

# DEPARTMENT OF THE TREASURY

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# DEPARTMENT OF THE TREASURY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Department of the Treasury (the Treasury) from that outlined in the *Portfolio Budget Statements 2015-16* (pages 16-18).

As a result of the Administrative Arrangements Orders in September 2015 the Northern Australian Infrastructure Incentive Facility was transferred from the Treasury to the Department of Industry, Innovation and Science. The Administrative Arrangements Orders also transferred responsibility for the administration of the Clean Energy Finance Corporation (CEFC) special account from the Treasury to the Department of the Environment.

The Treasury is seeking an additional \$1.8 million in departmental funding through Appropriation Bill (No. 3) 2015-16. This comprises an additional \$1.2 million for the Asian Infrastructure Investment Bank measure and \$0.7 million for the capability review of the Australian Securities and Investments Commission measure outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*. This additional funding is offset by a reduction of \$0.1 million relating to the Public Sector Superannuation Accumulation Plan administration fees as outlined in the *Mid-Year Economic and Fiscal Outlook 2014-15*.

The Treasury is seeking an additional \$1.4 million in administered funding through Appropriation Bill (No. 3) 2015-16 to provide additional services under the Australian Small Business Advisory Service (ASBAS) programme as outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*.

### 1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Treasury at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 Budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

Additional Estimates Statements – Department of the Treasury

**Table 1.1: Treasury resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016**

	<i>Actual available appropriation</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimate</i>	<i>Total estimate at Additional Estimates</i>
	<i>2014-15</i>	<i>2015-16</i>	<i>2015-16</i>	<i>2015-16</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Ordinary annual services(a)</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation(b)	56,814	62,240	-	62,240
Departmental appropriation(c)	178,140	163,653	1,768	165,421
s.74 Retained Revenue Receipts(d)	15,425	10,521	-	10,521
<b>Total</b>	<b>250,379</b>	<b>236,414</b>	<b>1,768</b>	<b>238,182</b>
<b>Administered expenses</b>				
Outcome 1	86,568	36,724	1,400	38,124
<b>Total</b>	<b>86,568</b>	<b>36,724</b>	<b>1,400</b>	<b>38,124</b>
<b>Total ordinary annual services [A]</b>	<b>336,947</b>	<b>273,138</b>	<b>3,168</b>	<b>276,306</b>
<b>Other services(e)</b>				
<b>Administered expenses</b>				
<b>Departmental non-operating</b>				
Equity injections	1,595	1,700	-	1,700
<b>Total</b>	<b>1,595</b>	<b>1,700</b>	<b>-</b>	<b>1,700</b>
<b>Total other services [B]</b>	<b>1,595</b>	<b>1,700</b>	<b>-</b>	<b>1,700</b>
<b>Total available annual appropriations [A+B]</b>	<b>338,542</b>	<b>274,838</b>	<b>3,168</b>	<b>278,006</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
<i>Asian Development Bank (Additional Subscription) Act 2009</i>	16,979	28,030	-	28,030
<i>Asian Infrastructure Investment Bank Act 2015</i>	-	-	201,128	201,128
<i>Federal Financial Relations Act 2009</i>	73,296,353	77,033,023	631,785	77,664,808
<i>International Monetary Agreements Act 1947</i>	54,453	1,994,862	83,959	2,078,821
<i>PGPA Act 2013 - s.77 repayments</i>	2,871	1,000	-	1,000
<b>Total special appropriations [C]</b>	<b>73,370,656</b>	<b>79,056,915</b>	<b>916,872</b>	<b>79,973,787</b>
<b>Total appropriations excluding Special Accounts [A+B+C]</b>	<b>73,709,198</b>	<b>79,331,753</b>	<b>920,040</b>	<b>80,251,793</b>
<b>Special Accounts</b>				
Opening balance(f)	870,846	2,921,446	(2,918,814)	2,632
Appropriation Receipts(g)	2,000,000	-	-	-
Non-appropriation receipts to Special Accounts	11,574,269	13,033,492	(308,907)	12,724,585
<b>Total Special Accounts [D]</b>	<b>14,445,115</b>	<b>15,954,938</b>	<b>(3,227,721)</b>	<b>12,727,217</b>

**Table 1.1: Treasury resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016 (continued)**

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
<b>Total resourcing [A+B+C+D]</b>	<b>88,154,313</b>	<b>95,286,691</b>	<b>(2,307,681)</b>	<b>92,979,010</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts	2,000,000	-	-	-
<b>Total net resourcing for the Treasury(g)</b>	<b>86,154,313</b>	<b>95,286,691</b>	<b>(2,307,681)</b>	<b>92,979,010</b>

