

DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources	11
1.1 Strategic direction	11
1.2 Agency resource statement	13
1.3 Agency measures table	15
1.4 Additional estimates and variations	19
1.5 Breakdown of additional estimates by Appropriation Bill.....	21
Section 2: Revisions to agency outcomes and planned performance	22
2.1 Resources and performance information	22
Section 3: Explanatory tables and budgeted financial statements	25
3.1 Explanatory tables	25
3.2 Budgeted financial statements	25

DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

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 2013-14* (pages 15-17).

As a result of Administrative Arrangements Orders following the 2013 election, the small business policy function transferred to the Treasury from the Department of Industry.

The Treasury is seeking an additional \$7.5 million in departmental funding through Appropriation Bill (No. 3) 2013-14. This comprises an additional \$11.2 million which is offset by savings of \$3.7 million.

The additional \$11.2 million relates to:

- \$0.5 million for the Foreign Ownership Register for Agricultural Land – establishment measure as outlined in the *Economic Statement 2013*;
- \$1.8 million for the Super Council – funding measure as outlined in the *Economic Statement 2013*;
- \$3.6 million for the Financial System Inquiry measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*;
- \$1.0 million for the Review of competition laws and policy measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*; and
- \$4.2 million for the transfer of the small business policy function to the Treasury from the Department of Industry.

The savings of \$3.7 million relates to:

- \$0.05 million for the Public Services efficiencies measure as outlined in Budget Paper No. 2, *Budget Measures 2013-14*;
- \$0.2 million for Reforms to APS management and efficient procurement of agency software measure as outlined in the *Economic Statement 2013*;

Agency Additional Estimates Statements – Treasury

- \$1.5 million for Repeal of the Carbon Tax – abolishing energy market compensation measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*;
- \$1.8 million for Restoring integrity in the Australian tax system measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*; and
- \$0.2 million for Foreign Aid Reprioritisation that was agreed after the *Mid-Year Economic and Fiscal Outlook 2013-14*.

The Treasury is also seeking an additional \$1.8 million in departmental equity injections through Appropriation Bill (No. 4) 2013-14 relating to:

- \$0.2 million for the Financial System Inquiry measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*; and
- \$1.6 million for the transfer of the small business policy function to the Treasury from the Department of Industry.

The Treasury is seeking an additional \$8.8 billion in administered items through Appropriation Bill (No. 3) 2013-14. This comprises an additional \$8.8 billion which is offset by savings of \$3.0 million.

The additional \$8.8 billion relates to:

- \$1.0 million for the Priority consumer focused superannuation activities measure as outlined in the *Pre-Election Economic and Fiscal Outlook 2013*;
- \$8.8 billion for Strengthening the Reserve Bank Reserve Fund as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*; and
- \$1.1 million for the transfer of the small business policy function to the Treasury from the Department of Industry.

The savings of \$3.0 million relates to:

- \$2.0 million for the Superannuation Consumer Centre – savings measure as outlined in the *Pre-Election Economic and Fiscal Outlook 2013*; and
- \$1.0 million for the Priority consumer focused superannuation activities measure as outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*.

The Treasury is also seeking an additional \$18,000 in administered items through Appropriation Bill (No. 4) 2013-14. This relates to the transfer of the small business policy function to the Treasury from the Department of Industry.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resourcing available from all sources for the 2013-14 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

Table 1.1: Department of the Treasury resource statement — additional estimates for 2013-14 as at Additional Estimates February 2014

