

Portfolio Additional Estimates Statements 2017-18

Defence Portfolio
(Department of Veterans' Affairs)

Explanations of Additional Estimates 2017-18

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Graeme Rochow, Chief Finance Officer, Department of Veterans' Affairs (02) 6289 6620

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The Hon Michael McCormack MP

Minister for Veterans' Affairs
Minister for Defence Personnel
Minister Assisting the Prime Minister for the Centenary of ANZAC
Deputy Leader of the House
Federal Member for Riverina

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2017-18 Additional Estimates for the Department of Veterans' Affairs Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and the public.

Yours sincerely

A handwritten signature in blue ink that reads "Michael McCormack".

MICHAEL McCORMACK

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

ENQUIRIES

Should you have any enquiries regarding this publication please contact Graeme Rochow, Chief Finance Officer, Department of Veterans' Affairs on (02) 6289 6620.

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

**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

The purpose of the 2017-18 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in *Appropriation Bills (Nos. 3 and 4) 2017-18*. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2017-18* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

User Guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio Overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section 1: Entity Overview and Resources	This section details the total resources available to an entity, the impact of any measures since Budget, and impact on <i>Appropriation Bills Nos. 3 and 4</i> .
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Section 2: Revisions to Outcomes and Planned Performance	This section details changes to Government outcomes and/or changes to the planned performance of entity programs.
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Section 3: Special Account Flows and Budgeted Financial Statements	This section contains updated explanatory tables on special account flows and revisions to the budgeted financial statements.
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Glossary	Explains key terms relevant to the portfolio.
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PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

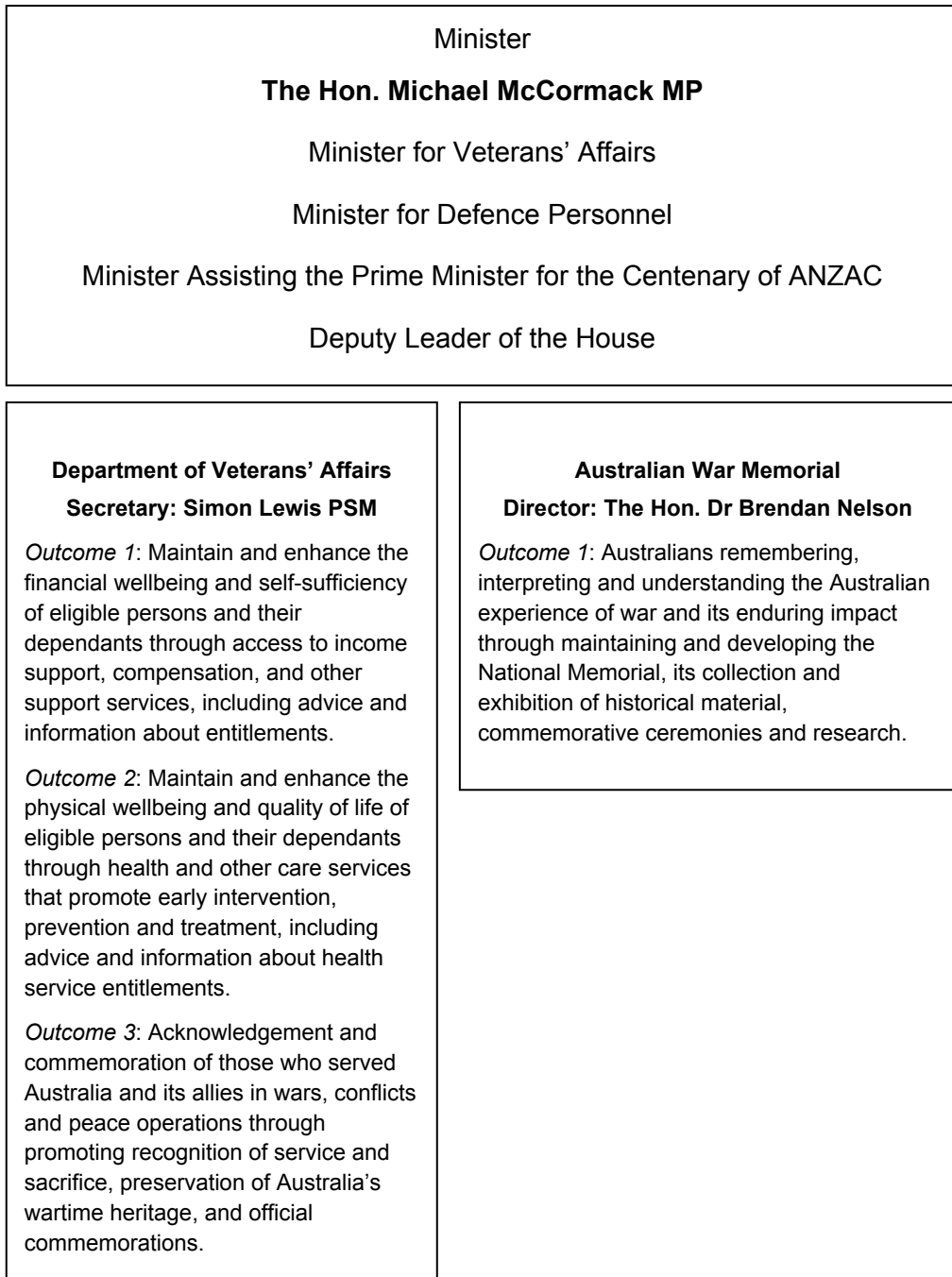
MINISTER AND PORTFOLIO RESPONSIBILITIES

There has been no change in the Department's role, planned outcomes or programs structure since the 2017-18 Portfolio Budget Statements. A full outline of the Department of Veterans' Affairs (DVA) Portfolio Overview can be found in the 2017-18 Portfolio Budget Statements.

The portfolio is seeking, for the Department of Veterans' Affairs, net additional funding of \$169.6 million, including \$5.2 million for departmental expenses and \$164.4 million for administered expenses. The new appropriation funding of \$11,004.3 million being sought will provide the Department with \$10,609.8 million in administered expenses and \$394.5 million in total departmental expenses.

The Australian War Memorial is seeking additional funding of \$5.6 million for a detailed business case for additional exhibition space.

Figure 1: Department of Veterans' Affairs Portfolio Structure and Outcomes



ENTITY ADDITIONAL ESTIMATES STATEMENTS

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DEPARTMENT OF VETERANS' AFFAIRS

ENTITY RESOURCES AND PLANNED PERFORMANCE

DEPARTMENT OF VETERANS' AFFAIRS

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DEPARTMENT OF VETERANS' AFFAIRS

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION

The Department of Veterans' Affairs (DVA) supports those who serve or have served in defence of our nation and commemorates their service and sacrifice.

DVA provides a range of programs and financial entitlements to support the health and wellbeing of Australia's veterans, current serving men and women, war widows and widowers, dependants and eligible members of the Australian Federal Police.

There has been no change in the Department's role, planned outcomes or programs structure since the 2017-18 Portfolio Budget Statements. A full outline of DVA's strategic direction can be found in the 2017-18 Portfolio Budget Statements.

Administered expenses

The additional administered funding of \$164.4 million is required for new measures and other estimate variations as set out in Table 1.1, 1.2, 1.3, pages 12 to 20.

Departmental expenses

The additional departmental funding of \$5.2 million is required for new measures and other estimate variations as set out in Table 1.1, 1.2, and 1.3, pages 12 to 20.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Department of Veterans' Affairs at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1.1: Department of Veterans' Affairs Resource Statement
Additional Estimates for 2017-18 as at Additional Estimates February 2018**

	<i>Total available appropriation</i>	Estimate as at + Budget	Proposed Additional = Estimates	Total estimate at Additional Estimates
	<i>2016-17</i>	2017-18	2017-18	2017-18
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Departmental				
Annual appropriations - ordinary annual services ^a				
Prior year departmental appropriation ^b	-	22,440	26,028	48,468
Departmental appropriation	306,494	366,349	1,997	368,346
s74 Retained Revenue Receipts ^c	6,659	6,905	(476)	6,429
Departmental Capital Budget ^d	13,282	13,634	-	13,634
Annual appropriations - other services - non operating				
Equity injections ^e	19,562	9,336	3,190	12,526
Total departmental annual appropriations	345,997	418,664	30,739	449,403
Special Accounts				
Opening balance ^f	2,171	2,391	251	2,642
Appropriation Receipts ^g	120	120	-	120
Non-Appropriation receipts to Special Accounts	47,000	48,000	(10,186)	37,814
Total special account	49,291	50,511	(9,935)	40,576
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	120	120	-	120
Total departmental resourcing	395,168	469,055	20,804	489,859
Administered				
Annual appropriations - ordinary annual services				
Outcome 1	49,972	50,230	3,496	53,726
Outcome 2	8,614	9,959	2,253	12,212
Outcome 3	48,950	53,437	446	53,883
Payments to corporate entities ^h	42,699	47,389	5,651	53,040
Annual appropriations - other services - non operating				
Payments to corporate entities - non-operating ^h	7,154	8,980	-	8,980
Total available annual appropriations	157,389	169,995	11,846	181,841

Continued on next page

Table 1.1: Department of Veterans' Affairs Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

	Total available appropriation	Estimate as at Budget	Proposed + Additional Estimates	Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Special appropriations				
Outcome 1				
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>	11	14	-	14
<i>Veterans' Entitlements Act 1986 (VEA)</i>	5,409,432	5,134,325	7,021	5,141,346
<i>Compensation (Japanese Internment) Act 2001</i>	-	25	-	25
<i>Defence Service Homes Act 1918</i>	837	758	-	758
<i>Safety, Rehabilitation and Compensation Act 1988</i>	140,015	140,837	32,023	172,860
<i>Military Rehabilitation and Compensation Act 2004</i>	366,483	330,071	110,759	440,830
Total Outcome 1	5,916,778	5,606,030	149,803	5,755,833
Outcome 2				
<i>Veterans' Entitlements Act 1986 (VEA)</i>	4,503,525	4,558,516	(25,596)	4,532,920
<i>Safety, Rehabilitation and Compensation Act 1988</i>	41,808	40,714	4,195	44,909
<i>Military Rehabilitation and Compensation Act 2004</i>	83,211	77,538	29,808	107,346
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	371	49,008	-	49,008
<i>Public Governance, Performance and Accountability Act 2013 - s77 Repayments</i>	-	5	-	5
Total Outcome 2	4,628,915	4,725,781	8,407	4,734,188
Total administered special appropriations	10,545,693	10,331,811	158,210	10,490,021
<i>less payments to corporate entities from annual/special appropriations</i>	49,853	56,369	5,651	62,020
Total administered resourcing	10,653,229	10,445,437	164,405	10,609,842
Total resourcing for DVA	11,048,397	10,914,492	185,209	11,099,701
			2016-17	2017-18
Average Staffing Level			1,889	1,896

- Appropriation Act (No. 1) 2017-18 and Appropriation Bill (No. 3) 2017-18.*
- Estimated adjusted balance carried from previous year for annual appropriations
- Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
- Departmental capital budgets are not separately identified in Appropriation Act (No.1) and form part of ordinary annual services items. Please refer to Table 3.6 for further details.
- Appropriation Act (No. 2) 2017-18 and Appropriation Bill (No. 4) 2017-18.*
- Estimated opening balance for special accounts (less 'Special Public Money' held in a *Services for Other Entities and Trust Monies Special Accounts (SOETM)*). For further information on Special Accounts see Table 3.1.
- Appropriation receipts credited into DSHIS special account included in total departmental appropriation. For further information, see Table 3.1. (Note: Non-appropriation receipts other than those of the DSHIS special account are excluded as these represent Special Public Monies).
- 'Corporate Entities' are Corporate Commonwealth Entities and Commonwealth Companies as defined under the *PGPA Act 2013*.