- (a) *Appropriation Act (No. 1) 2015-2016* and *Appropriation Bill (No. 3) 2015-2016*.  
 (b) Estimated adjusted balance carried from previous year for annual appropriations.  
 (c) Includes an amount of \$5.3m in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. The estimate as at Budget for 2015-16 incorporates the transfer of funding of \$1.0 million from the Treasury to the Department of Industry, Innovation and Science for the Northern Australia Infrastructure Incentive Facility.  
 (d) Estimated retained revenue receipts under s. 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.  
 (e) *Appropriation Act (No. 2) 2015-2016* and *Appropriation Bill (No. 4) 2015-2016*.  
 (f) Estimated opening balance for special accounts (less 'special public money' held in Services for Other Entities and Trust Moneys Special Accounts (SOETM)). For further information on special accounts refer to Table 3.1.1. The revised opening balance estimate for 2015-16 has been reduced to reflect the transfer of the CEFC special account to the Department of the Environment.  
 (g) Total resourcing for the Treasury will be effected by s. 75 transfers of appropriations (refer to table 1.4 for further details).

Reader note: All figures are GST exclusive. These figures may not match figures in the cash flow statement.

**Table 1.1: Treasury resource statement — Additional estimates for 2015-16 as at additional estimates February 2016 (continued)**

**Third party payments from and on behalf of other entities**

	Estimate at Budget	Estimate at Additional Estimates
	2015-16 \$'000	2015-16 \$'000
Payments made on behalf of other entities (a)		
Finance (b)	68,182	-
Health (c)	239,678	46,891
Infrastructure and Regional Development	179,920	122,920
Social Services	107,716	158,510

- (a) These payments relate to National Partnership payments to the states.  
 (b) As outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*, access to the DisabilityCare Australia Fund will be determined through negotiations between the Commonwealth and the states. The maximum amount of funding available to the states is set out in the *DisabilityCare Australia Fund Act 2013*.  
 (c) The revision to estimates reflects the change in funding arrangements for health infrastructure projects, which will be funded from the COAG Reform Fund Special Account. This change was part of the *Medical Research Future Fund – establishment* measure as outlined in the Budget Paper No.2, *Budget Measures 2014-15*.

### 1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table is split into expense and capital measures, with the affected programme identified.

**Table 1.2: Treasury 2015-16 measures since Budget**

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Expense measures</b>					
Asian Infrastructure Investment Bank					
Departmental expenses	1.1	1,188	1,181	949	958
Asset Recycling Initiative — redirection of funding					
Administered expenses	1.9	-	-	-	-
Assistance for Queensland Banana Growers — Panama disease Tropical Race 4					
Administered expenses	1.9	-	-	-	-
Capability Review of the Australian Securities and Investments Commission					
Departmental expenses	1.1	-	-	-	-
Disaster relief — additional funding					
Administered expenses	1.7	4,688	8,688	-	-
Financial Stability Fund — not proceeding					
Administered expenses	1.1	(168)	(600)	(1,074)	(1,583)
Health Services in Tasmania — additional funding					
Administered expenses	1.9	10,663	10,000	-	-
Indirect Tax Concession Scheme — diplomatic and consular concessions					
Administered expenses	1.4	-	-	-	-
Mental Health — streamlining					
Administered expenses	1.9	-	-	-	-
National Disability Insurance Scheme — transition to full scheme					
Administered expenses	1.9	(339,236)	(328,803)	(350,862)	(362,195)
National Immunisation Programme — new and amended listings					
Administered expenses	1.9	(3)	(20)	(51)	(68)
Next Generation Manufacturing Programme — additional funding					
Administered expenses	1.9	(10,000)	(10,000)	(9,124)	-
Our North, Our Future					
- business, trade and investment gateway					
Administered expenses	1.9	-	-	-	-
- road and rail infrastructure					
Administered expenses	1.9	-	-	-	-

