

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of the Treasury supports informed decisions on the development and implementation of policies for the good of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to Government and the efficient administration of federal financial relations.

As the pre-eminent economic adviser to the Government, the Treasury provides advice to Ministers based on the monitoring and analysis of economic conditions and prospects in Australia and internationally. This includes assessments of key risks to the outlook as discussed in *Budget Paper No.1, Budget Strategy and Outlook 2017-18*.

The Treasury Corporate Plan identifies three purposes: promoting fiscal sustainability; increasing productivity; and securing the benefits of global economic integration.

The Treasury supports the Government's fiscal strategy by providing advice on tax and expenditure policies, supported by economic, tax and fiscal modelling. Advice is provided to the Treasurer and Portfolio Ministers on the Australian Government's budget position over the forward estimates and medium term. This assists in framing overall policy settings and providing context for the Government's decision-making. The Treasury also has responsibility for the Australian taxation and superannuation systems and provides advice to Government that seeks to ensure a robust, efficient and sustainable tax system.

The Treasury advises on policies designed to improve productivity, including in relation to: workforce participation; taxation; the economy; the financial system; foreign investment; competition and broader structural policy; social policy; small business; innovation; and international economic policy.

In seeking to secure the benefits of global economic integration, the Treasury balances opportunities and risks in relation to trade and investment flows. The Treasury's ongoing international engagement is central to Australia's regional relationships, monitoring of international developments and to promoting regional and global macroeconomic stability.

The Treasury will continue its ongoing agenda of organisational reform. Our Sydney and Melbourne offices are fostering wider engagement with stakeholders in the private sector, as well as academia and the not-for-profit sector. And our newly formed Structural Reform Group will bolster Treasury's policy engagement in areas critical to growing Australia's productivity.

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: Department of the Treasury resource statement — Budget estimates for 2017-18 as at Budget May 2017

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	48,867	46,878
Departmental appropriation (c)	169,352	193,780
s 74 retained revenue receipts (d)	13,790	12,704
Departmental capital budget (e)	5,298	8,246
Annual appropriations - other services - non-operating (f)		
Equity injection	300	4,750
<i>Total departmental annual appropriations</i>	<i>237,607</i>	<i>266,358</i>
Special accounts (g)		
Opening balance	2,835	-
Non-appropriation receipts	220	-
Adjustments (h)	(2,835)	-
<i>Total special accounts</i>	<i>220</i>	<i>-</i>
Total departmental resourcing	237,827	266,358

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2017-18 as at Budget May 2017 (continued)

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	44,739	22,889
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	60,000	60,000
<i>Total administered annual appropriations</i>	<i>104,739</i>	<i>82,889</i>
Special appropriations		
Asian Development Bank (Additional Subscription) Act 2009	22,218	24,359
Asian Infrastructure Investment Bank Act 2015	197,142	193,120
Federal Financial Relations Act 2009	81,224,972	85,649,822
International Monetary Agreements Act 1947	104,034	395,917
PGPA Act 2013 - s77 repayments	1,000	1,000
<i>Total administered special appropriations (g)</i>	<i>81,549,366</i>	<i>86,264,218</i>
Special accounts (g)		
Non-appropriation receipts to Special Accounts (i)	13,669,293	12,938,091
<i>Total special account receipts</i>	<i>13,669,293</i>	<i>12,938,091</i>
Total administered resourcing	95,323,398	99,285,198
Total resourcing for Department of the Treasury	95,561,225	99,368,087
	2016-17	2017-18
Average staffing level (number)	815	859

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

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

- (a) Appropriation Bill (No. 1) 2017-18.
- (b) Excludes \$0.9 million subject to administrative quarantine by the Department of Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (c) Excludes departmental capital budget (DCB). 2017-18 includes supplementation of \$4.2 million for revenue recognised in 2016-17 but not appropriated in that year.
- (d) Estimated retained 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'.
- (f) Appropriation Bill (No. 2) 2017-18.
- (g) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special appropriations and 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.
- (h) The Actuarial Services Special Account was sunset on 1 October 2016. The balance of the Special Account was reappropriated and is reflected in prior year appropriations available.
- (i) Amounts credited to the special account(s) from another entity's annual and special appropriations.

Department of the Treasury Budget Statements

Third party payments from and on behalf of other entities

	<i>2016-17 Estimated actual \$'000</i>	<i>2017-18 Estimate \$'000</i>
Payments made on behalf of another entity (a)		
Finance	340,238	537,983
Infrastructure and Regional Development	71,000	71,000
Social Services	184,796	183,204

(a) These payments relate to National Partnership payments to the States and Territories.

1.3 BUDGET MEASURES

Budget measures relating to the Treasury are detailed in *Budget Paper No. 2* and are summarised below.

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Revenue measures						
National Disability Insurance Scheme – finalisation of transition arrangements						
Administered revenue	1.7	-	-	-	-	-
Reducing Pressure on Housing Affordability – National Housing Infrastructure Facility						
Administered revenue	1.1	-	-	nfp	nfp	nfp
Tax Integrity Package – combatting fraud in the precious metals industry						
Administered revenue	1.4	-	300	(3,100)	(3,800)	(4,200)
– improving the integrity of GST on property transactions						
Administered revenue	1.4	-	2,800	(2,600)	(4,600)	(4,800)
Total		-	3,100	(5,700)	(8,400)	(9,000)
Total revenue measures						
Administered		-	3,100	(5,700)	(8,400)	(9,000)
Departmental		-	-	-	-	-
Total		-	3,100	(5,700)	(8,400)	(9,000)

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
A More Accountable and Competitive Banking System						
– implementation						
Departmental expenses	1.1	-	1,131	-	-	-
– improving competition						
Departmental expenses	1.1	-	1,173	-	-	-
Aligning the tax treatment of roll your own tobacco and cigarettes						
Administered expenses	1.4	-	5,000	10,000	10,000	10,000
Better targeting skilled visas						
Administered expenses	1.4	-	5,140	(25,880)	(47,333)	(34,444)
BreastScreen Australia Program – additional support						
Administered expenses	1.9	-	-	-	-	-
Cancer Screening – Victorian Cytology Service – continuation						
Administered expenses	1.9	-	-	-	-	-
Disaster Relief						
Administered expenses	1.9	-	1,000	-	-	-
Disaster Resilience Program – extension						
Administered expenses	1.9	-	-	-	-	-
Energy for the Future – bilateral Asset Recycling agreement with South Australia						
Administered expenses	1.9	-	-	-	-	-
Enhancing Treasury Capability to Support Government						
Departmental expenses	1.1	-	9,347	13,949	-	-
GST – removing the double taxation of digital currency						
Administered expenses	1.4	-	*	*	*	*
Guaranteeing Medicare – establishing the Medicare Guarantee Fund (a)						
Administered expenses	1.1	-	-	-	-	-