Reader note: All figures are GST exclusive.

Table 1.1: Department of Veterans' Affairs Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)

Third Party Payments from and on Behalf of Other Entities	Actual payments	Estimate as at Budget	+ Proposed Additional Estimates	= Total estimate at Additional Estimates
	2016-17 \$'000	2017-18 \$'000	2017-18 \$'000	2017-18 \$'000
Receipts received from the Department of Defence for the provision of services (disclosed above in s74 Retained Revenue Receipts section above)	7,587	8,282	(674)	7,608
Payments made to corporate entities within the Portfolio				
Australian War Memorial - Bill 1	42,699	47,389	5,651	53,040
Australian War Memorial - Bill 2	7,154	8,980	-	8,980
Payments made on behalf of Department of Social Services <i>Social Security (Administration) Act 1999</i>	46,532	47,836	(952)	46,884
Payments made on behalf of Department of Social Services <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	583	1,158	(1,154)	4
Payments made on behalf of Department of Social Services for the provision of services	156	148	4	152
Payments made by the Department of Human Services (DHS) on behalf of DVA				
<i>Veterans' Entitlements Act 1986,</i>	3,503,478	3,422,952	19,039	3,441,991
<i>Military Rehabilitation and Compensation Act 2004</i>	55,698	60,529	5,240	65,769
<i>Safety, Rehabilitation and Compensation Act 1988</i>	13,429	12,375	1,532	13,907
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	371	377	48,631	49,008
Payments made to DHS for processing payment of health care provider treatment accounts and the provision of IT services.	35,736	27,260	37,740	65,000

1.3 ENTITY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017-18 Measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Outcome 1					
Support for Veterans' Mental Health - additional funding	1.1				
Administered expenses		354	7,408	3,776	4,119
Departmental expenses		1,715	1,096	51	51
Total		2,069	8,504	3,827	4,170
Total Outcome 1					
Administered expenses		354	7,408	3,776	4,119
Departmental expenses		1,715	1,096	51	51
Total		2,069	8,504	3,827	4,170
Outcome 2					
Guaranteeing Medicare - Medicare Benefits Schedule Review - response to Taskforce recommendations ^b	2.1				
Administered expenses		-	-	-	-
Total		-	-	-	-
Guaranteeing Medicare - Medicare Benefits Schedule - new and amended listings ^a	2.1				
Administered expenses		364	240	(97)	(332)
Total		364	240	(97)	(332)
Making Private Health Insurance Simpler and More Affordable ^a	2.2				
Administered expenses		(3,460)	(9,822)	(11,599)	(14,502)
Total		(3,460)	(9,822)	(11,599)	(14,502)

Continued on next page

Table 1.2: Entity 2017-18 Measures since Budget (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Outcome 2					
Repatriation Pharmaceutical Benefits Scheme - new listings and price amendments	2.3				
Administered expenses		5	10	9	9
Total		5	10	9	9
Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings ^a	2.1 & 2.3				
Administered expenses		6,112	7,315	6,542	6,148
Total		6,112	7,315	6,542	6,148
Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings ^c	2.1 & 2.3				
Administered expenses		467	813	719	704
Total		467	813	719	704
Support for Veterans' Mental Health - additional funding	2.1 & 2.6				
Administered expenses		866	3,723	5,731	3,700
Departmental expenses		284	438	344	345
Total		1,150	4,161	6,075	4,045
Total Outcome 2					
Administered expenses		4,354	2,279	1,305	(4,273)
Departmental expenses		284	438	344	345
Total		4,638	2,717	1,649	(3,928)

Continued on next page

Table 1.2: Entity 2017-18 Measures since Budget (continued)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
All Outcomes					
Department of Veterans' Affairs - travel efficiencies	All				
Departmental expenses		(398)	(531)	(531)	(531)
Total		(398)	(531)	(531)	(531)
Total Outcome All					
Departmental expenses		(398)	(531)	(531)	(531)
Total		(398)	(531)	(531)	(531)
Total expense measures					
Administered		4,708	9,687	5,081	(154)
Departmental		1,601	1,003	(136)	(135)
Total		6,309	10,690	4,945	(289)
Support for Veterans' Mental Health - additional funding	1.1 & 2.6				
Departmental Capital		2,460	769	-	-
Total		2,460	769	-	-
Total capital measures					
Departmental		2,460	769	-	-
Total		2,460	769	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

- The lead agency for this measure is the Department of Health. The full measure description and package details appear in Mid Year Economic and Fiscal Outlook (MYEFO).
- This measure relates to the Decisions taken but not yet announced and the lead agency is the Department of Health.
- This measure relates to the decision taken post Mid Year Economic and Fiscal Outlook (MYEFO) and the lead agency is the Department of Health.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Department of Veterans' Affairs at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures and other variations since the 2017-18 Budget in *Appropriation Bills Nos. 3 and 4*.

Table 1.3: Additional Estimates and Other Variations to Outcomes Since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Administered					
Annual appropriations					
Change in price & wage indices	1.1-1.6	24	8	8	37
Program specific - beneficiary or rate changes	1.1-1.6	4,474	453	600	(1,076)
Movement of Funds	1.6	250	–	–	–
Self Balancing Trasfer	1.1-1.6	(1,252)	(1,003)	(1,001)	(1,001)
Special appropriations					
Support for Veterans' Mental Health - additional funding	1.1	354	7,408	3,776	4,119
Change in price & wage indices	1.1-1.6	1,424	(7,240)	(17,714)	(51,180)
Program specific - beneficiary or rate changes	1.1-1.6	143,232	35,252	22,728	(8,998)
Legislative delays	1.1-1.6	2,442	–	–	–
Other variations	1.1-1.6	248	209	217	225
Net impact on appropriations for Outcome 1 (administered)		151,196	35,087	8,614	(57,874)
Departmental					
Annual appropriations					
Support for Veterans' Mental Health - additional funding (Expense)	1.1	1,715	1,096	51	51
Support for Veterans' Mental Health - additional funding (Capital)	1.1	1,434	611	–	–
Department of Veterans' Affairs - travel efficiencies	1.1-1.6	(256)	(341)	(341)	(341)
Changes in price & wage indices	1.1-1.6	–	181	176	353
Changes in price & wage indices (DCB)	1.1-1.6	–	8	8	18
Legislative delays (Expense)	1.1-1.6	269	15	15	15
Legislative delays (Capital)	1.1-1.6	730	–	–	–
Net impact on appropriations for Outcome 1 (departmental)		3,892	1,570	(91)	96

Continued on next page

Table 1.3: Additional Estimates and Other Variations to Outcomes Since 2017-18 Budget (continued)

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 2					
Administered					
Annual appropriation					
Change in price & wage indices	2.1-2.6	1	–	(5)	(4)
Movement of funds - between years	2.5	1,000	–	–	–
Self Balancing transfer	2.1-2.6	1,252	1,003	1,001	1,001
Special appropriations					
Guaranteeing Medicare - Medicare Benefits Schedule Review - response to Taskforce recommendations	2.1	–	–	–	–
Guaranteeing Medicare - Medicare Benefits Schedule - new and amended listings	2.1	364	240	(97)	(332)
Making Private Health Insurance Simpler and More Affordable	2.2	(3,460)	(9,822)	(11,599)	(14,502)
Repatriation Pharmaceutical Benefits Scheme - new listings and price amendments	2.3	5	10	9	9
Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings	2.1 & 2.3	6,112	7,315	6,542	6,148
Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings	2.1 & 2.3	467	813	719	704
Support for Veterans' Mental Health - additional funding	2.1 & 2.6	866	3,723	5,731	3,700
Change in price & wage indices	2.1-2.6	45	43	(1,336)	875
Program specific - beneficiary or rate changes	2.1-2.6	(5,190)	9,333	45,283	53,429
Other variations	2.1-2.6	8,365	281	–	–
Net impact on appropriations for Outcome 2 (administered)		9,827	12,939	46,248	51,028
Departmental					
Annual appropriations					
Support for Veterans' Mental Health - additional funding (Expense)	2.1 & 2.6	284	438	344	345
Support for Veterans' Mental Health - additional funding (Capital)	2.6	1,026	158	–	–
Department of Veterans' Affairs - travel efficiencies	2.1-2.6	(110)	(147)	(147)	(147)
Changes in price & wage indices	2.1-2.6	–	77	75	152
Changes in price & wage indices (DCB)	2.1-2.6	–	4	4	7
Other Variations	2.1-2.6	127	–	–	–
Net impact on appropriations for Outcome 2 (departmental)		1,327	530	276	357

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Table 1.3: Additional Estimates and Other Variations to Outcomes Since 2017-18 Budget (continued)

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 3					
Administered					
Annual appropriation					
Approved movement of funds between years	3.1	419	–	–	–
Change in price & wage indices	3.1-3.2	27	19	7	15
Net impact on appropriations for Outcome 3 (administered)		446	19	7	15
Departmental					
Annual appropriations					
Department of Veterans' Affairs - travel efficiencies	3.1-3.2	(32)	(43)	(43)	(43)
Changes in price & wage indices	3.1-3.2	–	23	22	44
Changes in price & wage indices (DCB)	3.1-3.2	–	1	1	2
Net impact on appropriations for Outcome 3 (departmental)		(32)	(19)	(20)	3

Prepared on a Government Financial Statistics (fiscal balance)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department of Veterans' Affairs through *Appropriation Bills Nos. 3 and 4*.

Table 1.4: Appropriation Bill (No. 3) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
ADMINISTERED ITEMS					
Outcome 1	49,722	50,230	53,726	3,496	–
Outcome 2	7,614	9,959	12,212	2,253	–
Outcome 3	48,531	53,437	53,883	446	–
Total	105,867	113,626	119,821	6,195	–
DEPARTMENTAL PROGRAMS					
Outcome 1	210,280	241,532	243,260	1,728	–
Outcome 2	84,516	99,374	99,675	301	–
Outcome 3	24,980	39,077	39,045	–	(32)
Total	319,776	379,983	381,980	2,029	(32)
Total administered and departmental	425,643	493,609	501,801	8,224	(32)

Table 1.5: Appropriation Bill (No. 4) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL PROGRAMS					
Equity Injections	19,562	9,336	12,526	3,190	–
Total Departmental	19,562	9,336	12,526	3,190	–

Section 2: Revisions to Entity Outcomes and Planned Performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change in the Department's role, planned outcomes or programs structure since the 2017-18 Portfolio Budget Statements. Therefore, the objectives, deliverables and targets have not been altered. Complete details of the Department's resources and performance information can be found in the 2017-18 Portfolio Budget Statements.

OUTCOME 1

Outcome 1 Strategy

Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements.