Additional Estimates Statements – Department of the Treasury

**Table 1.2: Treasury 2015-16 measures since Budget (continued)**

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
South Australia - upgrading the last mile					
Administered expenses	1.9	-	-	-	-
Strengthening Australia's Foreign Investment Framework — continuation					
Administered expenses	1.9	-	-	-	-
Stronger Farmers, Stronger Economy					
– National Water Infrastructure Development Fund					
Administered expenses	1.9	-	-	-	-
– new drought management framework					
Administered expenses	1.9	-	-	-	-
– strengthening research, skills and management of natural resources					
Administered expenses	1.9	-	-	-	-
Public Sector Superannuation Accumulation Plan administration fees (a)					
Departmental expenses	1.1	(66)	(66)	(66)	(66)
Public Sector Savings - Enterprise Resource Planning Systems (b)					
Departmental expenses	1.1	-	-	(94)	(114)
Syrian and Iraqi Humanitarian Crisis					
Administered expenses	1.5/1.4	3,637	15,619	18,803	19,964
Tasmania — horticulture growth project					
Administered expenses	1.9	50	-	-	-
Tasmanian Forests — saving					
Administered expenses	1.9	-	-	-	-
Tasmanian Wilderness World Heritage Area — contribution					
Administered expenses	1.9	-	-	-	-
<b>Total expense measures</b>		<b>(329,247)</b>	<b>(304,001)</b>	<b>(341,519)</b>	<b>(343,104)</b>
Administered		(330,369)	(305,116)	(342,308)	(343,882)
Departmental		1,122	1,115	789	778
<b>Capital measures</b>					
Asian Infrastructure Investment Bank					
Administered	1.1	-	-	-	-
<b>Total capital measures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>(329,247)</b>	<b>(304,001)</b>	<b>(341,519)</b>	<b>(343,104)</b>

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Treasury at Additional Estimates, by outcome. Table 1.3 details the additional estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details additional estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget**

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Outcome 1</b>					
Increase in estimates (administered)					
Our North, Our Future - Business Trade and Investment Gateway (ASBAS) (a)					
	1.3	1,400	1,400	1,400	-
<b>Net impact on estimates for Outcome 1 (administered)</b>					
<b>1,400 1,400 1,400 -</b>					
Increase in estimates (departmental)					
Asian Infrastructure Investment Bank (a)					
	1.1	1,188	1,181	949	958
Capability Review of Australian Securities and Investments Commission (a)					
	1.1	646	-	-	-
Decrease in estimates (departmental)					
Public Sector Superannuation Accumulation Plan administration fees (b)					
	1.1	(66)	(66)	(66)	(66)
Public Sector Savings - Enterprise Resource Planning Systems (c)					
	1.1	-	-	(94)	(114)
<b>Net impact on estimates for Outcome 1 (departmental)</b>					
<b>1,768 1,115 789 778</b>					

(a) The Asian Infrastructure Investment Bank, ASBAS, and Capability Review of Australian Securities and Investments Commission measures were outlined in the *Mid-Year Economic and Fiscal Outlook 2015-16*.

(b) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(c) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.



*Additional Estimates Statements – Department of the Treasury*

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Outcome 1</b>					
Decrease in estimates (departmental)					
Northern Australia Infrastructure Incentive Facility(a)	1.1	(1,000)	(1,500)	(2,000)	(2,000)
Adjustments to reflect movements in indices relating to prices and wages	1.1	-	-	(151)	(304)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>(1,000)</b>	<b>(1,500)</b>	<b>(2,151)</b>	<b>(2,304)</b>
Decrease in estimates (capital)					
Adjustments to reflect movements in indices relating to prices and wages	1.1	-	-	(5)	(11)
<b>Net impact on estimates for Outcome 1 (capital)</b>		<b>-</b>	<b>-</b>	<b>(5)</b>	<b>(11)</b>

(a) Relates to the transfer of funding from the Treasury to the Department of Industry, Innovation and Science for the Northern Australia Infrastructure Incentive Facility as a result of the Administrative Arrangements Orders of September 2015.

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table detail the Additional Estimates sought for the Treasury through Appropriation Bill No. 3. There were no Additional Estimates sought for Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2015-16**

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Outcome 1</b> - 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					
Departmental items (a)	234,954	163,653	165,421	1,768	-
Administered items	86,568	36,724	38,124	1,400	-
<b>Total</b>	<b>321,522</b>	<b>200,377</b>	<b>203,545</b>	<b>3,168</b>	<b>-</b>

(a) The estimate as at the *Budget 2015-16* incorporates the transfer of funding of \$1.0 million from the Treasury to the Department of Industry, Innovation and Science for the Northern Australia Infrastructure Incentive Facility.

## Section 2: Revisions to outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

#### OUTCOME 1

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2015-16* (pages 25-26).