	Estimates as at Budget ⁺ 2013-14 \$'000	Proposed Additional Estimates ⁼ 2013-14 \$'000	Total estimate at Additional Estimates 2013-14 \$'000	Total available Total appropriation 2012-13 \$'000
Ordinary annual services				
Departmental				
Prior year departmental appropriation	56,789	-	56,789	-
Departmental appropriation ¹	169,296	7,473 ²	176,769	179,014
Receipts from other sources (s31)	8,266	-	8,266	10,351
Total departmental	234,351	7,473	241,824	189,365
Administered expenses				
Outcome 1	6,675	8,799,133 ²	8,805,808	20,103
Payment to CAC bodies	18,062	(10,062)	8,000	-
Total administered expenses	24,737	8,789,071	8,813,808	20,103
Total ordinary annual services	A 259,088	8,796,544	9,055,632	209,468
Other services				
Departmental non-operating				
Equity injections	-	1,775 ³	1,775	1,839
Total	-	1,775	1,775	1,839
Administered non-operating				
Administered assets and liabilities				
Outcome 1	47,500	18 ³	47,518	57,000
Total	47,500	18	47,518	57,000
Total other services	B 47,500	1,793	49,293	58,839
Total available annual appropriations (A + B)	306,588	8,798,337	9,104,925	268,307
Special appropriations				
Asian Development Bank (Additional Subscription) Act 2009	15,412	1,098	16,510	16,239
Federal Financial Relations Act 2009	69,632,911	(400,421)	69,232,490	68,403,140
International Monetary Agreements Act 1947	1,882,295	(75,598)	1,806,697	251,666
Clean Energy Act 2011	122,137	(122,137)	-	-
Superannuation Industry (Supervision) Act 1993	-	-	-	16,763
Total special appropriations	C 71,652,755	(597,058)	71,055,697	68,687,808
Total appropriations excluding special accounts (A+B+C)	71,959,343	8,201,279	80,160,622	68,956,115

Agency Additional Estimates Statements – Treasury

Table 1.1: Department of the Treasury resource statement — additional estimates for 2013-14 as at Additional Estimates February 2014 (continued)

	Estimates as at Budget + 2013-14 \$'000	Proposed Additional Estimates = 2013-14 \$'000	Total estimate at Additional Estimates 2013-14 \$'000	Total available appropriation 2012-13 \$'000
Special accounts				
Opening balance	2,819	-	2,819	1,629
Appropriation receipts to special accounts	2,000,000	(1,512,753)	487,247	-
Non-appropriation receipts to special accounts	13,824,014	2,150,911	15,974,925	10,259,734
Total special account	D 15,826,833	638,158	16,464,991	10,261,363
Total resourcing (A+B+C+D)	87,786,176	8,839,437	96,625,613	79,217,478
Less appropriation drawn from annual or special appropriations and/or CAC bodies through annual appropriations credited to special accounts	2,018,062	(1,522,815)	495,247	-
Total net resourcing for the Treasury	85,768,114	10,362,252	96,130,366	79,217,478

1 Includes \$5.3 million in 2013-14 for the departmental capital budget (also refer to Table 3.2.5).

2 Appropriation Bill (No. 3) 2013-14.

3 Appropriation Bill (No. 4) 2013-14.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2013-14 Budget.

Table 1.2: Agency Measures since Budget

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures					
<i>Budget Measures 2013-14</i>					
Public Services Efficiencies ¹	1.1	(48)	(219)	(728)	(1,063)
<i>Economic Statement 2013</i>					
Efficiency dividend - temporary increase in the rate	1.1	-	(1,724)	(3,446)	(5,243)
Foreign Ownership Register for Agricultural Land - establishment	1.1	502	495	133	134
Reforms to the APS management and efficient procurement of agency software	1.1	(226)	(396)	(668)	(610)
Super Council - funding	1.1	1,844	1,855	1,870	1,886
Addressing the level of unpaid tax and superannuation in the community	1.4	69,300	74,200	122,500	153,100
Fringe benefits tax - better targeting actual business use for car fringe benefits	1.4	-	100,000	170,000	240,000
GST refund amendments - new transitional rules	1.4	..	-	-	-
Staged increase in the excise and excise-equivalent customs duty on tobacco products	1.4	30,000	100,000	150,000	210,000
Aged care - transition of Home and Community Care in Victoria to the Commonwealth	1.10	(1,404)	(2,300)	-	-
Australian Neighbourhood Houses and Centres Association - granting Deductible Gift Recipient status	1.10	-	-	-	-
Building Australia Fund					
- rail infrastructure - bring forward	1.10	100,000	100,000	(200,000)	-
- road infrastructure - bring forward	1.10	-	20,000	(20,000)	-
DisabilityCare Australia - full scheme implementation assistance	1.10	-	-	-	-
Early Childhood Education - additional support for Tasmania	1.10	1,000	-	-	-
Establishment of a Financial Stability Fund	1.10	-	-	100	300
Former Rum Jungle uranium mine site - rehabilitation	1.10	-	-	-	-

Table 1.2: Agency Measures since Budget (continued)

Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures (continued)				
<i>Economic Statement 2013 (continued)</i>				
Group of 20 meeting in 2014 - contribution to the Queensland Government communications network	1.10	nfp	-	-
Indirect Tax Concession Scheme - diplomatic and consular privileges	1.10	-	-	-
Living Longer. Living Better - Commonwealth Home Support Program - nationally fair and consistent fee policy	1.10	-	(20,000)	(50,400)
Murray-Darling Basin Plan - South Australian River Murray Sustainability Program - establishment	1.10	28,000	51,000	70,000
Nation Building Program - rail infrastructure projects - bring forward	1.10	65,000	200,000	(265,000)
- road infrastructure projects - bring forward	1.10	25,000	194,600	96,400
Natural Disaster Recovery and Rebuilding - Port of Bundaberg	1.10	-	5,950	-
Parramatta Stadium - contribution	1.10	-	-	-
Regional Development Australia Fund - additional funding	1.10	-	(7,500)	-
Regional Infrastructure Fund - road infrastructure - bring forward	1.10	20,000	143,900	(102,400)
Rheumatic Fever Strategy - inclusion of South Australia	1.10	367	414	395
Sustainable Australia - Liveable Communities Program - additional funding and bring forward	1.10	-	-	-
Tasmanian Economic Diversification Projects	1.10	-	-	-
Tasmanian Government - economic assistance	1.10	30,000	-	-
<i>Pre-Election and Fiscal Outlook 2013-14</i>				
Priority consumer focused superannuation activities	1.3	1,000	-	-
Superannuation Consumer Centre - savings	1.3	(2,000)	(7,000)	-
Better Schools - secure schools	1.10	-	-	-
Healthier Communities - Priority Infrastructure program	1.10	-	-	-

Table 1.2: Agency Measures since Budget (continued)

Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	
Expense measures (continued)					
<i>Pre-Election and Fiscal</i>					
<i>Outlook 2013-14 (continued)</i>					
National Disability Insurance					
Scheme - Western Australian					
Government Launch Site	1.10	-	7,782	31,203	-
Royal Victorian Eye and Ear					
Hospital - redevelopment	1.10	-	50,000	50,000	-
<i>Mid-Year Economic and Fiscal</i>					
<i>Outlook 2013-14</i>					
Financial System Inquiry	1.1	3,626	2,205	-	-
Financial System Inquiry (related capital)	1.1	180	-	-	-
Repeal of the Carbon Tax					
- abolishing energy market compensation	1.1	(1,454)	(1,926)	(1,882)	-
- abolishing land initiatives and unnecessary bureaucracies	1.1	-	-	-	-
Restoring integrity in the Australian Tax System					
- departmental	1.1	(1,844)	(1,855)	(1,870)	(1,886)
- administered	1.4	-	(100,000)	(170,000)	(240,000)
		(1,844)	(101,855)	(171,870)	(241,886)
Review of competition laws and policy	1.1	1,037	1,444	-	-
Strengthening the Reserve Bank Reserve Fund					
	1.1	8,800,000	-	-	-
Priority consumer focused superannuation activities					
	1.3	(1,000)	-	-	-
2013-14 Humanitarian Programme					
	1.10	(9,200)	(28,100)	(49,700)	(73,200)
Albury-Wodonga cardiac catheterisation laboratory					
	1.10	5,000	-	-	-
Auslink Programme					
- National Land Transport Projects					
	1.10	1,072,469	1,554,107	1,755,301	110,649
- Reinstated National Land Transport Projects					
	1.10	10,000	144,000	386,800	244,900
Ballina Hospital - upgrades					
	1.10	4,500	-	-	-
Extra assistance to support farmers - water-related infrastructure					
	1.10	10,128	-	-	-
Integrated Cancer Care Centre Victoria - Peter's Project					
	1.10	10,000	-	-	-
National Insurance Affordability Initiative - reduction					
	1.10	(5,800)	(4,400)	-	-

Table 1.2: Agency Measures since Budget (continued)

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures (continued)					
<i>Mid-Year Economic and Fiscal Outlook 2013-14 (continued)</i>					
Palmerston Hospital	1.10	-	20,000	20,000	-
Public Hospital System - additional funding	1.10	66,255	-	-	-
Repeal of the Minerals Resource Rent Tax - Regional Infrastructure Fund and Regional Development Australia Fund - discontinue	1.10	(183,700)	(757,700)	(546,200)	(713,900)
Trade Training Centres - cessation	1.10	-	-	(22,400)	(95,500)
Water - rephase four years of spending over six years	1.10	(10,000)	-	-	-
Foreign Aid Reprioritisation ²	1.1	(163)	(183)	(260)	(260)
Foreign Aid Reprioritisation (related capital) ²	1.2	-	-	-	-

1 This measure was announced in the 2013-14 Budget as a cross portfolio measure and has not previously appeared in a portfolio statement.