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	
Improved Access to Health Care for Australian Participants of British Nuclear Tests and Veterans of the British Commonwealth Occupation Force						
Administered expenses	1.5	-	(2,377)	(2,119)	(1,854)	(1,584)
Indirect Tax Concession Scheme – diplomatic and consular concessions						
Administered expenses	1.4
Infrastructure and Project Financing Agency – establishment						
Administered expenses	1.9	-	(4,200)	(4,200)	(4,200)	-
Infrastructure Investment Programme						
– National Rail Program						
Administered expenses	1.9	-	-	-	200,000	400,000
– new investments						
Administered expenses	1.9	-	13,800	-	-	-
– offsets						
Administered expenses	1.9	-	-	-	-	(1,631,562)
– Victorian infrastructure investments						
Administered expenses	1.9	-	-	-	-	-
Legal Assistance Services – additional funding						
Administered expenses	1.9	-	12,800	12,979	13,174	-
Legislative drafting – additional resources						
Departmental expenses	1.1	-	5,098	3,913	3,912	3,935
Managing National Security Risks in Critical Infrastructure						
Departmental expenses	1.1	-	-	-	-	-
National Disability Insurance Scheme – finalisation of transition arrangements						
Administered expenses	1.7	733	170,976	82,890	267,829	nfp
National Fire Danger Rating System						
Administered expenses	1.9	-	500	200	-	-

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	
National Partnership Agreement on Rheumatic Fever Strategy – continuation and expansion						
Administered expenses	1.9	-	392	398	401	407
National Partnership Agreement on Universal Access to Early Childhood Education – extension						
Administered expenses	1.9	-	128,360	299,507	-	-
National Partnership on Regulatory Reform – establishment						
Administered expenses	1.9	-	125,000	175,000	-	-
Prioritising Mental Health – suicide prevention support programs						
Administered expenses	1.9	-	3,000	3,000	3,000	-
Proton Beam Facility in South Australia						
Administered expenses	1.9	-	68,000	-	-	-
Public Service Modernisation Fund (b) – Agency Sustainability						
Departmental expenses	1.1	-	-	-	-	-
– Transformation and Innovation						
Departmental expenses	1.1	-	-	-	-	-
Queensland Tourism Cyclone Debbie Recovery Package						
Administered expenses	1.9	3,500	-	-	-	-
Reducing Pressure on Housing Affordability – a new National Housing and Homelessness Agreement						
Administered expenses	1.8	-	-	121,082	125,117	129,091
– establishment of the National Housing Finance and Investment Corporation (c)						
Departmental expenses	1.1	-	4,828	-	-	-
– National Housing Infrastructure Facility (c)						
Administered expenses	1.1	-	-	-	-	-

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
– Social Impact Investments						
Administered expenses	1.9	-	-	-	531	531
– Western Sydney						
Administered expenses	1.9	-	nfp	nfp	nfp	nfp
Review of Diplomatic Entitlements						
Departmental expenses	1.1	-	-	(52)	(52)	(53)
Schools Security Programme – extension						
Administered expenses	1.9	-	5,714	5,714	5,714	-
Skilling Australians Fund						
Administered expenses	1.9	-	350,000	360,000	390,000	370,000
Small Business Information Campaign						
Administered expenses	1.1	-	-	-	-	-
Social Impact Investing Market – trials						
Administered expenses	1.9	-	-	-	531	531
Support for Health Services in Tasmania						
Administered expenses	1.9	730,368	1,800	1,800	1,800	800
Supporting No Jab No Pay – National Immunisation Program – expansion						
Administered expenses	1.9	-	226	226	226	226
Tax Integrity – public information campaign						
Departmental expenses	1.1	-	-	-	-	-
Administered expenses	1.1	-	-	-	-	-
Tax Integrity Package						
– Black Economy Taskforce: extension of the taxable payments reporting system (TPRS) to contractors in the courier and cleaning industries						
Administered expenses	1.4	-	-	32,000	47,000	51,000
– Black Economy Taskforce: one year extension of funding for ATO audit and compliance activities						
Administered expenses	1.4	-	49,600	31,600	18,400	10,200

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
– Black Economy Taskforce: prohibition on sales suppression technology and software						
Administered expenses	1.4	-	*	*	*	*
– combating fraud in the precious metals industry						
Administered expenses	1.4	*	*	*	*	*
– improving the integrity of GST on property transactions						
Administered expenses	1.4	-	-	940,000	300,000	330,000
Temporary sponsored parent visa – establishment						
Administered expenses	1.4	-	-	..	3,000	8,000
WA Infrastructure and GST Top-Up payment						
Administered expenses	1.9	226,000	-	-	-	-
Total		960,601	956,308	2,062,007	1,337,196	(352,922)
Total expense measures						
Administered		960,601	934,731	2,044,197	1,333,336	(356,804)
Departmental		-	21,577	17,810	3,860	3,882
Total		960,601	956,308	2,062,007	1,337,196	(352,922)

Table 1.2: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Capital measures						
Enhancing Treasury Capability to Support Government						
Departmental capital	1.1	-	3,000	3,183	-	-
Reducing Pressure on Housing Affordability – establishment of the National Housing Finance and Investment Corporation						
Departmental capital	1.1	-	4,750	-	-	-
Total		-	7,750	3,183	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	7,750	3,183	-	-
Total		-	7,750	3,183	-	-

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 Government has announced in this Budget that it will establish the Medicare Guarantee Fund as a special account in the Treasury portfolio. Following passage of enabling legislation, the Medicare Guarantee Fund will be reported in the next budget update.
- (b) *Public Service Modernisation Fund — agency sustainability* and *Public Service Modernisation Fund — transformation and innovation stream* are cross-portfolio measures. The provision of the funding to the Treasury is to support the consolidation of shared corporate services arrangements. The funding impacts of these two measures are as follows: \$7.7 million in 2017-18; \$10.0 million in 2018-19 and \$7.7 million in 2019-20.
- (c) Provision of \$53.5 million from 2018-19 to 2020-21 for *Reducing Pressure on Housing Affordability — establishment of the National Housing Finance and Investment Corporation* and \$118.0 million from 2018-19 to 2020-21 for *Reducing Pressure on Housing Affordability — National Housing Infrastructure Facility* has been made in the Contingency Reserve.