There has been no significant change to the programme objective, expenses, deliverables or key performance indicators for programme 1.2 (payments to international financial institutions) and programmes 1.4 to 1.9 that affect Appropriation Bills Nos. 3 and 4.

Programmes 1.4 to 1.9 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 76 to 85 of the *Mid-Year Economic and Fiscal Outlook 2015-16*.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1:</b> 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	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
<b>Programme 1.1: Department of the Treasury</b>		
Administered expenses		
Ordinary annual services ( <i>Appropriation Act No. 1</i> and Bill No. 3)	28,382	3,230
Special appropriations	2,871	1,000
Expenses not requiring appropriation	100	-
Departmental expenses		
Departmental appropriation (a)	182,241	171,724
Special Accounts	1,840	1,803
Expenses not requiring appropriation in the Budget year (b)	9,969	8,217
<b>Total for Programme 1.1</b>	<b>225,403</b>	<b>185,974</b>
<b>Program 1.3: Support for Markets</b>		
Administered expenses		
Ordinary annual services ( <i>Appropriation Act No. 1</i> and Bill No. 3)	6,941	17,394
<b>Total for Programme 1.3</b>	<b>6,941</b>	<b>17,394</b>
	2014-15	2015-16
<b>Average Staffing Level (number)</b>	820	839

(a) Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1* and Bill No. 3)' and 'Retained Revenue Receipts under s. 74 of the PGPA Act 2013'.

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

### Programme Objective 1.1 – Department of the Treasury

There have been no significant changes to programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses have been updated to reflect new government measures taken and other changes to resourcing for the Treasury as outlined in Table 1.3 and Table 1.4.

### Programme expenses 1.1

**Table 2.2: Programme expenses 1.1**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
<b>Departmental expenses</b>					
Departmental items	184,081	173,527	166,608	166,654	167,872
Expenses not requiring appropriation (a)	9,969	8,217	5,858	5,903	5,934
<b>Total departmental expenses</b>	<b>194,050</b>	<b>181,744</b>	<b>172,466</b>	<b>172,557</b>	<b>173,806</b>
<b>Administered expenses</b>					
Annual Appropriations					
Community Engagement	27,982	-	-	-	-
Foreign investment communications	-	2,692	-	-	-
Other	400	538	-	-	-
Expenses not requiring appropriation	100	-	-	-	-
PGPA s.77 - repayments	2,871	1,000	1,000	1,000	1,000
<b>Total administered expenses</b>	<b>31,353</b>	<b>4,230</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Total programme expenses</b>	<b>225,403</b>	<b>185,974</b>	<b>173,466</b>	<b>173,557</b>	<b>174,806</b>

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

### Programme Objective 1.3 – Support for markets and business

There has been no significant change to the programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses have been updated to reflect new government measures taken and other changes to resourcing for the Treasury as outlined in Table 1.3 and Table 1.4.

**Programme expenses 1.3**

**Table 2.3: Programme expenses 1.3**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
<b>Annual administered expenses</b>					
Annual Appropriations					
Centre for International Finance & Regulation	1,000	-	-	-	-
Housing Loan Company Limited - payments in respect of insurance claims	-	675	675	-	-
Global Infrastructure Hub	3,400	7,700	6,800	6,800	3,400
Small Business Advisory Services	5,589	6,319	6,014	6,306	5,994
Small Business Support Line	639	1,300	-	-	-
Australian Small Business Advisory Service	-	1,400	1,400	1,400	-
Other (a)	(3,687)	-	-	-	-
<b>Total programme expenses</b>	<b>6,941</b>	<b>17,394</b>	<b>14,889</b>	<b>14,506</b>	<b>9,394</b>

(a) This relates to the winding down of the HIH Claims Support Scheme.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Treasury. The corresponding table in the *Portfolio Budget Statements 2015-16* is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows and balances**

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
COAG Reform Fund Special Account (A)						
<b>2015-16</b>	1	-	<b>12,722,782</b>	<b>(12,722,782)</b>	-	-
2014-15		-	11,521,643	(11,521,643)	-	-
Actuarial Services Special Account (D)	1					
<b>2015-16</b>		<b>2,632</b>	<b>1,803</b>	<b>(1,803)</b>	-	<b>2,632</b>
2014-15		2,446	2,026	(1,840)	-	2,632
CEFC Special Account (A)(a)						
<b>2015-16</b>	1	<b>2,919,000</b>	-	-	<b>(2,919,000)</b>	-
2014-15		868,400	2,050,600	-	-	2,919,000
Services for Other Entities and Trust Monies Special Account (A)						
<b>2015-16</b>	1	-	-	-	-	-
2014-15		-	1,996	(1,996)	-	-
<b>Total special accounts</b>						
<b>2015-16 Budget Estimates</b>		<b>2,921,632</b>	<b>12,724,585</b>	<b>(12,724,585)</b>	<b>(2,919,000)</b>	<b>2,632</b>
2014-15 Actual		870,846	13,576,265	(11,525,479)	-	2,921,632

(a) Reflects the transfer of the CEFC special account to the Department of the Environment.