2 This was agreed after the *Mid-Year Economic and Fiscal Outlook 2013-14*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2013-14 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2013-14 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2013-14 Budget

	Program impacted	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Outcome 1					
Increase in estimates (departmental)					
Financial System Inquiry ¹	1.1	3,626	2,205	-	-
Financial System Inquiry (related capital) ¹	1.1	180	-	-	-
Foreign Ownership Register for Agricultural Land - establishment ²	1.1	502	495	133	134
Review of competition laws and policy ¹	1.1	1,037	1,444	-	-
Super Council - funding ²	1.1	1,844	1,855	1,870	1,886
Decrease in estimates (departmental)					
Foreign Aid Reprioritisation ³	1.1	(163)	(183)	(260)	(260)
Efficiency Dividend - temporary increase in the rate ²	1.1	-	(1,724)	(3,446)	(5,243)
Public Services efficiencies ⁴	1.1	(48)	(219)	(728)	(1,063)
Reforms to APS management and efficient procurement of agency software ²	1.1	(226)	(396)	(668)	(610)
Repeal of the Carbon Tax - abolishing energy market compensation ¹	1.1	(1,454)	(1,926)	(1,882)	-
Restoring integrity in the Australian tax system ¹	1.1	(1,844)	(1,855)	(1,870)	(1,886)
Net impact on estimates for Outcome 1 (departmental)		3,454	(304)	(6,851)	(7,042)
Outcome 1					
Increase in estimates (administered)					
Strengthening the Reserve Bank Reserve Fund ¹	1.1	8,800,000	-	-	-
Priority consumer focused superannuation activities ⁵	1.3	1,000	-	-	-
Decrease in estimates (administered)					
Priority consumer focused superannuation activities ¹	1.3	(1,000)	-	-	-
Superannuation Consumer Centre - savings ⁵	1.3	(2,000)	(7,000)	-	-
Net impact on estimates for Outcome 1 (administered)		8,798,000	(7,000)	-	-

1 This measure was included in the *Mid-Year Economic and Fiscal Outlook 2013-14*.

2 This measure was included in the *Economic Statement 2013*.

3 This was agreed after the *Mid-Year Economic and Fiscal Outlook 2013-14*.

4 This measure was included in Budget Paper No. 2, *Budget Measures 2013-14*.

5 This measure was included in the *Pre-Election Economic and Fiscal Outlook 2013*.

Agency Additional Estimates Statements – Treasury

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

	Program impacted	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Outcome 1					
Increase in estimates (departmental)					
Parameter adjustment	1.1	-	(496)	(730)	(865)
Transfer of the small business policy function to the Treasury	1.1	4,199	7,459	7,461	6,045
Transfer of the small business policy function to the Treasury (equity injection)	1.1	1,595	-	-	-
Net impact on estimates for Outcome 1 (departmental)		5,794	6,963	6,731	5,180
Outcome 1					
Increase in estimates (administered)					
Transfer of the small business policy function to the Treasury	1.1	1,133	465	318	-
Transfer of the small business policy function to the Treasury (equity injection)	1.1	18	-	-	-
Net impact on estimates for Outcome 1 (administered)		1,151	465	318	-

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for the Treasury through Appropriation Bills No. 3 and No. 4.

Table 1.5: Appropriation Bill (No. 3) 2013-14

	2012-13 available \$'000	2013-14 budget \$'000	2013-14 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
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					
Departmental items	179,014	169,296	176,769	7,473	-
Administered items	20,103	6,675	8,805,808	8,799,133	-
Total	199,117	175,971	8,982,577	8,806,606	-

Table 1.6: Appropriation Bill (No. 4) 2013-14

	2012-13 available \$'000	2013-14 budget \$'000	2013-14 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Non-operating					
Equity Injections (departmental)	1,839	-	1,775	1,775	-
Administered Assets and Liabilities	57,000	47,500	47,518	18	-
Total	58,839	47,500	49,293	1,793	-

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2013-14* (pages 24-25).

There has been no significant change to the program objective, expenses, deliverables or key performance indicators for program 1.2 and programs 1.4 to 1.10 that affect Appropriation Bills No. 3 and No. 4.

