

Australian Government

Department of Finance

Annual Report

2022–23

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About this report

This is the Secretary's report to the Minister for Finance on the performance of the Department of Finance (Finance) for the financial year 2022–23.

The report has been prepared in accordance with Resource Management Guide No. 135: *Annual reports for non-corporate Commonwealth entities*.

Accessing this report online

Further information about Finance and an online version of this report are available on the Finance website at finance.gov.au/publications.

The annual report can also be found at transparency.gov.au.

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Australian Government

Department of Finance

Jenny Wilkinson PSM
Secretary

Our Ref: EC23-000790

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Annual Report of the Department of Finance for the financial year 2022–23.

This report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) including section 46 which requires that you table the report in parliament. The report reflects the matters dealt with and legislation administered by the Department as at 30 June 2023.

The report includes the Department's audited financial statements as required by section 43(4) of the PGPA Act.

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that:

- the Department has prepared fraud risk assessments and fraud control plans
- the Department has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs
- I have taken all reasonable measures to appropriately deal with fraud relating to the Department.

Yours sincerely

J. Wilkinson

Jenny Wilkinson
Secretary

3 October 2023

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Secretary's review

Jenny Wilkinson PSM



I am pleased to present the Finance Department's Annual Report 2022–23 after my first year as Secretary.

It has been a busy, challenging and rewarding year for the department. Over the last year I have seen firsthand that the work of Finance is diverse and complex. Our support to government and the Australian Public Service (APS) extends over many important areas and requires us to be flexible and collaborative in our approach. Through the talent, dedication, and hard work of staff and that of our colleagues in departments and agencies across the APS we have been able to deliver important outcomes for the government in its first term and for the Australian community.

On 1 July 2022 we formally welcomed 92 staff from the Department of the Prime Minister and Cabinet with responsibility for digital, data and regulatory reform. The Office of the National Data Commissioner also transferred to Finance and the Digital Transformation Agency joined the Finance portfolio as an executive agency. These changes present new opportunities for us to drive the transformation of government services and to consider the increasing role of data and digital capabilities in delivering better, accessible and secure services.

The work we did in 2022–23

Finance supported the government to deliver two Commonwealth Budgets in 2022–23. A second 2022–23 Budget was delivered in October 2022, following the Federal Election. This included the new government's election commitments and early policy decisions and incorporated updated economic parameters. The 2023–24 Budget was then delivered in May 2023. Supporting the delivery of the two Budgets was a significant priority for Finance and showcased the important role we play in advising on government expenditure and public sector resourcing. Many areas in Finance had a role supporting the successful delivery of both Budgets whether it was preparing Budget papers and bills, providing advice and data breakdowns in preparing and costing policy proposals, supporting parliamentarians and their staff, or engaging in Cabinet processes.

Finance took a lead role in delivering on a number of high priority budget initiatives (including election commitments) for government such as undertaking the spending audit and audit of employment as part of the government's broader APS reforms, managing the National Security Office Precinct Project, establishing the APS Net Zero Unit to implement the government's APS Net Zero 2030 policy, and established the Future Made in Australia Office to support the delivery of the Buy Australian Plan and to support local industry to take advantage of government purchasing opportunities.

Finance's work to uplift capability in procurement management across the APS has been a key focus in 2022–23. The Future Made in Australia Office is coordinating the implementation of the Buy Australian Plan throughout the Commonwealth and is working across the APS to uplift the procurement and contract management capability of the public sector. Our efforts have included the establishment of whole-of-government coordinated procurements for recruitment, executive search services and consultancy services and to support cost savings and efficiencies in the administration of tenders and improve the quality and consistency of purchased services.

As the policy steward of the Commonwealth Procurement Framework, we have undertaken activities to highlight the Commonwealth's expectation of suppliers, and we have taken steps to strengthen the Commonwealth's capacity to respond to poor supplier performance or sanction misconduct. This includes publishing a procurement policy note to remind Commonwealth officials of the consideration of the ethical conduct of suppliers and their past performance as factors in the assessment of value for money in procurements, strengthen clauses used in standard government procurement contracts and beginning the development of the first Commonwealth Supplier Code of Conduct.

Finance collaborated across the APS on several initiatives in 2022–23. We collaborated with the Department of Industry, Science and Resources to design legislation to provide effective oversight and governance of the National Reconstruction Fund, which passed the Senate in March 2023. The purpose of the $15 billion fund is to broaden Australia's domestic industrial base and improve our resilience.

We partnered with the Department of Defence to acquire an ownership interest in Australian Defence radar systems manufacturer, CEA Technologies Pty Ltd. This acquisition ensures the continued development of Australia's radar capability through a company that has developed world-leading radar systems that provide critical Defence Force capabilities both in Australia and overseas.

We worked closely with the Department of the Prime Minister and Cabinet, the National Indigenous Australians Agency, the Attorney-General's Department, the Office of Parliamentary Counsel, and the Australian Electoral Commission to support preparations for the delivery of the Aboriginal and Torres Strait Islander Voice referendum. This included amendments to legislation to: modernise referendum processes so that voters have a consistent experience with federal elections; establish the first financial disclosure regime for funding and donations to referendum campaigns; prohibit foreign donations; and extend mobile polling periods to support participation of remote and regional communities.

Finance also worked to support the repurposing of the Emergency Response Fund as the Disaster Ready Fund. The Emergency Response Fund Amendment (Disaster Ready Fund) Bill 2022 was passed by the parliament and received Royal Assent on 29 November 2022. This delivers on the government's election commitment to provide $200 million per year for natural disaster resilience and risk reduction initiatives.

And together with the Digital Transformation Agency, Finance established the Digital ID Taskforce in Finance to support the government's work on Digital ID and the next stage of transitioning to an economy-wide Digital ID system. This change leverages the existing capabilities and expertise within the Finance portfolio to ensure we are well placed to support the government to deliver on this important long-term reform.

Finance's role in providing enabling services and delivering streamlined systems and processes remains critical in supporting and fostering an environment of collaboration and engagement. We continue to do this through the provision of tools and services such as GovCMS, a content management system and web hosting platform, GovTEAMS, the Parliamentary Document Management System (PDMS) and through the Service Delivery Office. GovTEAMS, for example, is recognised across government as an important business continuity solution and supports secure hybrid working arrangements, including with entities outside government.

The Assurance Reviews Unit reached the milestone of coordinating the 500th Gateway review under the Australian Government Assurance Reviews Process. Gateway reviews provide independent assurance and advice to improve the delivery and implementation of high-cost, high-risk programs and projects, as well as providing an early identification of areas requiring corrective action. A Finance led machinery-of-government taskforce, working collaboratively with Prime Minister and Cabinet and the Australian Public Service Commission, coordinated advice and engagement across the APS to support changes to the new Administrative Arrangement Orders announced by the Prime Minister following the last federal election. This supported an efficient implementation process which facilitated all material changes being completed within 13 weeks following the 1 July 2022 date of effect. Changes included transferring approximately $8 billion in annual appropriation funding, moving around 25,000 staff between portfolios and migrating 5,000 AusTender contracts between agencies.

Finance also worked closely with the Department of the Prime Minister and Cabinet to provide advice and assistance to support government to deliver ongoing Commonwealth parliamentary workplace reform, including the establishment of the statutory Parliamentary Workplace Support Service (PWSS) and other key recommendations of the *Set the Standard: Report on the Independent Review into Commonwealth Parliamentary Workplaces 2021*. In addition, Finance led the implementation of recommendations of the Review of the *Members of Parliament (Staff) Act 1984* (MOPS(S) Act), including progressing legislative change to modernise the employment framework and provide greater clarity and transparency for parliamentarians and their staff.

While this last year has seen Finance engage strongly with colleagues across the APS, we have also been engaging internationally through various invitations to speak at events, participate in forums, and host delegations. In 2022–23, Finance staff participated in the International Monetary Fund's South and South-East Asian regional workshop on eGovernment and Digitalization of Public

Finance Management and engaged in a range of OECD forums on budget management and regulatory policy. In addition, we participated in the Papua New Guinea Institutional Partnerships Program, sent delegations to Indonesia and Papua New Guinea to strengthen relationships between Finance agencies and counterparts and recommenced the Australian Political Exchange visit program for incoming and outgoing delegations, after its suspension in 2020 due to COVID-19.

Across all areas of our activity in 2022–23, Finance has demonstrated our agility, the span of our expertise, our capacity for sound advice, our commitment to outreach and capability building across the APS, and our capability to deal with complex issues. Further detail can be found in the 'The year in focus' section below.

People and performance

Finance's staff are critical to us being a high performing organisation, striving for excellence in the work we do. Our integrity culture is fundamental to our ability to deliver to the highest standards of professional service expected by government and the Australian public.

In February 2023, Finance welcomed 30 new graduates, 24 career starters and 2 digital apprentices and it is great to see how on-the-job training and more formal learning and development programs are supporting the start of a hopefully rewarding career in the APS.

In May 2023, we released a Workforce Strategy Action Plan that sets out our coordinated approach to workforce challenges, addressing areas of focus identified in our departmental census results. We also consulted with staff on a new Health and Wellbeing Strategy, which will better support staff to manage change and their health and wellbeing. A key element of the workforce strategy has been the development of an employee value proposition to strengthen our approach to the recruitment and retention of our staff by better communicating what it is to work in Finance and how to engage with our purpose and vision. As part of this project, we designed tools and resources to strengthen our brand as a 'first choice' employer. Following staff consultation, a new flexible work policy was developed and released aimed at supporting individual needs for flexible work arrangements with our operational requirements. I thank staff for their ongoing efforts, patience, and resilience as we continue to evolve our workforce strategy to support our people, our business needs and government priorities.

Finance staff have been recognised this year with several significant awards. First, I would like to recognise that the former Secretary of the Department of Finance, Rosemary Huxtable, was made an Officer of the Order of Australia (AO) in the King's Birthday 2023 Honours List. Rosemary was Secretary of Finance from 2016. She has been recognised for distinguished service to public administration through leadership roles in the areas of health and finance, and to strategic policy reform.

Andrew Jaggers, Deputy Secretary, was awarded a Public Service Medal as part of the Australia Day 2023 Honours List for delivering the Centres for National Resilience in Melbourne, Brisbane, and Perth, and partnering and providing commercial expertise into commercial transactions in the early stages of the COVID-19 pandemic.

Grant Lovelock, First Assistant Secretary, Corporate Services Division was awarded a Public Service Medal for outstanding public service through contributions to the APS Workforce Strategy and the Australian Public Service Academy.

The year ahead

In the year ahead, we will maintain a strong focus on supporting the government to safeguard Australia's economic prosperity and social outcomes, while our nation faces a range of ongoing economic, security and broad challenges affecting the lives of Australians. Finance will continue to play a central role in advising government on how to balance competing priorities and will seek to support continuous improvements to performance and services across the APS within targeted fiscal outcomes.

Through our work supporting government to deliver against its priorities we will actively promote greater use of data and digital technologies to drive innovation in how data and technology are used including to improve our advice and service delivery via better informed decision making. Our collaborative partnerships with Commonwealth entities, the private sector and non-government organisations will continue to underpin our performance into the future.

We will continue to mature our approach to performance, building on our work to update our purpose statement and key activities to better reflect the breadth of activity Finance delivers as captured in our Corporate Plan 2023–24.

Investing in our capability – in our people, our systems, and our practices – and empowering staff to be leaders and stewards of the APS are key to our performance going forward. Importantly, leading by example across the policies, frameworks, and legislative commitments we hold stewardship responsibility for will remain a key focus. Our contribution to the APS Reform agenda is a high priority and our investment in building employee capability to support effective attraction and retention of staff has never been more critical.

Acknowledgements

As I look back over the last year, I would like to acknowledge the work of the leadership and staff of Finance and our portfolio agencies and recognise the cooperative spirit with which collaboration occurred to advance our objectives and priorities. While there are many challenges ahead, it remains a privilege to support government to shape and deliver its fiscal and policy objectives.

I am incredibly proud of the work we have delivered, the commitment we have demonstrated and the professionalism we have displayed through both the high-profile and everyday achievements of Finance over 2022–23. I thank all Finance staff for your contributions.

Leading a department dedicated to serving the government and delivering for the Australian people is an honour. I am pleased to report on our performance against our purpose for the 2022–23 financial year.

Jenny Wilkinson

The year in focus

Finance delivers a range of initiatives in support of its purpose and for 2022–23 our overall performance is assessed in the annual performance statements appearing later in this report. To highlight some of the work we undertook in 2022–23 we have identified a selection of activities that demonstrate delivery against our themes of advising on expenditure, public sector resourcing and transformation and delivering effective services to, and for, government.

In focus

Advising on expenditure

A core role of Finance is to provide advice and support to the Government in relation to the budget. To do this well, we pursue strong, productive relationships with other agencies and make connections across complex policy issues. Drawing on a broad evidence base, we develop robust policy advice that embeds contestability in the decision-making process. We strive to be resourceful, innovative and analytical in our thinking.



Audit of employment

The audit of employment was jointly undertaken by Finance and the Australian Public Service Commission, to provide information on the use of external labour across the APS, including contractors, consultants, outsourced service providers and labour hire. The audit was a government election commitment and part of the government's broader APS reform agenda.

The audit collected information from 112 APS entities that employed staff under the *Public Service Act 1999* in the 2021–22 financial year. It covered around two-thirds of government entities, noting that not all entities are covered by the Public Service Act.

Finance led the development of the audit, managed its operational delivery, and advised government of its progress and outcomes. Finance worked collaboratively with the Australian Public Service Commission, which was responsible for using the data collected from the audit to inform the development of proposals to support the APS becoming a model employer and rebuild APS capability over time.

Data of this type has not previously been collected and collated for the APS. A key aspect of delivering the audit was partnering with APS entities to navigate the manual nature of the data collection while ensuring consistency in methodology and approach.

On 6 May 2023, the government published the findings of the audit on the Finance website. Key findings were that in 2021–22:

- The external labour workforce totalled almost 54,000 full time equivalent positions.
- The cost of external labour across consultants, contractors, outsourced service providers and labour hire was $20.8 billion.
- Around one in every four dollars spent by agencies for departmental purposes was on external labour services.

The audit found that:

- Outsourced service providers were the main external employment type used by entities (69% of total spending), with contractors and consultants accounting for 27% of expenditure and labour hire around 4%.
- 43% of the total spending on external labour was in ICT and digital solutions, 17% related to service delivery, and 9% related to portfolio, program, and project management.

In focus

Public sector resourcing and transformation

In 2022–23, Finance continued to support an efficient and high-performing public sector by providing operational support to Government and Commonwealth entities to maintain effective and efficient use of public resources. The department led ongoing improvements to public sector governance and resource management arrangements, including through Finance's systems, frameworks, policy advice and service delivery.



Addressing workforce and capability challenges in the APS accounting and finance profession

In 2022–23, Finance continued to drive initiatives focused on the recruitment, development and retention of accounting and finance professionals across the APS.

Finance worked with the APS Academy, professional networks within APS entities, Chartered Accountants Australia and New Zealand and Certified Practising Accountants Australia to deliver a series of professional development and training sessions aimed at building capability within Finance and across the APS.

These sessions attracted high levels of interest and attendance from across the APS, and included:

- MasterCraft sessions as part of the inaugural 2023 Accounting and Finance Month, with over 1,000 attendees across 6 sessions run by Finance, covering a range of topics including the financial reporting framework, appropriations, and managing Commonwealth resources under the PGPA framework.
- Agency outreach sessions, with close to 1,000 attendees, providing Commonwealth entity Chief Financial Officers and their staff with an overview of the appropriations framework, and clarification of common financial and budget matters.
- Professional development sessions on a range of topics including artificial intelligence and the finance function, data visualisation and managing your professional career.
- Quarterly financial stewardship forums on financial reporting, end-of-financial-year processes and special accounting topics.
- APS Accounting and Finance Working Group meetings and workshops, covering topics such as talent management, capability development and workforce planning.

Finance continued to provide support to portfolios via its quarterly portfolio departments, chief financial officer forums, with a focus on accounting, budgets, audits, legal issues, workforce planning and other operational matters of interest to each portfolio.

In 2023, the inaugural Accounting and Financial Management stream of the Australian Government Graduate Program was launched, which is a key component of the APS accounting and finance profession workforce strategy. The first Accounting and Financial Management graduates will be commencing their roles in early 2024 with 22 participating APS entities, including Finance. Finance is also leading the work to develop the technical training and professional development requirements to ensure Accounting and Financial Management graduates have the core knowledge and skills required to be successful in their careers.

APS Net Zero 2030

Finance, through the establishment of the APS Net Zero Unit, is leading implementation of the government's APS Net Zero 2030 policy for the APS to reduce its greenhouse gas emissions to net zero by 2030.

In 2022–23, Finance facilitated Australia's declaration that it would join the Net Zero Government Initiative at the United Nations Climate Change Conference held in Egypt in November 2022. The initiative commits countries to achieving net zero emissions from government operations and underscores the leadership role of governments in catalysing economy-wide climate action.

Public reporting of government emissions is now occurring for the first time in 10 years, allowing us to transparently track progress towards net zero. The APS Net Zero Unit has developed an emissions estimation and reporting framework, designed to be fit-for-purpose in an APS context while also complying with existing reporting obligations. This framework was developed in-house and will support consistent reporting across the APS. The expectation is that all corporate and non-corporate Commonwealth entities will now publicly report on the emissions from their operations.

Initially, reporting will focus on:

- Direct emissions from entities, facilities, and vehicles (Scope 1).
- Emissions from purchased electricity (Scope 2).
- Emissions associated with business travel (Scope 3).

We will implement a continuous improvement cycle in public reporting as time goes on and as capability, methodology and data quality improve.

Engagement has been a priority for the APS Net Zero Unit in 2022–23 and will continue to be essential in achieving net zero by 2030. The APS Net Zero 2030 GovTEAMS community created by Finance, and now with close to 500 members, has been an invaluable resource, hosting video tutorials, webinars, and training sessions, and publishing regular updates. International engagement via the Greening Government Initiative forum, led by the US, has allowed us to learn from the experiences of other countries ahead of us, as well as to help those just starting their government decarbonisation journey.

The APS Net Zero Unit is also evolving to cover broader climate action in government operations. We are leading the government's commitment to introduce standardised, internationally aligned, climate risk reporting requirements for Commonwealth entities that are comparable to the private sector. Climate disclosure will provide greater transparency and accountability for the government's climate risk management, while also ensuring competitive neutrality between the private sector and the Commonwealth public sector. Disclosure will include governance, strategy, risk management, and targets and metrics – including greenhouse gas emissions. Climate disclosure is a common and important tool to manage both individual and systemic climate risks. Understanding and managing the climate risks and opportunities faced by Commonwealth entities will assist us in preparing for, and being more responsive to, climate change.

Independent review of health practitioner regulatory settings

In 2022–23, Finance jointly with the Department of Health and Aged Care supported the independent review of health practice regulatory settings which aimed to address Australia's shortage of key healthcare workers.

Overseas health practitioners and international students are important in addressing these shortages, especially in the short to medium term while Australia continues to build its domestic workforce. However, the end-to-end journey for migrants is costly and complex. This makes it harder for Australia to attract the workforce it needs in an increasingly competitive global market.

On 30 September 2022, National Cabinet commissioned a rapid review of Australia's regulatory settings for overseas health professionals, to consider options to help ease health workforce shortages in key health professions. The review, led by Ms Robyn Kruk AO, and supported by staff from Finance and the Department of Health and Aged Care, focused on ensuring Australia's regulatory settings are fit for purpose, comparable with similar countries, and do not impose unnecessary costs, whilst protecting the public.

Stakeholder input has been crucial for understanding the current regulatory journey and identifying opportunities for reform. The review team conducted extensive stakeholder engagement activities, including with Health Ministers, Commonwealth, state and territory officials, health practitioners, regulatory bodies, professional groups, and employers. A challenge for Finance staff has been navigating regulatory systems spread across a range of agencies with no clear ownership, distribution of roles across multiple parties and which has been compounded by the lack of coordination, workforce data and projections in acknowledged areas of shortage.

Finance supported the review to draft its interim report that identified immediate actions for governments and regulators to fast-track registration processes. On 28 April 2023, the interim report was endorsed by National Cabinet. Stakeholder feedback on the interim report has been overwhelmingly positive.

Finance is working closely with Ms Kruk on the final report, which is expected to be delivered to National Cabinet in early 2023–24. Recommendations are being revised in response to feedback, and consideration is being given to longer term reforms to ensure the system is responsive to changing workforce needs and models of care.

Supporting the APS in procurement and contract management capability uplift

Finance plays a key role in supporting a stronger APS by providing resources and bolstering capability in critical functions such as procurement and contract management, risk management and grants administration.

In 2022–23, Finance continued to work across the APS to build capability and to increase awareness and understanding of the Finance managed frameworks in these areas. These frameworks support entities to meet their purpose and deliver the best possible outcomes in line with their obligations and activities.

While work across Finance can be diverse, there is a common thread throughout much of our engagement with entities and that is to build and maintain capability in a modern and accountable APS. Examples of Finance working together to better support entities through proactive outreach and facilitation of professional network building are outlined below:

- the expansion of the Centre of Procurement Excellence (CoPE) to include contract management. This was a collaborative effort delivered by Finance's procurement teams. Additionally, a boost of resources allowed the CoPE to begin uplifting and professionalising the procurement and contracting capability of the APS.
- a range of capability uplift activities for the APS championed by Finance's Future Made in Australia staff and supported by procurement teams, which included:
  - delivering online and face to face sessions on designing and delivering grants opportunities to more than 2,000 attendees from over 20 Commonwealth entities
  - delivering online and face to face sessions on risk management to more than 4,800 attendees from over 75 Commonwealth entities
  - delivering 4 procurement training sessions to 100 participants.
- the enhancement of a number of Finance led forums to discuss contemporary issues, challenges and best practice opportunities in the management of public resources, including:
  - the Commonwealth Risk Managers Forum with over 450 members
  - the Insurance Community of Practice with over 450 members
  - the Procurement and Contract Management Community of Practices with over 500 members
  - the Legal Liability Community of Practice with 60 Commonwealth entities participating
  - the Grants Framework Working Group with representatives from over 25 Commonwealth entities.

In addition to uplifting capability, Finance recognises the importance of procurement and contract management across the APS and celebrates good practice through the Commonwealth Procurement and Contract Management Awards for Excellence, and the Commonwealth Awards for Excellence in Risk Management. These initiatives promote the important role played by procurement, contract management and risk management in delivering beneficial outcomes for Australians. In 2022–23, 22 entities, both large and small, were recognised through the awards, with over 230 people attending these events to celebrate best practice initiatives.