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 Treasury can be found at: [Corporate Plan](#).

The most recent annual performance statement can be found at: [Annual Performance Statement](#).

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1:

Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to Government and the efficient administration of federal financial relations.

Budgeted expenses for Outcome 1

Table 2.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Department of the Treasury					
Departmental expenses					
Departmental appropriations	170,276	189,580	187,186	167,183	160,264
74 Retained revenue receipts (a)	12,203	12,423	12,423	12,423	11,023
Special accounts					
Actuarial Services Special Account (b)	220	-	-	-	-
Expenses not requiring appropriation in the Budget year (c)	9,441	9,486	9,517	9,559	9,377
Departmental total	192,140	211,489	209,126	189,165	180,664
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	12,350	8,374	70	60	-
Special appropriations: PGPA Act 2013 - s77 repayments	1,000	1,000	1,000	1,000	1,000
Administered total	13,350	9,374	1,070	1,060	1,000
Total expenses for program 1.1	205,490	220,863	210,196	190,225	181,664
Program 1.2: Payments to International Financial Institutions					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Global Infrastructure Facility	12,500	-	-	-	-
Asia Pacific Project Preparation Facility	5,000	-	-	-	-
Special appropriations					
International Monetary Agreements Act 1947	14,034	30,292	42,408	56,370	70,770
Expenses not requiring appropriation (d)	-	124,642	-	-	-
Administered total	31,534	154,934	42,408	56,370	70,770
Total expenses for program 1.2	31,534	154,934	42,408	56,370	70,770

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.3: Support for Markets and Business					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Housing Loans Insurance Company Limited - pre-transfer contract portfolio management	675	9	9	9	9
Global Infrastructure Hub	6,800	6,800	3,400	-	-
Small Business Advisory Services	7,414	7,706	5,994	6,292	5,974
Administered total	14,889	14,515	9,403	6,301	5,983
Total expenses for program 1.3	14,889	14,515	9,403	6,301	5,983
Program 1.4: General Revenue Assistance					
Special appropriations					
GST Revenue Entitlements - <i>Federal Financial Relations Act 2009</i>	59,240,000	62,340,000	65,590,000	67,670,000	71,540,000
Special accounts					
COAG Reform Fund					
ACT municipal services	39,054	39,562	40,116	40,717	41,287
Compensation for reduced royalties	34,413	28,256	26,536	28,768	30,542
Royalties	587,671	587,750	528,717	511,009	515,000
Snowy Hydro Limited tax compensation	75,000	75,000	75,000	75,000	75,000
Administered total	59,976,138	63,070,568	66,260,369	68,325,494	72,201,829
Total expenses for program 1.4	59,976,138	63,070,568	66,260,369	68,325,494	72,201,829
Program 1.5: Assistance to the States for Healthcare Services					
Special appropriations					
National Health Reform funding - <i>Federal Financial Relations Act 2009 (e)</i>	18,459,771	19,562,602	20,638,590	21,768,588	-
Public Hospitals funding - <i>Federal Financial Relations Act 2009 (e)</i>	-	-	-	-	22,676,723
Administered total	18,459,771	19,562,602	20,638,590	21,768,588	22,676,723
Total expenses for program 1.5	18,459,771	19,562,602	20,638,590	21,768,588	22,676,723

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.6: Assistance to the States for Skills and Workforce Development					
Special appropriations					
National Skills and Workforce Development SPP - <i>Federal Financial Relations Act 2009</i>	1,476,079	1,495,490	1,516,875	1,540,311	1,562,568
Administered total	1,476,079	1,495,490	1,516,875	1,540,311	1,562,568
Total expenses for program 1.6	1,476,079	1,495,490	1,516,875	1,540,311	1,562,568
Program 1.7: Assistance to the States for Disability Services					
Special appropriations					
National Disability Services SPP - <i>Federal Financial Relations Act 2009 (f)</i>	1,490,390	1,519,694	950,806	180,439	-
Administered total	1,490,390	1,519,694	950,806	180,439	-
Total expenses for program 1.7	1,490,390	1,519,694	950,806	180,439	-
Program 1.8: Assistance to the States for Affordable Housing					
Special appropriations					
National Affordable Housing SPP - <i>Federal Financial Relations Act 2009 (g)</i>	1,342,589	1,360,042	-	-	-
Special accounts					
COAG Reform Fund National Housing and Homelessness (g)	-	-	1,500,165	1,524,886	1,548,457
Administered total	1,342,589	1,360,042	1,500,165	1,524,886	1,548,457
Total expenses for program 1.8	1,342,589	1,360,042	1,500,165	1,524,886	1,548,457
Program 1.9: National Partnership Payments to the States					
Special accounts					
COAG Reform Fund (h)	11,636,612	11,813,074	11,720,749	7,823,682	5,649,020
Administered total	11,636,612	11,813,074	11,720,749	7,823,682	5,649,020
Total expenses for program 1.9	11,636,612	11,813,074	11,720,749	7,823,682	5,649,020

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1 Totals by Appropriation Type					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	170,276	189,580	187,186	167,183	160,264
s74 Retained revenue receipts	12,203	12,423	12,423	12,423	11,023
Special accounts	220	-	-	-	-
Expenses not requiring appropriation	9,441	9,486	9,517	9,559	9,377
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	44,739	22,889	9,473	6,361	5,983
Special appropriations	82,023,863	86,309,120	88,739,679	91,216,708	95,851,061
Special accounts	12,372,750	12,543,642	13,891,283	10,004,062	7,859,306
Expenses not requiring appropriation	-	124,642	-	-	-
Total expenses for Outcome 1	94,633,492	99,211,782	102,849,561	101,416,296	103,897,014

	2016-17	2017-18
Average staffing level (number)	815	859

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (b) The Actuarial Services Special Account was sunset on 1 October 2016.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.
- (d) Expenses not requiring appropriation in the Budget year relate to foreign exchange losses.
- (e) Until 2019-20, National Health Reform funding will be linked to the level of hospital services delivered in each State or Territory. Arrangements for 2020-21 and later years will be subject to the outcome of negotiations with the States and Territories.
- (f) A zero entitlement to National Disability SPP funding indicates that the NDIS has been fully rolled out.
- (g) From 2018-19, funding from the National Affordable Housing SPP and the National Partnership on Homelessness will be combined under the National Housing and Homelessness Agreement.
- (h) Table 2.2 provides details of specific payments linked to programs administered by other portfolios.
- Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.2: Program 1.9 expenses