Table 2.1.1: Budgeted Expenses for Outcome 1

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1:					
Program 1.1: Veterans' Income Support and Allowances					
Administered Expenses					
Special Appropriations	2,329,596	2,189,186	2,150,692	2,110,182	2,034,608
Administered total	2,329,596	2,189,186	2,150,692	2,110,182	2,034,608
Departmental Expenses					
Departmental appropriation ^a	58,589	71,455	55,577	53,131	53,443
Expenses not requiring appropriation in the Budget year ^b	5,426	5,217	5,224	4,890	4,787
Departmental total	64,015	76,672	60,801	58,021	58,230
Total expenses for program 1.1	2,393,611	2,265,858	2,211,493	2,168,203	2,092,838
Program 1.2: Veterans' Disability Support					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	17,021	22,920	21,726	20,705	20,149
Special Appropriations	1,515,465	1,494,587	1,475,094	1,474,158	1,488,307
Administered total	1,532,486	1,517,507	1,496,820	1,494,863	1,508,456
Departmental Expenses					
Departmental appropriation ^a	43,055	51,230	40,020	38,992	39,219
Expenses not requiring appropriation in the Budget year ^b	3,987	3,755	3,625	3,379	3,305
Departmental total	47,042	54,985	43,645	42,371	42,524
Total expenses for program 1.2	1,579,528	1,572,492	1,540,465	1,537,234	1,550,980

Continued on next page

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1:					
Program 1.3: Assistance to Defence Widow/ers and Dependants					
Administered Expenses					
Special Appropriations	1,561,710	1,448,748	1,346,500	1,229,717	1,162,515
Administered total	1,561,710	1,448,748	1,346,500	1,229,717	1,162,515
Departmental Expenses					
Departmental appropriation ^a	11,959	14,247	11,130	10,844	10,907
Expenses not requiring appropriation in the Budget year ^a	1,107	1,041	1,005	937	917
Departmental total	13,066	15,288	12,135	11,781	11,824
Total expenses for program 1.3	1,574,776	1,464,036	1,358,635	1,241,498	1,174,339
Program 1.4: Assistance and Other Compensation for Veterans and Dependants					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	6,926	8,439	8,100	8,690	8,900
Special Appropriations	30,112	11,916	10,188	8,708	7,419
Administered total	37,038	20,355	18,288	17,398	16,319
Departmental Expenses					
Departmental appropriation ^a	25,442	30,290	23,662	23,054	23,188
Expenses not requiring appropriation in the Budget year ^a	2,356	2,220	2,143	1,998	1,954
Special Accounts	40,061	36,502	35,783	36,583	37,383
Departmental total	67,859	69,012	61,588	61,635	62,525
Total expenses for program 1.4	104,897	89,367	79,876	79,033	78,844
Program 1.5: Veterans' Children Education Scheme					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	14,786	14,960	14,515	14,395	14,284
Administered total	14,786	14,960	14,515	14,395	14,284
Departmental Expenses					
Departmental appropriation ^a	3,686	4,375	3,418	3,330	3,349
Expenses not requiring appropriation in the Budget year ^a	341	321	310	289	282
Departmental total	4,027	4,696	3,728	3,619	3,631
Total expenses for program 1.5	18,813	19,656	18,243	18,014	17,915

Continued on next page

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1:					
Program 1.6: Military Rehabilitation and Compensation Acts Payments - Income Support and Compensation					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	5,971	7,444	7,891	8,528	8,898
Special Appropriations	520,148	614,921	493,995	497,255	516,986
Special Accounts	267	626	360	60	150
Administered total	526,386	622,991	502,246	505,843	526,034
Departmental Expenses					
Departmental appropriation ^a	59,205	70,451	55,035	53,621	53,934
Expenses not requiring appropriation in the Budget year ^a	5,483	5,163	4,985	4,647	4,544
Departmental total	64,688	75,614	60,020	58,268	58,478
Total expenses for program 1.6	591,074	698,605	562,266	564,111	584,512
Program 1.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Income Support and Compensation					
Administered Expenses					
Expenses not requiring appropriation in the Budget year	361,500	272,400	311,400	318,500	325,000
Administered total	361,500	272,400	311,400	318,500	325,000
Total expenses for program 1.7	361,500	272,400	311,400	318,500	325,000
Outcome 1 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	44,704	53,763	52,232	52,318	52,231
Special Appropriations	5,957,031	5,759,358	5,476,469	5,320,020	5,209,835
Special Accounts	267	626	360	60	150
Expenses not requiring appropriation in the Budget year	361,500	272,400	311,400	318,500	325,000
Administered total	6,363,502	6,086,147	5,840,461	5,690,898	5,587,216
Departmental Expenses					
Departmental appropriation ^a	201,936	242,048	188,842	182,972	184,040
Expenses not requiring appropriation in the Budget year ^a	18,701	17,717	17,292	16,140	15,789
Special Accounts	40,061	36,502	35,783	36,583	37,383
Departmental total	260,698	296,267	241,917	235,695	237,212
Total Expenses for Outcome 1	6,624,200	6,382,414	6,082,378	5,926,593	5,824,428

Continued on next page

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2016-17	2017-18	2018-19	2019-20	2020-21
Movement of administered funds between years^c	Actual expenses	Revised budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1					
Program 1.6 Military Rehabilitation and Compensation Acts Payments - Income Support and Compensation: Support for veterans and their families	(250)	250	-	-	-
Total movement of administered funds	(250)	250	-	-	-

	2016-17	2017-18
Average Staffing Level (number)	1,214	1,218

- a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bills No. 1 & 3)' and 'Retained Revenue Receipts (s74)'.
b) Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense, Audit Fees and Australian Tax Office data matching services.
c) Figures displayed as negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

Table 2.1.2: Program Components of Outcome 1**Program 1.1: Veterans' Income Support and Allowances**

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Income support pensions	2,324,815	2,184,124	2,145,773	2,105,365	2,029,891
Other allowances	4,781	5,062	4,919	4,817	4,717
Program support	58,589	71,455	55,577	53,131	53,443
Expenses not requiring appropriation in the Budget year	5,426	5,217	5,224	4,890	4,787
Total program expenses	2,393,611	2,265,858	2,211,493	2,168,203	2,092,838

Program 1.2: Veterans' Disability Support

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Annual Administered Expenses:					
Appropriation Bill No. 1 & 3					
Medical examinations, fares and expenses	16,106	22,050	20,900	19,951	19,445
Vehicle Assistance Scheme	915	870	826	754	704
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Disability pensions	1,513,651	1,492,916	1,473,598	1,472,788	1,487,040
Loss of earnings	385	413	392	402	419
Recreation transport allowance	1,429	1,258	1,104	968	848
Program support	43,055	51,230	40,020	38,992	39,219
Expenses not requiring appropriation in the Budget year	3,987	3,755	3,625	3,379	3,305
Total program expenses	1,579,528	1,572,492	1,540,465	1,537,234	1,550,980

Program 1.3: Assistance to Defence Widow/ers and Dependants

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
War & Defence Widows pension	1,561,710	1,448,748	1,346,500	1,229,717	1,162,515
Program support	11,959	14,247	11,130	10,844	10,907
Expenses not requiring appropriation in the Budget year	1,107	1,041	1,005	937	917
Total program expenses	1,574,776	1,464,036	1,358,635	1,241,498	1,174,339

Program 1.4: Assistance and Other Compensation for Veterans and Dependants

	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Revised	Forward	Forward	Forward
\$(‘000)	expenses	budget	year 1	year 2	year 3
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Compensation and Legal Expenses	1,188	1,630	1,622	1,757	1,800
Defective Administration	93	570	246	255	261
Payments to ESOs (BEST & TIP)	5,090	5,045	5,039	5,425	5,555
Veterans' Access to Community Information	498	1,131	1,128	1,186	1,214
Act of Grace	57	63	65	67	70
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Funeral benefits	8,183	7,742	6,836	5,993	5,209
POW (E)	3,647	2,947	2,320	1,827	1,439
Compensation payments for BCAL veterans	486	430	355	305	263
Energy Assistance Payment	16,959	-	-	-	-
<i>Compensation (Japanese Interment) Act 2001</i>					
POW (J)	-	25	25	25	25
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>					
PNG pensions	11	14	14	15	15
<i>Defence Service Homes Act 1918</i>					
Interest subsidy	826	758	638	543	468
Special Account expenses:					
DSHIS	40,061	36,502	35,783	36,583	37,383
Program support	25,442	30,290	23,662	23,054	23,188
Expenses not requiring appropriation in the Budget year	2,356	2,220	2,143	1,998	1,954
Total program expenses	104,897	89,367	79,876	79,033	78,844

Program 1.5: Veterans' Children Education Scheme

	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Revised	Forward	Forward	Forward
\$(‘000)	expenses	budget	year 1	year 2	year 3
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Veterans' Children Education Scheme	14,786	14,960	14,515	14,395	14,284
Program support	3,686	4,375	3,418	3,330	3,349
Expenses not requiring appropriation in the Budget year	341	321	310	289	282
Total program expenses	18,813	19,656	18,243	18,014	17,915

Program 1.6: Military Rehabilitation and Compensation Acts Payments - Income Support and Compensation

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Other income support and compensation-related payments - SRCA	2,527	3,977	4,222	4,507	4,702
Other income support and compensation-related payments - MRCA	3,444	3,467	3,669	4,021	4,196
Special Appropriations:					
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Permanent impairment	56,202	74,850	40,300	38,500	36,700
Benefits for eligible dependants	14,542	15,647	14,684	13,698	16,035
Incapacity payments	63,990	70,731	72,000	73,000	74,042
Medical examinations	2,368	3,500	3,400	3,200	3,104
Death payments	2,669	2,848	2,650	2,500	2,405
Other income support and compensation-related payments	226	5,846	6,619	347	362
<i>Military Rehabilitation and Compensation Act 2004</i>					
Permanent impairment	223,452	273,286	181,246	185,233	189,864
Benefits for eligible dependants	10,784	10,993	10,638	9,705	9,672
Income maintenance payments	130,270	143,380	148,200	156,527	169,639
Medical examinations	15,612	13,367	13,764	14,022	14,616
Other income support and compensation-related payments	33	473	494	523	547
Special Account Expenses:					
Military death claim compensation	267	626	360	60	150
Program support	59,205	70,451	55,035	53,621	53,934
Expenses not requiring appropriation in the Budget year	5,483	5,163	4,985	4,647	4,544
Total program expenses	591,074	698,605	562,266	564,111	584,512

Program 1.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Income Support and Compensation

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Administered Expenses:					
Expenses not requiring appropriation in the Budget year	361,500	272,400	311,400	318,500	325,000
Total program expenses	361,500	272,400	311,400	318,500	325,000

OUTCOME 2

Outcome 2 Strategy

Maintain and enhance the physical wellbeing and quality of the life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.