Bolstering integrity amongst Commonwealth suppliers

In 2022–23, there has been a renewed focus on the ethical performance of suppliers to the government. Finance is committed to supporting a strong public service and best practice contract management, ensuring that suppliers provide services to government with integrity and honesty. As the policy steward of the Commonwealth Procurement Framework, Finance has been supporting Commonwealth officials with the engagement and management of suppliers, including consultants.

In line with the government's integrity agenda, Finance has been undertaking activities to clarify the Commonwealth's expectations of suppliers. In 2022–23, following the reported misconduct of PriceWaterhouseCoopers, Finance has taken steps to strengthen the Commonwealth's capacity to respond to poor supplier performance or sanction misconduct including:

- publishing a procurement policy note on its website reminding officials that, when undertaking a procurement and in value for money assessments, officials must consider an organisation's prior behaviour, including its ethical conduct
- introducing 'notification of significant event' clauses for use in standard government procurement contracts and encouraging agencies to incorporate these in existing contracts. These clauses allow the government to respond to misconduct and poor behaviour by suppliers, by strengthening the Commonwealth's ability to cancel contracts (all suppliers under the Management Advisory Services Panel have agreed to the inclusion of the notification of significant event clauses in their contracts)
- beginning development of the first Commonwealth Supplier Code of Conduct. The Supplier Code of Conduct will outline the behavioural standards expected from suppliers during procurement processes and while under contract.

Finance will continue its focus on the ethical performance of suppliers in the coming year. Finance will commence a review on the suitability of confidentiality arrangements in Commonwealth engagements with the private sector and undertake a refresh of web-based procurement policy guidance for entities, including an enhanced focus on due diligence, confidentiality, and probity.

In focus

Delivering effective services to, and for, government

Finance has continued to focus on providing a range of whole-of-government services, including ICT services and support services, to Commonwealth entities, parliamentarians and their staff. Throughout 2022–23, Finance continued to provide better services and outcomes in technology, delivering transformative, efficient and cost-effective services to, and for, government.



Delivering GovCMS: Stewardship of whole-of-government critical ICT infrastructure in a changing digital environment

Providing stable, resilient whole-of-government shared services where digital teams in government are well-supported enables services to be delivered to the APS and Parliament, and ultimately to the Australian people.

Commonwealth agencies benefit from sharing approaches and common toolsets, including reusable design patterns for ICT projects and enabling consistent deployment of crucial supporting software and infrastructure, including for cybersecurity.

GovCMS is a program that provides content management tools and website hosting services for Commonwealth, state and local government entities. GovCMS facilitates the creation of modern, cost-effective, secure and content-rich websites. It was developed by government, for government, and increases the capabilities of digital teams. It continues to transform the way government connects with the community.

Finance procured a relatively new technology stack to run GovCMS in 2018 based entirely on open-source technology, making Finance a leader in the use of open-source tools. The stack continues to evolve, using a co-design approach with Finance working alongside the service provider, with ownership of the service maintained by Finance. This hosting infrastructure is flexible so GovCMS can effectively respond to varying demands on individual sites, scaling up or down depending on load. For example, when the Australian Taxation Office required company directors to apply for their Director Identification Numbers, it saw 10 times more than its average website interactions on the closing date of 30 November 2023. The GovCMS platform was able to assign additional infrastructure which ensured it remained functional and responsive so people could meet their obligations.

From the start, Finance's GovCMS team focused on developing a strong community across government entities with a governance model where services are managed centrally but led by the GovCMS community. The GovCMS community is extremely collaborative and routinely shares expertise widely.

GovCMS' first website was launched in March 2015. By June 2023, there were 357 websites with 105 entities signed on. In 2022–23, a total of 4,280 service requests from entities were actioned. Satisfaction with Finance's support services was rated as 96.7% by participating government entities.

In 2022–23, GovCMS managed 1.3 billion pages of information used in Australia and overseas, consuming 1.4 petabytes of bandwidth. This is comparable to watching approximately 1.5 million hours of movies in high definition.

GovCMS' future focus is on creating even greater capabilities to support new digital services for government entities and the Australian people.

COMCAR depots

COMCAR's long-term plan is to reduce its environmental footprint, improve operational capability and deliver beyond the government's target of 75% of new passenger vehicles in Commonwealth fleets having low emissions by 2025.

In 2021, COMCAR identified that their NSW depot needed to relocate due to infrastructure being unsuitable for a future electric vehicle (EV) fleet. COMCAR recognised that a change in premises would offer the opportunity both to future-proof the NSW operations and to reduce its environmental footprint. The aim was to have a depot that better supports sustainable practices, including greater harvesting of rainwater and integration of a PV solar system to provide a charging network for COMCAR's future EV fleet.

COMCAR identified a suitable property with an emphasis on electrical capacity to support the operation of a medium-sized EV fleet. The selected property has the potential to meet all COMCAR's current and future operational requirements and to improve sustainability. There was also additional office space to cater for surge activities.

The new COMCAR NSW depot located in Alexandria, opened in June 2023.

Key sustainable highlights within the NSW depot are:

- 99.6kW PV solar system, the maximum size allowed before being rated as commercial production
- motion sensor operated low energy LED lighting
- 10,000L rainwater harvesting tank to service the vehicle washing bay.

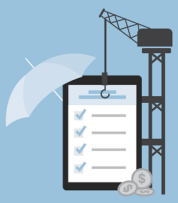
The relocation of the NSW depot is just one component of COMCAR's long-term plan to reduce its environmental footprint, and emissions from the COMCAR fleet. In 2023, COMCAR announced the replacement of its petrol fleet with EVs in line with the government's commitment to deliver a low emissions vehicle target for the Commonwealth fleet. Delivery of the new fleet is planned to commence from mid-2023 as the current BMW sedans reach the end of lease. It is expected that the new fleet will be fully implemented by mid-2024.

Business of Finance

Governance and Resource Management



Commercial Group



Priorities for 2022–23

Key activities

Advising on expenditure

- Deliver budget updates, appropriation bills and financial statements
- Provide central cash management

Public sector resourcing and transformation

- Support the proper use and management of public resources
- Enable value-for-money procurements
- Provide insurance and risk management support for Commonwealth entities
- Support Commonwealth property management
- Oversight of Government Business Enterprises
- Enable investment funds and civilian superannuation

Delivering services to, and for, government

- Transform Commonwealth entities through shared services
- Modernise the APS through ICT projects
- Deliver ministerial and parliamentary services
- Manage Finance tenancies

Business Enabling Services



Budget Group



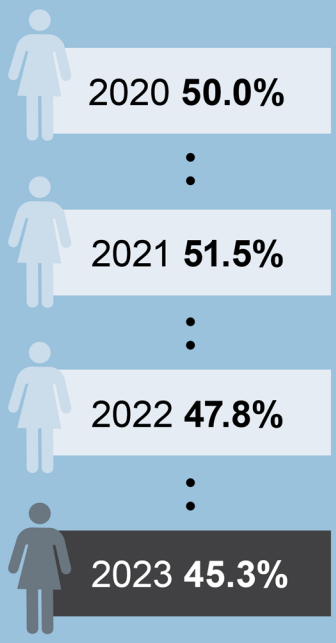
People of Finance

Our workforce

Number of staff (including casuals)

1,925

Women in leadership (Finance SES)

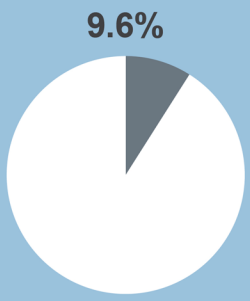




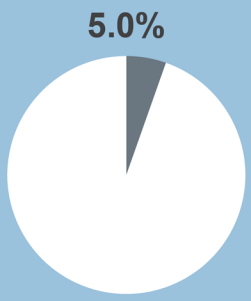
Women



Aboriginal and Torres Strait Islander

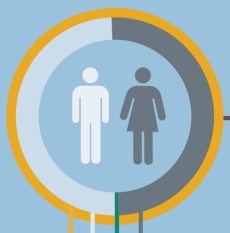


Part-time staff



Staff with a disability

Note: Percentages refer to ongoing staff.



Finance staff

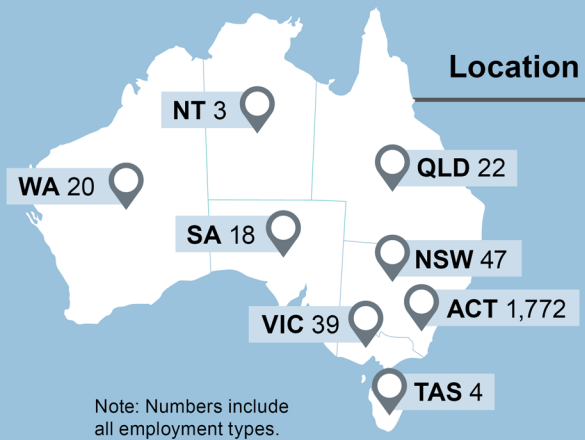
Male 937

Female 986

Non-binary 2

Total 1,925

Location of staff



Note: Numbers include all employment types.

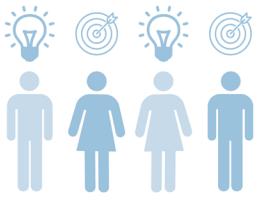
Things we did well in 2022–23

Enabled innovation and creativity





Manager capability and support



Employee wellbeing and engagement

Source: APS Census 2023 Highlights Report



Part 1
Overview

- The portfolio
- Portfolio structure
- Role and functions
- Purpose
- Operating environment
- Outcomes and programs
- Finance executive
- Organisational structure

The portfolio

These ministers were responsible for the Finance portfolio and its agencies during the reporting period 2022–23.

Senator the Hon Katy Gallagher
Minister for Finance (appointed 23 May 2022)

Senator the Hon Don Farrell
Special Minister of State (appointed 1 June 2022)

Portfolio structure

The portfolio structure at 30 June 2023:

Department of State

Department of Finance
Secretary: Jenny Wilkinson PSM

Non-corporate Commonwealth entities

Australian Electoral Commission
Electoral Commissioner: Tom Rogers

Digital Transformation Agency
Chief Executive Officer: Chris Fechner

Future Fund Management Agency
Chair: The Hon Peter Costello AC
Chief Executive Officer: Dr Raphael Arndt

Independent Parliamentary Expenses Authority
Chair: Jillian Segal AO
Chief Executive Officer: Annwyn Godwin

Corporate Commonwealth entity

Commonwealth Superannuation Corporation
Chair: Garry Hounsell
Chief Executive Officer: Damian Hill

Commonwealth companies

ASC Pty Ltd
Chair: Bruce Carter
Chief Executive Officer: Stuart Whiley

Australian Naval Infrastructure Pty Ltd
Chair: Lucio Di Bartolomeo
Chief Executive Officer: Andrew Seaton

Changes to the portfolio in 2022–23

There were no changes to the portfolio in 2022–23.

Role and functions

As a central agency, Finance plays a key role in assisting the government to shape and deliver its priorities, particularly in ensuring public expenditure programs are sustainable and reflect best value for the government and the Australian community. Finance works closely with the other central agencies, Prime Minister and Cabinet and the Treasury, to provide support to the government in its deliberations in Cabinet and its committees.

Finance plays a central role in managing the Commonwealth's commercial interests, supporting financial sustainability and economic growth through the delivery of significant projects, and supporting the Minister for Finance as shareholder minister for Government Business Enterprises.

Finance delivers shared services across government and actively seeks to improve the delivery of contemporary corporate services to achieve cost and time efficiencies. We collaborate across government to develop robust and fit-for-purpose policies and legislation for public governance, performance, accountability, and risk management.

Our responsibilities encompass the full range of public administration functions from developing policy through to implementing and reviewing programs. We have stewardship of whole-of-government frameworks to provide accountability and deliver outcomes.

Our responsibilities include:

- supporting the delivery of the Budget and key economic updates
- supporting the management and use of public resources
- supporting sound commercial decision making
- delivering and facilitating shared services, common ICT services, whole-of-government procurement arrangements, and insurance and risk management
- supporting parliamentarians and their staff and ensuring safe and respectful Commonwealth parliamentary workplaces
- leading development of the Data and Digital Government Strategy for the APS, and
- administering the DATA Scheme through the National Data Commissioner and their office.

Purpose

Finance assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation, and delivering efficient cost-effective services to, and for, government.

Values

Underpinning our work and our interactions are the Australian Public Service Values:

- Impartial
- Committed to service
- Accountable
- Respectful
- Ethical

Leadership

Finance has established a set of leadership expectations and values considered essential to all roles in Finance. Delivering on leadership expectations is the responsibility of all staff and forms part of Finance's capability framework.

Finance's leadership values are:

- Act with integrity
- Be part of the solution
- Collaborate, innovate
- Develop self, develop others

Operating environment

Finance strives to provide advice from a whole-of-government perspective and deliver practical outcomes in a complex and continually changing environment.

In 2022–23, Finance provided budget advice that balanced short, medium, and long-term fiscal and policy objectives, taking into account the challenging geopolitical landscape. Finance played an integral role to support the government in its objectives to strengthen its fiscal position, and to balance immediate challenges including high inflation and high interest rates. Finance provided expert and timely advice to support the government to deliver two Budgets which addressed issues of disadvantage, cost-of-living relief, and measures to deliver outcomes in health, education, housing, small business, defence and national security, and other essential services.

Additionally, Finance has played an integral role in working across the APS to deliver better services and uplift the capability of the APS to deliver outcomes efficiently and effectively. This has included our ongoing work to implement the government's 10-Point Buy Australia Plan through the Future Made in Australia Office.

Finance is committed to building and fostering public trust in government through policies and frameworks that support integrity, fairness, accountability, and transparency. As a central agency, Finance has endeavoured to lead by example to implement reforms, uplift capability and drive improved outcomes for the APS and the Australian community. To provide better service to the public we are working to remove barriers across the APS to ensure the proper use of public resources and to make government services more accessible and efficient.

The government its committed to building a stronger APS that drives better outcomes for the community, acts as a model employer, and contributes to a fairer and more inclusive Australia. Finance has been integral to supporting the APS Reform agenda, driving several key projects. Finance is leading across the APS on the government's Net Zero Plan, to achieve the government's election commitment to net zero emissions from the APS by 2030, by working closely with agencies to build APS capability to assess, measure and report on emissions and embed net zero considerations into decision-making. We also completed the audit of employment which for the first time comprehensively measured the use of external labour in the APS and is informing decisions to reduce reliance on contractors, consultants, and external labour hire.

The evolution of the data and digital landscape is presenting a wide range of opportunities and the transition of APS agencies to data and digitally driven organisations is a key component of the APS Reform agenda. Finance continues to explore ways for the APS to better leverage data assets and digital technology to modernise service delivery channels and support the development of better policies, programs, and outcomes for the benefit of all Australians. Finance jointly with the Digital Transformation Agency developed the initial Data and Digital Government Strategy and continues to support activity across the APS to better manage and use data assets.

Outcomes and programs

FIGURE 1: OUTCOME AND PROGRAM STRUCTURE, 2022–23

Our purpose

Finance assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.

1

Support sustainable Australian Government finances through providing high-quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.

Program

- 1.1 Budget and financial management

Contributing business areas:
Budget Group, Governance and resource management

2

Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.

Programs

- 2.1 Public sector governance
- 2.2 Transforming government
- 2.3 Property and construction
- 2.4 Insurance and risk management
- 2.5 Technology and procurement
- 2.6 Service delivery office
- 2.7 Public sector superannuation
- 2.8 Australian government investment funds

Contributing business areas:
Business enabling services, Commercial Group, Governance and resource management

3

Support for parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.

Program

- 3.1 Ministerial and parliamentary services

Contributing business area:
Business enabling services

Finance executive

Secretary Jenny Wilkinson PSM



Jenny Wilkinson was appointed Secretary in August 2022.

During her career, Jenny has held senior positions across a number of different departments and agencies. These have included the Commonwealth Treasury, the Parliamentary Budget Office, the Department of Industry, the Department of Climate Change, the Department of the Prime Minister and Cabinet and the Reserve Bank of Australia. Working in these roles, she has been responsible for providing advice on a wide range of economic policy issues.

Jenny has served on a number of advisory boards including the ANU Tax Transfer Institute Advisory Board, the ANU College of Business and Economics Advisory Board, the Grattan Institute Public Policy Committee and the Melbourne Institute Advisory Board.

Jenny was awarded a Public Service Medal in 2021 for outstanding public service in the development of fiscal policy, particularly for the formulation of the government's economic response to COVID-19 and implementation of JobKeeper.

Deputy Secretary Cath Patterson



Cath Patterson joined Finance in September 2021, and is the Deputy Secretary of Budget Group.

Previously, Cath was the Deputy Secretary for Strategy and Law Enforcement at the Department of Home Affairs, a position she held from July 2020. Prior to that, Cath was acting Deputy Secretary, Social Policy and First Assistant Secretary, National Security Division at the Department of the Prime Minister and Cabinet. For 20 years, Cath worked for the Department of Health in a range of roles including Minister Counsellor (Health) with the Australian Permanent Mission to the United Nations, Geneva.

BUDGET GROUP

Budget Group provides policy and financial advice on government expenditure and non-taxation revenue matters to the Minister for Finance, other senior ministers, and the Expenditure Review Committee of Cabinet.

Budget Group supports the government in its preparation, delivery, and ongoing management of the Budget, and assists agencies to meet their financial management and reporting obligations. Budget Group aims to ensure the analysis, policy advice, and costing information provided to government supports informed decision-making and that all economic updates meet legislative requirements and timeframes.

Deputy Secretary Mary Wiley-Smith



Mary Wiley-Smith joined Finance in August 2022, and is the Deputy Secretary of Business Enabling Services.

Previously, Mary was a Deputy Secretary at the Department of Industry, Science and Resources, where she was responsible for the Technology and National Security Division, AusIndustry, Questacon and the National Measurement Institute.

Mary has over 30 years' experience in the APS, including 16 years in the senior executive service leading work on sustainability, housing affordability and supply, energy efficiency and renewable energy. Prior to joining the Department of Industry, Science and Resources, Mary was the Deputy Australian Public Service Commissioner. She has also held senior roles in the Department of the Prime Minister and Cabinet, Department of the Environment, Department of Climate Change and Energy Efficiency, and the Department of Infrastructure, Regional Development and Cities.

Mary is the Chair of the Deputy Secretaries Talent Council and an inaugural member of the APS Academy Faculty. She also represents Finance on the Chief Operating Officers Committee.

BUSINESS ENABLING SERVICES

Business Enabling Services provides support for parliamentarians and their staff, the APS, and internal enabling services for Finance. This includes providing:

- policy advice, whole-of-government coordination and assistance to entities conducting advertising activities.
- policy advice and services on HR matters, non-travel expenses and allowances under the Members of Parliament (Staff) Act and the *Parliamentary Business Resources Act 2017* to parliamentarians, office holders and their staff.
- advice on whole-of-government shared services policy, and delivery of shared services to 18 client agencies across 6 portfolios through the Service Delivery Office.
- whole-of-government ICT platforms and services, such as the Ministerial Communications Network and Parliamentary Document Management System.

The Group also works with the Secretary, Executive Board, and other business groups in Finance to enhance, promote and sustain Finance's role as a trusted adviser to the government.

Deputy Secretary Nathan Williamson



Nathan Williamson joined Finance in November 2020, taking up the role of Deputy Secretary, Governance and Resource Management.

Previously, Nathan has held senior executive roles in the Department of Social Services, the Department of the Prime Minister and Cabinet, the Department of Human Services, and the Australian National Audit Office.

GOVERNANCE AND RESOURCE MANAGEMENT

Governance and Resource Management Group develops policy and advises on the resource management and governance frameworks for public sector agencies, government investment funds, and superannuation arrangements for members of parliament and Commonwealth employees. The group consolidates budget updates, prepares the appropriation bills and the Commonwealth's monthly and annual consolidated financial statements, manages the Official Public Account, and provides accounting policy advice.

Governance and Resource Management also provides policy leadership on grants administration, manages the Gateway assurance review process, and advises the government on electoral policy and charging and cost recovery. The group leads Commonwealth whole-of-government data policy and the work to continue developing Australia's expanded Digital ID system.

The Office of the National Data Commissioner sits within the Governance and Resource Management Group.

Deputy Secretary Andrew Jaggers PSM



Andrew Jaggers was appointed Deputy Secretary of Commercial Group in December 2018.

In 2021, Andrew was responsible for the national delivery of purpose-built quarantine facilities in Melbourne, Brisbane and Perth. Andrew was previously the First Assistant Secretary of the Commercial Investments Division in Finance, after serving as the Executive Director of the Infrastructure Investment Division at the Department of Infrastructure and Regional Development.

Andrew was awarded a Public Service Medal in 2023 for outstanding public service in supporting the government's response to the COVID-19 pandemic, ensuring the safety and wellbeing of Australians.

COMMERCIAL GROUP

Commercial Group is responsible for Finance's role in managing the government's commercial interests, including oversight of the government companies delivering some of Australia's largest infrastructure projects including the National Broadband Network, Western Sydney Airport, naval shipbuilding infrastructure, and providing commercial management advice in support of the delivery of the nuclear-powered submarine program. Commercial Group provides advice on the Australian government's Government Business Enterprises and commercial entities, manages the domestic non-Defence property portfolio, and undertakes the review and reform of such assets including divestment, where relevant. It also manages the government's special claims, insurance, and risk management operations and provides advice on any matters that come forward.

Commercial Group provides a key role in supporting the broader APS by developing providing resources and bolstering capability in critical functions such as procurement and contract management, risk management, regulatory reform, and grants administration.

Other Deputy Secretaries in the reporting period

Deputy Secretary Clare Walsh

Clare Walsh joined Finance in July 2020, taking up the role of Deputy Secretary, Business Enabling Services. Clare left Finance on 15 July 2022 to take up the position of Deputy Secretary, Chief Operating Officer in the Department of Foreign Affairs and Trade.