Programs 1.4 to 1.10 relate to Australia’s Federal Relations. Further details of Australia’s Federal Relations are on pages 65 to 75 of the *Mid-Year Economic and Fiscal Outlook 2013-14*.

Table 2.1: Budgeted expenses and resources 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	2012-13 Actual \$'000	2013-14 Revised estimated resources \$'000
Program 1.1: Department of the Treasury		
Departmental expenses		
Departmental appropriations ¹	180,336	175,468
Special accounts	1,456	1,269
Expenses not requiring appropriation ²	16,407	9,176
Administered expenses		
Other services (Appropriation Bills No. 1 and No. 3)	85	8,801,133
Total for Program 1.1	198,284	8,987,046
Program 1.3: Support for Markets and Business		
Administered expenses		
Other services (Appropriation Bills No. 1 and No. 3)	4,717	4,675
Special appropriations	16,763	-
Payment to CAC bodies	-	8,000
Total for Program 1.3	21,480	12,675
Average staffing level (number)³	930	893

1 Departmental appropriations combine ordinary annual services (Appropriation Bills No. 1 and No. 3) and revenue from independent sources (section 31 receipts).

2 Expenses not requiring appropriation includes depreciation and amortisation expenses and resources received free of charge, such as audit fees.

3 The average staffing level for 2013-14 includes the transfer of the small business policy function to the Treasury from the Department of Industry offset by the Treasury offering voluntary redundancies.

Program 1.1: Department of the Treasury

There has been no significant change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2013-14*.

As a result of Administrative Arrangements Orders following the 2013 election, the small business policy function transferred to the Treasury from the Department of Industry. The Treasury now has responsibility for small business policy and supporting the activities of the Australian Small Business Commissioner.

The Treasury will provide a one-off \$8.8 billion grant to the Reserve Bank of Australia (RBA) to meet its request to strengthen its financial position to the level considered appropriate by the RBA Board. The grant will ensure that the RBS is adequately resourced to conduct its monetary policy and foreign exchange operations in an environment of financial market volatility. This was outlined in the *Mid-Year Economic and Fiscal Outlook 2013-14*.

Program Expenses

Program expenses for the small business policy function are included in departmental items and administered expenses.

Table 2.2: Program 1.1 expenses

	2012-13	2013-14	2014-15	2015-16	2016-17
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses					
Departmental items	160,234	156,622	161,648	154,235	151,307
Australia to host the Group of 20 in 2014	5,298	20,115	16,946	772	-
Payment to CAC body - CEFC	18,383	-	-	-	-
Expenses not requiring appropriation	14,283	9,176	8,315	7,540	6,711
Total departmental expenses	198,198	185,913	186,909	162,547	158,018
Administered expenses					
Grant to the Reserve Bank of Australia	-	8,800,000	-	-	-
Other	85	1,133	465	318	-
Total administered expenses	85	8,801,133	465	318	-
Total program expenses	198,283	8,987,046	187,374	162,865	158,018

Program 1.3: Support for Markets and Business

There has been no significant change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2013-14*.

The Superannuation Consumer Centre will no longer proceed as outlined in the measure in the *Pre-Election and Fiscal Outlook 2013-14*.

Table 2.2: Program 1.3 expenses

	2012-13	2013-14	2014-15	2015-16	2016-17
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses					
Annual appropriations					
Centre for International Finance and Regulation	4,650	4,000	1,000	-	-
Housing Loans Insurance Company Limited - payments in respect of insurance claims	67	675	675	675	675
Contribution to the Superannuation Consumer Centre	-	-	-	-	-
Payment to CAC Act bodies - CEFC	-	8,000	-	-	-
Special appropriations					
<i>Superannuation Industry (Supervision) Act 1993</i> - financial assistance grant to compensate fund members for the collapse of Trio	16,763	-	-	-	-
Total administered expenses	21,480	12,675	1,675	675	675
Total program expenses	21,480	12,675	1,675	675	675

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Treasury.