Table 2.2.1: Budgeted Expenses for Outcome 2

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 2.1: General Medical Consultations and Services					
Administered Expenses					
Special Appropriations	806,743	790,280	762,920	740,705	720,739
Administered total	806,743	790,280	762,920	740,705	720,739
Departmental Expenses					
Departmental appropriation ^a	8,903	10,584	8,650	8,372	8,421
Expenses not requiring appropriation in the Budget year ^b	824	773	752	709	693
Departmental total	9,727	11,357	9,402	9,081	9,114
Total expenses for program 2.1	816,470	801,637	772,322	749,786	729,853
Program 2.2: Veterans' Hospital Services					
Administered Expenses					
Special Appropriations	1,487,194	1,460,189	1,417,487	1,379,079	1,341,934
Administered total	1,487,194	1,460,189	1,417,487	1,379,079	1,341,934
Departmental Expenses					
Departmental appropriation ^a	5,734	6,806	5,316	5,180	5,210
Expenses not requiring appropriation in the Budget year ^b	531	497	479	446	436
Departmental total	6,265	7,303	5,795	5,626	5,646
Total expenses for program 2.2	1,493,459	1,467,492	1,423,282	1,384,705	1,347,580
Program 2.3: Veterans' Pharmaceuticals Benefits					
Administered Expenses					
Special Appropriations	305,342	336,165	321,619	311,274	302,407
Administered total	305,342	336,165	321,619	311,274	302,407
Departmental Expenses					
Departmental appropriation ^a	3,458	4,114	3,213	3,131	3,149
Expenses not requiring appropriation in the Budget year ^b	320	301	289	270	264
Departmental total	3,778	4,415	3,502	3,401	3,413
Total expenses for program 2.3	309,120	340,580	325,121	314,675	305,820

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Table 2.2.1: Budgeted Expenses for Outcome 2 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 2:					
Program 2.4: Veterans' Community Care and Support					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	2,261	3,563	3,304	3,506	3,553
Special Appropriations	1,317,607	1,353,722	1,306,770	1,264,154	1,256,567
Administered total	1,319,867	1,357,285	1,310,074	1,267,660	1,260,120
Departmental Expenses					
Departmental appropriation ^a	16,550	19,709	15,393	14,998	15,085
Expenses not requiring appropriation in the Budget year ^b	1,533	1,440	1,386	1,291	1,263
Departmental total	18,083	21,149	16,779	16,289	16,348
Total expenses for program 2.4	1,337,950	1,378,434	1,326,853	1,283,949	1,276,468
Program 2.5: Veterans' Counselling and Other Health Services					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,384	8,649	6,297	5,424	4,527
Special Appropriations	583,378	656,662	691,358	696,518	701,410
Administered total	586,762	665,311	697,655	701,942	705,937
Departmental Expenses					
Departmental appropriation ^a	33,180	39,493	30,845	30,053	30,228
Expenses not requiring appropriation in the Budget year ^b	3,073	2,886	2,777	2,588	2,530
Departmental total	36,253	42,379	33,622	32,641	32,758
Total expenses for program 2.5	623,015	707,690	731,277	734,583	738,695
Program 2.6: Military Rehabilitation and Compensation Acts - Health and Other Care Services					
Administered Expenses					
Special Appropriations	126,299	152,258	132,343	142,608	150,253
Administered total	126,299	152,258	132,343	142,608	150,253
Departmental Expenses					
Departmental appropriation ^a	18,862	22,724	17,580	17,102	17,201
Expenses not requiring appropriation in the Budget year ^b	1,747	1,713	1,692	1,631	1,599
Departmental total	20,609	24,437	19,272	18,733	18,800
Total expenses for program 2.6	146,908	176,695	151,615	161,341	169,053

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Table 2.2.1: Budgeted Expenses for Outcome 2 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 2:					
Program 2.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Health and Other Care Services					
Administered Expenses					
Expenses not requiring appropriation in the Budget year	664,500	211,400	208,500	217,300	227,300
Administered total	664,500	211,400	208,500	217,300	227,300
Total expenses for program 2.7	664,500	211,400	208,500	217,300	227,300
Outcome 2 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	5,644	12,212	9,601	8,930	8,080
Special Appropriations	4,626,562	4,749,276	4,632,497	4,534,338	4,473,310
Expenses not requiring appropriation in the Budget year	664,500	211,400	208,500	217,300	227,300
Administered total	5,296,706	4,972,888	4,850,598	4,760,568	4,708,690
Departmental Expenses					
Departmental appropriation ^a	86,687	103,430	80,997	78,836	79,294
Expenses not requiring appropriation in the Budget year ^b	8,028	7,610	7,375	6,935	6,785
Departmental total	94,715	111,040	88,372	85,771	86,079
Total expenses for Outcome 2	5,391,421	5,083,928	4,938,970	4,846,339	4,794,769
Movement of administered funds between years^c					
Outcome 2					
Program 2.5 Veterans' Counselling and Other Health Services: Support for veterans and their families	(1,000)	1,000	-	-	-
Total movement of administered funds	(1,000)	1,000	-	-	-
Average Staffing Level (number)	521	523			

a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bills No. 1 & 3)' and 'Retained Revenue Receipts (s74)'.

b) Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense, Audit Fees and Australian Tax Office data matching services.

c) Figures displayed as negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

Table 2.2.2: Program Components of Outcome 2**Program 2.1: General Medical Consultations and Services**

	2016-17	2017-18	2018-19	2019-20	2020-21
\$('000)	Actual expenses	Revised budget	Forward year 1	Forward year 2	Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
LMO consultations	150,800	148,018	143,918	139,369	134,964
Specialist consultations	136,700	141,480	134,142	131,668	129,330
Medical services	431,209	418,249	406,041	394,241	383,119
Dental	88,034	82,533	78,819	75,427	73,326
Program support	8,903	10,584	8,650	8,372	8,421
Expenses not requiring appropriation in the Budget year	824	773	752	709	693
Total program expenses	816,470	801,637	772,322	749,786	729,853

Program 2.2: Veterans' Hospital Services

	2016-17	2017-18	2018-19	2019-20	2020-21
\$('000)	Actual expenses	Revised budget	Forward year 1	Forward year 2	Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Public hospitals	662,266	658,363	652,217	646,256	641,565
Private hospitals	818,031	794,920	758,355	725,908	693,447
Nursing homes (POW)	6,897	6,906	6,915	6,915	6,922
Program support	5,734	6,806	5,316	5,180	5,210
Expenses not requiring appropriation in the Budget year	531	497	479	446	436
Total program expenses	1,493,459	1,467,492	1,423,282	1,384,705	1,347,580

Program 2.3: Veterans' Pharmaceuticals Benefits

	2016-17	2017-18	2018-19	2019-20	2020-21
\$('000)	Actual expenses	Revised budget	Forward year 1	Forward year 2	Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Pharmaceutical services	305,342	336,165	321,619	311,274	302,407
Program support	3,458	4,114	3,213	3,131	3,149
Expenses not requiring appropriation in the Budget year	320	301	289	270	264
Total program expenses	309,120	340,580	325,121	314,675	305,820

Program 2.4: Veterans' Community Care and Support

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Grants-In-Aid	138	145	145	145	145
Community Care Grants	633	640	637	713	727
Joint Venture Grants	1,119	1,130	1,125	1,220	1,244
JV Day Clubs	371	396	394	427	436
Supporting Younger Veterans Grants Program	-	1,252	1,003	1,001	1,001
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Residential care	1,098,647	1,104,047	1,056,163	1,010,050	999,064
Community nursing	118,011	133,013	134,800	136,610	138,501
Veterans' Home Care	88,138	101,189	100,367	102,047	103,275
In-home respite	11,791	14,036	14,009	13,995	14,218
Carer and volunteer support	1,020	1,432	1,426	1,447	1,504
<i>Public Governance, Performance and Accountability Act 2013 (PGPA)</i>					
Section 77 Repayments	-	5	5	5	5
Program support	16,550	19,709	15,393	14,998	15,085
Expenses not requiring appropriation in the Budget year	1,533	1,440	1,386	1,291	1,263
Total program expenses	1,337,950	1,378,434	1,326,853	1,283,949	1,276,468

Program 2.5: Veterans' Counselling and Other Health Services

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Annual Administered Expenses:					
Appropriation Bill No. 1 & 3					
Counselling support & children's assistance	925	5,247	2,861	1,870	900
Compensation and legal expenses	3	57	57	61	63
Veterans' employment & training	671	787	783	704	719
Health & medical research	1,785	2,558	2,596	2,789	2,845
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Travel for treatment	152,033	170,000	174,408	177,296	182,676
Subsistence	6,509	6,571	6,635	6,782	7,158
Veterans and veterans' families counselling services	31,549	38,172	38,989	40,160	41,096
Non-institutional care - services	183,351	187,288	193,233	197,401	201,880
Non-institutional care - products	55,274	52,374	49,490	47,878	47,196
Rehabilitation appliances	145,885	145,312	175,919	178,734	177,346
Health treatment for BCAL veterans	8,406	7,937	7,921	8,072	8,510
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>					
Nuclear test health care payments	371	49,008	44,763	40,195	35,548
Program support	33,180	39,493	30,845	30,053	30,228
Expenses not requiring appropriation in the Budget year	3,073	2,886	2,777	2,588	2,530
Total program expenses	623,015	707,690	731,277	734,583	738,695

Program 2.6: Military Rehabilitation and Compensation Acts - Health and Other Care Services

	2016-17	2017-18	2018-19	2019-20	2020-21
\$(‘000)	Actual expenses	Revised budget	Forward year 1	Forward year 2	Forward year 3
Special Appropriations:					
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Medical services	25,121	27,800	25,100	25,400	25,825
Rehabilitation services	6,821	7,782	7,713	7,347	7,087
Other services	9,800	9,328	8,417	8,072	7,941
<i>Military Rehabilitation and Compensation Act 2004</i>					
Medical services	63,891	75,500	63,500	71,700	80,279
Rehabilitation services	18,198	28,284	23,488	25,799	24,595
Other services	2,468	3,564	4,125	4,290	4,526
Program support	18,862	22,724	17,580	17,102	17,201
Expenses not requiring appropriation in the Budget year	1,747	1,713	1,692	1,631	1,599
Total program expenses	146,908	176,695	151,615	161,341	169,053

Program 2.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Health and Other Care Services

	2016-17	2017-18	2018-19	2019-20	2020-21
\$(‘000)	Actual expenses	Revised budget	Forward year 1	Forward year 2	Forward year 3
Administered Expenses					
Expenses not requiring appropriation in the Budget year	664,500	211,400	208,500	217,300	227,300
Total program expenses	664,500	211,400	208,500	217,300	227,300

OUTCOME 3**Outcome 3 Strategy**

Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.