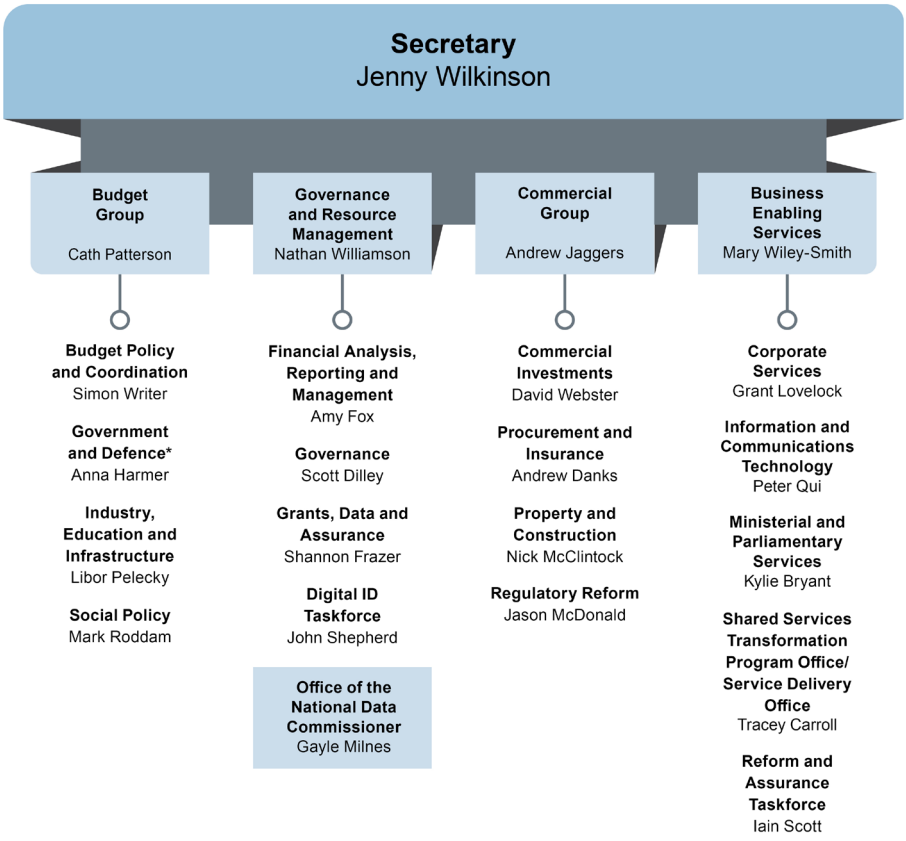
Before her time at Finance, Clare was the Deputy Secretary for the Global Cooperation, Development and Partnerships Group with Australia's Department of Foreign Affairs and Trade. Clare has more than 20 years' experience working in a wide range of international and domestic policy roles. Clare led DFAT's development work of the G20 throughout Australia's presidency of that forum in 2013–14. Before this, Clare was head of the International Division of the Department of Climate Change, and formerly held positions in the Department of the Environment and the Department of Industry, Tourism and Resources.

Acting Deputy Secretary Tracey Carroll

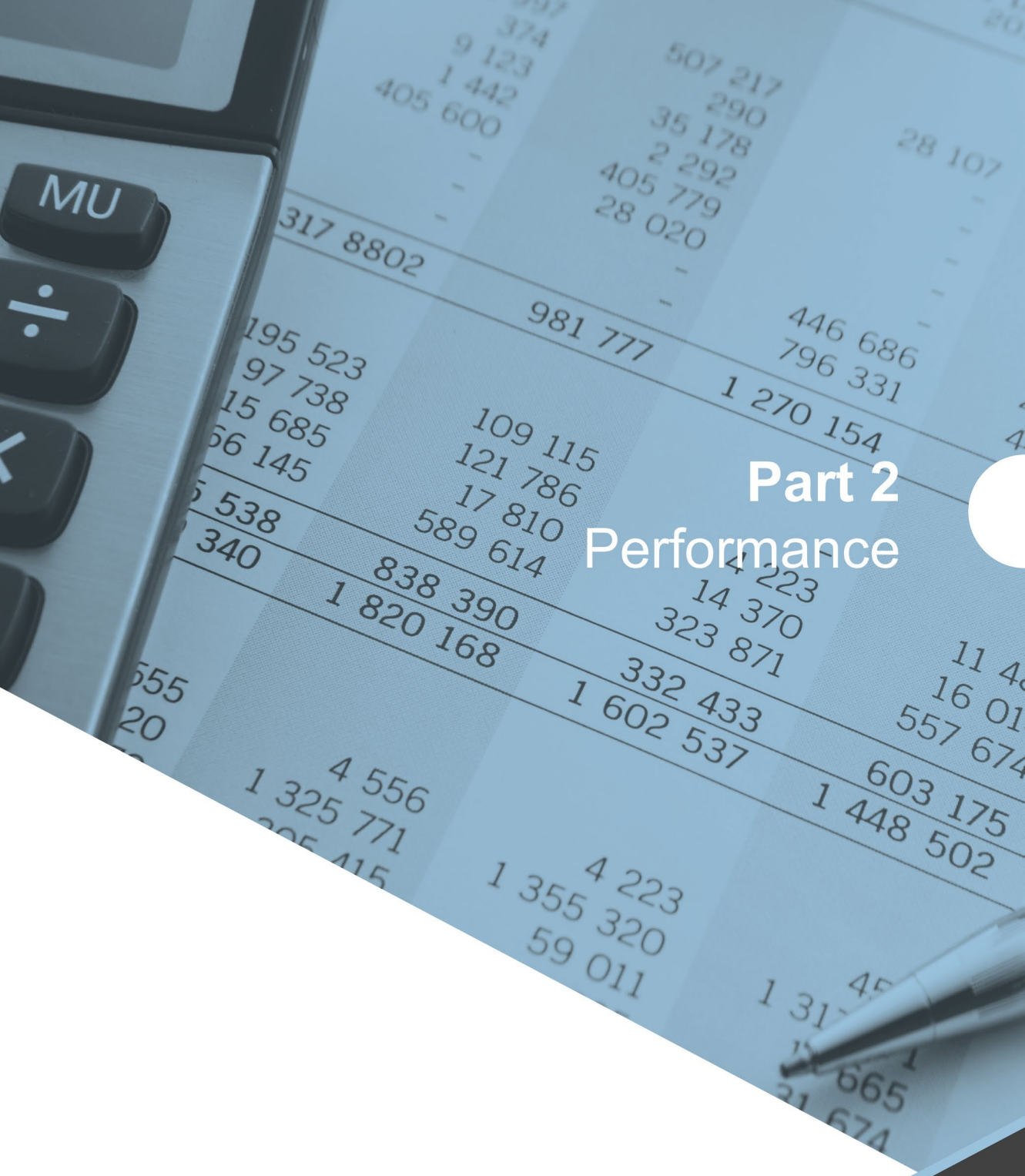
During the reporting period from 18 July 2022 to 22 August 2022, Tracey Carroll acted in the role of Deputy Secretary, Business Enabling Services. Tracey was substantively First Assistant Secretary of the Financial Analysis, Reporting and Management Division in Finance until 20 March 2023, when Tracey moved across to lead Finance's Shared Service Transformation Program Office and the Service Delivery Office.

Organisational structure

FIGURE 2: ORGANISATIONAL STRUCTURE, AT 30 JUNE 2023



*Government and Defence Division reports to Nathan Williamson in the Governance and Resource Management Group.



Part 2
Performance

- Performance and priorities
- Annual performance statements
- Financial performance

Performance and priorities

Part 2 reports on the results achieved in 2022–23 against the purpose and performance information published in Finance's Corporate Plan 2022–23, the Portfolio Budget Statements 2022–23 and the Portfolio Additional Estimates Statements 2022–23. It includes Finance's key priorities, activities and achievements during 2022–23.

Advising on expenditure

Finance's leadership on the budget process and the Commonwealth's finances enables us to assist the government to shape and deliver its fiscal and policy objectives, while ensuring public expenditure programs are effective and sustainable, and deliver the best value to the Australian community. In 2022–23, evidence for this included the delivery of two Commonwealth budgets. Finance provided timely and expert advice to support government decision-making to maintain a sustainable fiscal position in challenging economic times.

Public sector resourcing and transformation

Finance supports an efficient and high-performing public sector by providing operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources. We provide leadership on ongoing improvements to public sector governance and resource management arrangements, including through Finance's systems, frameworks, policy, advice, and service delivery. We are committed to guiding investments in technology and digital capability, reforming business processes, process automation, and enabling public servants to focus on the government's strategic priorities and delivery of services to Australians. Examples of this commitment in 2022–23 include our work to enhance the Commonwealth Investment Framework, review machinery-of-government change implementation principles, expansion of the Centre of Procurement Excellence, and delivery of whole-of-government management advisory services arrangements.

Delivering services to, and for, government

Finance is responsible for a range of whole-of-government services, including ICT services, and for providing support services to Commonwealth entities, parliamentarians, and their staff. We have leveraged technological advances to deliver services to, and for, government in more efficient and cost-effective ways. Supporting client agency adoption of eInvoicing and implementing the recommendations of the *Set the Standard: Report on the Independent Review into Commonwealth Parliamentary Workplaces 2021* are examples of our work in 2022–23 under this performance theme.

Finance's enabling services regarding people, integrity, financial management, facilities, business continuity and ICT remained central to achieving our purpose in 2022–23. Finance's governance, led by an Executive Board, facilitated sound, transparent and timely decision-making, enabling rapid responses to the year's challenges. In addition, Finance's approach to integrated business planning supports active consideration of organisational priorities and resourcing, with a managed approach to risk.

The activities and achievements discussed below highlight our work in striving to be a high-performing, modern, efficient, and continuously improving public sector organisation in 2022–23.

Annual performance statements

Purpose

Finance assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation, and delivering efficient, cost-effective services to, and for, government.

Overarching analysis of performance against Finance's purpose

The 2022–23 annual performance statements detail how Finance has delivered against its purpose to achieve value in government expenditure and administration while supporting the priorities of the government and the APS. The wide-ranging nature of Finance's activities is highlighted in our achievements which span budget costing and assurance processes, policy and financial advice, fit-for-purpose operating frameworks, effective and efficient service delivery including to other government entities and to parliamentarians, and whole-of-government ICT platforms.

Our ability to respond effectively is evidenced in our achievements against each of the performance measures published in Finance's Corporate Plan 2022–23, with 14 out of 20 results assessed as fully achieved, and 6 substantially achieved.

These annual performance statements provide an accurate assessment of Finance's delivery against the measures established in the Corporate Plan 2022–23 and the supporting mechanisms enabling achievement of Finance's overall purpose.

Advising on expenditure

Measure 1.1: Budget updates and appropriation bills Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and appropriation bills are accurate, consistent with external reporting standards, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	
Source: 2022–23 Corporate Plan, Key Activity 1, p 20. 2022–23 Portfolio Budget Statements, Outcome 1, p 25.	
Result: Substantially achieved	
How this performance was assessed	**Result**
1.1.1 Accuracy of budget estimates. Variances between estimated expenses and final outcome are within set parameters.	**Substantially achieved**
• First forward year – difference between estimated expenses and Final Budget Outcome is less than 2%	**-0.6%**
• Budget year – difference between Budget estimated expenses and Final Budget Outcome is less than 1.5%	**-0.5%**
• Current year – difference between the revised current year estimates at MYEFO and Final Budget Outcome is less than 1%	**-2.3%**
• Current year – difference between the current year estimates at budget time and Final Budget Outcome is less than 0.5%	**-1.2%**
Significant variances between estimated expenses and final outcome are explained.	**Achieved**
1.1.2 Timeliness of budget estimate updates and appropriation bills.	**Fully achieved**
• Budget papers and related updates meet timeframes set out in the *Charter of Budget Honesty Act 1998*	**Fully achieved**
• Appropriation bills introduced at times intended by government.	**Fully achieved**
1.1.3 External reporting standards and legislative requirements are met.	**Fully achieved**

Finance substantially met its performance in relation to metric 1.1.1 – Accuracy of budget estimates, because two of the four time points measured within this metric were accurate.

The performance indicators that were achieved were:

- The difference between first forward-year estimated expenses (2021–22 Budget) and the 2022–23 Final Budget Outcome (FBO) was -0.6% on an accrual basis (target of less than 2.0% difference).
- The difference between Budget estimated expenses (2022–23 March Budget) and the FBO was -0.5% on an accrual basis (target of less than 1.5% difference).

The performance indicators that were not achieved were:

- The difference between revised estimated expenses at the 2022–23 October Budget[1] and FBO was -2.3% on an accrual basis (target of less than 1.0% difference).
- The difference between revised estimated expenses at the 2023–24 Budget and FBO was -1.2% on an accrual basis (target of less than 0.5% difference).

Variations between the 2022–23 October Budget and 2023-24 Budget estimates and FBO reflect the lower-than-expected expenses in 2022–23 largely due to:

- some health and aged care programs experiencing lower-than-estimated demand.
- infrastructure related programs experiencing ongoing delays in delivery, reflecting a combination of market capacity constraints and supply chain disruptions.
- lower-than-estimated demand for some welfare programs as a result of positive wage growth and continued strong labour market conditions.

Additional details of the variance between estimates and outcomes can be found in the 2022–23 FBO.

1 As the previous Government released the 2022-23 Budget in March 2022, the *Charter of Budget Honesty Act 1998* required the release of a Mid-Year Economic and Fiscal Outlook (MYEFO) before the end of January 2023. The 2022–23 October Budget (released on 25 October 2022) satisfied the Charter requirements to release a MYEFO.

Finance fully achieved its performance in relation to metric 1.1.2 – Timeliness of budget estimate updates and appropriation bills.

- Budget papers and related updates were produced in accordance with the timeframes and other requirements specified in the *Charter of Budget Honesty Act 1998*, including relevant accounting standards. The government:
  - released the 2021–22 Final Budget Outcome (FBO) on 28 September 2022.
  - delivered the 2022–23 Budget on 29 March 2022.
  - delivered the 2022–23 October Budget on 25 October 2022.
  - delivered the 2023–24 Budget on 9 May 2023.

Appropriation bills were introduced into the Parliament at times intended by the government and in accordance with legislative requirements across the entire reporting period.

- Supply Bills (Nos. 3 and 4) 2022–23 and Supply (Parliamentary Departments) Bill (No. 2) 2022–23 were introduced in the House of Representatives on 25 October 2022, passed both Houses on 26 October 2022 and received Royal Assent on 3 November 2022.
- Appropriation Bills (Nos. 3 and 4) 2022–23 and Appropriation (Parliamentary Departments) Bill (No. 2) 2022–23 were introduced in the House of Representatives on 9 May 2023, passed both Houses on 16 June 2023 and received Royal Assent on 19 June 2023.
- Appropriations Bills (Nos. 1 and 2) 2022–23 and Appropriation (Parliamentary Departments) Bill (No. 1) 2023–24 were introduced in the House of Representatives on 9 May 2023, passed both Houses on 22 June 2023 and received Royal Assent on 28 June 2023.

Finance fully achieved its performance in relation to metric 1.1.3 – External reporting standards and legislative requirements are met. Finance based its Budget estimates on external reporting standards and it identified any departures from external reporting standards, consistent with requirements set out in the *Charter of Budget Honesty Act 1998*.

Analysis

Finance works with entities to ensure expense estimates are regularly reviewed and updated to take account of the best available information to maximise their reliability and accuracy.

To determine the accuracy of budget estimates at a particular update (metric 1.1.1), Finance measures the changes to program budget estimates for expenditure between each update. Finance does not include the effect of government decisions and economic parameter updates made at future updates, as these cannot be reasonably predicted by Finance.

Advising on expenditure through the Budget process and related economic and fiscal updates is a core activity undertaken by Finance as part of its role in supporting the government to achieve its policy and fiscal objectives. These activities, including the preparation of budget estimates and appropriation bills, are critical for ensuring the ongoing delivery of government programs and services.

In 2022–23, Finance continued to embed discipline and rigor in its fiscal and policy advice while remaining responsive to the challenges posed by ongoing changes in domestic and international pressures. This included:

- providing effective, timely and accurate policy, budgetary and financial advice to the government, Commonwealth entities and key stakeholders.
- providing advice outside of usual budget processes to support decision-making by the government.

Measure 1.2: Financial statements
The government's financial statements, including monthly statements, are complete, fairly presented and released publicly on timeframes agreed with the government.

Source: 2022–23 Corporate Plan, Key Activity 1, p 22.
2022–23 Portfolio Budget Statements, Outcome 1, p 25.

Result: Substantially achieved

How this performance was assessed	Result
1.2.1 Complete and fairly presented financial statements.	**Fully achieved**
• The Auditor-General issues an unmodified audit report on consolidated financial statements.	**Fully achieved**
1.2.2 Timeliness of financial statements.	**Fully achieved**
• Monthly statements (prepared within 21 days of the end of month, on average, following release of Final Budget Outcome).	**Fully achieved**
• Consolidated financial statements (provided to the Auditor-General by 30 November each year).	**Fully achieved**

The 2022–23 monthly financial statements were provided to the Minister for Finance on average within 21 days of the end of each month following the release of the 2021–22 Final Budget Outcome.

The Auditor-General issued an unmodified audit report (measure 1.2.1) for the 2021–22 Consolidated Financial Statements (CFS) on 17 November 2022 (measure 1.2.2).

The 2022–23 consolidated financial statement process is in progress and is expected to be concluded in November 2023.

Analysis

The timely public release of complete and accurate government financial statements is a critical component of Finance's performance, and our achievements in this area underpin our ability to provide advice to the government on expenditure matters.

Finance uses well-established and robust business processes to prepare the financial statements, working in close collaboration with all government entities, to produce the following key reporting outputs:

- monthly financial statements, which show how actual financial performance is tracking against monthly profiles and full-year estimates
- the final budget outcome, which reports on full-year outcomes against budget by sector, including for the general government sector, public non-financial corporations sector and the public corporations sector
- the consolidated financial statements, which presents consolidated and audited whole-of-government financial statements for the financial year.

Collectively, these statements are integral to the Commonwealth's accrual budgeting and reporting framework and complement the budget process by providing outcomes against budget estimates.

Measure 2.1: Daily disbursement of cash Intra-day disbursements through the Central Cash Management System so that entities have access to near real-time funds to deliver on the policy objectives of the government in necessary timeframes.	
Source: 2022–23 Corporate Plan, Key Activity 2, p 22. 2022–23 Portfolio Budget Statements, Outcome 1, p 21.	
Result: Fully achieved	
How this performance was assessed	**Result**
2.1.1 Cash needs of all entities are met in near real-time each day (including outside business hours), in the financial year	**Fully achieved**
All payment requests from entities were met in requested timeframes, across the entire reporting period.	
Analysis Enabling the activities of all Commonwealth entities through the disbursement of cash is critical to achieving our purpose of supporting the government to achieve its fiscal and policy objectives. Finance administers robust financial systems and frameworks to support the disbursement of cash through the Central Budget Management System. Finance continues to deliver on its commitment to responsible and efficient management of Commonwealth cash and ensures near real-time funding to Commonwealth agencies, enabling them to deliver on the policy objectives of government.	

Public sector resourcing and transformation

Measure 3.1: Governance and accountability

Finance ensures the resource management framework is maintained as a fit-for-purpose framework for the proper use of public resources and supports Commonwealth entities and companies to meet high standards of governance, performance and accountability through effective engagement and the provision of guidance.

Source: 2022–23 Corporate Plan, Key Activity 3, p 28.
2022–23 Portfolio Budget Statements, Outcome 2, p 37.

Result: Fully achieved

How this performance was assessed	Result
3.1.1 Entity survey satisfaction results in respect to the support Finance provides to assist Commonwealth entities and companies to meet the requirements and policy intent of the Resource Management Framework achieves the target rate of 80% or above.	**Fully achieved**
3.1.2 Joint Committee of Public Accounts and Audit (JCPAA) Reports and Auditor-General Performance Audit Reports provide evidence of parliament using the key artefacts of the Commonwealth performance framework to scrutinise the non-financial performance of Commonwealth entities and companies.	**Fully achieved**

The entity satisfaction survey achieved a satisfaction rate of 81%, higher than the performance target of 80%.

In 2022–23, the Auditor-General tabled 40 performance audits. Of these, 22 provided commentary and nine had recommendations on the application of the Commonwealth performance framework by entities.

In 2022–23, the JCPAA tabled seven Inquiry Reports. Of these, one provided commentary and a recommendation relating to the application of Commonwealth performance framework by an entity.

Analysis

The PGPA Survey is provided by Finance to the Chief Finance Officer of all Commonwealth entities and companies. While the survey was undertaken in-house (previously the survey was conducted by an external provider), the 7 questions used were drawn from the 2022 survey to ensure survey methodology and longitudinal data was consistent. Responses drawn from question 5 of the survey indicated that 81% of respondents were very satisfied or satisfied with the level of support provided by Finance to assist their entity to meet the requirements of the Commonwealth Resource Management Framework.

The Commonwealth performance framework provides for the scrutiny of the non-financial performance of Commonwealth entities and companies by Parliament, the Auditor-General and other stakeholders. The results indicate that the framework continues to effectively provide for scrutiny.

The commentary and recommendations in the JCPAA and Auditor-General Reports relating to the framework went to the development of performance frameworks within entities to allow for improved performance reporting, the development and publishing of performance measures relating to the issue that was subject to audit and improving existing performance measures. In a number of cases, the characteristics of performance measures as set out in the PGPA Rule were used by auditors to assess the appropriateness of performance measures. There was no ANAO or JCPAA commentary on the framework itself.

The ANAO continues to undertake assurance audits of annual performance statements of selected Commonwealth entities with 10 subject to audit in 2022–23. The reports for these audits are expected to be tabled by the Finance Minister in late 2023. The audit reports for the 2021–22 reporting period were tabled in February 2023. The Auditor-General found the six audited entities' annual performance statements were largely effective in meeting the requirements of the performance framework and accurately reporting the performance of the entity in achieving its purposes. There were, however, some exceptions where entities did not have appropriate measures or adequate processes to support performance reporting.

Learnings from the ANAO performance audits, JCPAA inquiries and the assurance audit process have been incorporated into Finance guidance relating to the framework, Performance Community of Practice sessions and in direct interactions with entities and companies.

Measure 3.2: Whole-of-government approach to regulatory policy and regulatory reform

Finance delivered a whole-of-government approach to regulatory policy and regulatory reform, including by achieving regulatory reform through cooperative federalism, to improve economic and individual wellbeing outcomes.

Source: 2022–23 Portfolio Budget Statements, Outcome 2, p 37.

Result: Fully achieved

How this performance was assessed	Result
3.2.1 Finance worked with commonwealth and state agencies to deliver targeted regulatory reform projects that demonstrate impact in delivering productivity outcomes (target 2022–23: four projects).	**Fully achieved**

During 2022–23, Finance engaged and collaborated with Commonwealth and state agencies to achieve all project milestones across all quarters of the financial year.

Analysis

Health Review: The Review maintained strong stakeholder engagement with Health Ministers, Commonwealth, state and territory officials, practitioners, regulatory bodies, professional groups, and employers. The interim report was endorsed by National Cabinet in April 2023 with the final report expected to be delivered to National Cabinet in early 2023-24. The Review anticipates significant economic impacts if reforms are implemented: a conservative estimate is that recommendations will reduce the regulatory burden on the economy by up to $850 million annually (Accenture Report, 2023).