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Special accounts						
COAG Reform Fund						
Agriculture portfolio						
Assistance for pest animal and weed management in drought-affected areas	1.2	4,000	4,000	2,000	-	-
Established Pest and Weed Management	2.2	5,000	5,000	5,000	-	-
Great Artesian Basin Sustainability Initiative	3.1	10,279	421	-	-	-
Implementing Water Reform in the Murray-Darling Basin	3.1	20,000	20,000	20,000	20,000	-
Mechanical Fuel Load Reduction trial	1.3	-	500	-	-	-
Pest and disease preparedness and response programs	2.2	21,261	19,892	19,835	20,154	20,456
South Australian River Murray Sustainability Program						
- Irrigation efficiency and water purchase	3.1	10,500	21,500	-	-	-
- Irrigation industry assistance	1.2	39,500	25,000	10,000	-	-
Sustainable Rural Water Use and Infrastructure Program	3.1	329,933	433,989	336,538	75,256	19,494
Water Infrastructure Development Fund						
- Feasibility studies	3.1	13,298	24,936	6,266	-	-
- Capital component	3.1	-	15,000	45,000	80,000	80,000
Total		453,771	570,238	444,639	195,410	119,950

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Attorney-General's portfolio						
Family advocacy and support services	1.4	4,235	6,978	6,978	-	-
Bushfire mitigation	1.7	5,250	-	-	-	-
Legal assistance services	1.4	257,144	261,514	265,880	270,012	-
National Fire Danger Rating System	1.2	-	500	200	-	-
Natural Disaster Relief and Recovery Arrangements	1.7	82,424	9,419	1,520	-	-
Natural disaster resilience	1.7	15,008	63,292	-	-	-
Schools Security Programme	1.7	1,536	5,714	5,714	5,714	-
Total		365,597	347,417	280,292	275,726	-
Communications portfolio						
Online safety programmes in schools	1.2	2,891	3,750	-	-	-
Wifi and mobile coverage on trains	1.1	-	5,000	5,000	2,000	-
Total		2,891	8,750	5,000	2,000	-
Defence portfolio						
School Pathways Program	1.3	1,200	-	-	-	-
Total		1,200	-	-	-	-

Table 2.2: Program 1.9 expenses (continued)

		2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Agency PBS Program						
Education portfolio						
Building Australia's Future Workforce -Skills Reform	2.8	526,906	-	-	-	-
Independent Public Schools initiative	1.1	22,220	-	-	-	-
National School Chaplaincy Programme	1.3	60,587	60,587	-	-	-
Trade training centres in schools	1.4	725	-	-	-	-
Universal access to early childhood education	1.3	418,005	425,844	299,507	-	-
National Occasional Care Programme	1.6	1,509	1,536	-	-	-
National quality agenda for early childhood education and care	1.6	21,646	20,330	-	-	-
Skilling Australians Fund	2.8	-	350,000	360,000	390,000	370,000
Total		1,051,598	858,297	659,507	390,000	370,000
Environment portfolio						
Management of the World Heritage Values of the Tasmanian Wilderness	1.4	1,780	1,663	-	-	-
Whale and dolphin entanglements	1.4	224	-	-	-	-
Total		2,004	1,663	-	-	-
Finance portfolio						
Provision of Fire Services	2.4	20,347	21,059	21,796	22,559	23,348
Total		20,347	21,059	21,796	22,559	23,348
Foreign Affairs and Trade portfolio						
Developing demand - driver infrastructure for tourism industry	1.14	10,413	18,996	-	-	-
Regional Tourism Infrastructure and Innovation Fund	1.14	3,500	-	-	-	-
Tasmanian Tourism Growth Package		1,120	-	-	-	-
Total		15,033	18,996	-	-	-

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Health portfolio						
Accommodation and infrastructure related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory						
	2.2	3,000	-	-	-	-
Additional assistance for public hospitals						
	2.7	-	-	300	400	-
Addressing blood borne viruses and sexually transmissible infections in the Torres Strait						
	5.2	1,120	1,120	1,120	1,120	-
Adult Public Dental Services						
	4.6	104,500	107,750	107,750	-	-
Albury-Wodonga Cardiac Catheterisation Laboratory						
	1.3	3,000	500	1,000	-	-
Construction of Palmerston Hospital						
	1.3	20,000	-	-	-	-
Encourage more clinical trials in Australia						
	1.1	-	2,500	1,500	1,500	1,500
Essential vaccines						
	5.3	142,191	143,563	145,322	146,728	150,779
Expansion of the BreastScreen Australia program						
	2.4	15,887	14,722	14,929	15,152	15,364
Health Infrastructure						
- National cancer system						
	1.3	2,000	4,980	1,600	-	-
- Regional priority round						
	1.3	93,576	54,300	29,930	10,000	-
Heffron Park Centre of Excellence						
	3.1	1,000	3,000	6,000	-	-
Hepatitis C settlement fund						
	1.1	154	157	159	161	-
Home and Community Care						
	6.2	190,933	202,792	-	-	-
Hummingbird House						
	2.4	800	800	800	800	-
Total		578,161	536,184	310,410	175,861	167,643

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Health portfolio (continued)						
Improving Health Services in Tasmania						
- Improving patient pathways through clinical and system redesign	2.7	1,095	-	-	-	-
- Reducing elective surgery waiting lists in Tasmania	2.7	8,486	-	-	-	-
- Subacute and acute projects	2.7	10,663	10,000	5,000	-	-
Improving local access to health care on Phillip Island	1.3	2,000	-	-	-	-
Improving trachoma control services for Indigenous Australians	2.2	4,294	5,123	5,132	5,224	5,307
Mersey Community Hospital	2.7	730,368	1,800	1,800	1,800	800
National Bowel Cancer Screening Program - participant follow-up function	2.4	4,747	6,352	-	-	-
National Coronial Information System	2.4	800	400	400	400	-
Northern Territory remote Aboriginal investment - Health	2.2	5,905	6,171	6,448	6,739	7,042
OzFoodNet	5.2	1,748	1,769	1,795	1,824	-
Total		770,106	31,615	20,575	15,987	13,149