Table 2.3.1: Budgeted Expenses for Outcome 3

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 3.1: War Graves^a					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	17,829	23,915	18,440	19,127	19,953
Special Accounts	119	72	72	72	72
Administered total	17,948	23,987	18,512	19,199	20,025
Departmental Expenses					
Departmental appropriation ^b	9,901	11,763	9,199	8,962	9,015
Expenses not requiring appropriation in the Budget year ^c	917	861	828	772	755
Departmental total	10,818	12,624	10,027	9,734	9,770
Total expenses for program 3.1	28,766	36,611	28,539	28,933	29,795
Program 3.2: Commemorative Activities^a					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	28,311	29,968	22,865	11,037	11,370
Special Accounts	965	28,780	6,380	926	-
Administered total	29,276	58,748	29,245	11,963	11,370
Departmental Expenses					
Departmental appropriation ^b	15,721	18,679	14,607	14,232	14,314
Expenses not requiring appropriation in the Budget year ^c	1,456	1,366	1,315	1,225	1,198
Departmental total	17,177	20,045	15,922	15,457	15,512
Total expenses for program 3.2	46,453	78,793	45,167	27,420	26,882

Continued on next page

Table 2.3.1: Budgeted Expenses and Resources for Outcome 3 (continued)

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	46,140	53,883	41,305	30,164	31,323
Special Accounts	1,084	28,852	6,452	998	72
Administered total	47,224	82,735	47,757	31,162	31,395
Departmental Expenses					
Departmental appropriation ^b	25,622	30,442	23,806	23,194	23,329
Expenses not requiring appropriation in the Budget year ^c	2,373	2,227	2,143	1,997	1,953
Departmental total	27,995	32,669	25,949	25,191	25,282
Total expenses for Outcome 3	75,219	115,404	73,706	56,353	56,677
Movement of administered funds between years^d					
Outcome 3					
Program 3.1 War Graves: Refurbishment of war graves and memorials	(419)	419	-	-	-
Total movement of administered funds	(419)	419	-	-	-

	2016-17	2017-18
Average Staffing Level (number)	154	155

- a) Program 3.1 and Program 3.2 have been restructured so that functions within each program are more clearly defined. Refer to Section 1.4 of the 2017-18 Portfolio Budget Statements for further detail.
- b) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bills No. 1 & 3)' and 'Retained Revenue Receipts (s74)'.
- c) Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense, Audit Fees and Australian Tax Office data matching services.
- d) Figures displayed as negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

Table 2.3.2: Program Components of Outcome 3**Program 3.1: War Graves**

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
War graves care & maintenance	16,787	22,678	17,406	17,985	18,761
OAWG refurbishment, reconstruction & relocation	1,042	1,232	1,029	1,137	1,187
Compensation and legal expenses	-	5	5	5	5
Special Account Expenses:					
Services for Other Entities and Trust Moneys Special Account	119	72	72	72	72
Program support	9,901	11,763	9,199	8,962	9,015
Expenses not requiring appropriation in the Budget year	917	861	828	772	755
Total program expenses	28,766	36,611	28,539	28,933	29,795

Program 3.2: Commemorative Activities

	2016-17 Actual expenses	2017-18 Revised budget	2018-19 Forward year 1	2019-20 Forward year 2	2020-21 Forward year 3
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Veterans' commemorative activities	24,540	26,335	19,726	7,566	7,748
Gallipoli-related activities	3,771	3,633	3,139	3,471	3,622
Special Account Expenses:					
Australians at War ^a	295	-	-	-	-
Anzac Centenary Public Fund	670	28,780	6,380	926	-
Program support	15,721	18,679	14,607	14,232	14,314
Expenses not requiring appropriation in the Budget year	1,456	1,366	1,315	1,225	1,198
Total program expenses	46,453	78,793	45,167	27,420	26,882

a) The Australians at War special account sunsetted on 1 April 2017. The balance of this account and any future royalties will be received through Veterans' Commemorative Activities.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of Special Account Flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Veterans' Affairs.

Table 3.1: Estimates of Special Account Flows and Balances

		Opening balance 2017-18 2016-17	Receipts 2017-18 2016-17	Payments 2017-18 2016-17	Closing balance 2017-18 2016-17
	Outcome	\$'000	\$'000	\$'000	\$'000
Military Death Claim	1	79	570	628	21
Compensation Special Account (A)		165	1,651	1,737	79
Defence Service Homes Insurance Account (D)	1	2,642	37,934	38,076	2,500
Australians at War Special Account (A)	3	-	-	-	-
Anzac Centenary Public Fund Special Account (A)	3	20,866	9,530	28,780	1,616
Services for Other Entities and Trust Moneys Special Account (A)	3	170	73	72	171
Total Special Accounts					
2017-18 Budget estimate		23,757	48,107	67,556	4,308
<i>Total Special Accounts</i>					
<i>2016-17 actual</i>		12,240	67,889	56,372	23,757

(A) = Administered
(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The budgeted financial statements are shown at three levels and reflect the financial results of the three reporting entities that comprise DVA's departmental accounts: DVA amalgamated, DVA excluding Defence Services Homes Insurance Scheme (DSHIS), and DSHIS.

Departmental (DVA excluding DSHIS)

Budgeted Departmental Income Statement

The Department is budgeting for a breakeven operating result in 2017-18.

Budgeted Departmental Balance Sheet

The Department's net asset (equity) position for the 2017-18 financial year is projected to be \$42.4 million, which is an increase of \$9.7 million from the estimated Budget figure of \$32.7 million. This change in equity is a result of an increase in the estimated accumulated results of \$4.5 million mainly due to changes in the opening accumulated results and the reduction in depreciation expense.

3.2.2 Budgeted Financial Statements

Table 3.2a: Budgeted Departmental Comprehensive Income Statement (amalgamated) (showing net cost of services) (for the period ended 30 June)

	Actual	Revised	Forward	Forward	Forward
	2016-17	budget	estimate	estimate	estimate
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSE					
Employee benefits	196,214	187,772	174,048	171,339	171,904
Supplier expenses	128,911	196,308	126,627	120,693	121,789
Depreciation and amortisation	24,073	26,859	26,115	24,377	23,832
Insurance claims	34,362	28,974	29,700	30,500	31,300
Other expenses	367	315	-	-	-
Total expenses	383,927	440,228	356,490	346,909	348,825
LESS:					
OWN-SOURCE INCOME					
Revenue					
Net premium revenue	36,327	33,414	33,300	34,200	35,100
Rendering of services	7,256	6,429	6,730	6,939	7,169
Resources received free of charge	5,061	827	827	827	827
Other revenue	4,303	4,400	4,500	4,600	4,700
Total revenue	52,947	45,070	45,357	46,566	47,796
Reversals of previous assets write-downs and impairment	121	-	-	-	-
Total gains	121	-	-	-	-
Total own-source income	53,068	45,070	45,357	46,566	47,796
Net cost of services	330,859	395,158	311,133	300,343	301,029
Revenue from Government	306,494	368,346	285,670	276,718	278,049
Surplus (Deficit) before income tax	(24,365)	(26,812)	(25,463)	(23,625)	(22,980)

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Table 3.2a: Budgeted Departmental Comprehensive Income Statement (amalgamated) (showing net cost of services) (for the period ended 30 June) (continued)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
Income tax expense	-	-	-	-	-
Surplus (Deficit) after income tax	(24,365)	(26,812)	(25,463)	(23,625)	(22,980)
OTHER COMPREHENSIVE INCOME					
Changes in assets revaluation reserve	2,004	-	-	-	-
Total other comprehensive income	2,004	-	-	-	-
Total comprehensive income/ (loss) attributable to the Australian Government	(22,361)	(26,812)	(25,463)	(23,625)	(22,980)
Note: Reconciliation of operating result attributable to the agency					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total Comprehensive Income (loss) Attributable to the Australian Government	(22,361)	(26,812)	(25,463)	(23,625)	(22,980)
Plus non-appropriated expenses:					
Depreciation and amortisation expenses	24,073	26,859	26,115	24,377	23,832
Total Comprehensive Income (loss) Attributable to the agency	1,712	47	652	752	852

Prepared on Australian Accounting Standards basis

**Table 3.3a: Budgeted Departmental Balance Sheet (amalgamated)
(as at 30 June)**

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS					
Financial assets					
Cash and equivalents	6,413	6,357	6,301	6,303	6,354
Trade and other receivables	18,931	15,834	15,411	15,911	16,419
Appropriation receivables	42,055	14,273	10,374	9,073	8,573
Investments	62,169	62,000	65,000	67,000	69,000
Total financial assets	129,568	98,464	97,086	98,287	100,346
Non-financial assets					
Land and buildings	14,873	15,168	21,521	27,122	23,895
Infrastructure, plant and equipment	1,076	2,253	3,357	4,258	4,860
Intangibles	71,061	88,373	71,196	54,157	46,674
Other non-financial assets	6,006	7,145	7,177	7,209	7,244
Assets held for sale	1,350	1,350	1,350	1,350	1,350
Total non-financial assets	94,366	114,289	104,601	94,096	84,023
Total assets	223,934	212,753	201,687	192,383	184,369
LIABILITIES					
Payables					
Supplier payables	32,105	27,156	25,410	24,166	23,075
Other payables	23,763	23,578	23,008	24,488	25,315
Total payables	55,868	50,734	48,418	48,654	48,390
Provisions					
Employee provisions	68,669	66,704	64,668	64,358	64,898
Other provisions	22,114	18,685	21,038	21,594	22,560
Total provisions	90,783	85,389	85,706	85,952	87,458
Total liabilities	146,651	136,123	134,124	134,606	135,848
Net assets	77,283	76,630	67,563	57,777	48,521
Equity*					
Contributed equity	250,693	276,851	293,247	307,086	320,806
Asset revaluation reserve	11,793	11,793	11,793	11,793	11,793
Retained surplus (accumulated deficit)	(185,203)	(212,014)	(237,477)	(261,102)	(284,078)
Total equity	77,283	76,630	67,563	57,777	48,521

Prepared on Australian Accounting Standards basis

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

Table 3.4a: Budgeted Departmental Statement of Cash Flows (amalgamated) (for the period ended 30 June)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	293,782	396,128	289,569	278,019	278,549
Sale of goods and services	51,062	48,592	48,683	49,439	50,665
Net GST received	8,045	9,910	10,320	10,348	10,448
Other	4,577	6,829	4,727	4,600	4,700
Total cash received	357,466	461,459	353,299	342,406	344,362
Cash used					
Employees	195,517	190,589	176,084	171,649	171,364
Suppliers	131,566	199,608	127,578	121,140	122,088
Net GST paid	-	9,830	10,077	10,348	10,452
Other	44,446	42,175	36,616	37,267	38,407
Total cash used	371,529	442,202	350,355	340,404	342,311
Net cash from or (used by) operating activities	(14,063)	19,257	2,944	2,002	2,051
INVESTING ACTIVITIES					
Cash received					
Investments realised	6,563	6,000	6,000	6,000	6,000
Total cash received	6,563	6,000	6,000	6,000	6,000
Cash used					
Purchase of property, plant and equipment, and intangibles	16,565	45,642	16,395	13,839	13,720
Purchase of investments	10,077	5,831	9,000	8,000	8,000
Total cash used	26,642	51,473	25,395	21,839	21,720
Net cash from or (used by) investing activities	(20,079)	(45,473)	(19,395)	(15,839)	(15,720)
FINANCING ACTIVITIES					
Cash received					
Equity Injections	32,844	26,160	16,395	13,839	13,720
Total cash received	32,844	26,160	16,395	13,839	13,720
Net cash from or (used by) financing activities	32,844	26,160	16,395	13,839	13,720
Net increase or (decrease) in cash held	(1,298)	(56)	(56)	2	51
Cash and cash equivalents at the beginning of the reporting period	7,711	6,413	6,357	6,301	6,303
Cash and cash equivalents at the end of the reporting period	6,413	6,357	6,301	6,303	6,354

Prepared on Australian Accounting Standards basis

Table 3.2b: Departmental Comprehensive Income Statement (DVA excluding DSHIS) (Showing Net Cost of Services) (for the period ended 30 June)