Modernising document execution: Finance successfully engaged with the Minister for Government Services and has received strong ministerial support to progress this reform. Finance worked with Services Australia to build a clickable prototype digital platform and has progressed a draft bill with the Attorney-General's Department for proposed changes to the Statutory Declarations Act.

Adopting international standards: Finance worked with the Australian Competition and Consumer Commission (ACCC) to deliver a rapid stocktake of all existing mandatory product safety standards and also provided a list of comparable overseas standards that could be suitable to reference within each. Finance commenced work with Food Standards Australia New Zealand (FSANZ) to deliver a framework for enhanced adoption of international standards and risk assessments in relation to food standards, which is expected to be completed in 2023–24.

Worker screening for the care and support economy: Finance completed an initial assessment of reform pathways to streamline national worker screening arrangements in April 2023. A working group, jointly chaired between Finance and the Department of the Prime Minister and Cabinet (PM&C), has been established to coordinate worker screening reforms with state and territory first minister departments, reporting back to National Cabinet later in 2023 on options to progress reform. The first meeting of the working group was held in June 2023.

Streamlining business payroll reporting (single touch payroll (STP)): At the end of 2022, Finance completed an economic impact analysis and led a pilot data transfer with five state and territory revenue offices (SROs) to inform the development of a data solution. In February 2023, Finance secured agreement by the Council on Federal Financial Relations (CFFR) for the Australian Taxation Office (ATO) to keep working with SROs to design and cost a suitable data solution for CFFR's further consideration during the second half of 2023.

Measure 4.1: Stewardship over procurement systems and policies reform

Finance works with external stakeholders to provide stewardship over systems and policies to support a fair, efficient, and transparent procurement framework, and to implement and maintain whole-of-government procurement arrangements for non-ICT services (e.g. travel bookings and major office equipment) to generate price savings and operating efficiencies.

Source: 2022–23 Corporate Plan, Key Activity 4, p 29.
2022–23 Portfolio Budget Statements, Outcome 2, p 48.

Result: Fully achieved

How this performance was assessed	Result
4.1.1 Finance's stewardship policy advice, engagement and guidance on procurement systems and polices are effective, targeting 30 outreach sessions held per year and 98% of enquiries responded to within three business days.	**Fully achieved**
4.1.2 AusTender platform and data is available to users 99.5% of the time.	**Fully achieved**
4.1.3 Engagement with domestic and international stakeholders supports information exchange on advances in procurement policy.	**Fully achieved**
4.1.4 Savings and efficiencies from whole-of-government arrangements are compared, where possible, against similar arrangements, previous arrangements or markets.	**Fully achieved**

Finance proactively engaged with Commonwealth, state and industry stakeholders to support effective government procurement. Finance provided entities with practical web guidance and tailored advice through dedicated outreach activities and the Procurement Agency Advice function. In 2022–23, a total of 32 outreach sessions were held. Finance responded to 100% (637) of Commonwealth Procurement Framework enquiries within three business days. Additionally, Finance resolved 98% (625) of all enquiries within 5 business days.

The AusTender platform and data were available to users 99.9% of time over the 2022–23 financial year.

Finance, through the Future Made in Australia Office held over 250 meetings, with over 80 individual organisations and entities, including the Australasian Procurement and Construction Council, state and territory jurisdictions, and a wide array of industry stakeholders, to support information exchange and capability uplift activities.

The Whole of Government Procurement and Contract Management Community of Practice was launched on 2 May 2023 with 247 members in attendance. Since its launch, the CoP membership has continued to grow with over 430 members across the Commonwealth as at 30 June 2023.

Finance also engaged with international organisations and trade partners to provide technical advice on government procurement matters supporting Australia's international trade negotiations and free trade agreements. In 2022–23, Finance engaged in over 15 formal meetings and various supporting meetings to negotiate government procurement chapters of trade agreements including:

- Australia-European Union Free Trade Agreement
- Australia-India Comprehensive Economic Cooperation Agreement
- Comprehensive and Progressive Agreement on the Trans-Pacific Partnership
- Association of Southeast Asian Nations – Australia-New Zealand Free Trade Agreement
- Singapore-Australia Green Economy Agreement
- Australia and New Zealand Agreement on Government Procurement.

In addition, Finance has engaged extensively with international stakeholders, including parties to the World Trade Organization Agreement on Government Procurement, the Organisation for Economic Co-operation and Development, and domestic stakeholders, to facilitate Australia's participation in government procurement trade and policy related negotiations and knowledge sharing.

In establishing the third phase of the Management Advisory Services panel arrangement, Finance achieved an average reduction in cost of 35% when compared to existing panel arrangements. The following contracts were extended during 2022–23, with analysis demonstrating that value for money continues to be achieved:

- Stationery Office Supplies
- Motor Vehicle Leasing and Fleet Management
- Vehicle Rental Services
- Travel Management Services
- Accommodation Program Management Services

Analysis

The Commonwealth Procurement Rules govern how entities buy goods and services. They are designed to ensure the government and taxpayers get value for money. Finance is responsible for the Commonwealth Procurement Framework and assists both government and business through advice, support and services.

As part of Finance's work to support public sector resource management, we develop, implement and maintain systems and policies to support a fair, efficient and transparent procurement framework for the government and its suppliers.

In 2022–23, Finance's activities included:

- reviewing and updating the Commonwealth Procurement Rules including the development of associated procurement guidance notes
- supporting entities through outreach activities and administration of self-help procurement tools and guidance to take account of changes to legislation and policy, to improve usability, and to streamline the procurement process
- establishment of the Future Made in Australia Office and delivery of objectives under the Buy Australian Plan
- regular communication with procurement officers across the APS through a monthly procurement bulletin

AusTender Cloud Monitoring provides Finance staff with live updates throughout the day to provide insights into system availability. These insights provide information to ensure the system uptime remains stable.

In 2022–23, Finance has undertook a range of improvements to provide automatic alerting where the system may degrade in performance, as a result Finance can act prior to the degradation impacting the availability of AusTender.

For the newly established panel arrangements, savings were benchmarked during the tender process, with tendered pricing compared to existing government arrangements offering similar services.

Measure 5.1: Financial sustainability of Comcover
Comcover is effectively managed to ensure the fund is financially sustainable.

Source: 2022–23 Corporate Plan, Key Activity 5, p 30.
2022–23 Portfolio Budget Statements, Outcome 2, p 45.

Result: Fully achieved

How this performance was assessed	Result
5.1.1 Comcover reviews and publishes an annual statement of cover that consistently applies to fund members.	**Fully achieved**
5.1.2 Actuarial assessments are undertaken (at least four per year), with consideration of claims history and the risk profile of fund members, to inform the setting of annual member premiums and to prudently manage the fund.	**Fully achieved**
5.1.3 The Comcover Fund has adequate reserves to meet at least three years of actuarially assessed ordinary claim payments	**Fully achieved**

The Comcover Statement of Cover is a statement of policy under which Comcover provides coverage for the insurable losses of Fund Members and the Commonwealth more generally. Comcover has reviewed and published its annual Statement of Cover and distributed it to Fund Members. The Comcover Statement of Cover 2023–24 took effect from 1 July 2023 and supersedes the Comcover Statement of Cover 2022–23.

As at 30 June 2023, the Comcover Special Account had sufficient funds to cover over three years of ordinary claims expenses, as estimated by actuarial assessments.

Actuarial assessments were undertaken four times in 2022–23 to inform the setting of premiums for 2023–24 financial year. These assessments took into consideration claims history, the risk profile of the Fund Members and the uncertainty and volatility that are inherent in certain claims categories.

Analysis

The 2022–23 Statement of Cover was reviewed to account for concerns of fund members, any unintended consequences, any need for clarification and any change in the parameters of the Comcover fund. The 2023–24 Statement of Cover provides:

- clarity to Fund Members on compliance with the Legal Services Directions 2017
- a revised excess amount for motor vehicle claims
- minor clarifications to definitions relating to personal effects, general liability and professional indemnity.

The 2023–24 Statement of Cover was published on 30 June 2023 and distributed to all fund members. It is available at https://www.finance.gov.au/government/comcover/insurance/comcover-statement-cover.

Claims arising from increased natural disasters continue to impact Comcover's net assets, combined with forecast increases to significant liability matters, increases in class actions, and forecast increases in construction labour and materials costs. Since financial year 2021–22, Comcover claims liability has increased by $125 million. Notwithstanding this, Finance remains in a position to meet Comcover claims liabilities when they fall due for at least three years. As at 30 June 2023, the balance of the Comcover Special Account was $1,119 million and forecast cash outflows for the next three financial years are $807 million.

In addition, Finance has reviewed the Comcover capital management strategy and is implementing reforms to enable the fund to withstand the impacts of marked increases in class action and climate related expenses, and to secure the fund's financial sustainability over time.

Measure 5.2: Treatment of insurable risks and claims management

Comcover is effectively managed to ensure the fund is financially sustainable, there is a consistent, WoAG approach to the management of claims and Comcover supports the improvement of risk maturity in General Government Sector entities over time.

Source: 2022–23 Corporate Plan, Key Activity 5, p 45.
2022–23 Portfolio Budget Statements, Outcome 2, p 45.

Result: Fully achieved

How this performance was assessed	Result
5.2.1 Litigation is undertaken honestly and fairly as a model litigant.	**Fully achieved**
5.2.2 Effectiveness of Comcover's stewardship, policy advice, engagement and guidance on risk management.	**Fully achieved**

All Comcover claims litigation has been undertaken honestly and fairly, as a model litigant.

Finance continues to provide exemplar stewardship, policy advice, education, project-based support and guidance on risk management. In 2023, there was increased uptake of Comcover's risk education across all levels of the program. A net positive presenter score was achieved for face-to-face and virtual workshops for 2022–23 from respondent evaluation surveys.

The Comcover Risk Management Benchmarking Program was conducted in 2023 with 97% of members completing the program. The program is conducted every 2 years and enables Fund Members to self-assess their risk management capability against the following 5 themes:

- risk management governance
- risk culture
- risk capability
- risk management practices
- organisational resilience and agility.

The results from the 2023 Biennial Risk Management Benchmarking program indicate an improvement in risk management capability across the Commonwealth since 2021, with the average maturity of the fund members increasing from Defined to Embedded.

Finance reviewed the Commonwealth Risk Management Policy in 2021 and the updated policy came into effect on 1 January 2023. The Commonwealth Risk Management Policy guidance material was successfully updated in 2022–23 and available on Finance's website. The Policy and supporting guidance are available at https://www.finance.gov.au/government/comcover/risk-services/management/risk-management-toolkit

Analysis

In 2022–23, Comcover received 6,404 new claims and, as at 30 June 2023, had 3,511 active claims. Over the last 3 financial years, Comcover has closed on average over 5,104 claims per year. Finance undertook all claims litigation consistently with the obligations to act as a model litigant under the Legal Services Directions 2017.

Claims have been managed promptly and, for those that were settled, settled within legal principle and practice. Throughout the year, media and communications have been monitored for any allegation of breach of the model litigant obligation. Such allegations were reported to the Office of Legal Services Coordination with analysis of the facts of the matter and, where relevant, legal advice on whether the obligation has been breached. In each instance, the legal advice and the response of the Office of Legal Services Coordination confirmed that Finance has complied with the obligation. Finance has also consistently applied a process of self-monitoring and assessment for staff and supervisors with responsibility for the management of claims involving litigation.

Finance supports entities to obtain the knowledge, skills and expertise they need to successfully implement and integrate risk management in their organisations. In 2022–23, there was a total of 4,569 completions of Comcover e-learning modules – a 22% increase compared to 2021–22. Attendance at virtual workshops decreased to 119 participants – down 41% compared to the previous reporting period. However, attendance at face-to-face workshops increased to 203 participants – a 183% increase when compared to 2021–22.

As part of the review of the Commonwealth Risk Management Policy, one of the recommendations was to establish a sub-committee of the Chief Operating Committee to consider significant shared, cumulative and emerging risk across the Commonwealth. That committee was established in 2022–23. The newly established 'Commonwealth Risk Committee' has met four times to consider topics such as risk culture in the APS; the risks posed to the APS by artificial intelligence; and approaches to horizon scanning for emerging risk. The Commonwealth Risk Committee reports its meeting outcomes and any recommendations to the Chief Operating Officers Committee annually, and more frequently as required, to provide a holistic view of the Commonwealth risk environment and contribute to risk reform across the APS.

Measure 6.1: Commonwealth property initiatives are efficient and effective

The management of Commonwealth property demonstrates best practice effectiveness in an evolving environment and delivers efficiencies in relation to leasing and facilities management for non-corporate Commonwealth entities.

Source: 2022–23 Corporate Plan, Key Activity 6, p 31.
2022–23 Portfolio Budget Statements, Outcome 2, p 43.

Result: Fully achieved

How this performance was assessed	Result
6.1.1 Property efficiencies are delivered through the whole-of-government property services coordinated procurement arrangements for leasing and facilities management.	**Fully achieved**
6.1.2 Finance's stewardship, policy advice, engagement and guidance on Commonwealth property management is effective.	**Fully achieved**

The 2022 Australian Government Office Occupancy data collection is complete, and the 2022 Occupancy Report continues to track ongoing improvements in the efficiency of the Commonwealth's leased property portfolio.

The whole-of-government Property Services Coordinated Procurement Arrangements (the Arrangements) continue to deliver efficiencies for entities, with Property Service Providers (PSPs) collectively exceeding the Property Operating Expenses (POE) savings targets over the duration of the Deed for the 2021–22 period.

The measured performance of the PSPs under the Arrangements for the July to December 2022 period have shown performance continues to collectively improve across the PSPs. The PSPs exceeded the 10% Small to Medium Enterprises (SME) target and the 4% Indigenous Participation Plan (IPP) target for the 2021–22 period and the July to December 2022 period.

Analysis

Key findings of the 2022 Occupancy Report highlight ongoing efficiencies in the use of the Commonwealth's property portfolio. In particular:

- the percentage of tenancies meeting the occupational density target increased from 43.6% in 2021 to 44.3% in 2022.
- the national fit-out density of tenancies decreased from 15.3m2 in 2012 to 13.7m2 in 2022.
- the work-point vacancy rate decreased from 19.4% in 2012 to 7.8% in 2022.
- the Commonwealth's average occupational density remained consistent at 14.8m2.

The POE savings or overruns are calculated annually by taking the difference between the actual spend on POE and the POE Baseline. The POE Baseline was determined on commencement of the Arrangements and is based on due diligence data that was provided by in-scope entities. In addition, the POE saving targets (expressed as a percentage of the Baseline) are set out in the Deed, providing a clear target for PSPs to achieve. Furthermore, the Baseline is re-defined at the beginning of each financial year based on the previous year's Baseline and adjusted by Consumer Price Index (CPI) and the actual spend is reported to Finance by the PSPs at the end of each financial year. Adjustment of the Baseline by CPI is to ensure that the assessment of costs (to determine savings) takes into account inflation of goods and services as measured against the Baseline.

The result has been determined using data provided through PSP reporting with Whole of Government Property Services Branch reviewing the final year result against quarterly PSP performance data to ensure the result is in line with expected trends and meets the targets as required by the Deed. An audit of the data will be conducted retrospectively by an appointed provider.

The Commonwealth Leasing Strategy is developed by the Strategic Property Adviser and is distributed to entities on an annual basis.

Measure 7.1: Promote efficient, financially sustainable and sound governance arrangements for government business enterprises (GBEs)

Continue to encourage ongoing efficiency and financial sustainability in GBEs, including to facilitate and monitor GBE delivery of the government's key infrastructure priorities, including Western Sydney Airport, Inland Rail, Snowy Hydro and Naval Shipbuilding.

Source: 2022–23 Corporate Plan, Key Activity 7, p 32.
2022–23 Portfolio Budget Statements, Outcome 2, p 38.

Result: Substantially achieved

How this performance was assessed	Result
7.1.1 GBEs operate efficiently, maintain a commercial focus and manage the longer-term financial and operational sustainability of the entity.	**Fully achieved**
7.1.2 GBE corporate plans comply with GBE guidelines and provide sufficient information to permit performance and financial reporting and monitoring. This includes timely reporting to ministers and government on progress of key projects and proactive reporting on emerging issues.	**Fully achieved**
7.1.3 Ensure that GBE and project governance is fit-for-purpose including through establishing and updating governance documents such as statements of expectations, commercial freedoms frameworks and funding agreements.	**Substantially achieved**

Performance Measures 7.1.1 and 7.1.2 are fully achieved.

Performance Measure 7.1.3 is substantially achieved. This measure was not fully achieved in relation to one project. The Independent Review into the Delivery of Inland Rail found deficiencies in the governance and delivery of the Inland Rail project by the Australian Rail Track Corporation (ARTC). Finance is working with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to implement the recommendations of the Inland Rail review. A new subsidiary company of ARTC was established in July 2023 to deliver the Inland Rail project, with a dedicated board and mandate as recommended by the review. The governance and reporting arrangements have been updated including an updated government Statement of Expectations. Finance is undertaking an internal audit to provide recommendations on improving the governance of GBEs going forward.

Analysis

Finance continues to encourage ongoing efficiency and financial sustainability in GBEs in 2022–23, including facilitating and monitoring the government's key infrastructure priorities, such as Western Sydney Airport, Inland Rail, Snowy 2.0 and Naval Shipbuilding.

Finance maintained ongoing stakeholder relationships with individual GBEs and shareholder departments on broad issues, including quarterly reporting, GBE corporate plans and upcoming Annual Reports. Financial support was tailored to GBEs where required.

All GBEs submitted corporate plans for 2022–23 to the Minister for Finance and, following analysis and compliance checks, Finance provided briefing and analysis for all corporate plans to the Minister for Finance. In addition, Finance also provided analysis on monthly project reports on major projects, including for NBN, Snowy 2.0, Inland Rail, and Western Sydney Airport. The Minister for Finance was briefed on a timely basis as issues on projects were escalated.

All GBEs submitted quarterly performance reporting against corporate plan targets.

Regular proactive engagement, including via Project Monitoring Group meetings and Risk Management Working Group meetings, was conducted with GBEs throughout 2022–23 on key government policy objectives. Briefings were also provided to the Minister for Finance as needed throughout 2022–23, including significant event notifications by GBEs as required under the Public Governance, Performance and Accountability Act (PGPA Act) and regarding GBE Board and CEO appointments.

Finance's specialised training program on GBE financial analysis, legal and governance continued to be delivered in 2022–23 to grow and maintain capability with shareholder departments across the Commonwealth. During this period, five courses were delivered with 84 attendees in total.

Shareholder meetings were held with GBEs, comprising:

- quarterly performance reporting meetings
- project Monitoring Group meetings
- risk management working group meetings
- regular senior executive engagements.

In 2022–23, the Commonwealth's GBEs paid $111.4 million in dividends.

The GBEs achieved key milestones including:

- Western Sydney Airport achieving 50% completion milestone in June 2023
- National Intermodal Corporation expanding its mandate to deliver intermodal terminals in Victoria and finalising the land acquisition at Beveridge
- Australian Rail Track Corporation leading the recovery following 12 weather events that caused more than 24-hour disruption to rail networks
- NBN Co commencing design and construction activities to upgrade an additional 1.5 million premises to full-fibre, including at least 660,000 premises in regional Australia.

In January 2023, the government received the final report of the Independent Review of the Delivery of Inland Rail. The Review found deficiencies in the governance and delivery of the Inland Rail project. Finance contributed to the Review and advised the Minister for Finance on the government's response. Finance supports the implementation of the government's response to the Review, including establishing a subsidiary company with a dedicated Board and CEO to oversee the project. Finance also supports changes to reporting and governance arrangements for the project as recommended in the Review. Finance is engaging with its internal auditors to review the Application of the GBE Governance Framework with a specific focus on Finance's governance oversight of the Inland Rail project and will consider the findings of the internal audit in 2023–24.

Measure 8.1: Investment mandates for each Australian Government Investment Fund

Investment mandates are set for each Australian Government Investment Fund which assists in achieving the financial and risk objectives, and are consistent with the policy, regulatory and legislative framework.

Source: 2022–23 Corporate Plan, Key Activity 8, p 32.
2022–23 Portfolio Budget Statements, Outcome 2, p 54.

Result: Substantially achieved

How this performance was assessed	Result
8.1.1 Investment mandates for each fund are set and appropriately monitored. The investment mandates and legislation are reviewed in response to material investment environment, policy or regulatory changes, to assist in achieving the policy, financial and risk objectives.	**Substantially achieved**

Investment mandates are in place for each of the government's six investment funds. Returns for all investment funds, except for the Medical Research Future Fund and the DisabilityCare Australia Fund, were below their respective benchmark return for the year ending 30 June 2023 (the latest quarterly returns available). Finance will continue to monitor performance against long-term return targets.

Of the investment mandates for the investment funds:

- four have benchmarks which are set over the long-term and are meeting their targets
- one (Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF)) has a benchmark which is set over the long-term and has underperformed against its benchmark
- one (DisabilityCare Australia Fund) has a short-term benchmark and has performed above its benchmark over the 12 months to 31 June 2023.

There are no material legislative impediments to the satisfactory administration of the investment funds consistent with policy objectives.

Analysis

Quarterly portfolio analysis shows that the investment funds, apart from ATSILSFF, are meeting their long-term return targets.

The returns for 4 of the investment funds (the Future Fund, the Future Drought Fund (FDF), the Disaster Ready Fund (DRF) and ATSILSFF were below their respective 12-month benchmark returns. The short-term results will be monitored for any implications on the long-term performance targets. ATSILSFF was also below its long-term benchmark return.

Further, the Future Fund Management Agency (FFMA) advise:

- The short-term results were anticipated given recent financial market conditions. Consequently, the FFMA adopted an investment strategy that was lower risk, but which provided higher levels of portfolio protection during a down-turn. High inflation and sharply rising interest rates that began in 2022 have continued into 2023. Over the 12-month period ending 30 June 23, the S&P ASX 200 increased by 8.03% while the S&P ASX 500 was up 11.27%. Against this backdrop the Future Fund delivered a positive 6.0% return for the 12-month period, while the other long-term investment funds also delivered positive returns over the 12-month period: MRFF (4.4%), FDF (4.7%), DRF (4.6%), DCAF (3.6%) and the ATSILFF (4.5%).
- The performance of ATSILFF reflects the poor investing conditions over 2022, which continued into 2023. In the management of all its investment funds, the FFMA has continued to assess the investment environment and to allocate to strategies designed to protect the portfolio against inflationary scenarios. This approach has helped the FFMA to protect the funds managed from market losses. In this context ATSILSFF's performance has been strong in comparison to alternative investing choices. ATSILSFF has returned around 2.7% for the financial year to date and around 4.5% for the financial year to date.
- As the target benchmark is focused on the long-term, the Board is not making any changes to its investment strategy beyond incremental improvements made to all investment funds as noted above.