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Health portfolio (continued)						
Proton beam facility	1.3	-	68,000	-	-	-
Rheumatic fever strategy	2.2	3,110	3,129	3,176	3,224	3,272
Royal Darwin Hospital - equipped, prepared and ready	5.2	15,740	16,023	16,311	-	-
Suicide Prevention	2.1	-	3,000	3,000	3,000	-
Supporting National Mental Health Reform	2.1	7,222	-	-	-	-
Mosquito control and cross-border liaison in the Torres Strait	5.2	992	1,001	1,016	1,032	-
Management of Torres Strait / Papua New Guinea cross-border health issues	5.2	4,653	4,708	4,778	4,854	-
Upgrade to Ballina Hospital	1.3	2,600	-	-	-	-
Vaccine-preventable diseases surveillance	5.2	845	849	862	876	-
Victorian Cytology Service	2.4	9,799	10,168	10,310	10,465	10,611
Total		44,961	106,878	39,453	23,451	13,883

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Industry portfolio						
Environmental management of the former Rum Jungle mine site	2.4	-	6,076	3,972	-	-
Total		-	6,076	3,972	-	-
Infrastructure and Regional Development portfolio						
Infrastructure Growth Package – Asset Recycling Fund						
- New investments	1.1	515,520	473,802	74,612	6,660	-
- Western Sydney Infrastructure Plan	1.1	278,774	724,970	488,077	190,048	430,000
Infrastructure Investment Programme						
- Black spot projects	1.1	25,000	85,000	85,000	85,000	60,000
- Bridges renewal programme	1.1	64,299	90,000	85,000	85,000	60,000
- Heavy vehicle safety and productivity	1.1	50,202	60,000	60,000	70,000	40,000
- Improving the national network	1.1	1	-	-	-	-
- Investment - Rail	1.1	207,866	438,133	415,550	345,000	658,000
- Investment - Road	1.1	4,231,453	4,158,351	3,916,128	3,458,393	2,083,450
- National Rail Program	1.1	-	-	-	200,000	400,000
Interstate road transport	2.2	71,002	71,002	71,002	71,002	71,002
Murray-Darling Basin - Regional Economic Diversification	3.1	22,706	-	-	-	-
Northern Australia - Improving cattle supply chains	1.1	1,702	45,374	42,314	10,610	-
South Australian River Murray Sustainability Programme Regional economic development	3.1	2,500	-	-	-	-
North Queensland Stadium	1.1	10,000	50,000	35,000	5,000	-
Northern Australia Roads Projects	1.1	12,000	188,486	220,184	179,330	-
Total		5,493,025	6,385,118	5,492,867	4,706,043	3,802,452

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Prime Minister and Cabinet portfolio						
Northern Territory remote Aboriginal investment						
	2.2	38,449	38,805	33,108	34,790	28,937
	2.3	67,392	63,007	53,636	44,355	34,629
	2.5	49,685	50,903	3,536	3,536	3,651
	2.5	390,982	385,421	-	-	-
Total		546,508	538,136	90,280	82,681	67,217
Social Services portfolio						
	4.1	115,000	117,221	-	-	-
	2.1	1,829	-	-	-	-
	2.3	184,796	180,983	164,416	74,829	47,588
	3.2	340,238	537,983	3,180,788	1,344,866	1,014,136
	4.1	-	-	-	1,062	1,062
	3.2	313,121	321,896	167,801	28,216	-
	2.1	-	-	3,512	3,512	3,512
	3.2	-	169,681	267,601	474,829	-
	3.2	67,983	-	-	-	-
	2.1	1,290	1,960	2,230	2,020	-
Total		1,024,257	1,329,724	3,786,348	1,929,334	1,066,298

Table 2.2: Program 1.9 expenses (continued)

	Agency PBS Program	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Treasury portfolio						
Asset Recycling - Energy Infrastructure	1.9	-	18,300	18,300	-	-
Financial assistance to NSW Government for NSW Police	1.9	-	80	2,910	4,630	5,080
First Home Owners Boost	1.9	(258)	-	-	-	-
Implementation of the National Insurance Affordability Initiative	1.9	7,000	4,980	-	-	-
Infrastructure Growth Package – Asset Recycling Initiative	1.9	1,018,851	898,313	369,400	-	-
Moneysmart Teaching	1.9	1,310	-	-	-	-
National Register of Foreign Ownership of Land Titles	1.9	8,000	-	-	-	-
North Queensland Strata Title Inspection Scheme	1.9	6,250	6,250	-	-	-
Regulatory reform	1.9	-	125,000	175,000	-	-
Western Australia Infrastructure projects	1.9	226,000	-	-	-	-
Total		1,267,153	1,052,923	565,610	4,630	5,080
Total program expenses		11,636,612	11,813,074	11,720,749	7,823,682	5,649,020

Table 2.3: Performance criteria for Outcome 1

The table below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<p>Outcome 1</p> <p>Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to Government and the efficient administration of federal financial relations</p>
<p>Program 1.1: Department of the Treasury</p> <p>The objectives of the Treasury are:</p> <ul style="list-style-type: none">• promoting a sound macroeconomic environment;• promoting effective Government spending arrangements that contribute to overall fiscal outcomes and influence strong sustainable economic growth;• supporting financial relations with the State and Territory Governments;• developing effective taxation and retirement income arrangements consistent with the Government's reform priorities;• developing a well-functioning financial system that encourages consumer and investor confidence;• a well-regulated, competitive and efficient small business sector; and• supporting effective and sustainable structural reform.