(A) = Administered

(D) = Departmental

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 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 2015-16.

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

### 3.2.2 Budgeted financial statements

**Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	122,940	126,167	122,300	122,079	122,420
Suppliers	58,570	45,663	43,674	43,930	44,807
Grants	2,571	2,247	1,184	1,195	1,195
Depreciation and amortisation	9,667	7,667	5,308	5,353	5,384
Write-down and impairment of assets	277	-	-	-	-
Finance costs	25	-	-	-	-
<b>Total expenses</b>	<b>194,050</b>	<b>181,744</b>	<b>172,466</b>	<b>172,557</b>	<b>173,806</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	10,308	9,268	9,504	9,504	9,504
Other revenue	1,287	1,200	1,200	1,200	950
<b>Total own-source revenue</b>	<b>11,595</b>	<b>10,468</b>	<b>10,704</b>	<b>10,704</b>	<b>10,454</b>
<b>Gains</b>					
Sale of assets	9	-	-	-	-
Other	4,642	3,500	3,500	3,500	3,500
<b>Total gains</b>	<b>4,651</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Total own-source income</b>	<b>16,246</b>	<b>13,968</b>	<b>14,204</b>	<b>14,204</b>	<b>13,954</b>
<b>Net cost of (contribution by) services</b>	<b>177,804</b>	<b>167,776</b>	<b>158,262</b>	<b>158,353</b>	<b>159,852</b>
Revenue from Government	172,767	160,109	152,954	153,000	154,468
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(5,037)</b>	<b>(7,667)</b>	<b>(5,308)</b>	<b>(5,353)</b>	<b>(5,384)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	976	-	-	-	-
<b>Total other comprehensive income</b>	<b>976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(4,061)</b>	<b>(7,667)</b>	<b>(5,308)</b>	<b>(5,353)</b>	<b>(5,384)</b>

Prepared on Australian Accounting Standards basis.

Additional Estimates Statements – Department of the Treasury

**Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations (a)</b>	<b>5,606</b>	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (b)	9,667	7,667	5,308	5,353	5,384
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b>(4,061)</b>	<b>(7,667)</b>	<b>(5,308)</b>	<b>(5,353)</b>	<b>(5,384)</b>

(a) Includes change in asset revaluation reserves of \$1.0 million in 2014-15.

(b) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget (DCB)) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,152	5,152	5,152	5,152	5,152
Trade and other receivables	60,141	62,141	64,141	66,141	68,141
<b>Total financial assets</b>	<b>65,293</b>	<b>67,293</b>	<b>69,293</b>	<b>71,293</b>	<b>73,293</b>
<b>Non-financial assets</b>					
Land and buildings	2,500	2,149	2,149	2,149	2,149
Property, plant and equipment	8,660	7,265	7,265	7,270	7,281
Intangibles	12,221	13,312	13,312	13,307	13,296
Other non-financial assets	3,365	3,365	3,365	3,365	3,365
<b>Total non-financial assets</b>	<b>26,746</b>	<b>26,091</b>	<b>26,091</b>	<b>26,091</b>	<b>26,091</b>
<b>Total assets</b>	<b>92,039</b>	<b>93,384</b>	<b>95,384</b>	<b>97,384</b>	<b>99,384</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,289	1,289	1,289	1,289	1,289
Other payables	11,484	11,484	11,484	11,484	11,484
<b>Total payables</b>	<b>12,773</b>	<b>12,773</b>	<b>12,773</b>	<b>12,773</b>	<b>12,773</b>
<b>Provisions</b>					
Employee provisions	43,564	45,564	47,564	49,564	51,564
Other provisions	964	964	964	964	964
<b>Total provisions</b>	<b>44,528</b>	<b>46,528</b>	<b>48,528</b>	<b>50,528</b>	<b>52,528</b>
<b>Total liabilities</b>	<b>57,301</b>	<b>59,301</b>	<b>61,301</b>	<b>63,301</b>	<b>65,301</b>
<b>Net assets</b>	<b>34,738</b>	<b>34,083</b>	<b>34,083</b>	<b>34,083</b>	<b>34,083</b>

Prepared on Australian Accounting Standards basis.