Measure 8.2: Public sector civilian superannuation schemes The legislative framework for the Commonwealth government's civilian superannuation schemes enables the schemes to be administered in accordance with the applicable regulatory and legislative requirements.	
Source: 2022–23 Corporate Plan, Key Activity 8, p 33. 2022–23 Portfolio Budget Statements, Outcome 2, p 53.	
Result: Fully achieved	
How this performance was assessed	**Result**
8.2.1 The legislation establishing the civilian superannuation schemes aligns with the broader regulatory and legislative requirements.	**Fully achieved**
No material legislative impediments to the administration of the civilian superannuation schemes have been identified by Finance or advised to Finance by the Commonwealth Superannuation Corporation across the reporting period.	
Analysis Analysis undertaken by Finance of superannuation industry wide regulatory and legislative changes in the period 1 July 2022 to 30 June 2023 has not identified any material legislative changes required to the Commonwealth civilian superannuation legislation. However, it was identified during Finance obtaining new superannuation guarantee benefit certificates for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme for the period 1 July 2023 to 30 June 2028 that a minor change is required to the Superannuation (CSS) (Superannuation Guarantee) Regulations 2008 (the Regulations). These minor amendments to the Regulations are being progressed early in 2023–24. The Commonwealth Superannuation Corporation (CSC) has not advised Finance of any legislative impediments to administering the Commonwealth civilian superannuation schemes in the period 1 July 2022 to 30 June 2023. Finance also provided governance advice on four CSC Board appointments that expired in the 2022–23. This resulted in all of the four appointments being finalised within the required timeframes. This ensured that there was no vacancy in the positions and complied with the requirements under the superannuation industry wide legislation that Board vacancies be filled within 90 days of them becoming vacant.	

Measure 8.3: Administration of pension schemes for former parliamentarians, judges and governors-general

The pension schemes are administered by the department effectively, in accordance with the applicable regulatory and legislative requirements.

Source: 2022–23 Corporate Plan, Key Activity 8, p 33.
2022–23 Portfolio Budget Statements, Outcome 2, p 53.

Result: Substantially achieved

How this performance was assessed	Result
8.3.1 The operations of the pension schemes administered by Finance continue to comply with the regulatory and legislative requirements.	**Substantially achieved**

All pension payments for the pension schemes for former federal parliamentarians, judges and governors-general during 2022–23 were processed on time (100% achieved). Statutory reporting obligations were also substantially achieved during 2022–23 (99.83%).

Analysis

All pension payments are processed through the Capital 11 system. Pension payments for former parliamentarians are paid on a fortnightly basis and pension payments for judges and governors-general are paid on a monthly basis as required by the schemes' rules and in line with legislative requirements. No material system issues were identified for processing and reporting of payments. All pension payments including adjustments (i.e. due to new pension commencements, deaths and office of profit adjustments) were checked, verified and approved. Payments and receipts for the schemes during the year were reconciled with records held by Finance.

More complex benefit entitlements required additional information or legal advice, and three spouse applications required approval from the Parliamentary Retiring Allowances Trust or the Finance Minister in line with the schemes' rules.

In relation to statutory reporting requirements, member payment summaries and other reports to the ATO were reported on time during 2022–23. However, as part of the annual Member Account Transaction Service balance reporting to the ATO, it was identified that 10 pensioner records (out of a total 657 member and pensioner records) were not submitted by the due date of 31 October 2022. This was the result of data and system issues that Finance resolved with the ATO and system vendor as soon as practicable after notification. The ATO has not reported on any issues affecting the relevant pensioners as a result.

The annual compliance report on Anti-Money Laundering and Counter Terrorism Financing arrangements was submitted to AUSTRAC by the due date of 31 March 2023. The contract between Finance and Syncsoft Pty Ltd was extended for two years until 31 March 2025. Fortnightly scheduled meetings occurred during the year with external vendor (Syncsoft Pty Ltd) and the business continuity plan for the schemes was reviewed as part of annual processes (in April 2023).

Delivering effective services to, and for, government

Measure 9.1: Shared services policy – corporate services Corporate service functions (e.g. financial, human resources and associated IT systems) for non-corporate Commonwealth entities (NCEs) are provided through a shared services provider hub arrangement, on common platforms and software.	
Source: 2022–23 Corporate Plan, Key Activity 9, p 38. 2022–23 Portfolio Budget Statements, Outcome 2, p 50.	
Result: Substantially achieved	
How this performance was assessed	**Result**
9.1.1 Government and entities are satisfied with Finance's stewardship, policy advice, engagement and guidance on the adoption of shared services.	**Fully achieved**
9.1.2 Decisions in relation to the Shared Services Program are implemented on the basis of whole-of-government interests, including alignment with the digital agenda and policies.	**Fully achieved**
• Finance consults widely on the shared services policy and continued adoption of common corporate technology platforms and standardised business processes.	**Fully achieved**
• Finance leads an approach to business cases, working jointly with provider hubs and Services Australia to support further adoption of shared services and common corporate platform (GovERP).	**Fully achieved**
9.1.3 Benchmarking data on corporate services are available and provide valuable insight for decision-making on consolidation and standardisation of corporate services functions (baseline expected 2022–23).	**Not achieved**

In 2022–23, measure 9.1 Shared Services policy – corporate services performance measure was substantially achieved.

The rating of 'partially achieved' was assessed via an overall score of 85%, calculated as follows:

- Element 9.1.1 was fully achieved (15% weighting)
- Element 9.1.2 was fully achieved (70% weighting)
- Element 9.1.3 was not achieved (15% weighting).

Analysis

The Shared Services Program seeks to deliver a common corporate platform leveraging shared technology for the APS and consolidating the provision of corporate transactional services into a small number of shared services provider hubs. The program scope includes around 100 NCEs and 150,000 public servants and will replace disparate, ageing and soon-to-be obsolete back-office systems with a common technology platform, GovERP. From 1 July 2021 Services Australia became responsible for the whole-of-government enterprise resource planning (ERP) platform, GovERP.

Finance's Shared Services Program responsibilities are for whole-of-government policy and shared services delivery through the Service Delivery Office (SDO).

In 2022–23 Finance continued to lead a whole-of-government approach to shared services through:

- disseminating information on the program through the successful delivery of two town hall forums – over 800 people attended with all portfolios represented.
- establishing a team to progress consideration of the next steps for shared services. This work informed discussions of the Shared Services Steering Committee and the Secretaries Digital and Data Committee.
- providing guidance and tailored advice to 30 entities on the adoption of common corporate technology platforms, coordinated procurements of corporate transactional and ICT services, and the GovERP Edge Capability Panel.

Finance also progressed, but did not finalise, a procurement to support the development of a Benchmarking Framework and subsequent data collection to benchmark common corporate services across the APS. A decision in relation to this procurement will occur in Quarter 1, 2023–24.

Measure 9.2: Shared services hub meets client needs
As a shared service hub, the Service Delivery Office (SDO) provides quality and efficient services to client entities.

Source: 2022–23 Corporate Plan, Key Activity 9, p 39.
2022–23 Portfolio Budget Statements, Outcome 2, p 50.

Result: Substantially achieved

How this performance was assessed	Result
9.2.1 Service level agreements with client entities, including measurement of efficiency and effectiveness of services, are met, including:	**Substantially achieved**
• average resolution time of client request of 10 days	**5.67 days**
• increased rating year-on-year in client satisfaction surveys.	**52%**
9.2.2 The benefits of shared, standard and sustainable ERP technologies and business processes are realised:	**Fully achieved**
• increased client uptake of SDO's shared ERP technology solution, known as HUB (year-on-year increase).	**Fully achieved**
• increased client adoption of end-to-end whole-of-government business processes (year-on-year increase).	**Fully achieved**
9.2.3 SDO and its client agencies adopt the whole-of-government ERP platform, GovERP:	**Substantially achieved**
• facilitating SDO client agencies on-boarding to GovERP.	**Substantially achieved**
• work with the Shared Services Transformation Program and Services Australia in delivering business cases for additional client agencies' adoption of GovERP through the SDO.	**Substantially achieved**

The SDO has agreed service-level outcomes with client agencies. During the 2022–23 financial year each of the service-level outcomes were met. These covered accounts payable, accounts receivable, payroll administration, credit card management, travel and expense management and HUB availability.

The SDO client satisfaction survey rating was 53% against a financial year target of 54%.

During the financial year 139,307 tickets were resolved, with an average resolution time of 5.67 days.

There were 10,174 users of the SDO's HUB solution, a 5.1% increase in the number of users of shared ERP systems.

The SDO supported all clients receiving payroll services to adopt Single Touch Payroll Reporting Phase 2.

The SDO supported the Department of Employment and Workplace Relations with its adoption of additional shared services and standard business processes in Travel and Expense Management Solution (TEMS).

As at 30 June 2023, the timing of onboarding the SDO and its client agencies to GovERP was under consideration by the Secretaries Digital and Data Committee in readiness to support client agencies adoption of GovERP and common standard business processes the SDO:

- supported eight client agencies to onboard to the GovERP TEMS.
- uplifted eight client agencies' accounts payable and accounts receivable functions.
- completed on-boarding assessments for eight client agencies to support their transition to GovERP.
- completed an assessment for its readiness to adopt GovERP.
- completed a suitability assessment of the available edge products for the SDO and its clients.

Analysis

As one of the shared services provider hubs, the SDO continued to contribute to Finance's delivery of efficient and cost-effective services to, and for, government. The SDO continued to maximise joint investments and develop innovative service delivery arrangements across entities.

The volume of services consumed from the SDO increased in 2022–23 when compared to the previous year, with a 11.7% increase in payslips processed, a 29.8% increase in invoices paid and a 5.1% increase in users of shared ERP systems.

The SDO client satisfaction survey targets client agency employees when they raise an issue with the SDO. The reduction in satisfaction rating in 2022–23 compared to 2021–22 was primarily driven by higher SDO activity across the year, which caused delays in issue resolution timeframes.

The SDO supports the whole-of-government agenda for standardising business systems and processes across the APS by consolidating service provision and increasing shared digital solutions and automation.

During the 2022–23 reporting period, the SDO continued to build process automation capability, with 22 robotic process automations in place to support standardised processes and successfully delivered 41 improvement projects for client agencies through its Program Delivery Office.

Measure 10.1: GovTEAMS improves public sector productivity

Commonwealth entities and companies have access to GovTEAMS, a new generation platform to provide a single environment for both internal and external collaboration across government.

Source: 2022–23 Corporate Plan, Key Activity 10, p 40.
2022–23 Portfolio Budget Statements, Outcome 2, p 39.

Result: Fully achieved

How this performance was assessed	Result
10.1.1 GovTEAMS fully operational performance target for Years 1 to 4 is uptime of 99%.	**99.99%**
10.1.2 GovTEAMS active user performance target for the Financial Year 2022–23 is 30,000.	**36,015**
10.1.3 GovTEAMS usage performance target for the Financial Year 2022–23 is 29.07 average interactions per active user per month.	**35.31**

GovTEAMS has fully achieved all performance measures for the Financial Year 2022–23.

Analysis

Microsoft has published uptime statistics for Financial Year 2022–23 Q1 to Q3. Uptime statistics for Q4 are yet to be published. Average uptime published over Financial Year 2022–23 Q1 to is 99.99%.

Yearly average monthly active user count across Financial Year 2022–23 is 36,015, with average monthly user count as follows:

- July 2022 – 38,550
- August 2022 – 37,515
- September 2022 – 33,557
- October 2022 – 35,347
- November 2022 – 36,281
- December 2022 – 36,057
- January 2023 – 33,944
- February 2023 – 35,332
- March 2023 – 35,936
- April 2023 – 36,029
- May 2023 – 36,687
- June 2023 – 36,944

Average usage per active user per month for Financial Year 2022–23 is 35.31.

Measure 10.2: GovCMS supports creation of websites that better connect government with people

Commonwealth entities and companies have access to the GovCMS management and website hosting support platform to assist in the creation of modern, affordable and responsive websites that better connect government with people.

Source: 2022–23 Corporate Plan, Key Activity 10, p 40.
2022–23 Portfolio Budget Statements, Outcome 2, p 39.

Result: Fully achieved

How this performance was assessed	Result
10.2.1 The GovCMS platform is available to entities seeking to develop and maintain websites 99% of the time with the exception of scheduled outages.	**99.999%**
10.2.2 Evidence of continued use of GovCMS by NCEs (among ~350 websites).	**355 websites**

GovTEAMS has fully achieved all performance measures for the Financial Year 2022–23.

Analysis

GovCMS uses public cloud infrastructure, open-source software and micro-service components protected by a range of cybersecurity defences to ensure the hosting platform has a high-degree of resilience. Over the period July 2022 to June 2023, the platform's uptime was 100% for 11 of the 12 months, with a total outage of six minutes for the entire reporting period.

GovCMS hosts websites for 103 government entities across all tiers of government in Australia. In the last 12 months to 30 June 2023, the program provided support and project delivery services responding to 4,280 requests, achieving a customer satisfaction score of 96.7%.

The 12-month uptime for platform availability over the period July 2022 to June 2023 was 99.999%, exceeding service level targets.

Over the period July 2022 to June 2023:

- 41 new sites were launched by non-corporate Commonwealth entities (NCEs).
- a further 73 NCE sites were upgraded to the latest version of the platform software.
- 6 NCE sites ceased because of consolidation of sites, and completion of beta projects. 5 NCE sites left the platform by moving to other hosting services and 38 NCE sites ceased because of machinery of government changes. A further 7 sites were decommissioned for other reasons.

On 30 June 2023:

- the total number of lives sites was 355, of which 287 were managed by NCEs – a net increase of 19 NCE sites compared with the previous reporting period.
- the number of NCEs using GovCMS was 65, a net increase of two compared to the previous reporting period.

Measure 11.1: Participation in the DATA Scheme

Finance, through the Office of the National Data Commissioner, is supporting safe data sharing to deliver better government services, policies and programs and to support research and innovation.

Source: 2022–23 Portfolio Budget Statements, Outcome 2, p 40.

Result: Fully achieved

How this performance was assessed	Result
11.1.1 Strengthened data handling and sharing across the APS (target: 10 Data Discovery projects complete).	**21 projects**
11.1.2 Institutional arrangements in place to support safe, transparent, and consistent data sharing. (target: legislative requirements such as the Data Code are in place; and timelines for implementing the DATA Scheme including opening accreditation are met, at least 10 pieces of guidance published).	**Substantially achieved**
11.1.3 Awareness and understanding of the DATA Scheme (% participants engaged) (target: 100% of potential participants are made aware of the DATA Scheme and requirements through information sessions, briefings and other media).	**Fully achieved**
11.1.4 Participants on Dataplace (target: 40 participants).	**Substantially achieved**

For 2022–23, the ONDC fully achieved the target of 10 or more data inventory projects in collaboration with government agencies, with a total of 21 projects completed for the year to end June 2023.

All DATA Scheme entities are able to apply for accreditation as data users and data service providers. This occurred in two stages with Australian, state and territory government agencies able to apply for accreditation as data users and data service providers from 1 June 2022 and universities from 1 August 2022.

The Annual Report of the National Data Commissioner 1 April 2022 through 30 June 2022 was tabled in October 2022.

On 16 December 2022, the National Data Commissioner made two Data Codes. The Data Availability and Transparency Code 2022 supports Scheme participants to apply and comply with the data sharing principles and privacy protections which are critical to fostering safe and trusted data sharing. The Data and Availability and Transparency (National Security Measures) Code 2022 enables foreign nationals to be involved in data sharing under the DATA Scheme.

Through 2022–23, ONDC has published nine pieces of guidance to help participants use and comply with the Scheme on the ONDC website at https://www.datacommissioner.gov.au/.

The National Data Commissioner wrote to participants on the commencement of the *Data Availability and Transparency Act 2022*, and again in June 2023, making participants aware of the DATA Scheme and its requirements, and meeting the target of 100% of participants being engaged.

For 2022–23, there were 39 eligible scheme participants onboarded to Dataplace, the whole-of-government digital platform for Scheme participants and others to manage data requests.

Analysis

The ONDC continue to see strong interest in and uptake of the DATA Scheme and activity on Dataplace.

- Collaboration with government agencies on Data Inventory projects, identifying data assets and creating an inventory of data holdings is strengthening data handling in the APS and will lead to increased opportunities for data sharing for the purposes of the Scheme.
- The first six Scheme participants were accredited as Data Service Providers through Ministerial Rule in September 2022. By 30 June 2023, four data users have been accredited for participation in the Scheme.
- The ONDC has maintained strong stakeholder engagement with participants and organisations. Growth in awareness of, and interest in the DATA Scheme is reflected in the number of enquiries received relating to the Scheme, webinar attendance, website traffic, subscriptions to the monthly Commissioner's message and social media followers.

Measure 12.1: Services meet client needs Services meet the needs of parliamentarians, their employees and others as required by the Australian Government.	
Source: 2022–23 Corporate Plan, Key Activity 11, p 41. 2022–23 Portfolio Budget Statements, Outcome 3, p 59.	
Result: Fully achieved	
How this performance was assessed	**Result**
12.1.1 The following service standards are met or exceeded:	**Fully achieved**
• client contacts acknowledged within 24 hours and responded to within agreed timeframes (target: 95%)	**95.31%**
• payments (including payroll) will be made within agreed timeframes (target: 95%)	**99.80%**
• office establishment and relocation projects delivered in accordance with the National Fitout Standards (target: 100%)	**100%**
• COMCAR reservations will be completed without service failure (target: 99%).	**99.69%**

Analysis

Finance's delivery of timely and efficient services, within our set standards to support current parliamentarians and former prime ministers and their employees under the MOP(S) Act is crucial to achieving our purpose.

Ministerial and Parliamentary Services (MaPS) oversees the provision of non-travel related expenses and services to parliamentarians and their employees. MaPS also provides high-quality, secure and confidential car-with-driver services (COMCAR) to a range of eligible clients, including the Governor-General, the Prime Minister's Office, federal parliamentarians, the federal judiciary and heads of Commonwealth entities. COMCAR also facilitates delivery of transport services for Guest of Australian Government visits and major events.

To determine our performance in delivering these services, Finance identified four high-level service standards. In 2022–23, Finance met all of these service standards. Finance continues to design and deliver services to parliamentarians and their staff, including by providing timely advice post the 2022 federal election, and as well as tailored advice and support for a range of staffing queries.

Measure 12.2: Improve administration of parliamentary work expenses The timeliness, efficiency, clarity, and transparency of the administration of parliamentary work expenses is maintained.	
Source: 2022–23 Corporate Plan, Key Activity 11, p 41. 2022–23 Portfolio Budget Statements, Outcome 3, p 59.	
Result: Fully achieved	
How this performance was assessed	**Result**
12.2.1 Sustained usage of PEMS by parliamentarians and their staff.	**Fully achieved**

Analysis

During 2022–23, in addition to continuing to build the Expenditure Reporting module of PEMS, Finance focused on more regular engagement with clients to ensure improved and better targeted operational support.

Registrations for Parliamentary Expenses Management System (PEMS) accounts for parliamentarians is stable and at least 85%, while the number of claims processed successfully amounts to at least 90% of all certified claims/transactions.

In 2022–23 at least 90% of all parliamentarians have registered to use PEMS. Of the 138,730 office claims / transactions lodged in PEMS, 137,940 (99.4%) have been paid.

Financial performance

Finance's financial statements are presented in Part 5 of this report, with the Australian National Audit Office issuing an unmodified audit opinion on 7 September 2023.

A summary of Finance's financial performance for Departmental and Administered activities is provided below.

Departmental activities

Finance manages a diverse range of activities that are delivered for whole-of-government purposes and supported through special accounts. These activities are subject to external factors that can significantly impact the operating result in any given year. The 2022–23 operating deficit of $237.2 million (2021–22: deficit $38.7 million) is primarily due to general insurance activities provided to government entities that were impacted by revised estimates in insurance expenses for prior year liability claims and the impairment of non-financial assets due to lower market valuations for rented investment properties.

While Finance recognised an operating deficit in 2022–23 under the Statement of Comprehensive Income, the Statement of Financial Position remains strong. At 30 June 2023, Finance held net assets of $3.3 billion, which largely comprised the Finance Owned Estate (approximately 60 non-Defence Commonwealth-owned properties in Australia). Total assets decreased by $0.1 billion primarily driven by a reduction in special account cash held and lower market valuations for rented investment properties which were partially offset by the completion of the Brisbane and Perth facilities from the COVID-19 Response Package – Centres for National Resilience. Although total liabilities remain at $2.0 billion, the increase in outstanding insurance claims to be paid was offset by lower trade creditors and other liabilities.

Administered activities on behalf of the Australian Government

In 2022–23, Finance administered 4 programs on behalf of the Australian Government with expenses of $11.8 billion including:

- $9.2 billion for Public Sector Superannuation including member benefits for Commonwealth defined benefit superannuation schemes
- $2.0 billion for the Australian Government Investment Funds including distributions to portfolio special accounts
- $0.6 billion for Ministerial and Parliamentary Services including entitlements, salaries for staff employed under the *Members of Parliament (Staff) Act 1984*, and COMCAR services.

Administered income of $1.9 billion mainly comprises $0.8 billion of interest, dividends, distributions and gains from the Australian Government Investment Funds and $1.1 billion of superannuation contributions.

At 30 June 2023, administered assets were $54.6 billion which largely consists of the Australian Government Investment Funds and investments in Commonwealth entities and companies. Total assets increased $2.0 billion from 2021–22, mainly due to an equity injection into the Disability Care Investment Fund.

Administered liabilities of $178.3 billion largely consists of member benefits for the Commonwealth defined benefit superannuation schemes. Superannuation liabilities decreased by $6.0 billion from the previous year primarily as a result of changes to the discount rate used to value the liabilities.



Part 3
Management and accountability

- Corporate governance
- Managing risk
- External scrutiny
- Reports on the operations of the entity
- Parliamentary committees
- Asset management
- Central advertising system
- Environmental performance

Corporate governance

Enabling services

The Corporate Services, Information and Communications Technology, and Shared Service Transformation divisions in Finance's Business Enabling Services Group, provide high-quality and efficient services to Finance. Services are delivered in line with compliance requirements and service standards, and there is a strong focus on best practice delivery and looking ahead strategically to ensure services and technology remain fit-for-purpose for our stakeholders and support a contemporary APS. Finance's internal data, digital and business optimisation commitments provide direction for how we can continue to improve service delivery over time.