	Actual	Revised	Forward	Forward	Forward
	2016-17	budget	estimate	estimate	estimate
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSE					
Employee benefits	192,582	183,702	170,323	167,564	168,079
Supplier expenses	126,668	192,673	124,092	118,208	119,354
Depreciation and amortisation	23,998	26,784	26,040	24,302	23,757
Other expenses	367	315	-	-	-
Total expenses	343,615	403,474	320,455	310,074	311,190
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Rendering of services	8,530	7,694	8,095	8,404	8,734
Resources received free of charge	5,005	770	770	770	770
Total own-source revenue	13,535	8,464	8,865	9,174	9,504
Other gains	121	-	-	-	-
Total gains	121	-	-	-	-
Total own-source income	13,656	8,464	8,865	9,174	9,504
Net cost of (contribution by) services	329,959	395,010	311,590	300,900	301,686
Revenue from Government	306,374	368,226	285,550	276,598	277,929
Surplus (Deficit) before income tax	(23,585)	(26,784)	(26,040)	(24,302)	(23,757)

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Table 3.2b: Departmental Comprehensive Income Statement (DVA excluding DSHIS) (Showing Net Cost of Services) (for the period ended 30 June) (continued)

	Actual	Revised	Forward	Forward	Forward
	2016-17	budget	estimate	estimate	estimate
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
Income tax expense (competitive neutrality)	-	-	-	-	-
Surplus (Deficit) after income tax	(23,585)	(26,784)	(26,040)	(24,302)	(23,757)
OTHER COMPREHENSIVE INCOME					
Changes in assets revaluation reserve	2,004	-	-	-	-
Total other comprehensive income	2,004	-	-	-	-
Total comprehensive income/ (loss) attributable to the Australian Government	(21,581)	(26,784)	(26,040)	(24,302)	(23,757)

Note: Reconciliation of operating result attributable to agency

	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) Attributable to the Australian Government	(21,581)	(26,784)	(26,040)	(24,302)	(23,757)
Plus non-appropriated expenses:					
Depreciation and amortisation expenses	23,998	26,784	26,040	24,302	23,757
Total Comprehensive Income (loss) Attributable to the agency	2,417	-	-	-	-

Prepared on Australian Accounting Standards basis

Table 3.3b: Budgeted Departmental Balance Sheet (DVA excluding DSHS) (as at 30 June)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,771	3,857	3,801	3,803	3,854
Trade and other receivables	4,213	3,910	2,987	2,987	2,995
Appropriation receivables	42,055	14,273	10,374	9,073	8,573
Investments	-	-	-	-	-
Total financial assets	50,039	22,040	17,162	15,863	15,422
Non-financial assets					
Land and buildings	14,873	15,168	21,521	27,122	23,895
Infrastructure, plant and equipment	1,076	2,253	3,357	4,258	4,860
Intangibles	70,756	88,143	71,041	54,077	46,669
Other non-financial assets	5,614	5,645	5,677	5,709	5,744
Assets held for sale	1,350	1,350	1,350	1,350	1,350
Total non-financial assets	93,669	112,559	102,946	92,516	82,518
Total assets	143,708	134,599	120,108	108,379	97,940
LIABILITIES					
Payables					
Supplier payables	26,859	22,755	21,020	19,676	18,485
Other payables	1,924	944	(126)	854	1,181
Total payables	28,783	23,699	20,894	20,530	19,666
Provisions					
Employees provisions	68,669	66,704	64,668	64,358	64,898
Other provisions	3,216	1,782	1,776	1,184	1,102
Total provisions	71,885	68,486	66,444	65,542	66,000
Total liabilities	100,669	92,185	87,338	86,072	85,666
Net assets	43,039	42,414	32,770	22,307	12,274
Equity*					
Contributed equity	250,693	276,851	293,247	307,086	320,806
Asset revaluation reserve	11,793	11,793	11,793	11,793	11,793
Retained surplus (accumulated deficit)	(219,447)	(246,230)	(272,270)	(296,572)	(320,325)
Total equity	43,039	42,414	32,770	22,307	12,274

Prepared on Australian Accounting Standards basis

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

Table 3.4b: Budgeted Departmental Statement of Cash Flows (DVA excluding DSHIS) (for the period ended 30 June)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	293,662	396,008	289,449	277,899	278,429
Sale of goods and services	8,300	7,842	8,548	8,404	8,730
Net GST received	8,045	9,910	10,320	10,348	10,448
Other	-	75	227	-	-
Total cash received	310,007	413,835	308,544	296,651	297,607
Cash used					
Employees	191,885	186,519	172,359	167,874	167,539
Suppliers	128,915	195,185	125,089	118,812	119,810
Net GST paid	-	9,830	10,077	10,348	10,452
Other	7,255	2,733	1,075	-385	-245
Total cash used	328,055	394,267	308,600	296,649	297,556
Net cash from (used by) operating activities	(18,048)	19,568	(56)	2	51
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment, and intangibles	16,565	45,642	16,395	13,839	13,720
Total cash used	16,565	45,642	16,395	13,839	13,720
Net cash from (used by) investing activities	(16,565)	(45,642)	(16,395)	(13,839)	(13,720)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	32,844	26,160	16,395	13,839	13,720
Total cash received	32,844	26,160	16,395	13,839	13,720
Net cash from (used by) financing activities	32,844	26,160	16,395	13,839	13,720
Net increase (decrease) in cash held	(1,769)	86	(56)	2	51
Cash and cash equivalents at the beginning of the reporting period	5,540	3,771	3,857	3,801	3,803
Cash and cash equivalents at the end of the reporting period	3,771	3,857	3,801	3,803	3,854

Prepared on Australian Accounting Standards basis

Table 3.2c: Departmental Comprehensive Income Statement (DSHS) (Showing Net Cost of Services) (for the period ended 30 June)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
EXPENSES					
Employee benefits	3,632	4,070	3,725	3,775	3,825
Supplier expenses	3,517	4,900	3,900	3,950	4,000
Depreciation and amortisation	75	75	75	75	75
Insurance claims	34,362	28,974	29,700	30,500	31,300
Total expenses	41,586	38,019	37,400	38,300	39,200
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Net premium revenue	36,327	33,414	33,300	34,200	35,100
Resources received free of charge	56	57	57	57	57
Other revenue	4,303	4,400	4,500	4,600	4,700
Total own-source revenue	40,686	37,871	37,857	38,857	39,857
Total own-source income	40,686	37,871	37,857	38,857	39,857
Net contribution by services	900	148	(457)	(557)	(657)
Revenue from Government	120	120	120	120	120
Surplus (Deficit) after income tax	(780)	(28)	577	677	777
Total comprehensive income/ (loss) attributable to the Australian Government	(780)	(28)	577	677	777
Note: Reconciliation of comprehensive income attributable to the agency					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total Comprehensive Income/ (loss) Attributable to the Australian Government	(780)	(28)	577	677	777
Plus non-appropriated expenses:					
Depreciation and amortisation expenses	75	75	75	75	75
Total Comprehensive Income/ (loss) Attributable to the agency	(705)	47	652	752	852

Prepared on Australian Accounting Standards basis

Table 3.3c: Budgeted Departmental Balance Sheet (DSHS) (as at 30 June)

	Actual	Revised	Forward	Forward	Forward
	2016-17	budget	estimate	estimate	estimate
	\$'000	2017-18	2018-19	2019-20	2020-21
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,642	2,500	2,500	2,500	2,500
Trade and other receivables	16,294	13,500	14,000	14,500	15,000
Investments	62,169	62,000	65,000	67,000	69,000
Total financial assets	81,105	78,000	81,500	84,000	86,500
Non-financial assets					
Intangibles	305	230	155	80	5
Other non-financial assets	392	1,500	1,500	1,500	1,500
Total non-financial assets	697	1,730	1,655	1,580	1,505
Total assets	81,802	79,730	83,155	85,580	88,005
LIABILITIES					
Payables					
Supplier payables	6,822	5,977	5,966	6,066	6,166
Other payables	21,839	22,634	23,134	23,634	24,134
Total payables	28,661	28,611	29,100	29,700	30,300
Provisions					
Other provisions	18,897	16,903	19,262	20,410	21,458
Total provisions	18,897	16,903	19,262	20,410	21,458
Total liabilities	47,558	45,514	48,362	50,110	51,758
Net assets	34,244	34,216	34,793	35,470	36,247
Equity*					
Contributed equity	-	-	-	-	-
Asset revaluation reserve	-	-	-	-	-
Retained surplus	34,244	34,216	34,793	35,470	36,247
Total equity	34,244	34,216	34,793	35,470	36,247

Prepared on Australian Accounting Standards basis

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

Table 3.4c: Budgeted Departmental Statement of Cash Flows (DSHIS) (for the period ended 30 June)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	120	120	120	120	120
Sales of goods and services	42,762	42,015	41,500	42,500	43,500
Other	4,577	6,754	4,500	4,600	4,700
Total cash received	47,459	48,889	46,120	47,220	48,320
Cash used					
Employees	3,632	4,070	3,725	3,775	3,825
Suppliers	2,651	5,688	3,854	3,793	3,843
Other	37,191	39,442	35,541	37,652	38,652
Total cash used	43,474	49,200	43,120	45,220	46,320
Net cash from (used by) operating activities	3,985	(311)	3,000	2,000	2,000
INVESTING ACTIVITIES					
Cash received					
Investments realised	6,563	6,000	6,000	6,000	6,000
Total cash received	6,563	6,000	6,000	6,000	6,000
Cash used					
Purchase of property, plant Investments	10,077	5,831	9,000	8,000	8,000
Total cash used	10,077	5,831	9,000	8,000	8,000
Net cash from (used by) investing activities	(3,514)	169	(3,000)	(2,000)	(2,000)
Net increase (decrease) in cash held	471	(142)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,171	2,642	2,500	2,500	2,500
Cash and cash equivalents at the end of the reporting period	2,642	2,500	2,500	2,500	2,500

Prepared on Australian Accounting Standards basis

Table 3.5: 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	(185,203)	11,793	250,693	77,283
Comprehensive income				
Comprehensive income attributable to the Australian Government	(26,812)	-	-	(26,812)
Total comprehensive income attributable to the Australian Government	(26,812)	-	-	(26,812)
Transactions with owners				
Distribution to owners:				
Contribution by owners:				
Appropriation (equity injection)	-	-	12,526	12,526
Departmental Capital Budget (DCBs)	-	-	13,634	13,634
Other	1	-	(2)	(1)
Sub-total transactions with owners	1	-	26,158	26,159
Estimated closing balance as at 30 June 2018	(212,014)	11,793	276,851	76,630

Prepared on Australian Accounting Standards

Table 3.6: Departmental Capital Budget Statement (for the period ended 30 June)

	Actual	Revised	Forward	Forward	Forward
	2016-17	budget	estimate	estimate	estimate
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 and Bill 3 (Departmental Capital Budget)	13,282	13,634	13,601	13,642	13,720
Equity injections - Bill 2 and Bill 4	19,562	12,526	2,795	197	-
Total capital appropriations	32,844	26,160	16,396	13,839	13,720
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	32,844	26,160	16,396	13,839	13,720
Total items	32,844	26,160	16,396	13,839	13,720
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^a	19,562	19,347	2,795	197	-
Funded by capital appropriations - Departmental Capital Budget ^b	13,282	23,822	13,601	13,642	13,720
TOTAL	32,844	43,169	16,396	13,839	13,720
RECONCILIATION OF CASH					
USED TO ACQUIRE ASSETS					
TO ASSET MOVEMENT TABLE					
Total purchases	16,565	45,642	16,395	13,839	13,720
less additions by finance lease	-	-	-	-	-
less additions by creditors / borrowings	-	-	-	-	-
plus borrowing / finance costs	-	-	-	-	-
plus Annual finance lease costs	-	-	-	-	-
less Gifted assets	-	-	-	-	-
less s32 / restructuring	-	-	-	-	-
Total cash used to					
acquire assets	16,565	45,642	16,395	13,839	13,720

