service
APSC	Australian Public Service Commission
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
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DHS	Department of Human Services
DTA	Digital Transformation Agency
DSS	Department of Social Services
FOI	Freedom of Information
G20	Group of 20 Meeting

Glossary and Acronyms

GFS	Government Finance Statistics
IBA	Indigenous Business Australia
ILSC	Indigenous Land and Sea 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
NQLIRA	North Queensland Livestock Industry Recovery Agency
OBS	Outback Stores Pty Ltd
ONI	Office of National Intelligence
OOSGG	Office of the Official Secretary to the Governor-General
OPA	Official Public Account
OTM	Other Trust Monies
PAES	Portfolio Additional Estimates Statements
PBC	Prescribed Bodies Corporate under the Native Title Act 1993 and the Native Title (Prescribed Bodies Corporate) Regulations 1999
PGPA Act 2013	Public Governance, Performance and Accountability Act 2013
PM&C	Department of Prime Minister and Cabinet
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
WGEA	Workplace Gender Equality Agency