The Corporate Services Division provides strategic advice to the Secretary and Executive Board on corporate governance and departmental administration. The division connects its operational delivery of corporate services with strategic organisational planning and reporting activities through the integrated business planning framework. The division provides a range of services within Finance and to our ministers including:

- parliamentary coordination and liaison
- human resources services
- financial advice and support
- in-house legal services and risk oversight
- facilities management and security
- corporate engagement (including communications), media, communication advice and whole-of-government advertising campaigns
- corporate planning, performance reporting, and business optimisation initiatives
- advice on data governance and knowledge management.

The Information and Communications Technology Division delivers business services to Finance and other government entities including:

- Central Budget Management System (CBMS): a system that manages the flow of financial information between Finance and other Commonwealth entities to facilitate cash and appropriation management, preparation of budget documentation and financial reporting.
- GovTEAMS OFFICIAL: a platform that enables staff to work anywhere, anytime, on any device.
- GovTEAMS PROTECTED: a platform that builds on the existing GovTEAMS OFFICIAL platform, to provide an approved, secure online workspace to share PROTECTED information.
- GovCMS: a service that gives agencies the tools to build, migrate and manage websites.

- ICON connections: a network of fibre-optic links connecting Commonwealth agency tenancies and data centres within the ACT, allowing secure communication of information with a classification up to PROTECTED without the need for additional encryption.
- Parliamentary Document Management System (PDMS): a system to support the management of parliamentary workflow across government.
- Ministerial Communications Network (MCN): a network that enables meetings, conversations, and collaboration up to the security classification of SECRET.

The division supports the Chief Information Officer and Chief Information Security Officer functions of IT security, architecture, service, and program delivery, as well as online, technical and government network services. In 2022–23, Finance implemented governance improvements to strengthen its cyber security posture, measured against the Essential Eight Maturity Model. Considerable progress was made towards the goal of achieving a minimum of maturity level 2 across all 8 strategies and a maturity level of 3 where possible, with work continuing into 2023–24.

The Shared Service Transformation Division and the Service Delivery Office deliver shared services across the APS and drive Finance's ability to deliver public service value. The division supports the government and organisations to drive productivity increases by standardising business processes, reducing system duplication, enabling improved data collation, and providing consistent user experiences. The division provides a range of shared services, including:

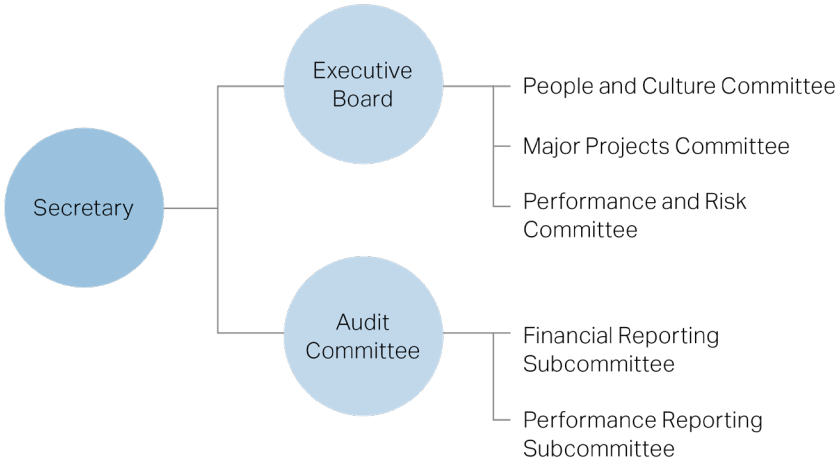
- providing quality and efficient services to client entities through the shared service hub
- supporting policy and advice on shared services
- providing ICT and digital support to our clients, including through maintaining SAP Enterprise Resource Planning and the Parliamentary Expenses Management System.

Governance

Finance's governance framework (Figure 3) promotes the principles of good governance and supports our performance in line with government and organisational priorities. This is achieved through engaging with staff on risk management and accountability, as well as the operation of the Executive Board and its subcommittees.

The framework complement's Finance's approach to integrated business planning by aligning resourcing decision-making with Finance's priorities and management of risk supporting the Secretary in the discharge of duties under the PGPA Act and the Public Service Act.

FIGURE 3: FINANCE'S GOVERNANCE STRUCTURE



Executive Board

Under the PGPA Act and the Public Service Act, the Secretary is accountable for the performance of Finance and its compliance with regulatory requirements. The Executive Board assists the Secretary to meet her statutory responsibilities and provides leadership and strategic direction over the delivery of government and departmental priorities and objectives. The Executive Board is the highest advisory body in Finance and supports the Secretary in discharging her duties under the Acts.

The Executive Board comprises the Secretary and 4 Deputy Secretaries of Finance. The Board sets the direction of, and oversee progress against, commitments to ensure Finance remains a high-performing, modern, efficient, and continuously improving public sector organisation. In addition to supporting the Secretary, the Board considers key strategic issues and emerging risks, and receives regular updates from its subcommittees.

Executive Board subcommittees

In 2022–23, the Executive Board had three standing subcommittees:

- People and Culture committee
- Major Projects committee
- Performance and Risk committee

The subcommittees are chaired by at least one Deputy Secretary and have First Assistant Secretary and Assistant Secretary representation across all Finance business groups.

PEOPLE AND CULTURE COMMITTEE

This committee provides oversight, advice and assurance on the strategic direction for people management, leadership development and workforce capability within Finance. The responsibility of the committee includes, but is not limited to:

- providing strategic advice to the Executive Board on risks relating to leadership, workforce and people issues, workforce capability, retention and attraction strategies
- guiding development and implementation of workforce strategies and tools
- identifying, developing and reviewing HR policies, procedures and programs to ensure relevance and effectiveness.

MAJOR PROJECTS COMMITTEE

This committee provides oversight, advice and assurance on the implementation of Finance's projects and investments that represent higher risks, such as significant financial investments, or those that have the potential to impact Finance's reputation. The committee provides advice to the Executive Board on the effective management, performance and ongoing viability of Finance's high-risk projects through:

- reviewing the progress and status of high-risk projects
- monitoring project delivery of the intended business benefits and ensuring they remain aligned to the strategic goals of Finance
- recommending actions to improve performance and/ or commissioning independent reviews to the Executive Board.

PERFORMANCE AND RISK COMMITTEE

This committee provides oversight and advice on Finance's strategic direction, prioritisation of resources and measurement of our performance and outcomes against our purpose. It monitors and advises on the way that Finance actively manages risk, including our security posture and management of data. The committee provides advice and assurance to the Executive Board through its oversight of:

- development and implementation of Finance's performance framework
- long-term asset management and optimisation initiatives
- internal business improvements and recommendations arising from internal audits
- Finance's approach to managing risk and the advancement of a risk management culture and capability in line with Australian Government requirements, including oversight and advice on Finance's Enterprise Risk Management Framework
- Finance's fraud prevention and corruption control activities, and security posture (including cyber, insider threats, physical risks) and management
- information and data management strategies, policies, roles and arrangements.

Audit Committee

The Audit Committee provides independent advice and assurance to the Secretary on the appropriateness of Finance's accountability and control framework, particularly those aspects concerning performance and financial reporting and systems relating to risk and control. In addition, it provides assurance on the adequacy of the production and risk planning process in Finance for the government's consolidated financial statements. The Audit Committee's functions are set out in its charter, and available on the Finance website:
https://www.finance.gov.au/publications/charter/audit-committee-charter

In 2022–23, the Audit Committee had 5 external members (including an independent Chair) and 2 departmental advisers. Deputy Chair, Mr Ian McPhee AO PSM, served as acting Chair of the committee for 11 months, before Mr Don Cross was appointed as Chair of the committee on 1 June 2023. The committee met 5 times during 2022–23.

The committee currently has 2 subcommittees, chaired by external members, to support it in performing its functions:

- Financial Reporting subcommittee – maintains an ongoing review of the process for preparing Finance's annual financial statements. The subcommittee met 4 times in 2022–23.
- Performance Reporting subcommittee – assists the Audit Committee in meeting its performance reporting responsibilities under the PGPA Act. The subcommittee met 4 times in 2022–23.

Following a review of Finance's governance framework in late 2022, the Risk subcommittee was disbanded and replaced by the Performance and Risk committee, which has an expanded role covering the oversight and provision of advice on Finance's enterprise risk management framework and strategic risks, as well as Finance's Data Strategy and protective security arrangements / policies. In addition, the Performance and Risk committee reviews, monitors, and reports on Finance's corporate plan, annual report, portfolio budget statements, division operational plans and operational resourcing as part of Finance's approach to integrated business planning.

The Audit Committee works closely with the Performance and Risk committee on the oversight of Finance's risk management and performance reporting frameworks, with the Audit Committee Chair invited to the Performance and Risk committee meetings as an observer.

Table 1 shows the Audit Committee membership during 2022–23 and the number of meetings attended by each member during the year.

TABLE 1: AUDIT COMMITTEE MEMBERSHIP, 2022–23

Name and position	Qualifications, knowledge, skills or experience	Meetings attended in 2022–23[a]	Membership details	Total remuneration (GST inc.)
Mr Don Cross (external member) Chair, Audit Committee Chair, FRSC	Mr Cross has a background in financial statement audit, internal audit, management assurance and performance and program management. He leverages this background, skills, and experience as the Chair or as Member of Audit and Risk Committees for Federal government departments and Corporate Commonwealth Entities delivering policy, regulatory and service delivery functions. He is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a CPA.	Audit Committee 1/1	Chair since 1 June 2023.	$5,500
Mr Ian McPhee AO PSM (external member) Deputy Chair, Audit Committee Member, PRSC	Mr McPhee was the Australian Auditor-General from 2005 to 2015, Independent Governance Expert for the Australian Banking Industry from 2016 to 2018 and Chair of the Independent Review Panel at CPA Australia in 2017. Mr McPhee is currently the chair or a member of the audit committees of a number of Commonwealth government entities. He also chairs the PwC Audit Quality Advisory Board, is the ACT Public Sector Standards Commissioner (part time) and a Council member and Chair of the Audit, Risk and Finance Committee of Central Queensland University.	Audit Committee 5/5 FRSC 4/4 PRSC 4/4 RSC[b] 3/3	Member since January 2017. Acting Chair from February 2022 to 31 May 2023.	$46,400
Dr Wendy Southern (external member) Member, Audit Committee Chair, PRSC	Dr Southern previously held the roles of Deputy Director-General of the Australian Security Intelligence Organisation and Deputy Secretary at both the Department of Health and the Department of Immigration and Border Protection. Her responsibilities ranged across strategic policy, program management, organisational governance, transformation and corporate management. She is currently a member of the Audit and Risk committees at the National Archives of Australia and the Department of Health, a member of the Audit Committee for the Australian Federal Police and Chair of the Parliamentary Budget Office Audit Committee.	Audit Committee 5/5 FRSC 4/4 PRSC 4/4	Member since January 2021.	$27,500

Name and position	Qualifications, knowledge, skills or experience	Meetings attended in 2022–23[a]	Membership details	Total remuneration (GST inc.)
Ms Patricia Kelly (external member) Member, Audit Committee Member, FRSC	Ms Kelly previously held a number of senior APS roles with a focus on performance improvement, digital transformation, risk management and financial efficiency, most recently as Director-General of IP Australia (2013-18). Ms Kelly is currently Deputy Chancellor of the University of Canberra and a Council Member at the Australian Institute of Marine Science. She chairs the Australian Research Integrity Committee, the National Youth Science Forum and the Australian SKA Regional Centre. She is a Director of DMTC Ltd and of Cooperative Research Australia.	Audit Committee 5/5 FRSC 4/4 PRSC 3/4	Member since January 2021. Acting Chair from February 2022 to 31 May 2023	$31,000
Mr Chris Ramsden (external member) Member, Audit Committee Member, FRSC	Mr Ramsden has held Chief Operating and Chief Financial Officer roles at the Clean Energy Regulator, ComSuper, National Gallery of Australia and various Commonwealth departments and agencies. He is currently a member of the Audit and Risk Committee at the Department of Foreign Affairs and Trade, and chairs both the Department of Foreign Affairs and Trade Financial Statement Subcommittee and the National Competitive Council Audit and Risk Committee. Mr Ramsden has as Business Degree in Accounting and Finance and is a Fellow of CPA Australia.	Audit Committee 5/5 FRSC 4/4 PRSC 3/4	Member since 1 June 2022.	$30,000

a. External Audit Committee members who are not members of the FRSC or the PRSC are entitled to be remunerated for attendance at a specific number of FRSC and PRSC meetings per year, as observers. These arrangements are in accordance with their individual contractual agreements. The denominator displayed in the attendance column above represents the total number of meetings it was possible for the members to attend, regardless of remuneration arrangements.

b. The Risk Subcommittee disbanded in late 2022 and was replaced by the PRC in 2023.

Integrated business planning framework

Finance's integrated business planning framework ensures alignment across various domains of enterprise decision-making, including:

- enterprise priorities
- enterprise risk framework
- corporate planning
- divisional business planning
- budgeting
- investment and resource planning
- performance reporting and committee governance.

Finance follows a regular integrated business planning process. The Executive Board uses this process to set departmental strategy and make decisions on departmental priorities and resourcing, aligned with Finance's approach to managing risk and identifying opportunities for improvement. This enables strategic investment decisions to contribute to Finance's goal of providing high quality advice, frameworks and services to achieve value in management of public resources.

In 2022–23, our approach to integrated business planning provided the Executive Board with a comprehensive understanding of emerging priorities, risks and opportunities to inform departmental investment. Throughout 2022–23, the Executive Board, supported by its subcommittees, reviewed:

- immediate and future priorities, projects and investments that represented higher risks and associated resourcing implications and opportunities
- opportunities for improvement, optimisation, deregulation/streamlining and greater alignment within and across business areas to enhance the delivery of advice and services
- performance framework, intended benefits and outcomes
- strategic direction for people management, leadership development and workforce capability, culture and diversity
- data and digital advancements and solutions to enhance safety and security of our people, systems and data assets.

Planning and performance reporting framework

Finance's integrated performance cycle aligns with the corporate plan, which is Finance's principal planning document. The corporate plan sets out how we manage our responsibilities and our use of public resources. Performance planning occurs through regular budgeting processes and Finance's portfolio budget statements and is reported on in the Annual Report. Integrated business planning and governance processes direct individual and team activities to achieve our purpose and create a clear line of sight between our strategic and operational business planning. The relationship between elements included in Finance's performance is illustrated in Figure 4.

FIGURE 4: FINANCE'S PERFORMANCE CYCLE AND ENVIRONMENT



Managing risk

Finance's enterprise risk management policy and framework sets out our approach to managing risk and engaging with opportunity, consistent with our risk appetite and risk tolerance levels. The framework aligns with the Commonwealth Risk Management Policy and enables us to meet our obligations under the PGPA Act.

The Secretary and Executive Board have overarching responsibility for managing risk and are supported by the Performance and Risk committee and Audit Committee. In 2022–23, Finance implemented divisional risk registers to support the identification, monitoring and review of risks and their controls. We continue to monitor and report on Finance's key strategic and enterprise risks through quarterly reporting to the Performance and Risk committee to ensure changes in the operating environment, controls and treatment strategies remain effective.

Finance has a continued focus on maturing our positive risk culture and capability following the implementation of the refreshed enterprise risk management policy and framework in July 2022. Our risk champion network has co-designed enhanced tools and processes, as well as guidance material to support staff with the practical aspects of risk management. Our risk champions play a critical role in promoting effective management of risk and in 2023–24, the network will continue to play a key role in cultivating our positive risk culture.

Business continuity management

Business continuity management is a key element of Finance's enterprise risk management policy and framework. Finance's business continuity management involves the development of comprehensive plans and procedures to enable the continuation, or timely resumption, of critical functions and the restoration to normal business operations following a business interruption event.

Under the framework for business continuity management, if a business interruption occurs, a central control team is convened by the central control team leader (Deputy Secretary, Business Enabling Services). The central control team is the central point of communications and coordination for Finance's response and recovery. Business continuity plans are reviewed and tested annually to ensure they meet business requirements.

During 2022–23, critical function business owners:

- reviewed their business continuity plans, monitoring the effectiveness in meeting business needs
- reported any business disruptions (actual or potential)
- incorporated any lessons learned when updating their plans.

Active and meaningful collaboration with key stakeholders within Finance and across the APS occurred, ensuring effective business continuity arrangements were in place.

Finance continues to ensure the continuity of critical functions and staff wellbeing remain a priority.

Fraud and risk certification

Finance takes all reasonable measures to prevent, detect and respond to fraud and corruption.

Our fraud and corruption control plan aligns with the Commonwealth Fraud Control Framework and sets out Finance's arrangements for fraud and corruption prevention, detection, investigation, and reporting. The plan establishes how Finance complies with the requirements of section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule 2014). The plan also emphasises the primary strategy of prevention to reduce the risk of fraud and corruption.

Some key fraud prevention and awareness activities in Finance include:

- the fraud working group
- fraud risk assessments
- fraud and corruption awareness training, including fraud and corruption prevention
- a dedicated fraud and corruption information hub and tailored communication activities
- fraud awareness week presentations and activities.

Our fraud working group is a collaborative forum for designated representatives from key areas of Finance to discuss, provide advice and help to guide fraud and corruption control and prevention activities across Finance. It helps to build awareness and capability, as well as increasing our fraud detection posture.

We respond promptly to reports of fraud and corruption and investigate them in accordance with the Australian Government Investigations Standards.

Finance has a range of channels through which Finance officials or members of the public can report suspected fraud or corruption including:

- email: fraud@finance.gov.au
- fraud hotline: 02 6215 3735
- fraud and corruption incident form
- mail: Department of Finance Fraud Officer, 1 Canberra Avenue Forrest ACT 2603.

Fraud and corruption risk is managed in accordance with the enterprise risk management policy and framework, which facilitates and promotes sound risk management practices and processes across Finance. In line with the requirements of the Fraud Rule, we conduct fraud and corruption risk assessments regularly or where there is substantial change in function or processes. Fraud and corruption risk assessments identify the likelihood and consequences of fraud and corruption occurring, and assess the effectiveness of existing controls to prevent, detect or respond to fraud and corruption risks.

Significant non-compliance issues with finance law

In 2022–23, Finance made no reports to the Minister for Finance regarding significant non-compliance with the finance law under paragraph 19(1)(e) of the PGPA Act.

External scrutiny

Finance's operations are subject to scrutiny by several external bodies, including the Australian National Audit Office (ANAO), various parliamentary committees, the courts and administrative tribunals, the Australian Information Commissioner and Privacy Commissioner, and the Commonwealth Ombudsman.

This section reports on audits, inquiries, reviews and legal actions relevant to Finance in 2022–23.

Judicial and administrative tribunal decisions

In 2022–23, there were no judicial or administrative tribunal decisions involving Finance that had, or might have, a significant effect on Finance's operations.

Australian Information Commissioner decisions

In 2022–23, there were no decisions by the Australian Information Commissioner that involved Finance or that had, or might have, a significant impact on Finance's operations.

Australian Privacy Commissioner decisions

In 2022–23, there were no decisions by the Australian Privacy Commissioner that involved Finance or that had, or might have, a significant impact on the Finance's operations.

Reports on the operations of the entity

Reports by the Auditor-General

In 2022–23, the ANAO tabled reports in parliament that involved Finance (10 performance reports, one information report and two financial statement audits):

- Auditor-General Report No. 1: Award of Funding under the Building Better Regions Fund
- Auditor-General Report No. 5: Digital Transformation Agency's Procurement of ICT-Related Services
- Auditor-General Report No. 7: Defence's Administration of the Integrated Investment Program
- Auditor-General Report No. 8: Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2022
- Auditor-General Report No. 11: Australian Government Procurement Contract Reporting – 2022 Update
- Auditor-General Report No. 19: Procurement Complaints Handling
- Auditor-General Report No. 21: Department of Defence's Procurement of Hunter Class Frigates
- Auditor-General Report No. 25: Governance of the Tiwi Land Council
- Auditor-General Report No. 26: Interim Report on Key Financial Controls of Major Entities
- Auditor-General Report No. 29: Governance of the Anindilyakwa Land Council
- Auditor-General Report No. 35: Governance of the Central Land Council
- Auditor-General Report No. 43: Effectiveness of the National Disability Insurance Agency's Management of Assistance with Daily Life Supports
- Auditor-General Report No. 45: Australia's Provision of Military Assistance to Ukraine

Reports by the Commonwealth Ombudsman

In 2022–23, the Commonwealth Ombudsman did not release any reports that involved Finance or that had, or might have, a significant impact on Finance's operations.

Parliamentary committees

Senate Standing Committees on Finance and Public Administration

The Senate Standing Committee on Finance and Public Administration covers the Prime Minister and Cabinet and Finance portfolios. The work is divided between two committees:

- Legislation Committee
- References Committee.

LEGISLATION COMMITTEE

Finance appeared before the Legislation Committee at its Senate Estimates hearings of 7 and 8 November 2022, 13 and 14 February 2023 and 23, 25 and 26 May 2023.

On 7 October 2022, Finance provided a submission to the Inquiry into the Emergency Response Fund Amendment (Disaster Ready Fund) Bill 2022 [Provisions]. Finance attended a hearing as part of the same inquiry on 18 October 2022.

REFERENCES COMMITTEE

On 21 April 2023, Finance provided a submission to the Inquiry into the Management and Assurance of Integrity by Consulting Services. Finance attended a hearing as part of this inquiry on 7 June 2023.

On 4 May 2023, Finance attended a hearing as part of the Inquiry into the Administration of the Referendum into an Aboriginal and Torres Strait Islander Voice.

Joint Committee of Public Accounts and Audit

The *Public Accounts and Audit Committee Act 1951* constitutes the JCPAA. The JCPAA initiates inquiries into public administration matters and can conduct inquiries into matters referred to it by either house of parliament.

During 2022–23, Finance had a series of engagements with the JCPAA as detailed below. We provided information to the JCPAA, including responses to questions taken on notice during public hearings and provided in writing.

- On 30 September 2022, an Executive Minute from the Secretary was provided to the JCPAA, addressing Recommendations 4 and 5 of Report 488: Inquiry into Commonwealth Financial Statements 2019–20.
- On 30 September 2022, an Executive Minute from the Secretary was provided to the JCPAA, addressing Recommendations 1 and 2 of Report 490: Inquiry into Alternative Financing Mechanisms.

- On 10 November 2022, an Executive Minute from the Secretary was provided to the JCPAA, addressing Recommendation 1 of Report 492: Inquiry into Governance in the Stewardship of Public Resources.
- On 18 November 2022, Finance provided a submission to the Inquiry into Commonwealth Grants Administration. On 10 February and 31 March 2023, Finance attended hearings as part of the same inquiry.
- On 18 November 2022, Finance provided a submission to the Inquiry into Commonwealth Procurement. On 2 February 2023 Finance attended a hearing as part of the same inquiry.
- On 3 March 2023, Finance provided a submission to the Inquiry into Commonwealth Financial Statements 2021–22. On 31 March 2023, Finance attended a hearing as part of the same inquiry.
- On 19 May 2023, Finance attended a hearing as part of the Inquiry into the Defence Major Projects Report 2020–21 and 2021–22 and Procurement of Hunter Class Frigates.
- On 16 May 2023, Finance provided a submission to the Inquiry into the Annual Performance Statements 2021–22.