Prepared on Australian Accounting Standards basis

- a) Includes both current and prior Bill No. 4 and prior Act Nos. 2, 4/6 appropriations and special capital appropriations.
- b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.7: Statement of Asset Movements (2017-18 Budget year)

	Land	Buildings	Other infrastructure, plant and equipment	Intangibles	L&B IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017						
Gross book value	-	15,135	3,602	203,565	1,350	223,652
Accumulated depreciation/ amortisation and impairment	-	(262)	(2,526)	(132,504)	-	(135,292)
Opening net book balance	-	14,873	1,076	71,061	1,350	88,360
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase or internally developed:						
Appropriation equity ^a	-	-	-	12,526	-	12,526
Appropriation ordinary annual services ^b	-	5,485	1,678	8,944	-	16,107
Other	-	-	-	17,009	-	17,009
Total additions	-	5,485	1,678	38,479	-	45,642
Other movements						
Depreciation/amortisation expense	-	(5,190)	(501)	(21,168)	-	(26,859)
Total depreciation/amortisation	-	(5,190)	(501)	(21,168)	-	(26,859)
As at 30 June 2018						
Gross book value	-	20,620	5,280	242,045	1,350	269,295
Accumulated depreciation/ amortisation and impairment	-	(5,452)	(3,027)	(153,672)	-	(162,151)
Closing net book balance	-	15,168	2,253	88,373	1,350	107,144

Prepared on Australian Accounting Standards basis

- "Appropriation equity" refers to equity injections provided through Appropriation Bills (No. 2 & 4) 2017-18.
- "Appropriation ordinary annual services" refers to funding provided through Appropriation Bills (No. 1 & 3) 2017-18 for depreciation / amortisation expenses, DCBs or other operational expenses.
- Net proceeds may be returned to the OPA.

Table 3.8: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	Actual 2016-17 \$'000	Revised Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee Benefits	8,980	8,809	8,985	9,165	9,348
Grants	6,048	17,592	12,649	9,645	8,790
Personal benefits	6,355,896	6,043,948	5,796,520	5,646,787	5,541,921
Health Care Payments	5,286,482	4,988,907	4,871,571	4,782,303	4,732,172
Payments to corporate entities	42,720	53,040	46,819	40,983	39,734
Other	47,830	53,036	42,279	33,670	34,848
Total expenses administered on behalf of government	11,747,956	11,165,332	10,778,823	10,522,553	10,366,813
LESS:					
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation revenue					
Other revenue	20,381	20,981	20,981	20,981	20,981
Total non-taxation revenue	20,381	20,981	20,981	20,981	20,981
Total revenues administered on behalf of government	20,381	20,981	20,981	20,981	20,981
Net Cost of (contribution by) services	11,727,575	11,144,351	10,757,842	10,501,572	10,345,832
Surplus (Deficit)	(11,727,575)	(11,144,351)	(10,757,842)	(10,501,572)	(10,345,832)

Prepared on Australian Accounting Standards basis

Table 3.9: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	Actual 2016-17 \$'000	Revised Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	77,960	77,960	77,960	77,960	77,960
Other receivables	79,406	79,406	79,406	79,406	79,406
Other investments	1,430,159	1,430,024	1,439,719	1,448,763	1,456,116
Total financial assets	1,587,525	1,587,390	1,597,085	1,606,129	1,613,482
Non-financial assets					
Other	4,980	4,980	4,980	4,980	4,980
Total non-financial assets	4,980	4,980	4,980	4,980	4,980
Total assets administered on behalf of government	1,592,505	1,592,370	1,602,065	1,611,109	1,618,462
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Personal benefits payables	173,478	166,710	162,017	157,848	(28,377)
Grants payables	-	-	16	32	32
Health and other payables	96,521	96,521	96,521	96,521	96,521
Provisions					
Employee provisions	2,132	2,132	2,132	2,132	2,132
Personal benefits provisions	7,098,600	7,371,000	7,682,400	8,000,900	8,325,900
Health and other provisions	4,090,232	4,316,822	4,531,970	4,755,539	4,988,987
Total provisions and payables	11,460,963	11,953,185	12,475,056	13,012,972	13,385,195
Total liabilities administered on behalf of the government	11,460,963	11,953,185	12,475,056	13,012,972	13,385,195

Prepared on Australian Accounting Standards basis

Table 3.10: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	Actual 2016-17 \$'000	Revised budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	47,953	48,000	48,000	48,000	48,000
Other	16,819	20,981	20,981	20,981	20,981
Total cash received	64,772	68,981	68,981	68,981	68,981
Cash used					
Personal benefits	5,989,054	5,778,316	5,489,813	5,332,456	5,403,146
Health Payments	4,653,109	4,777,507	4,663,071	4,565,003	4,504,872
Other	27,639	46,655	44,616	36,566	38,048
Grant payments	6,202	17,592	12,633	9,629	8,790
Net GST paid	-	48,000	48,000	48,000	48,000
Payments to Corporate Entities	42,720	53,040	46,819	40,983	39,734
Total cash used	10,718,724	10,721,110	10,304,952	10,032,637	10,042,590
Net cash from (used by) operating activities	(10,653,952)	(10,652,129)	(10,235,971)	(9,963,656)	(9,973,609)
INVESTING ACTIVITIES					
Cash used					
Payments to Corporate Entities	7,154	8,980	9,695	9,044	7,353
Total cash used	7,154	8,980	9,695	9,044	7,353
Net cash from (used) by investing activities	(7,154)	(8,980)	(9,695)	(9,044)	(7,353)
Net increase/decrease in cash held	(10,661,106)	(10,661,109)	(10,245,666)	(9,972,700)	(9,980,962)
Cash and cash equivalents at beginning of reporting period	46,851	77,960	77,960	77,960	77,960
Cash from Official Public Account	10,751,393	10,671,862	10,256,419	9,983,453	9,991,715
Cash to Official Public Account	(59,178)	(10,753)	(10,753)	(10,753)	(10,753)
Cash and cash equivalents at end of reporting period	77,960	77,960	77,960	77,960	77,960

Prepared on Australian Accounting Standards basis

Table 3.11: Statement of Administered Asset Movements (2017-18 Budget year)

	Land	Buildings	Other infrastructure, plant and equipment	Intangibles - Computer Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017					
Gross book value	-	4,980	-	-	4,980
Opening net book balance	-	4,980	-	-	4,980
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase or internally developed:					
Appropriation equity ^a	-	-	-	-	-
Appropriation ordinary annual services ^b	-	-	-	-	-
Total additions	-	-	-	-	-
Other movements					
As at 30 June 2018					
Gross book value	-	4,980	-	-	4,980
Closing net book balance	-	4,980	-	-	4,980

Prepared on Australian Accounting Standards basis

- a) "Appropriation equity" refers to equity injections provided through Appropriation Bills (No.2 & 4) 2017-18.
- b) "Appropriation ordinary annual services" refers to funding provided through Appropriation Bills (No. 1 & 3) 2017-18 for DCBs or other operational expenses.

Australian War Memorial

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN WAR MEMORIAL

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AUSTRALIAN WAR MEMORIAL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Government's outcome for the Australian War Memorial (the Memorial) includes all functions required under the Australian War Memorial Act 1980. One program and eight program components contribute to a single outcome:

Outcome 1: Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the National Memorial, its collection and exhibition of historical material, commemorative ceremonies and research.

This outcome is consistent with the Memorial's purpose, to commemorate the sacrifice of those Australians who have died in war. In 2017-18, the Memorial will meet this outcome by delivering the priorities outlined in the Australian War Memorial Corporate Plan.

Additional appropriation has been sought to fund further development of master planning concepts for the main Memorial building (the Campbell site).

The Mid-Year Economic Fiscal Outlook (MYEFO) budget update includes additional appropriation of \$11.4m allocated over 2017-2019 for the Memorial to develop a detailed (second pass) business case for the AWM Redevelopment Project (Masterplan).

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Australian War Memorial at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1.1: Australian War Memorial Resource Statement
Additional Estimates for 2017-18 as at Additional Estimates February 2018**

	<i>Total available appropriation 2016-17 \$'000</i>	Estimate as at + Budget 2017-18 \$'000	Proposed Additional Estimates 2017-18 \$'000	= Total estimate at Additional Estimates 2017-18 \$'000
Opening balance/Reserves at bank	73,943	68,762	4,049	72,811
Revenue from Government				
Ordinary annual services^(a)				
Outcome 1	42,720	47,410	5,630	53,040
Total ordinary annual services	42,720	47,410	5,630	53,040
Other services^(b)				
Equity injection	7,154	8,980	-	8,980
Total other services	7,154	8,980	-	8,980
Total annual appropriations	49,874	56,390	5,630	62,020
Payments from related entities^(c)				
Amounts from portfolio department	10,689	-	-	-
Amounts from other entities	470	-	-	-
Total payments from related entities	11,159	-	-	-
Total funds from Government	61,033	56,390	5,630	62,020
Funds from other sources				
Interest	2,243	2,463	(376)	2,087
Sale of goods and services	2,739	4,354	-	4,354
Other	6,233	1,952	1,100	3,052
Total funds from other sources	11,215	8,769	724	9,493
Total net resourcing for AWM	146,191	133,921	10,403	144,324
			<i>Actual</i>	
			<i>2016-17</i>	<i>2017-18</i>
Average staffing level			286	283

The Australian War Memorial is not directly appropriated as it is a Corporate Entity. Appropriations are made to the Department of Veteran's Affairs which are then paid to the AWM and are considered 'departmental' for all purposes.

- (a) Appropriation Act (No. 1) 2017-2018 and Appropriation Bill (No. 3) 2017-2018.
 (b) Appropriation Act (No. 2) 2017-2018 and Appropriation Bill (No. 4) 2017-2018.
 (c) Amounts received from other entities within the portfolio, or from other portfolios

1.3 BUDGET MEASURES

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Australian War Memorial 2017-18 measures since Budget

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures					
Australian War Memorial —detailed business case for additional exhibition space	1.2, 1.4				
Departmental expenses		5,630	5,809	-	-
Total		5,630	5,809	-	-
Total expense measures					
Departmental		5,630	5,809	-	-
Total		5,630	5,809	-	-

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.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Australian War Memorial at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures and other variations since the 2017-18 Budget in *Appropriation Bills Nos. 3 and 4*.

Table 1.3: Additional Estimates and Other Variations to Outcomes since 2017-18 Budget

	Program impacted	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Outcome 1					
Departmental					
Annual appropriation					
Australian War Memorial —detailed business case for additional exhibition space					
	1.2, 1.4	5,630	5,809	–	–
	1.1-1.8	–	30	28	53
Net impact on appropriations for Outcome 1 (departmental)		5,630	5,839	–	–
Total net impact on appropriations for Outcome 1		5,630	5,839	–	–

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the Additional Estimates sought for the Australian War Memorial through *Appropriation Bills Nos. 3*.