Table 3.1.1: Estimates of special account cash flows and balances

	Outcome	Opening balance 2013-14 2012-13	Receipts			Closing balance 2013-14 2012-13
			Non- Appropriated 2013-14 2012-13	Receipts Appropriated 2013-14 2012-13	Payments 2013-14 2012-13	
		\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial Services Special Account(D)	1	2,819 2,819	1,269 1,629	- -	1,269 1,629	2,819 2,819
Clean Energy Finance Corporation Special Account (A)	1	-	39,538	487,247	487,247	39,538
COAG Reform Fund Special Account(A)	1	-	15,974,925 10,259,734	-	15,974,925 10,259,734	-
Financial System Stability Special Account(A)	1	-	-	-	-	-
Services for Other Entities and Trust Moneys Special Account - Department of the Treasury(A/D)	1	-	-	-	-	-
Total special accounts						
2013-14 Budget estimate		2,819	16,015,732	487,247	16,463,441	42,357
Total special accounts 2012-13 actual		2,819	10,261,363	-	10,261,363	2,819

(A) Administered.
(D) Departmental.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting for a departmental breakeven operating result for 2013-14.

Agency Additional Estimates Statements – Treasury

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

3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental comprehensive income statement
(for the period ended 30 June)**

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	122,724	125,091	124,984	118,541	113,592
Supplier	38,134	50,695	51,654	34,535	36,784
Grants	4,969	1,501	2,506	2,481	1,481
Payment to CAC Act body	18,383	-	-	-	-
Depreciation and amortisation	13,733	8,626	7,765	6,990	6,161
Net write-down and impairment	254	-	-	-	-
Finance costs	1	-	-	-	-
Total expenses	198,198	185,913	186,909	162,547	158,018
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	9,946	7,416	7,638	7,868	8,104
Other revenue	565	850	850	850	850
Total revenue	10,511	8,266	8,488	8,718	8,954
Gains					
Other gains	2,420	550	550	550	550
Total gains	2,420	550	550	550	550
Total own-source income	12,931	8,816	9,038	9,268	9,504
Net cost of (contribution by) services	185,267	177,097	177,871	153,279	148,514
Appropriation revenue	174,569	168,471	170,106	146,289	142,353
Surplus (deficit) attributable to the Australian Government	(10,698)	(8,626)	(7,765)	(6,990)	(6,161)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	3,035	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(13,733)	(8,626)	(7,765)	(6,990)	(6,161)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(10,698)	(8,626)	(7,765)	(6,990)	(6,161)

Prepared on Australian Accounting Standards basis.

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

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,223	1,223	1,223	1,223	1,223
Trade and other receivables	61,997	65,592	67,592	69,592	71,592
Total financial assets	63,220	66,815	68,815	70,815	72,815
Non-financial assets					
Land and buildings	6,815	5,916	4,757	3,813	3,064
Infrastructure, plant and equipment	11,906	9,946	8,853	8,119	7,898
Intangibles	6,260	5,947	5,805	5,826	5,989
Other	2,665	2,665	2,665	2,665	2,665
Total non-financial assets	27,646	24,474	22,080	20,423	19,616
Total assets	90,866	91,289	90,895	91,238	92,431
LIABILITIES					
Provisions					
Employees	45,788	49,415	51,415	53,415	55,415
Total provisions	45,788	49,415	51,415	53,415	55,415
Payables					
Suppliers	2,516	2,516	2,516	2,516	2,516
Other	5,536	5,536	5,536	5,536	5,536
Total payables	8,052	8,052	8,052	8,052	8,052
Total liabilities	53,840	57,467	59,467	61,467	63,467
Net assets	37,026	33,822	31,428	29,771	28,964
EQUITY					
Parent entity interest					
Contributed equity	40,731	46,153	51,524	56,857	62,211
Reserves	5,186	5,186	5,186	5,186	5,186
Retained surpluses or accumulated deficits	(8,891)	(17,517)	(25,282)	(32,272)	(38,433)
Total equity	37,026	33,822	31,428	29,771	28,964
Current assets	65,885	69,480	71,480	73,480	75,480
Non-current assets	24,981	21,809	19,415	17,758	16,951
Current liabilities	49,533	52,870	54,710	56,550	58,390
Non-current liabilities	4,307	4,597	4,757	4,917	5,077