In addition, Finance continued its ongoing liaison with the JCPAA regarding the Public Governance, Performance and Accountability framework.

Other committees

Finance attended hearings or provided submissions to the following parliamentary committees during 2022–23:

- Joint Standing Committee on Electoral Matters: Inquiry into Referendum (Machinery Provisions) Amendment Bill 2022 (submission provided 15 December 2022, attended hearings 19 December 2022 and 9 January 2023)
- Senate Economics Legislation Committee: Inquiry into the Housing Australia Future Fund package of bills 2023 (attended hearing on 15 March 2023).

Finance's submissions, responses to questions taken on notice (written and taken during hearings), and the transcripts of committee hearings are available on the Parliament of Australia website.

In addition to attending scheduled hearings, Finance also participated in a number of private briefings with parliamentary committees during the reporting period.

Asset management

Property management

Finance manages approximately 60 properties and national land interests, collectively known as the Finance owned estate. This portfolio includes office buildings, heritage assets, law courts and other special purpose facilities, vacant land and contaminated sites. The total value of the Finance owned estate was $3.3 billion at 30 June 2023.

Supported by a private sector property service provider, Finance manages these assets under the legislative framework for environment and heritage matters, including the *Environment Protection and Biodiversity Conservation Act 1999*. Finance considers potential environmental and heritage impacts when making decisions about each property, including maintenance, retention, and divestment.

To improve the portfolio's performance, Finance has undertaken works to enhance building and environmental performance, including assistance meeting APS Net Zero 2030 targets. Recent works with a focus on achieving APS net zero targets include the installation of rooftop solar panels and upgrading aged building lighting systems with modern LED systems with dimmable organic response lighting technology.

Finance also manages the whole-of-government coordinated procurement arrangements (the Arrangements) for property-related services. As of 30 June 2023, 95% of all non-corporate Commonwealth entities, representing 99% of in scope properties have transitioned to the arrangements for their property needs.

Finance actively engages with all stakeholders under the procurement arrangements through various platforms and regular events. In 2022–23, this included 4 Finance GovTEAMS communities with over 750 members representing Commonwealth property and procurement personnel from participating entities. The communities are used as the primary communication platform for the procurement arrangements to distribute news, advice and guidance and also as a tool to host regular online property governance events. Biannual face-to-face forums were also held to provide networking opportunities for participants, and to encourage a collaborative and information sharing environment.

The procurement arrangements continue to deliver a wide range of benefits to Commonwealth entities, including through the Commonwealth Leasing Strategy and downstream procurement strategies. Work is ongoing to deliver further benefits including enhancements to support wider government initiatives, such as APS Net Zero 2030, through the design of the next iteration of contracts with external property service providers, to be implemented from mid-2024.

Central advertising system

Finance administers the central advertising system, which consolidates the government's buying power to support the proper use of public resources. A total of $163.6 million was expended across campaign and non-campaign advertising media through the central advertising system in 2022–23.

Total campaign advertising media expenditure was $137.4 million, comprising $131.4 million by non-corporate Commonwealth entities and $6.0 million by corporate Commonwealth entities, Commonwealth companies and other bodies.

Total non-campaign advertising media expenditure was $26.1 million, comprising $24.2 million by non-corporate Commonwealth entities and $2.0 million by corporate Commonwealth entities, Commonwealth companies and other bodies.

Environmental performance

Environmental performance

During 2022–23 Finance returned to normal business operations following the easing of restrictions and health directives associated with the COVID-19 pandemic. As Finance returned to normal work practices, the higher occupancy at its major tenancies in the ACT (One Canberra Avenue, Forrest and Faulding Street, Symonston) is reflected in Finance's environmental performance indicators by comparison to previous years.

Departmental activities

During 2022–23, Finance undertook environmental initiatives in areas such as office energy use, transport, resource efficiency and waste management. Table 2 summarises Finance's environmental performance in 2022–23 compared to 2021–22.

Office energy use

Finance minimises consumption of office energy wherever possible, including by using automated light switching and the power management features of ICT equipment.

Finance's primary tenancy at One Canberra Avenue, the additional tenancy at Faulding Street, Symonston and the other ACT properties within the Finance Owned Estate, previously sourced 10% GreenPower. Finance no longer purchases GreenPower in its ACT tenancies, as most of the electricity used in the territory comes from renewable sources, such as solar and wind.

Transport

Finance employees are authorised to travel only when there is a demonstrated business need and when alternative communication tools, such as teleconferencing and videoconferencing, would not be an effective option.

The Finance vehicle fleet is made up of departmental vehicles for general and specialist business purposes. As existing vehicles leases expire, Finance selects vehicles that comply with the Commonwealth Fleet Selection Policy. Preference is given to Low Emission Vehicle (LEV) for passenger vehicles, with the preference for a Zero Emission Vehicle where they are fit-for-purpose. The government has set a target of 75% of new passenger (including 'sports utility') vehicle orders to be LEVs by 2025 which supports the net zero emissions target for the Australian Public Service by 2030. Finance is actively pursuing this target.

Resource efficiency and waste

Finance provides a number of recycling streams (including co-mingled, cardboard and paper) in all of its tenancies.

Organic waste bins were introduced to Finance's ACT tenancies in November 2016. This initiative has diverted over 25.5 tonnes of general waste from landfill since inception. The organic waste is collected by a worm-farming company to be recycled into organic fertiliser.

The Finance printing system is designed to purge print jobs that are not completed within a set timeframe. Print jobs totalling 234,173 pages of paper were automatically purged in 2022–23, reducing Carbon Dioxide Equivalent (CO2-e) emissions by 1,955.3 kilograms. The default settings of Finance's printers are to print in grayscale on both sides of the page, and all spent printer cartridges recycled.

Depending on site requirements, Finance uses a mix of different types of flow restriction and water-efficient dual flush toilets to minimise water use across its tenancies.

Cross-government activities

Finance contributes to environmental outcomes in a number of areas in line with government policy and relevant legislation. This includes electorate office accommodation for parliamentarians. These activities are additional to those listed in Table 2.

COMCAR

In 2022–23, COMCAR continued to deliver on its strategy of providing an environmentally responsible fleet. As of 30 June 2023, COMCAR had 93 diesel-powered sedans, 45 petrol / hybrid-powered sedans, 17 diesel-powered people movers/vans and 6 zero-emission EVs in its fleet.

In 2023–24, COMCAR will commence transitioning its sedan fleet to EVs and will focus on charging infrastructure requirements. COMCAR expects its entire sedan fleet will transition to EVs in the 2024–25 financial year.

More than 58% of the COMCAR fleet is washed using harvested rainwater, which significantly reduces the reliance on potable water. COMCAR continues to invest in rainwater harvesting and the percentage for the 2022–23 financial year is planned to increase to over 80%.

APS Net Zero

APS Net Zero 2030 is the government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions. Table 3 below shows Finance's CO2-e greenhouse gas emissions in 2022–23.

The Greenhouse Gas Emissions Inventory (tables 3–8) presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of CO2-e emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

2022–23 is the first year that APS net zero reporting has been required and will provide a baseline for comparison in future years.

TABLE 2: ENVIRONMENTAL PERFORMANCE SUMMARY, 2021–22 AND 2022–23

Indicator	2021–22	2022–23
Office energy use [a, b, c, d, e]		
Total office tenant light and power energy consumption (kWh)	1,558,521	2,124,220
Total office tenant light and power energy consumption (MJ)	5,610,676	7,647,192
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	3,886	4,761
Office tenant light and power use per square metre (MJ/m2)	220	255
Base/central building energy consumption (MJ)	91,992,491	88,964,845
Base/central building energy consumption per square metre (MJ/m2)	465	377
Greenhouse emissions attributed to office tenant light and power and base/central building energy use (kilograms CO2-e)	11,649,000	17,957,945
GreenPower purchased (kWh)	5,917,088	6,781,433
Non-office energy use [a, e]		
Greenhouse emissions attributed to non-office energy use (computer centres, other properties and uses) (kilograms CO2-e)	0	538,225
Vehicle fleet [a, f, g, h]		
Total number of fleet vehicles	16	184
Total fuel purchased (kilolitres)	9,892	164,999
Total distance travelled (kilometres)	102,608	2,132,454
Average fuel consumption of fleet vehicles (litres/100 kilometres)	9.64	7.74
Total direct greenhouse emissions of fleet – April 2022 – June 2023 (kilograms CO2-e)	23,370	536,131
Greenhouse emissions [a]		
Total greenhouse emissions (kilograms CO2-e)	11,672,000	18,494,076
Total greenhouse emissions per full-time equivalent (kilograms CO2-e/FTE)	8,080	11,515
Air travel [h, i]		
Total number of flights – April 2022 – June 2023 (Domestic and International)	774	3,063
Total distance travelled (kilometres) – April 2022 – June 2023 (Domestic and International)	615,461	3,606,289
Total greenhouse emissions attributed to domestic air travel (kilograms CO2-e) – April 2022 – June 2023	-	379,924

Potable Water Consumption [c, j, k]		
Total potable water use (kilolitres) Finance tenancies	6,642	12,187
Potable water use per full-time equivalent (kilolitres/FTE) Finance tenancies	4.60	7.59
Potable water use per square metre (kilolitres/m2) Finance tenancies	0.26	0.48
Potable water use (kilolitres) Finance Owned Estate	54,443	48,286
Potable water use per square metre (kilolitres/m2) Finance Owned Estate	0.28	0.24
Resource Efficiency and Waste [l]		
Total office paper purchased per full-time equivalent (A4 reams/FTE)	1.62	2.02
Percentage of office paper purchased with recycled content (%)	100%	74.9%
Office paper recycled (tonnes)	12.02	13.00
Total waste produced (tonnes)	83.95	127.43
Total waste produced per full-time equivalent (kilograms/FTE)	58.14	79.34
Percentage of waste diverted from landfill (%)	47.2%	41.6%

kWh = kilowatt hour; MJ = mega joule; GJ = gigajoule; CO2-e = carbon dioxide equivalent.

a. The APS Net Zero 2030 policy standardised reporting, with CO2-e emissions recorded in kilograms. In 2021–22 Finance reported CO2-e emissions in tonnes.

b. In 2022–23, Finance's leased estate property footprint changed, now including COMCAR depots. Where Finance had a sub-tenant, that sub-tenant's energy usage was excluded from the figures above.

c. Finance is the landlord for 15 properties (Finance Owned Estate) and responsible for certain base building energy and water usage. In the 2022–23 reporting period the portfolio changed, with properties divested and an additional property added in April 2023.

d. As the ACT Government reports most of the electricity used in the territory comes from renewable sources, such as solar and wind. Finance no longer directly purchases GreenPower for its ACT tenancies,but taken into account the Australian National Greenhouse Accounts Factors and Large Scale Renewable Energy Target (LRET) for the ACT when reporting on renewable energy.

e. The National Greenhouse & Energy Reporting Scheme (NGER) is updated annually. The NGER determination (2022) is that electricity end-users in the ACT must apply emission factors to their consumption (as per Part 6 – Indirect (scope 2) emission factors from consumption of electricity purchased or lost from grid). Finance has applied NGER emissions factors to electricity consumption for all tenancies within the ACT.

f. The Finance fleet consists of 184 vehicles, including the COMCAR fleet. In 2021–22 Finance reporting requirements did not include the COMCAR fleet.

g. Complying with the APS Net Zero 2030 policy, in 2022–23 emissions from the COMCAR vehicle fleet are included in Environmental Performance reporting.

h. The APS Net Zero 2030 policy standardised reporting, with fleet and air travel data now aligning with the financial year of 1 July to 30 June. In 2021–22 Finance reported fleet and flight data based on the Fringe Benefits Tax year of 1 April to 31 March. To account for all emissions in 2022–23, reporting is between 1 April 2022 to 30 June 2023.

i. Finance's travel service provider collects air travel data from aircrafts' Global Data Systems to determine actual distances flown.

j. Tenancy specific water metering is not available in shared buildings, estimates are used based on pro-rata calculations. Water data is also subject to adjustments for shortfalls in billing information where not available from the supplier at the time of reporting.

k. Water metering for the Melbourne Commonwealth Law Court was not taken by the local water authority in Victoria between June-December 2022. Consequently, estimates were used based on calculations from readings from March – June 2023.

l. Reporting of office copy paper includes A4 80gsm white paper only.

TABLE 3: FINANCE LEASED ESTATE – GREENHOUSE GAS EMISSIONS INVENTORY – LOCATION-BASED METHOD 2022–23

Emission Source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (Location Based Approach)	N/A	1,277,792	105,026	1,382,818
Natural Gas	N/A	N/A	N/A	N/A
Fleet Vehicles	424,124	N/A	104,956	529,080
Domestic Flights	N/A	N/A	298,032	298,032
Other Energy	N/A	N/A	N/A	N/A
Total kg CO2-e	**424,124**	**1,277,792**	**508,013**	**2,209,929**

The electricity emissions reported above are calculated using the location-based approach.

TABLE 4: FINANCE LEASED ESTATE – GREENHOUSE GAS EMISSIONS INVENTORY – MARKET-BASED APPROACH 2022–23

Emission Source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (Market Based Approach)	N/A	104,370	13,814	118,184
Natural Gas	N/A	N/A	N/A	N/A
Fleet Vehicles	424,124	N/A	104,956	529,080
Domestic Flights	N/A	N/A	298,032	298,032
Other Energy	N/A	N/A	N/A	N/A
Total kg CO2-e	**424,124**	**104,370**	**416,801**	**945,295**

The market-based method accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity.

TABLE 5: FINANCE OWNED ESTATE – GREENHOUSE GAS EMISSIONS INVENTORY – LOCATION-BASED METHOD 2022–23

Emission Source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (Location Based Approach)	N/A	11,813,546	1,300,256	13,113,802
Natural Gas	1,361,709	N/A	224,143	1,585,852
Fleet Vehicles	N/A	N/A	N/A	N/A
Domestic Flights	N/A	N/A	N/A	N/A
Other Energy	N/A	N/A	N/A	N/A
Total kg CO2-e	**1,361,709**	**11,813,546**	**1,524,399**	**14,699,655**

The electricity emissions reported above are calculated using the location-based approach.

TABLE 6: FINANCE OWNED ESTATE – GREENHOUSE GAS EMISSIONS INVENTORY – MARKET-BASED APPROACH 2022–23

Emission Source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (Market Based Approach)	N/A	8,827,675	1,168,369	9,996,044
Natural Gas	1,361,709	N/A	224,143	1,585,852
Fleet Vehicles	N/A	N/A	N/A	N/A
Domestic Flights	N/A	N/A	N/A	N/A
Other Energy	N/A	N/A	N/A	N/A
Total kg CO2-e	**1,361,709**	**8,827,675**	**1,392,512**	**11,581,896**

The market-based method accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity.

TABLE 7: MINISTERIAL AND PARLIAMENTARY SERVICES (COMCAR) – GREENHOUSE GAS EMISSIONS INVENTORY – LOCATION-BASED METHOD 2022–23

Emission Source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (Market Based Approach)	N/A	260,742	28,879	289,621
Natural Gas	N/A	N/A	N/A	N/A
Fleet Vehicles	N/A	N/A	N/A	N/A
Domestic Flights	N/A	N/A	N/A	N/A
Other Energy	N/A	N/A	N/A	N/A
Total kg CO2-e		**260,742**	**28,879**	**289,621**

The electricity emissions reported above are calculated using the location-based approach.

TABLE 8: MINISTERIAL AND PARLIAMENTARY SERVICES (COMCAR) – GREENHOUSE GAS EMISSIONS INVENTORY – MARKET-BASED APPROACH 2022–23

Emission Source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (Market Based Approach)	N/A	188,930	188,930	188,930
Natural Gas	N/A	N/A	N/A	N/A
Fleet Vehicles	N/A	N/A	N/A	N/A
Domestic Flights	N/A	N/A	N/A	N/A
Other Energy	N/A	N/A	N/A	N/A
Total kg CO2-e		**188,930**	**25,005**	**213,935**

The market-based method accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity.

Procurement

Performance assessment against the Commonwealth Procurement Rules

Finance's approach to its procurement activities is consistent with the principles of the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies. Through its Accountable Authority Instructions and supporting procurement operational guidance, Finance has appropriate controls in place to ensure procurement activities are effective, efficient, economical and ethical, with due regard to financial and non-financial costs and benefits.

Information about significant procurement activities expected to be undertaken in 2023–24 is published on AusTender through Finance's annual procurement plan. The plan is updated on an ongoing basis and is available on the AusTender website.

Exempt contracts

During 2022–23, no contracts of $10,000 or more (inclusive of GST) or standing offers were exempted by the Secretary from being published on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Australian National Audit Office access clauses

During 2022–23, no contracts of $100,000 or more (inclusive of GST) were entered into that did not provide for the Auditor-General to have access to the contractor's premises.

Initiatives to support small and medium-sized enterprises and Indigenous business

Finance supports small business participation in the government procurement market. Small and medium-sized enterprises (SMEs) and small enterprise participation statistics are available on Finance's website.

Finance's measures to support SMEs include:

- complying with the Commonwealth Procurement Framework
- using straightforward approach-to-market templates communicated in clear, simple language and presented in an accessible format to improve the capability of SMEs to compete for procurement opportunities more effectively
- using standardised contracts for low-risk procurement valued under $200,000
- implementing the Indigenous Procurement Policy (IPP), noting that many Indigenous businesses are also SMEs
- using the Australian Industry Participation policies and programs to encourage SME engagement opportunities
- using credit cards for procurement valued below $10,000
- using a financial management system that facilitates the payment of invoices in a timely manner
- complying with the government's Supplier Pay On-Time or Pay Interest Policy.

Finance recognises the importance of ensuring that small businesses are paid on time. The Pay On-Time survey performance report for 2022 is available on the Treasury website. This report shows that, for invoices under $1,000,000, Finance paid 98.21% of non-eInvoices within 20 days and 100% of eInvoices within 5 days in 2022–23, as required under the government's Supplier Pay On-Time or Pay Interest Policy.

Finance supports the goals of the Indigenous Procurement Policy. Finance's Aboriginal and Torres Strait Islander Procurement Strategy represents its commitment and approach to delivering the outcomes of the Indigenous Procurement Policy as well as achieving related deliverables under the Finance Reconciliation Action Plan 2021–23 (RAP). This commitment is reflected in the Indigenous Procurement Policy procurement statistics, which show Finance exceeded its 2022–23 Indigenous Procurement Policy target.

Further details are available on the National Indigenous Australians Agency website.

Consultancies

Finance engages consultants when it requires specialist expertise or when independent research, review or assessment is required. Decisions to engage consultants during 2022–23 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies. Prior to engaging consultancies, Finance takes into consideration its internal capacity and capabilities as well as the cost-effectiveness of engaging external expertise. Finance uses consultants to manage discrete one-off projects when specialist expertise is required for a limited time.

As shown in Table 9, 194 new reportable consultancy contracts were entered into 2022–23. These were valued at $15.46 million (see tenders.gov.au) with expenditure against these of $10.03 million (GST inclusive). In addition, 49 reportable consultancy contracts were ongoing from a previous period with actual expenditure against these of $6.6 million (GST inclusive) in 2022–23.

The main categories under which consultants were engaged were:

- Management advisory services
- Other professional services, including legal, risk, and strategic planning.

Information on the value of contracts and consultancies is available on the AusTender website.

TABLE 9: REPORTABLE CONSULTANCY CONTRACTS, 2022–23

Reportable Consultancy Contracts	No. of Contracts	2022–23 expenditure ($, including GST)
New contracts entered during the period	194	10,030,055
Ongoing contracts entered during a previous period	49	6,687,535
TOTAL	**243**	**16,717,590**

TABLE 10: TOP 5 CONSULTANTS (BY VALUE OF EXPENDITURE) WITH FINANCE, 2022–23

Top 5 Consultants 2022–23	Actual 2022–23 spend ($, including GST)	Proportion of 2022–23 total spend (%)
The Boston Consulting Group Pty Ltd	3,393,000	20.3%
PricewaterhouseCoopers Consulting	2,905,448	17.4%
Deloitte Touche Tohmatsu	1,945,414	11.6%
Ernst & Young	1,069,735	6.4%
Marsh Pty Ltd	1,031,396	6.2%

Non-consultancies

As shown in Table 11, 615 new reportable non-consultancy contracts were entered into in 2022–23. These were valued at $477.9 million (see tenders.gov.au) with expenditure against these of $37.87 million (GST inclusive). In addition, 357 reportable non-consultancy contracts were ongoing from a previous period with expenditure against these of $297.99 million (GST inclusive) in 2022–23.

The main categories under which non-consultants were engaged were:

- Building construction and support and maintenance and repair services
- Computer services
- Data Voice or Multimedia Network Equipment or Platforms and Accessories
- Legal services

Information on the value of reportable non-consultancy contracts is available on the AusTender website.

TABLE 11: REPORTABLE NON-CONSULTANCY CONTRACTS, 2022–23

Reportable Non-Consultancy Contracts	No of Contracts	2022-23 expenditure ($, including GST)
New contracts entered during the period	615	37,873,014
Ongoing contracts entered during a previous period	357	297,988,686
TOTAL	**972**	**335,861,700**

TABLE 12: TOP 5 NON-CONSULTANCY CONTRACTS (BY VALUE OF EXPENDITURE), 2022–23

Top 5 Non-Consultants 2022-23	Actual 2022-23 spend ($, including GST)	Proportion of 2022-23 total spend (%)
Multiplex Constructions Pty Ltd	136,089,258	40.5%
Willemsen Property Corporation Pty	16,585,830	4.9%
Ventia Property Pty Ltd	13,481,188	4.0%
Universal McCann	11,969,891	3.6%
Gallagher Bassett Services Pty Ltd	11,059,655	3.3%



Part 4
Our people

- Workforce planning
- Recruitment and mobility
- Workforce diversity and inclusion
- Capability and leadership development
- Entry-level programs
- Workforce statistics
- Employment arrangements
- Work health and safety

Our people

In 2022–23, Finance continued to operate in a complex and challenging environment. Our workforce plan and diversity strategy supported Finance to strengthen workforce capability and culture to ensure we continued to mitigate workforce risks in a highly competitive labour market and build our profile as an ‘employer of choice’.