<p>Delivery</p>	<p>The Treasury achieves its objectives by providing support to the Australian Government in relation to:</p> <ul style="list-style-type: none"> • domestic and international developments affecting the Australian economy and forecasts of the direction of the Australian and international economies; • the setting of sound macroeconomic policies and assessments of how Government policy options would affect the Australian economy; • fiscal strategy, with the aim of ensuring fiscal sustainability over the economic cycle; • Commonwealth-State financial relations; • implementing the Government's taxation and retirement income reforms; • Australia's financial system and services regulatory policy framework; • foreign investment issues including assessing foreign investment proposals and implementing the Government's commitment to strengthen the foreign investment framework; • small business policy frameworks, including ongoing support for the Australian Small Business and Family Enterprise Ombudsman; and • the structure and reform of Australian industries and regions, including approaches to regulation. <p>The Treasury achieves these objectives through its engagement with the private sector, international fora, non-Government organisations, academia and other policy-focused institutions, and is a high-performing and flexible organisation.</p>
<p>Performance information</p>	
<p>Performance criteria</p>	<p>2016-17 and forward year targets</p>
<p>The Treasury will assist the Government by:</p>	<p>The Treasury will be measured by:</p>
<p>Providing high-quality, timely and accurate advice to the Government</p>	<p>Advice meets the Government's needs in administering its responsibilities and making and implementing decisions. Advice is based on an objective understanding of the issues and with a whole-of-Government perspective. The degree of client satisfaction with the quality and timeliness of the advice provided is assessed through formal and informal feedback mechanisms.</p>
<p>Coordinating the preparation of the Australian Government Budget and other documents</p>	<p>Documents are produced in accordance with timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i>.</p>
<p>Strengthening the Treasury's links with the private sector, non-Government organisations, academia and other policy-focused institutions over the period</p>	<p>The extent of contact established and maintained by the Canberra, Sydney and Melbourne offices of the Treasury with the private sector, non-Government organisations, academia and other policy-focussed institutions, including through formal policy consultations.</p> <p>The number of secondments undertaken each year with the private sector, non-Government organisations, academia and other policy-focussed institutions by the Canberra, Sydney and Melbourne offices of the Treasury.</p>

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Performance criteria	2016-17 and forward year targets
Fit-for-purpose economic and tax modelling	Outcomes are consistent with forecasts, allowing for unforeseeable events.
Supporting G20 initiatives to drive global growth and enhance regional engagement with key trading partners	Involvement with the G20 Finance Ministers' and Central Bank Governors' meetings and supporting G20 working group meetings.
Assessing foreign investment proposals	Number of proposals assessed. Number of significant (complex) cases and the degree of the Government's satisfaction with our performance in managing the cases.
Progressing the implementation of the Government's deregulation agenda, particularly by reducing red tape	Reductions in red tape are consistent with the Government's target.
Coordinating the Government's legislative program for tax and superannuation, financial system, corporations, competition and consumer policy in accordance with the Government's priorities	All Bills, regulations and supporting documents are produced in accordance with the relevant legislative requirements and guidance, including timeframes.
Publishing reports and other information that stimulate and inform Government and public debate through robust analysis, modelling and research	Number of publications and extent of online readership.
Maintaining and building our organisational capability	Evaluating Treasury's Workforce Plan annually. Provision of quality and timely corporate services, assessed through ongoing engagement with, and feedback from, the Department.
<p>Purposes</p> <p>The Treasury serves the Australian people by assisting the Australian Government's Treasury Ministers to discharge their responsibilities. The Treasury provides advice across a range of issues: from tax, the Budget and the economy; to financial, foreign investment, competition and broader structural policy and from small business to international economic policy.</p>	

Program 1.2 — Payments to International Financial Institutions	
The Treasury, on behalf of the Government, makes payments to international financial institutions to:	
<ul style="list-style-type: none"> • promote international monetary cooperation; • promote stability of the international financial system and orderly exchange arrangements; • foster economic growth and high levels of employment; • provide temporary financial assistance to countries to help ease balance of payments adjustments; • facilitate the achievement of Government objectives in international forums, including support for development objectives and improved infrastructure in the Asian region; and • Support multilateral debt relief. 	
Delivery	Payments are made to the International Monetary Fund (IMF), under the <i>International Monetary Agreements Act 1947</i> . Payments are also made to multilateral development banks to which Australia is a member, specifically the World Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the Asian Infrastructure Investment Bank, in accordance with the relevant agreement.
Performance information	
Performance criteria	2016-17 and forward year targets
Payment to international financial institutions are made with due regard to minimising cost and risk for Australia	Financial transactions are timely and accurate.
Purposes	
The Treasury serves the Australian people by assisting the Australian Government's Treasury Ministers to discharge their responsibilities. Treasury does this by facilitating financial transactions with international financial institutions on behalf of the Treasurer.	

Program 1.3 — Support for Markets and Business		
Treasury, on behalf of the Australian Government, makes payments to support markets.		
Delivery	<p>The Treasury makes the following payments in accordance with the relevant agreements:</p> <ul style="list-style-type: none"> grants under the Australian Small Business Advisory Services (ASBAS) program are provided to not-for-profit small business advisory service providers to improve their capacity to deliver low cost small business advisory, information and referral services; and contribution to the establishment and operation of the Global Infrastructure Hub (the Hub). 	
Performance information		
Performance criteria	2016-17 to 2018-19 targets	2019-20 targets
Appropriate assistance provided to enterprising people through the ASBAS program	25,000 additional services provided to enterprising people through the ASBAS program.	20,000 additional services provided to enterprising people through the ASBAS program.
Performance criteria	2016-17 and forward year targets	
Payments to the Hub are made in accordance with the grant agreement	Payments to the Hub are made according to the grant agreement.	
Purposes		
The Treasury serves the Australian people by assisting the Australian Government's Treasury Ministers to discharge their responsibilities. Treasury does this by managing payments to support markets and business on behalf of the Treasury Ministers.		

Programs 1.4 to 1.9 — Financial Support to States and Territories	
<p>Under programs 1.4 to 1.9, the Treasury provides financial support to the States and Territories for a wide range of activities under the <i>Intergovernmental Agreement on Federal Financial Relations</i> (IGAFFR) and other relevant agreements between the Commonwealth and the States and Territories. Since these programs have common performance criteria, they have been presented together below.</p> <p>Program 1.4 — General Revenue Assistance. The Treasury, on behalf of the Government, will make general revenue assistance payments to the States and Territories.</p> <p>Program 1.5 — Assistance to the States for Healthcare Services. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of healthcare services.</p> <p>Program 1.6 — Assistance to the States for Skills and Workforce Development. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of skills and workforce development services.</p> <p>Program 1.7 — Assistance to the States for Disability Services. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of disability services.</p> <p>Program 1.8 — Assistance to the States for Affordable Housing. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent in the delivery of affordable housing services.</p> <p>Program 1.9 — National Partnership Payments to the States. The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent on improving outcomes in the areas specified in each of the National Partnership agreements. These payments support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. This program is linked to programs administered by a number of other portfolios, as noted in Table 2.2, which provides further details of specific payments.</p>	
Delivery	<p>Payments to the States and Territories are delivered as specified in the IGAFFR and other relevant agreements. Agreements can be viewed at www.federalfinancialrelations.gov.au</p>