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	9,998	7,416	7,638	7,868	8,104
Appropriations	167,104	164,678	168,885	144,289	140,353
Other	4,551	850	850	850	850
Total cash received	181,653	172,944	177,373	153,007	149,307
Cash used					
Employees	121,763	122,906	123,292	116,508	111,571
Suppliers	36,046	48,537	51,575	34,018	36,255
Grants	23,352	1,501	2,506	2,481	1,481
Borrowing costs	6	-	-	-	-
Total cash used	181,167	172,944	177,373	153,007	149,307
Net cash from or (used by) operating activities	486	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	21	-	-	-	-
Total cash received	21	-	-	-	-
Cash used					
Purchase of property, plant and equipment	7,241	5,446	5,371	5,333	5,354
Total cash used	7,241	5,446	5,371	5,333	5,354
Net cash from or (used by) investing activities	(7,220)	(5,446)	(5,371)	(5,333)	(5,354)
FINANCING ACTIVITIES					
Cash received					
Appropriations - equity injections	1,631	180	-	-	-
Appropriations - DCB	5,218	5,266	5,371	5,333	5,354
Total cash received	6,849	5,446	5,371	5,333	5,354
Net cash from or (used by) financing activities	6,849	5,446	5,371	5,333	5,354
Net increase or (decrease) in cash held	115	-	-	-	-
Cash at the beginning of the reporting period	1,108	1,223	1,223	1,223	1,223
Cash at the end of the reporting period	1,223	1,223	1,223	1,223	1,223

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2013-14)

	Asset		Contributed		Total equity
	Retained surpluses	revaluation reserve	Other reserves	equity/capital	
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	(8,891)	5,186	-	40,731	37,026
Adjusted opening balance	(8,891)	5,186	-	40,731	37,026
Comprehensive income					
Surplus (deficit) for the period	(8,626)	-	-	-	(8,626)
Total comprehensive income recognised directly in equity	(8,626)	-	-	-	(8,626)
Transactions with owners					
<i>Contribution by owners</i>					
Restructuring - equity adjustment	-	-	-	(1,619)	(1,619)
Appropriation (equity injection)	-	-	-	1,775	1,775
Appropriation (departmental capital budget)	-	-	-	5,266	5,266
Total transactions with owners	-	-	-	5,422	5,422
Estimated closing balance as at 30 June 2014	(17,517)	5,186	-	46,153	33,822

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	6,485	5,266	5,371	5,333	5,354
Total equity injections	583	180	-	-	-
Total new capital appropriations	7,068	5,446	5,371	5,333	5,354
Provided for:					
Purchase of non-financial assets	7,068	5,446	5,371	5,333	5,354
Total Items	7,068	5,446	5,371	5,333	5,354
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	583	180	-	-	-
Funded by capital appropriation - DCB	6,724	5,266	5,371	5,333	5,354
TOTAL	7,307	5,446	5,371	5,333	5,354
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,307	5,446	5,371	5,333	5,354
Total cash used to acquire assets	7,307	5,446	5,371	5,333	5,354

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2013-14)

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2013				
Gross book value	12,219	16,038	12,536	40,793
Accumulated depreciation/amortisation and impairment	5,404	4,124	6,276	15,804
Opening net book balance	6,815	11,914	6,260	24,989
Capital asset additions				
By purchase - appropriation DCB	1,500	2,446	1,500	5,446
Total additions	1,500	2,446	1,500	5,446
Other movements				
Depreciation/amortisation expense	2,399	4,414	1,813	8,626
Total other movements	2,399	4,414	1,813	8,626
As at 30 June 2014				
Gross book value	13,719	18,484	14,036	46,239
Accumulated depreciation/amortisation and impairment	7,803	8,538	8,089	24,430
Closing net book balance	5,916	9,946	5,947	21,809

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)

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	81,437,985	92,281,214	84,218,145	87,215,674	89,508,092
Interest	3,489	5,682	5,055	5,110	5,185
Other	152	1,808	1,140	1,077	977
Total expenses administered on behalf of government	81,441,626	92,288,704	84,224,340	87,221,861	89,514,254
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Levies	-	-	-	400,000	450,000
Goods and services	1,289,007	1,016,796	789,245	745,853	613,420
Interest	1,307	2,752	5,397	15,456	33,014
Dividends	1,034	1,451,374	76,385	76,410	649,431
Nation Building and COAG transfers	1,521,247	1,575,759	1,417,087	1,186,825	465,019
Other sources of non-taxation revenues	37,959	4,200	4,000	4,000	4,000
Total non-taxation revenue	2,850,554	4,050,881	2,292,114	2,428,544	2,214,884
Total own-source revenues administered on behalf of Government	2,850,554	4,050,881	2,292,114	2,428,544	2,214,884
Gains					
Foreign exchange	238,670	59,347	159,587	125,912	135,609
Fair value gain on NDRRA provision	5,071	169,957	-	-	-
Total gains administered on behalf of government	243,741	229,304	159,587	125,912	135,609
Total own-sourced income administered on behalf of Government	3,094,295	4,280,185	2,451,701	2,554,456	2,350,493
Net Cost of (contribution by) services	78,347,331	88,008,519	81,772,639	84,667,405	87,163,761
Surplus (Deficit)	(78,347,331)	(88,008,519)	(81,772,639)	(84,667,405)	(87,163,761)