Additional Estimates Statements – Department of the Treasury

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June) (continued)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>EQUITY (a)</b>					
<b>Parent entity interest</b>					
Contributed equity	51,526	58,538	63,846	69,199	74,583
Reserves	6,163	6,163	6,163	6,163	6,163
Retained surplus/ (accumulated deficit)	(22,951)	(30,618)	(35,926)	(41,279)	(46,663)
<b>Total Equity</b>	<b>34,738</b>	<b>34,083</b>	<b>34,083</b>	<b>34,083</b>	<b>34,083</b>

(a) Equity is the residual interest in assets after the deduction of liabilities  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget Year 2015-16)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2015</b>					
Balance carried forward from previous period	(22,951)	6,163	-	51,526	34,738
<b>Adjusted opening balance</b>	<b>(22,951)</b>	<b>6,163</b>	<b>-</b>	<b>51,526</b>	<b>34,738</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(7,667)	-	-	-	(7,667)
<b>Total comprehensive income</b>	<b>(7,667)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,667)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	1,700	1,700
Departmental Capital Budget (DCB)	-	-	-	5,312	5,312
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,012</b>	<b>7,012</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(30,618)</b>	<b>6,163</b>	<b>-</b>	<b>58,538</b>	<b>34,083</b>

Prepared on Australian Accounting Standards basis.

Additional Estimates Statements – Department of the Treasury

**Table 3.2.4: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	173,848	159,652	150,812	150,858	152,305
Sale of goods and rendering of services	11,348	9,268	9,504	9,504	9,504
Other	6,335	650	650	650	400
<b>Total cash received</b>	<b>191,531</b>	<b>169,570</b>	<b>160,966</b>	<b>161,012</b>	<b>162,209</b>
<b>Cash used</b>					
Employees	126,741	124,021	119,876	119,652	119,987
Suppliers	57,450	43,302	39,906	40,165	41,027
Grants	2,571	2,247	1,184	1,195	1,195
Other	15	-	-	-	-
<b>Total cash used</b>	<b>186,777</b>	<b>169,570</b>	<b>160,966</b>	<b>161,012</b>	<b>162,209</b>
<b>Net cash from/(used by) operating activities</b>	<b>4,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	21	-	-	-	-
<b>Total cash received</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	7,246	7,012	5,308	5,353	5,384
<b>Total cash used</b>	<b>7,246</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>
<b>Net cash from/(used by) investing activities</b>	<b>(7,225)</b>	<b>(7,012)</b>	<b>(5,308)</b>	<b>(5,353)</b>	<b>(5,384)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - equity injections	1,595	1,700	-	-	-
Appropriations - DCB	5,373	5,312	5,308	5,353	5,384
<b>Total cash received</b>	<b>6,968</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>
<b>Net cash used by financing activities</b>	<b>6,968</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>
<b>Net increase/(decrease) in cash held</b>	<b>4,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	655	5,152	5,152	5,152	5,152
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,152</b>	<b>5,152</b>	<b>5,152</b>	<b>5,152</b>	<b>5,152</b>

Prepared on Australian Accounting Standards basis.