Performance information	
Performance criteria	2016-17 and forward year targets
<p>Payment to the States and Territories are made with regard to the arrangements specified in the IGAFFR and other relevant agreements</p>	<p>The Treasury will make timely and accurate payments to the States and Territories that reflect the requirements, the amounts and timeframes set out in the IGAFFR and other relevant agreements. The Treasury will provide advice to States and Territories on the components of each payment before it is made.</p> <p>The Treasury will provide GST revenue data to the States and Territories on a monthly, quarterly and annual basis, and will maintain a schedule of estimates of annual net GST receipts, in accordance with the requirements of the IGAFFR.</p>
<p>Purposes</p> <p>The Treasury serves the Australian people by assisting the Australian Government's Treasury Ministers to discharge their responsibilities. The Treasury does this by managing payments to the States and Territories on behalf of the Treasurer.</p>	
<p>Further details of programs 1.4 to 1.9, including estimates across the forward years, can be found in <i>Budget Paper No.3, Federal Financial Relations 2017-18</i>.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 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 is prepared on a cash basis and provides a view of cash/appropriations resources available to the Treasury whilst the financial statements are prepared on an accrual basis.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2017-18 and over the forward estimates.

The Treasury has a sound financial position and has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	127,502	138,769	141,856	130,133	131,375
Suppliers	57,372	65,409	59,928	51,648	42,087
Grants	1,958	1,958	1,958	1,958	1,958
Depreciation and amortisation	5,308	5,353	5,384	5,426	5,244
Total expenses	192,140	211,489	209,126	189,165	180,664
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	11,431	11,651	11,651	11,651	10,251
Other	772	772	772	772	772
Total own-source revenue	12,203	12,423	12,423	12,423	11,023
Gains					
Other	4,133	4,133	4,133	4,133	4,133
Total gains	4,133	4,133	4,133	4,133	4,133
Total own-source income	16,336	16,556	16,556	16,556	15,156
Net (cost of)/contribution by services	(175,804)	(194,933)	(192,570)	(172,609)	(165,508)
Revenue from Government	170,496	189,580	187,186	167,183	160,264
Surplus/(deficit) attributable to the Australian Government	(5,308)	(5,353)	(5,384)	(5,426)	(5,244)

Note: Impact of net cash appropriation arrangements

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	5,308	5,353	5,384	5,426	5,244
Total comprehensive income/(loss) - as per the statement of comprehensive income	(5,308)	(5,353)	(5,384)	(5,426)	(5,244)

(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)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,000	1,000	1,000	1,000	1,000
Trade and other receivables	53,620	53,531	52,417	52,856	52,708
Total financial assets	54,620	54,531	53,417	53,856	53,708
Non-financial assets					
Land and buildings	14,280	14,243	14,180	14,104	14,481
Property, plant and equipment	9,617	15,857	17,437	17,408	16,102
Intangibles	10,030	11,470	12,965	12,861	13,789
Other non-financial assets	4,890	4,890	4,890	4,890	4,890
Total non-financial assets	38,817	46,460	49,472	49,263	49,262
Total assets	93,437	100,991	102,889	103,119	102,970
LIABILITIES					
Payables					
Suppliers	335	335	335	335	335
Other payables	5,527	5,527	5,527	5,527	5,527
Total payables	5,862	5,862	5,862	5,862	5,862
Provisions					
Employee provisions	47,892	47,803	46,689	47,128	46,980
Other provisions	3,279	3,279	3,279	3,279	3,279
Total provisions	51,171	51,082	49,968	50,407	50,259
Total liabilities	57,033	56,944	55,830	56,269	56,121
Net assets	36,404	44,047	47,059	46,850	46,849
EQUITY*					
Parent entity interest					
Contributed equity	64,136	77,132	85,528	90,745	95,988
Reserves	12,188	12,188	12,188	12,188	12,188
Retained surplus (accumulated deficit)	(39,920)	(45,273)	(50,657)	(56,083)	(61,327)
Total equity	36,404	44,047	47,059	46,850	46,849

*'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 2017-18)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	(39,920)	12,188	64,136	36,404
Opening balance	(39,920)	12,188	64,136	36,404
Comprehensive income				
Surplus/(deficit) for the period	(5,353)	-	-	(5,353)
Total comprehensive income	(5,353)	-	-	(5,353)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	4,750	4,750
Departmental capital budget (DCB)	-	-	8,246	8,246
Sub-total transactions with owners	-	-	12,996	12,996
Estimated closing balance as at 30 June 2018	(45,273)	12,188	77,132	44,047
Closing balance attributable to the Australian Government	(45,273)	12,188	77,132	44,047

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	167,637	189,527	188,137	164,744	164,408
Sale of goods and rendering of services	11,431	11,651	11,651	11,651	10,251
Other	772	772	1,022	1,022	1,022
Total cash received	179,840	201,950	200,810	177,417	175,681
Cash used					
Employees	125,836	138,280	142,385	124,848	130,395
Suppliers	53,822	61,712	56,217	50,361	43,078
Other	1,958	1,958	2,208	2,208	2,208
Total cash used	181,616	201,950	200,810	177,417	175,681
Net cash from/(used by) operating activities	(1,776)	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	5,598	12,996	8,396	5,217	5,243
Total cash used	5,598	12,996	8,396	5,217	5,243
Net cash from/(used by) investing activities	(5,598)	(12,996)	(8,396)	(5,217)	(5,243)
FINANCING ACTIVITIES					
Cash received					
Appropriations - equity injections	300	4,750	-	-	-
Appropriations - DCB	5,298	8,246	8,396	5,217	5,243
Total cash received	5,598	12,996	8,396	5,217	5,243
Net cash from/(used by) financing activities	5,598	12,996	8,396	5,217	5,243
Net increase/(decrease) in cash held	(1,776)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,776	1,000	1,000	1,000	1,000
Cash and cash equivalents at the end of the reporting period	1,000	1,000	1,000	1,000	1,000

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	5,298	8,246	8,396	5,217	5,243
Equity injections - Bill 2	300	4,750	-	-	-
Total new capital appropriations	5,598	12,996	8,396	5,217	5,243
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>5,598</i>	<i>12,996</i>	<i>8,396</i>	<i>5,217</i>	<i>5,243</i>
Total items	5,598	12,996	8,396	5,217	5,243
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	300	4,750	-	-	-
Funded by capital appropriation - DCB	5,298	8,246	8,396	5,217	5,243
TOTAL	5,598	12,996	8,396	5,217	5,243
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,598	12,996	8,396	5,217	5,243
Total cash used to acquire assets	5,598	12,996	8,396	5,217	5,243