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)

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,719	3,719	3,719	3,719	3,719
Advances and loans	911,579	967,342	934,502	873,565	786,632
Receivables	818,588	1,751,529	221,282	113,215	656,566
Investments	16,456,446	31,345,659	31,566,921	32,115,779	32,767,805
Total financial assets	18,190,332	34,068,249	32,726,424	33,106,278	34,214,722
Non financial assets					
Prepayments	149,505	-	-	-	-
Total non financial assets	149,505	-	-	-	-
Total assets administered on behalf of government	18,339,837	34,068,249	32,726,424	33,106,278	34,214,722
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	3,167,335	6,954,707	6,432,323	6,409,686	6,386,205
Other	4,999,212	4,977,448	5,065,055	5,153,172	5,243,491
Total interest bearing liabilities	8,166,547	11,932,155	11,497,378	11,562,858	11,629,696
Payables					
Grants and subsidies	6,522,008	3,369,352	787,477	115,503	113,680
Other payables	535,934	191,796	121,581	89,050	59,671
Total payables	7,057,942	3,561,148	909,058	204,553	173,351
Total liabilities administered on behalf of government	15,224,489	15,493,303	12,406,436	11,767,411	11,803,047
Net assets/(liabilities)	3,115,348	18,574,946	20,319,988	21,338,867	22,411,675

Prepared on Australian Accounting Standards basis.

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

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Levies	-	-	-	400,000	450,000
Sales of goods and rendering of services	611,859	328,551	91,372	35,608	32,809
Interest	1,759	2,149	2,241	10,032	27,124
Dividends	675,000	150,000	1,525,000	150,000	75,000
Grants	10,430,252	10,405,765	10,958,534	11,491,307	465,017
Other	30,142	4,200	4,000	4,000	4,000
Total cash received	11,749,012	10,890,665	12,581,147	12,090,947	1,053,950
Cash used					
Grant payments	87,575,009	103,231,329	95,632,567	97,481,330	88,929,013
Interest paid	3,918	4,691	5,051	5,125	5,200
Other	11,818	5,826	2,140	1,077	977
Total cash used	87,590,745	103,241,846	95,639,758	97,487,532	88,935,190
Net cash from or (used by) operating activities	(75,841,733)	(92,351,181)	(83,058,611)	(85,396,585)	(87,881,240)
INVESTING ACTIVITIES					
Cash received					
Loans Advances and HECS	30,142	90,316	103,263	108,741	110,623
Other investing activities	12	39,538	98,296	110,957	65,584
Total cash received	30,154	129,854	201,559	219,698	176,207
Cash used					
Purchase of investments	25,862	2,195,250	579,383	449,342	497,631
Advances and loans	222,734	148,013	50,000	25,000	-
Other	-	-	-	-	-
Total cash used	248,596	2,343,263	629,383	474,342	497,631
Net cash from or (used by) investing activities	(218,442)	(2,213,409)	(427,824)	(254,644)	(321,424)
Net increase or (decrease) in cash held	(76,060,175)	(94,564,590)	(83,486,435)	(85,651,229)	(88,202,664)
Cash at beginning of reporting period	3,719	3,719	3,719	3,719	3,719
Cash from Official Public Account - appropriations	78,938,684	96,755,101	86,727,692	87,249,527	88,957,788
Cash to Official Public Account	2,876,525	2,190,511	3,241,257	1,598,298	755,124
Cash at end of reporting period	3,719	3,719	3,719	3,719	3,719

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Administered assets and liabilities	57,000	47,518	-	-	-
Special appropriations	248,569	1,818,516	573,731	38,463	22,218
Total new capital appropriations	305,569	1,866,034	573,731	38,463	22,218
Provided for:					
International Financial Institutions	248,569	1,818,516	573,731	38,463	22,218
Other	57,000	47,518	-	-	-
Total Items	305,569	1,866,034	573,731	38,463	22,218

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis in accordance with:

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

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.

Departmental assets, liabilities, revenues and expenses are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing goods and services.

Administered items are revenues, expenses, assets or liabilities which are managed by the department on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments, and administered revenues include taxes, fines and excises.