*Additional Estimates Statements – Department of the Treasury*

**Table 3.2.5: Departmental capital budget statement  
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Act No. 1 (DCB)	5,373	5,312	5,308	5,353	5,384
Equity injections - Act No. 2	-	1,700	-	-	-
<b>Total new capital appropriations</b>	<b>5,373</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>
<b>Provided for:</b>					
<i>Purchase of non-financial assets</i>	5,373	7,012	5,308	5,353	5,384
<b>Total Items</b>	<b>5,373</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	1,595	1,700	-	-	-
Funded by capital appropriation - DCB	5,373	5,312	5,308	5,353	5,384
<b>TOTAL AMOUNT SPENT</b>	<b>6,968</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	6,968	7,012	5,308	5,353	5,384
<b>TOTAL CASH REQUIRED TO ACQUIRE ASSETS</b>	<b>6,968</b>	<b>7,012</b>	<b>5,308</b>	<b>5,353</b>	<b>5,384</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements (2015-16 Budget year)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2015</b>				
Gross book value	7,110	11,221	22,707	41,038
Accumulated depreciation/amortisation and impairment	(4,610)	(2,561)	(10,486)	(17,657)
<b>Opening net book balance</b>	<b>2,500</b>	<b>8,660</b>	<b>12,221</b>	<b>23,381</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	1,700	1,700
By purchase - appropriation ordinary annual services	1,365	1,514	2,433	5,312
<b>Total additions</b>	<b>1,365</b>	<b>1,514</b>	<b>4,133</b>	<b>7,012</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(1,716)	(2,909)	(3,042)	(7,667)
<b>Total other movements</b>	<b>(1,716)</b>	<b>(2,909)</b>	<b>(3,042)</b>	<b>(7,667)</b>
<b>As at 30 June 2016</b>				
Gross book value	8,475	12,735	26,840	48,050
Accumulated depreciation/amortisation and impairment	(6,326)	(5,470)	(13,528)	(25,324)
<b>Closing net book balance</b>	<b>2,149</b>	<b>7,265</b>	<b>13,312</b>	<b>22,726</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	83,746,833	89,199,864	95,681,643	95,884,049	96,373,058
Interest	3,427	3,914	4,931	14,949	38,570
Suppliers	27,666	5,591	1,153	1,142	1,207
Foreign exchange	-	518,321	-	-	-
Other expenses	-	675	675	-	-
<b>Total expenses administered on behalf of Government</b>	<b>83,777,926</b>	<b>89,728,365</b>	<b>95,688,402</b>	<b>95,900,140</b>	<b>96,412,835</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	726,299	747,234	724,867	702,020	690,550
Interest	3,166	4,251	8,065	12,556	19,116
Dividends	1,941,500	840,426	316,500	766,500	858,000
COAG revenue from government entities	993,379	328,323	2,856,949	2,458,246	2,023,467
Other revenue	154,189	4,371	4,500	4,600	4,700
<b>Total non-taxation revenue</b>	<b>3,818,533</b>	<b>1,924,605</b>	<b>3,910,881</b>	<b>3,943,922</b>	<b>3,595,833</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>3,818,533</b>	<b>1,924,605</b>	<b>3,910,881</b>	<b>3,943,922</b>	<b>3,595,833</b>
<b>Gains</b>					
Foreign exchange	36,629	-	26,744	45,321	33,370
<b>Total gains administered on behalf of Government</b>	<b>36,629</b>	<b>-</b>	<b>26,744</b>	<b>45,321</b>	<b>33,370</b>
<b>Total own-source income administered on behalf of Government</b>	<b>3,855,162</b>	<b>1,924,605</b>	<b>3,937,625</b>	<b>3,989,243</b>	<b>3,629,203</b>
<b>Net cost of/(contribution by) services</b>	<b>79,922,764</b>	<b>87,803,760</b>	<b>91,750,777</b>	<b>91,910,897</b>	<b>92,783,632</b>
<b>Surplus/(Deficit)</b>	<b>(79,922,764)</b>	<b>(87,803,760)</b>	<b>(91,750,777)</b>	<b>(91,910,897)</b>	<b>(92,783,632)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not subject to subsequent reclassification to profit or loss</b>					
Changes in asset revaluation surplus	5,574,357	-	-	-	-
<b>Total other comprehensive income</b>	<b>5,574,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>(74,348,407)</b>	<b>(87,803,760)</b>	<b>(91,750,777)</b>	<b>(91,910,897)</b>	<b>(92,783,632)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Advances and loans	810,822	954,862	985,765	959,392	822,115
Receivables	2,596,088	1,797,261	314,496	751,413	888,501
Investments	32,565,700	38,648,559	38,894,339	39,171,667	39,430,834
<b>Total financial assets</b>	<b>35,972,610</b>	<b>41,400,682</b>	<b>40,194,600</b>	<b>40,882,472</b>	<b>41,141,450</b>
<b>Non-financial assets</b>					
Other non-financial assets	410	-	-	-	-
<b>Total non-financial assets</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of Government</b>	<b>35,973,020</b>	<b>41,400,682</b>	<b>40,194,600</b>	<b>40,882,472</b>	<b>41,141,450</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Grants	599,937	66,267	57,060	50,532	40,754
Other payables	5,642,592	5,650,229	5,669,473	5,705,483	5,730,232
Unearned income	77,019	55,008	37,968	24,611	12,698
<b>Total payables</b>	<b>6,319,548</b>	<b>5,771,504</b>	<b>5,764,501</b>	<b>5,780,626</b>	<b>5,783,684</b>
<b>Interest bearing liabilities</b>					
Loans	4,824,704	9,877,861	9,354,089	9,329,946	9,305,531
<b>Total interest bearing liabilities</b>	<b>4,824,704</b>	<b>9,877,861</b>	<b>9,354,089</b>	<b>9,329,946</b>	<b>9,305,531</b>
<b>Provisions</b>					
Provisions for grants	1,816,251	456,733	186,693	-	-
<b>Total provisions</b>	<b>1,816,251</b>	<b>456,733</b>	<b>186,693</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of Government</b>	<b>12,960,503</b>	<b>16,106,098</b>	<b>15,305,283</b>	<b>15,110,572</b>	<b>15,089,215</b>
<b>Net assets/(liabilities)</b>	<b>23,012,517</b>	<b>25,294,584</b>	<b>24,889,317</b>	<b>25,771,900</b>	<b>26,052,235</b>