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2017-18)

	Land and buildings \$'000	Plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	15,650	16,499	26,982	59,131
Accumulated depreciation/ amortisation and impairment	(1,370)	(6,882)	(16,952)	(25,204)
Opening net book balance	14,280	9,617	10,030	33,927
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	4,750	-	4,750
By purchase - appropriation ordinary annual services (b)	1,351	3,013	3,882	8,246
Total additions	1,351	7,763	3,882	12,996
Other movements				
Depreciation/amortisation expense	(1,388)	(1,523)	(2,442)	(5,353)
Total other movements	(1,388)	(1,523)	(2,442)	(5,353)
As at 30 June 2018				
Gross book value	17,001	24,262	30,864	72,127
Accumulated depreciation/ amortisation and impairment	(2,758)	(8,405)	(19,394)	(30,557)
Closing net book balance	14,243	15,857	11,470	41,570

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 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)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Grants	94,413,140	98,835,834	102,596,741	101,169,630	103,644,410
Interest	14,034	30,292	42,408	56,370	70,770
Suppliers	13,503	9,525	1,286	1,131	1,170
Foreign exchange	-	124,642	-	-	-
Other expenses	675	-	-	-	-
Total expenses administered on behalf of Government	94,441,352	99,000,293	102,640,435	101,227,131	103,716,350
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	786,260	731,921	699,156	565,750	567,698
Interest	4,431	8,941	12,547	14,138	13,564
Dividends	1,123,500	629,500	1,039,000	1,325,000	-
COAG revenue from government entities	596,036	792,189	3,416,206	1,490,697	1,132,726
Other revenue	4,300	4,600	4,650	4,900	4,900
Total non-taxation revenue	2,514,527	2,167,151	5,171,559	3,400,485	1,718,888
Total own-source revenue administered on behalf of Government	2,514,527	2,167,151	5,171,559	3,400,485	1,718,888
Gains					
Foreign exchange	157,199	-	-	289,454	310,699
NDRRA provision - revaluation	54,472	-	-	-	-
Total gains administered on behalf of Government	211,671	-	-	289,454	310,699
Total own-sourced income administered on behalf of Government	2,726,198	2,167,151	5,171,559	3,689,939	2,029,587
Net cost of/(contribution by) services	91,715,154	96,833,142	97,468,876	97,537,192	101,686,763
Total comprehensive income/(loss)	(91,715,154)	(96,833,142)	(97,468,876)	(97,537,192)	(101,686,763)

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Advances and loans	770,211	781,141	751,416	613,849	479,483
Receivables	1,110,384	605,662	1,062,865	1,345,321	17,220
Investments	37,366,528	37,339,779	37,532,900	38,224,753	38,747,348
Total financial assets	39,247,123	38,726,582	39,347,181	40,183,923	39,244,051
Non-financial assets					
Other	400	400	400	400	400
Total non-financial assets	400	400	400	400	400
Total assets administered on behalf of Government	39,247,523	38,726,982	39,347,581	40,184,323	39,244,451
LIABILITIES					
Payables					
Grants	52,370	86,964	106,284	141,362	142,163
Other payables	5,567,662	5,474,915	5,477,163	5,679,698	5,891,495
Unearned income	28,480	17,927	8,451	5,168	2,152
Total payables	5,648,512	5,579,806	5,591,898	5,826,228	6,035,810
Interest bearing liabilities					
Loans	9,534,223	9,141,760	9,116,994	9,093,655	9,095,882
Total interest bearing liabilities	9,534,223	9,141,760	9,116,994	9,093,655	9,095,882
Provisions					
Provisions for grants	511,530	82,485	-	-	-
Total provisions	511,530	82,485	-	-	-
Total liabilities administered on behalf of Government	15,694,265	14,804,051	14,708,892	14,919,883	15,131,692
Net assets/(liabilities)	23,553,258	23,922,931	24,638,689	25,264,440	24,112,759

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	104,136	100,952	100,215	93,763	93,373
Interest	1,293	3,311	4,223	4,565	4,202
Dividends	3,279,319	1,123,500	572,000	1,039,000	1,325,000
COAG receipts from entities	17,638,804	18,963,699	3,416,204	1,490,697	1,132,726
Other	4,300	4,600	4,650	4,900	4,900
Total cash received	21,027,852	20,196,062	4,097,292	2,632,925	2,560,201
Cash used					
Grant payments	111,968,597	116,770,657	102,060,642	100,662,302	103,169,197
Interest paid	10,541	28,311	40,160	53,916	68,642
Other	14,178	9,525	1,286	1,131	1,170
Total cash used	111,993,316	116,808,493	102,102,088	100,717,349	103,239,009
Net cash from/(used by) operating activities	(90,965,464)	(96,612,431)	(98,004,796)	(98,084,424)	(100,678,808)
INVESTING ACTIVITIES					
Cash received					
Advances and loans	20,225	54,700	82,899	147,140	143,728
IMF maintenance of value	472,003	-	-	-	-
Total cash received	492,228	54,700	82,899	147,140	143,728
Cash used					
Purchase of investments	312,853	585,085	217,886	225,656	-
Advances and loans	15,000	60,000	44,850	-	-
Total cash used	327,853	645,085	262,736	225,656	-
Net cash from/(used by) investing activities	164,375	(590,385)	(179,837)	(78,516)	143,728
Net increase / (decrease) in cash held	(90,801,089)	(97,202,816)	(98,184,633)	(98,162,940)	(100,535,080)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	95,278,399	99,282,066	102,364,824	100,943,005	103,239,009
Cash to Official Public Account for:					
- Appropriations	(4,477,310)	(2,079,250)	(4,180,191)	(2,780,065)	(2,703,929)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered assets and liabilities	60,000	60,000	44,850	-	-
Special appropriations	312,853	585,085	217,886	225,656	-
Total new capital appropriations	372,853	645,085	262,736	225,656	-
<i>Provided for:</i>					
James Hardie asbestos compensation fund - loan to NSW Government	60,000	60,000	44,850	-	-
International financial institutions	312,853	585,085	217,886	225,656	-
Total items	372,853	645,085	262,736	225,656	-

Prepared on Australian Accounting Standards basis.