Table 1.4: Appropriation Bill (No. 3) 2017-18

	2016-17 Available \$'000	2017-18 Budget \$'000	2017-18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL PROGRAMS					
Outcome 1	42,720	47,410	53,040	5,630	–
Total departmental	42,720	47,410	53,040	5,630	–
Total administered and departmental	42,720	47,410	53,040	5,630	–

Section 2: Revisions to Entity Outcomes and Planned Performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the National Memorial, its collection and exhibition of historical material, commemorative ceremonies and research.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2016-17 Actual expenses \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Australian War Memorial					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	42,720	53,040	46,819	40,983	39,734
Payments from related entities	11,159	-	-	-	-
Expenses not requiring appropriation in the Budget year ^(a)	10,838	12,055	12,105	12,167	12,268
Revenues from other independent sources	11,181	9,493	9,533	9,386	9,503
Total expenses for Program 1.1	75,898	74,588	68,457	62,536	61,505
Total expenses for Outcome 1	75,898	74,588	68,457	62,536	61,505

	2016-17	2017-18
Average Staffing Level (number)	286	283

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

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

Section 3: Budgeted financial statements

3.1 BUDGETED FINANCIAL STATEMENTS

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

3.1.1 Analysis of budgeted financial statements

The major change to the 2017-18 budget year financial statements is the increase in appropriation revenue of \$5.6m, and additional \$5.8m in 2018-19. This is offset by the increase in supplier costs over the same years, reflecting the spend on further development of the master planning concepts for the main Memorial building (the Campbell site).

3.1.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	24,680	24,169	24,228	24,460	24,543
Suppliers	29,435	28,343	20,780	13,447	11,776
Depreciation and amortisation	21,701	22,076	23,449	24,629	25,186
Write-down and impairment of assets	19	-	-	-	-
Losses from asset sales	63	-	-	-	-
Total expenses	75,898	74,588	68,457	62,536	61,505
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,168	4,133	4,133	4,133	4,133
Interest	2,243	2,087	2,127	2,230	2,347
Rental Income	221	221	221	221	221
Royalties	10	150	150	150	150
Other	15,698	2,102	2,102	1,852	1,852
Total own-source revenue	22,340	8,693	8,733	8,586	8,703
Gains					
Sale of assets	33	-	-	-	-
Other	1	800	800	800	800
Total gains	34	800	800	800	800
Total own source income	22,374	9,493	9,533	9,386	9,503
Net cost of (contribution by) services	(53,524)	(65,095)	(58,924)	(53,150)	(52,002)
Revenue from Government	42,720	53,040	46,819	40,983	39,734
Surplus (Deficit) attributable to the Australian Government	(10,804)	(12,055)	(12,105)	(12,167)	(12,268)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	114,888	-	-	-	-
Total other comprehensive income	114,888	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	104,084	(12,055)	(12,105)	(12,167)	(12,268)

Prepared on Australian Accounting Standards basis

Table continued on next page

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

Note: Impact of net cash appropriation arrangements

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Total comprehensive income/(loss) excluding depreciation /amortisation expenses previously funded through revenue appropriations	115,728	314	345	355	327
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^a	11,644	12,369	12,450	12,522	12,595
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	104,084	(12,055)	(12,105)	(12,167)	(12,268)

Prepared on Australian Accounting Standards basis

- a) From 2009-10, the Government replaced Appropriation Act No. 1 and Bill No. 3 revenue appropriations for the heritage and cultural depreciation expenses of Designated Collection Institutions, with a separate capital budget (the Collection Development Acquisition Budget, or CDAB) provided through Appropriation Act No. 2 and Bill No. 4 equity appropriations. For information regarding CDABs, please refer to Table 3.6 Departmental Capital Budget Statement.

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,811	2,931	2,434	2,275	2,203
Trade and other receivables	846	867	888	888	888
Investments accounted for under the equity method	71,000	63,000	54,000	58,000	61,000
Other financial assets	930	930	930	930	930
Total financial assets	74,587	67,728	58,252	62,093	65,021
Non-financial assets					
Land and buildings	139,549	145,751	149,934	148,353	148,312
Property, plant and equipment	1,220,646	1,217,215	1,218,680	1,213,663	1,207,917
Intangibles	4,359	5,393	6,832	6,466	4,410
Inventories	797	797	797	797	797
Other	618	618	618	618	618
Total non-financial assets	1,365,969	1,369,774	1,376,861	1,369,897	1,362,054
Total assets	1,440,556	1,437,502	1,435,113	1,431,990	1,427,075
LIABILITIES					
Payables					
Suppliers	1,065	1,086	1,107	1,107	1,107
Other payables	353	353	353	353	353
Total payables	1,418	1,439	1,460	1,460	1,460
Provisions					
Employee provisions	8,982	8,982	8,982	8,982	8,982
Total provisions	8,982	8,982	8,982	8,982	8,982
Total liabilities	10,400	10,421	10,442	10,442	10,442
Net assets	1,430,156	1,427,081	1,424,671	1,421,548	1,416,633

Prepared on Australian Accounting Standards basis

Table continued on next page

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

	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY *					
Parent entity interest					
Contributed equity	110,778	119,758	129,453	138,497	145,850
Reserves	769,051	769,051	769,051	769,051	769,051
Retained surplus (accumulated deficit)	550,327	538,272	526,167	514,000	501,732
Total Equity	1,430,156	1,427,081	1,424,671	1,421,548	1,416,633

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement
(Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	550,327	769,051	-	110,778	1,430,156
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	550,327	769,051	-	110,778	1,430,156
Comprehensive income					
Other comprehensive income					
Surplus (deficit) for the period	(12,055)	-	-	-	(12,055)
Total comprehensive income	(12,055)	-	-	-	(12,055)
Transactions with owners					
<i>Contributions by owners</i>					
Equity injection - Appropriation	-	-	-	8,980	8,980
Sub-total transactions with owners	-	-	-	8,980	8,980
Closing balance attributable to the Australian Government	538,272	769,051	-	119,758	1,427,081

Prepared on Australian Accounting Standards basis

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	42,720	53,040	46,819	40,983	39,734
Receipts from Government	11,159	-	-	-	-
Sale of goods and rendering of services	4,288	4,354	4,354	4,354	4,354
Interest	2,039	2,087	2,127	2,230	2,347
Other	5,083	2,231	2,231	2,002	2,002
Total cash received	65,289	61,712	55,531	49,569	48,437
Cash used					
Employees	23,921	24,169	24,228	24,460	25,543
Suppliers	30,723	27,522	19,959	12,647	10,976
Total cash used	54,644	51,691	44,187	37,107	36,519
Net cash from (used by) operating activities	10,645	10,021	11,344	12,462	11,918
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	(190)	-	-	-	-
Investments	115,500	82,000	85,000	69,000	74,000
Total cash received	115,310	82,000	85,000	69,000	74,000
Cash used					
Purchase of property, plant and equipment	18,741	25,881	30,536	17,665	17,343
Investments	115,500	74,000	76,000	73,000	77,000
Total cash used	134,241	99,881	106,536	90,665	94,343
Net cash from (used by) investing activities	(18,931)	(17,881)	(21,536)	(21,665)	(20,343)

Prepared on Australian Accounting Standards basis

Table continued on next page

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

	2016-17 Actual \$'000	2017-18 Revised budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	7,154	8,980	9,695	9,044	7,353
Total cash received	7,154	8,980	9,695	9,044	7,353
Net cash from (used by) financing activities	7,154	8,980	9,695	9,044	7,353
Net increase (decrease) in cash held	(1,132)	1,120	(497)	(159)	(72)
Cash and cash equivalents at the beginning of the reporting period	2,943	1,811	2,931	2,434	2,275
Cash and cash equivalents at the end of the reporting period	1,811	2,931	2,434	2,275	2,203

Prepared on Australian Accounting Standards basis

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

	2016-17 Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2 and Bill 4	7,154	8,980	9,695	9,044	7,353
Total new capital appropriations	7,154	8,980	9,695	9,044	7,353
<i>Provided for:</i>					
Purchase of non-financial assets	7,154	8,980	9,695	9,044	7,353
Total items	7,154	8,980	9,695	9,044	7,353
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^a	7,154	8,980	9,695	9,044	7,353
Funded internally from departmental resources ^b	11,587	16,901	20,841	8,621	9,990
TOTAL	18,741	25,881	30,536	17,665	17,343
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	18,741	25,881	30,536	17,665	17,343
Total cash used to acquire assets	18,741	25,881	30,536	17,665	17,343

Prepared on Australian Accounting Standards basis

- a) Includes both current and prior Bill No. 4 and prior Act Nos. 2/4/6 appropriations and special capital appropriations
- b) Includes the following sources of funding:
- current Bill 3 and prior year Act 1/3/5 appropriations.
 - donations and contributions.
 - gifts.
 - internally developed assets.

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

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural assets \$'000	Intangibles Computer Software \$'000	Total \$'000
As at 1 July 2017						
Gross book value	12,386	143,707	57,957	1,192,718	13,005	1,419,773
Accumulated depreciation/amortisation and impairment	-	(16,544)	(12,329)	(17,700)	(8,646)	(55,219)
Opening net book balance	12,386	127,163	45,628	1,175,018	4,359	1,364,554
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase						
Appropriation - equity ^a	-	-	-	7,343	1,637	8,980
Appropriation - ordinary annual services ^b	-	10,737	4,737	827	600	16,901
Total additions	-	10,737	4,737	8,170	2,237	25,881
Other movements						
Depreciation/amortisation expense	-	(4,535)	(3,969)	(12,369)	(1,203)	(22,076)
Total other movements	-	(4,535)	(3,969)	(12,369)	(1,203)	(22,076)
As at 30 June 2018						
Gross book value	12,386	154,444	62,694	1,200,888	15,242	1,445,654
Accumulated depreciation/amortisation and impairment	-	(21,079)	(16,298)	(30,069)	(9,849)	(77,295)
Closing net book balance	12,386	133,365	46,396	1,170,819	5,393	1,368,359

Prepared on Australian Accounting Standards basis

Estimated operating expenditure in income statement for heritage and cultural assets

Operations and Maintenance	612
Preservation and Conservation	16,930
Total operating expenditure on heritage and cultural assets	17,542

a. "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No.2) 2017-2018 and Bill (No.4) 2017-2018, including CDABs.

b. "Appropriation ordinary annual services" refers to funding provided through Appropriation Act (No.1) 2017-18 and Bill (No.3) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
AEIFRS	Australian Equivalents to International Financial Reporting Standards, which were issued by the Australian Accounting Standards Board in July 2004.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary departments have their own appropriation Bills.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Glossary

Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services, and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Indicators to assess the degree of success in achieving outcomes. As outcomes are generally long-term in nature, effectiveness indicators often relate to intermediate outcomes (shorter term impacts) below the planned outcomes specified.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs and, where applicable, administered items. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items, such as salary payments, as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Australian Government entities will move to this method incrementally by 30 June 2006 for valuing most infrastructure, plant and equipment.
Intermediate outcomes	More specific medium-term impacts (eg trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. See Outcomes.

Operating result	Equals revenue less expenses.
Outcomes	The government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Output groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between users' expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.

Glossary

Special Account

Special Accounts allow money in the Consolidated Revenue Fund (CRF) to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 78 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*) or through an Act of Parliament (section 80 of the *PGPA Act 2013*).

Special Appropriations (including Standing Appropriations)

An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations, the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a subcategory consisting of ongoing special appropriations — the amount appropriated will depend on circumstances specified in the legislation.