Prepared on Australian Accounting Standards basis.

Additional Estimates Statements – Department of the Treasury

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and rendering of services	109,280	75,290	107,914	104,470	103,347
Interest	1,261	799	1,679	3,306	9,348
Dividends	675,255	1,616,963	1,782,208	316,500	709,000
COAG receipts from entities	16,628,197	15,963,622	19,899,717	20,629,756	2,023,465
Other	99,847	4,371	4,500	4,600	4,700
<b>Total cash received</b>	<b>17,513,840</b>	<b>17,661,045</b>	<b>21,796,018</b>	<b>21,058,632</b>	<b>2,849,860</b>
<b>Cash used</b>					
Grant payments	100,495,444	106,055,749	112,386,558	113,650,980	95,795,234
Interest paid	3,312	2,989	5,914	11,822	35,565
Other	29,325	6,266	1,828	1,142	1,207
<b>Total cash used</b>	<b>100,528,081</b>	<b>106,065,004</b>	<b>112,394,300</b>	<b>113,663,944</b>	<b>95,832,006</b>
<b>Net cash from/(used by) operating activities</b>	<b>(83,014,241)</b>	<b>(88,403,959)</b>	<b>(90,598,282)</b>	<b>(92,605,312)</b>	<b>(92,982,146)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Advances and loans	360,317	61,879	28,176	52,188	149,681
Other investing activities	748,795	-	-	-	-
<b>Total cash received</b>	<b>1,109,112</b>	<b>61,879</b>	<b>28,176</b>	<b>52,188</b>	<b>149,681</b>
<b>Cash used</b>					
Purchase of investments	27,295	2,140,890	725,185	226,423	227,998
Advances and loans	40,824	201,600	50,000	12,500	-
<b>Total cash used</b>	<b>68,119</b>	<b>2,342,490</b>	<b>775,185</b>	<b>238,923</b>	<b>227,998</b>
<b>Net cash from/(used by) investing activities</b>	<b>1,040,993</b>	<b>(2,280,611)</b>	<b>(747,009)</b>	<b>(186,735)</b>	<b>(78,317)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(81,973,248)</b>	<b>(90,684,570)</b>	<b>(91,345,291)</b>	<b>(92,792,047)</b>	<b>(93,060,463)</b>
Cash and cash equivalents at beginning of reporting period	1,412	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	84,964,552	92,772,193	96,126,715	95,731,355	96,060,004
Cash to Official Public Account for:					
- Appropriations	(2,992,716)	(2,087,623)	(4,781,424)	(2,939,308)	(2,999,541)
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

*Additional Estimates Statements – Department of the Treasury*

**Table 3.2.10: Schedule of administered capital budget  
(for the period ended 30 June)**

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Special appropriations	68,082	2,304,990	725,125	226,423	227,998
<b>Total new capital appropriations</b>	<b>68,082</b>	<b>2,304,990</b>	<b>725,125</b>	<b>226,423</b>	<b>227,998</b>
<i>Provided for:</i>					
<i>International financial institutions</i>	68,082	2,304,990	725,125	226,423	227,998
<b>Total Items</b>	<b>68,082</b>	<b>2,304,990</b>	<b>725,125</b>	<b>226,423</b>	<b>227,998</b>

Prepared on Australian Accounting Standards basis.



## **Notes to the financial statements**

### **Accounting policy**

The Treasury's budgeted financial statements have been prepared on an accrual accounting basis having regard to statements of accounting concepts, and in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

### **Departmental and administered items**

Under the Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that departments control (departmental transactions) are separately budgeted for, and reported on, from transactions departments do not have control over (administered transactions). This ensures that departments are only held accountable for the transactions over which they have control.