Finance staff are motivated, engaged, professional and highly capable, as demonstrated through our response to, and delivery of, key priorities in 2022–23, as well as our support of budget process and change in government. The successful delivery of our priorities depends on the effective engagement and management of our people as well as our ability to attract, develop and retain new staff who demonstrate stewardship, integrity, resilience and professionalism.

In July 2023, the results of the 2023 APS employee census were released. Our response rate of 93% was the top result for equivalent sized agencies in the APS. The results of the employee census provided an understanding of how our staff view the Finance workplace culture, as well as identifying areas for improvement. Our results indicated our staff continue to be strongly engaged, productive and committed to the delivery of outcomes for the government and for Australians.

In response to staff feedback, we have continued to review and refine our practices and policies to support staff to be productive, engaged and resilient through change. The development of a change framework and supporting resources is underway. This will support managers and teams with implementing and communicating workplace change.

A continued focus on communication over the last 12 months has ensured our managers and staff have access to key information and the tools and resources they need. A regular managers’ information session has been launched to provide executive level and senior leaders with a platform to share updates and enhance awareness and education on corporate policies, activities and programs.

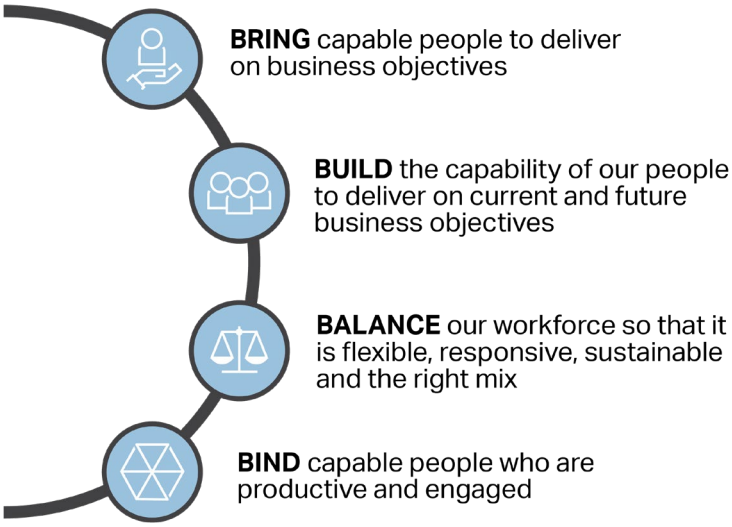
Workforce planning

The Finance workforce strategy articulates our continuing focus on key workforce issues, including attracting and recruiting a capable workforce, enhancing leadership capability, building professional and critical skills, and strengthening workplace practices that support engagement and retention. It provides a clear and practical framework for action and measuring success.

The strategy is underpinned by the four pillars of:

- Bring (attracting and recruiting the right people)
- Build (building capability)
- Balance (workforce composition)
- Bind (retention and talent management).

FIGURE 5: FINANCE WORKFORCE STRATEGY



Implementation of the strategy is in its second year and is supported by a detailed action plan. Several key projects identified in the action plan have been progressed over the last 12 months. These include:

- the development of Finance's employee value proposition (Bring)
- completion of the critical roles pilot and development of guidance to support integration with divisional operational planning (Bring)
- the development of a forecasting tool to support recruitment planning as well as supply and demand challenges (Bring)
- the design of an APS5/6 leadership program, Elevate, to support leadership capabilities at these levels (Build)
- the delivery of capability development programs to enhance data, digital, stakeholder and integrity skills (Build)
- the implementation of our reconciliation action plan and diversity strategy (Bind).

Finance's People and Culture committee supports the implementation of our workforce strategy. The committee monitors its effectiveness through a program of quarterly deep dive workforce reports on topics such as separations and retention, workforce availability, diversity and staff engagement.

Recruitment and mobility

During 2022–23, Finance invested in the development of an employee value proposition. The purpose of the employee value proposition will be to enhance our employee brand through a refreshed approach to attraction. The aim is also to increase our competitive edge in the labour market. It will position Finance as an 'employer of choice' to attract the right candidates by demonstrating our culture and value proposition and will be implemented in 2023–24.

To build a strong and sustainable workforce, Finance has provided staff with the opportunity to develop capability in new areas through various mobility mechanisms.

Internal opportunities

Internal opportunities are advertised on Finance's intranet noticeboard and allow internal staff to express their interest in temporary and ongoing vacancies within Finance.

Bulk recruitment

Bulk recruitment enables Finance to manage multiple vacancies. These processes capture the capabilities and experience that align with Finance's current and future workforce capability needs. During 2022–23, Finance conducted recruitment processes for policy, data, and accounting and financial management professionals.

Secondments

Finance continues to build the department's capability, and that of the APS more broadly, assisting business areas to fill specialist roles with staff from within the APS or through private sector arrangements. Finance also builds capability by supporting its staff to undertake secondments to other APS agencies and/or taskforces.

Budget policy advancement program (pilot initiative)

Finance, in partnership with the APS Academy, launched the pilot round of the budget policy advancement program in July 2022. The program seeks to provide participants with a unified understanding of the modern budget process and to provide the tools, knowledge and skills to perform effectively in budget-centric policy roles across the APS.

Open to current APS employees at the APS 4 to EL2 classification, the program offers participants the opportunity to develop highly valued strategic budget policy and financial management capabilities that will position them for a range of future career opportunities across the public and private sectors. Participants undertake a 12-month work placement in the Budget Group, while also receiving on-the-job development and in house and APS Academy training. Throughout the program, participants have access to career coaching, and are supported by a SES mentor and a peer buddy.

In 2022–23, 12 participants completed the program.

Temporary employment register

Finance continues to support our permanent workforce to rapidly respond to emerging priorities by sourcing candidates through our temporary employment register. The register is open to current APS employees who are seeking a mobility opportunity and to non-APS candidates who are seeking a temporary opportunity, at the APS1 to EL2 classifications.

Workforce diversity and inclusion

Finance's diverse and inclusive workplace culture recognises the importance and value of supporting staff to bring their whole selves to work. Our aim, through our focus on diversity and inclusion, is to encourage staff to reach their full potential and support them through all stages of their professional and personal lives. We promote inclusive leadership and diversity to support a positive, respectful workplace culture.

Our staff-led diversity networks support gender equity, disability, LGBTQI+ inclusion, Aboriginal and Torres Strait Islander peoples, and cultural and linguistic diversity. Finance's Cultural Network Leadership Group supports governance of diversity matters and nurtures cross-network partnerships and strategic foresight to strengthen our workplace culture.

During 2022–23, we implemented our Diversity@Finance action plan to support an inclusive, positive, respectful, and diverse workplace. Activities included:

- a Diversity@Finance market day to celebrate our diverse workplace and provide the platform for networks to engage with staff and increase membership
- the launch of 'My Adjustment's Passport' as part of International Day of People with Disability – the passport supports staff who need reasonable adjustments in the workplace
- development and launch of Finance's gender equality action plan in response to the APS gender equality strategy
- development of Finance's first Aboriginal and Torres Strait Islander recruitment, professional development and retention strategy
- a graduate-led major project to research and scope a cultural learning strategy
- the launch of the 'Our People, Our Stories' series to highlight the diversity of experiences and leadership through storytelling
- cultural awareness and immersion activities, language classes and diversity training as part of ongoing learning and development offerings to all staff – training is delivered both online and through face to face forums
- participation in diversity-related entry-level programs, such as Indigenous development programs, trainee/internship programs for people with disability and the Finance career starter program
- affirmative measures in our recruitment processes to address under-representation in the APS of people with disability as well as Aboriginal and Torres Strait Islander people

- various events and staff communications to raise awareness and educate staff on diversity and inclusion topics
- development of a refreshed Diversity@Finance action plan to be implemented in 2023–24.

Capability and leadership development

Finance's people capability framework supports our strategic approach to employee performance and development. The framework provides a clear set of behaviours, skills, and knowledge, designed to support our employees, their career development and performance at Finance. It incorporates two key elements:

- Core capabilities: which is a set of five capabilities defined by clear and consistent performance expectations for all classifications, recognising that Finance people 'lead, collaborate, achieve, think and learn'.
- Professional/technical capabilities: which focuses on the opportunity to incorporate the unique technical skills, professional qualifications and experience required of individual job roles, recognising that Finance people 'know'.

Our capability focus continues to offer training and development solutions that are relevant, contemporary and contextualised to Finance's operating environment, with alignment to our workforce strategy, corporate priorities and Finance's integrity framework. We continue to enhance our learning offerings through academic partnerships and relationships with key stakeholder groups, the Australian Public Service Commission and APS Academy, to ensure that we are building capability and preparing our workforce for the future.

In 2022–23, we delivered over 170 learning programs (including our new starter induction program), providing training to over 2,000 individual attendees. Training and development programs had a focus on:

- strengthening leadership and management
- empowering others
- performance management
- data and innovation
- communication and change management
- wellbeing, diversity and inclusion.

In addition, we:

- enhanced our learning and development offering to all employees, providing increased access to training opportunities across a wide range of capability focus areas
- focused on continuous improvements to our learning management system functionality to support staff with their professional development, including the introduction of our Supervisor Dashboard, providing supervisors with access to their teams' training history and ability to enrol employees into training

- continued to offer study assistance through paid study leave and financial assistance which enables employees to undertake tertiary education that supports their career development and is relevant to their role, Finance's business goals and strategic direction
- continued to offer our staff coaching sessions to enhance their skills and build capability in leadership, productivity and career enhancement.

As part of our ongoing commitment to supporting staff and their development, Finance continues to endorse the Sir Roland Wilson and Pat Turner Scholarship programs which provided scholarships for Aboriginal and Torres Strait Islander Australian Public Servants and PhD scholarships for Australian Public Servants. In addition, we have also supported three employees to participate in the Jawun secondment program. This program provides a unique leadership development experience for APS employees as they support local and remote Indigenous business and communities.

Leadership and talent

Strengthening our leadership and talent pathways has been a key focus to ensure that Finance has the bench strength to support our future workforce and deliver on priorities.

The new APS5/6 leadership program, Elevate, was launched in May 2023. It is aimed at strengthening knowledge and confidence in leadership and management, while providing resources and networks to support participants in their leadership journey at Finance. In addition, we continue to offer our EL2 connect program quarterly with topics such as innovation, workforce design and mental health. The development of new EL2 and EL1 leadership programs are underway, which will be designed to support leadership capability, confidence and succession pathways.

Our Executive Board continues to support and oversee SES leadership development, informed by our annual SES career conversation program. The program offers senior leaders a tailored discussion on their career and allows for targeted development, talent management and succession planning strategies.

Entry-level programs

Entry-level programs are an important talent pipeline for Finance. In an ever-changing environment, the type of candidates we are seeking has diversified which means that our programs need to meet candidates' expectations as well as support Finance to attract, develop and retain a capable workforce to deliver on our key priorities.

Finance continues to provide entry-level program opportunities, including leading the recruitment for two Australian Government Graduate Program streams: generalist and the inaugural accounting and financial management. Additionally, Finance manages the recruitment process and development program for the whole-of-government career starter program.

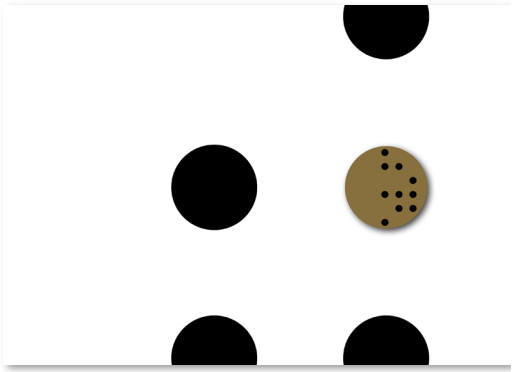
In a period of continuous improvement, Finance has developed a new range of marketing material aimed at university students and new graduates promoting our diverse program of work.

FIGURE 6: EXAMPLE OF FINANCE MARKETING MATERIAL – NEW GRADUATE BROCHURE



FIGURE 7: EXAMPLE OF FINANCE MARKETING MATERIAL – TROLLEY TOKENS





Graduate program

The Finance graduate program consists of two work placements over 12 months, on-the-job training and a structured learning and development program delivered by the APS Academy. Graduates can advance to the APS5 classification upon successful completion of the program. In December 2022, 35 graduates completed the 2022 graduate program. In February 2023, 30 graduates commenced the 2023 program.

Career starter

In 2022–23, Finance continued to manage the whole-of-government 2023 career starter recruitment campaign that encourages applications from candidates from diverse backgrounds, and from across Australia, for placement in multiple agencies across the service.

Career starter participants complete a certificate IV in government and participate in forums, networking activities and on-the-job learning while working full-time over the 11-month program. Participants can advance to the APS2 classification upon successful completion of the program. In December 2022, 96 participants (including 22 in Finance) completed the 2022 program. In February 2023, 106 participants commenced in 12 agencies across the APS, including 24 in Finance.

Whole-of-government entry-level programs

Finance works collaboratively with other agencies to recruit talented individuals through specialty programs, and participates in whole-of-government entry-level programs, including:

- Services Australia's Indigenous Apprentice Program
- Australian Public Service Commission's Digital Emerging Talent Program
- APS Human Resources Graduate Development Program
- APS HR School Leaver Program
- APS Indigenous Graduate Pathways Program
- other AGGP Streams (i.e. Economist, Data and STEM).

In 2022–23, Finance placed five Indigenous Apprentice Program participants and one Australian Science Policy Fellow. Finance also placed two Digital Emerging Talent Program apprentices and two cadets.

During 2022–23, Finance commenced a review of our entry-level program offerings to ensure that they remain fit for-purpose. The objectives of the review were to analyse and measure the effectiveness and success of the suite of Finance's entry-level programs, in particular the graduate program, in the context of our current and future operating environment. The recommendations of the review will be implemented in the 2024 calendar year.

Workforce statistics

Tables 13 to 25 show our workforce statistics for 2022–23, including staffing numbers and whether they are ongoing, non-ongoing or casual, their substantive classification and their gender, as well as location and diversity.

TABLE 13: STAFF NUMBERS BY EMPLOYMENT TYPE, CLASSIFICATION AND GENDER, AT 30 JUNE 2023

	Ongoing			Non-ongoing			Casual			Total			
Classification	Male	Female	Non-binary	Male	Female	Non-binary	Male	Female	Non-binary	Male	Female	Non-binary	Grand total
SES3	2	2	0	0	0	0	0	0	0	2	2	0	4
SES2	17	6	0	1	0	0	0	0	0	18	6	0	24
SES1	32	36	0	1	0	0	0	0	0	33	36	0	69
EL2	105	145	0	1	1	0	0	0	0	106	146	0	252
EL1	230	287	1	5	6	0	0	0	0	235	293	1	529
APS6	123	176	0	4	6	0	0	0	0	127	182	0	309
APS5	94	112	0	2	7	0	0	1	0	96	120	0	216
APS4	41	71	0	6	11	0	4	4	0	51	86	0	137
APS3	43	36	1	4	6	0	0	0	0	47	42	1	90
APS2	6	9	0	2	3	0	199	37	0	207	49	0	256
APS1	14	17	0	0	1	0	1	6	0	15	24	0	39
Total	**707**	**897**	**2**	**26**	**41**	**0**	**204**	**48**	**0**	**937**	**986**	**2**	**1,925**

TABLE 14: STAFF NUMBERS BY EMPLOYMENT TYPE, CLASSIFICATION AND GENDER, AT 30 JUNE 2022

	Ongoing			Non-ongoing			Casual			Total			
Classification	Male	Female	Non-binary	Male	Female	Non-binary	Male	Female	Non-binary	Male	Female	Non-binary	Grand total
SES3	2	2	0	0	0	0	0	0	0	2	2	0	4
SES2	8	5	0	0	0	0	0	0	0	8	5	0	13
SES1	25	25	0	0	0	0	0	0	0	25	25	0	50
EL2	74	101	0	2	0	0	0	0	0	76	101	0	177
EL1	207	208	0	2	2	0	1	0	0	210	210	0	420
APS6	126	173	0	0	6	0	0	1	0	126	180	0	306
APS5	84	120	0	3	2	0	0	0	0	87	122	0	209
APS4	51	97	0	7	3	0	4	4	0	62	104	0	166
APS3	33	37	0	3	3	0	0	1	0	36	41	0	77
APS2	10	17	2	0	4	0	197	36	0	207	57	2	266
APS1	15	14	0	2	0	0	0	0	0	17	14	0	31
Total	**635**	**799**	**2**	**19**	**20**	**0**	**202**	**42**	**0**	**856**	**861**	**2**	**1,719**

TABLE 15: STAFF NUMBERS BY ATTENDANCE TYPE AND CLASSIFICATION, AT 30 JUNE 2023

	Ongoing			Non-ongoing				
Classification	Full-time	Part-time	Total ongoing	Full-time	Part-time	Casual	Total non-ongoing	Grand total
SES3	4	0	4	0	0	0	0	4
SES2	23	0	23	1	0	0	1	24
SES1	66	2	68	0	1	0	1	69
EL2	237	13	250	1	1	0	2	252
EL1	444	74	518	7	4	0	11	529
APS6	268	31	299	6	8	0	10	309
APS5	191	15	206	6	3	1	10	216
APS4	101	11	112	11	6	8	25	137
APS3	76	4	80	8	2	0	10	90
APS2	11	4	15	5	0	236	241	256
APS1	31	0	31	0	1	7	8	39
Total	**1,452**	**154**	**1,606**	**47**	**20**	**252**	**319**	**1,925**

TABLE 16: STAFF NUMBERS BY ATTENDANCE TYPE AND CLASSIFICATION, AT 30 JUNE 2022

	Ongoing			Non-ongoing				
Classification	Full-time	Part-time	Total ongoing	Full-time	Part-time	Casual	Total non-ongoing	Grand total
SES3	4	0	4	0	0	0	0	4
SES2	13	0	13	0	0	0	0	13
SES1	49	1	50	0	0	0	0	50
EL2	165	10	175	1	1	0	2	177
EL1	366	49	415	2	2	1	5	420
APS6	267	32	299	5	1	1	7	306
APS5	185	19	204	4	1	0	5	209
APS4	133	15	148	9	1	8	18	166
APS3	66	4	70	3	3	1	7	77
APS2	27	2	29	2	2	233	237	266
APS1	28	1	29	2	0	0	2	31
Total	**1,303**	**133**	**1,436**	**28**	**11**	**244**	**283**	**1,719**

TABLE 17: STAFF NUMBERS BY EMPLOYMENT TYPE AND ATTENDANCE TYPE, AT 30 JUNE 2023

Employment type	Full time	Part time	Casuals	Total
Ongoing	1,452	154	0	1,606
Non-ongoing	47	20	252	319
Total	**1,499**	**174**	**252**	**1,925**

TABLE 18: STAFF NUMBERS BY EMPLOYMENT TYPE AND ATTENDANCE TYPE, AT 30 JUNE 2022

Employment type	Full time	Part time	Casuals	Total
Ongoing	1,303	133	0	1,436
Non-ongoing	28	11	244	283
Total	**1,331**	**144**	**244**	**1,719**

TABLE 19: STAFF NUMBERS BY EMPLOYMENT TYPE, LOCATION AND GENDER, AT 30 JUNE 2023

	Male				Female				Non-binary				
Location	Ongoing	Non-ongoing	Casual	Total male	Ongoing	Non-ongoing	Casual	Total female	Ongoing	Non-ongoing	Casual	Total non-binary	Grand total
ACT	687	23	122	832	871	38	29	938	2	0	0	2	1,772
NSW	5	0	29	34	7	1	5	13	0	0	0	0	47
NT	0	0	1	1	2	0	0	2	0	0	0	0	3
QLD	3	1	11	15	5	0	2	7	0	0	0	0	22
SA	2	0	9	11	4	0	3	7	0	0	0	0	18
TAS	2	0	2	4	0	0	0	0	0	0	0	0	4
VIC	6	1	21	28	4	1	6	11	0	0	0	0	39
WA	2	1	9	12	4	1	3	8	0	0	0	0	20
Total	**707**	**26**	**204**	**937**	**897**	**41**	**48**	**986**	**2**	**0**	**0**	**2**	**1,925**

TABLE 20: STAFF NUMBERS BY EMPLOYMENT TYPE, LOCATION AND GENDER, AT 30 JUNE 2022

	Male				Female				Non-binary				
Location	Ongoing	Non-ongoing	Casual	Total male	Ongoing	Non-ongoing	Casual	Total female	Ongoing	Non-ongoing	Casual	Total non-binary	Grand total
ACT	618	15	118	751	774	18	24	816	2	0	0	2	1,569
NSW	5	1	29	35	5	0	5	10	0	0	0	0	45
NT	0	0	0		2	0	0	2	0	0	0	0	2
QLD	2	0	13	15	6	0	3	9	0	0	0	0	24
SA	2	0	7	9	3	0	3	6	0	0	0	0	15
TAS	2	0	2	4	0	0	0	0	0	0	0	0	4
VIC	4	2	23	29	5	1	5	11	0	0	0	0	40
WA	2	1	10	13	4	1	2	7	0	0	0	0	20
Total	**635**	**19**	**202**	**856**	**799**	**20**	**42**	**861**	**2**	**0**	**0**	**2**	**1,719**

TABLE 21: STAFF NUMBERS BY EMPLOYMENT TYPE AND LOCATION, AT 30 JUNE 2022 AND 30 JUNE 2023

	Ongoing		Non-ongoing		Casual		Total	
Location	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
ACT	1,394	1,560	33	61	142	151	1,569	1,772
NSW	10	12	1	1	34	34	45	47
NT	2	2	0	0	0	1	2	3
QLD	8	8	0	1	16	13	24	22
SA	5	6	0	0	10	12	15	18
TAS	2	2	0	0	2	2	4	4
VIC	9	10	3	2	28	27	40	39
WA	6	6	2	2	12	12	20	20
Total	**1436**	**1,606**	**39**	**67**	**244**	**252**	**1,719**	**1,925**

TABLE 22: ONGOING AND NON-ONGOING ABORIGINAL AND TORRES STRAIT ISLANDER STAFF, AT 30 JUNE 2022 AND 30 JUNE 2023

	2022	2023
Employment type	**Total**	**Total**
Ongoing	48	41
Non-ongoing	0	1

TABLE 23: PROPORTION OF ONGOING STAFF WITH DISABILITY, AT 30 JUNE 2022 AND 30 JUNE 2023

Employment type	**2022**	**2023**
Ongoing	5.4%	5.0%

TABLE 24: PROPORTION OF WOMEN IN THE ONGOING WORKFORCE, AT 30 JUNE 2022 AND 30 JUNE 2023

Employment type	**2022**	**2023**
Ongoing	55.6%	55.9%

TABLE 25: PROPORTION OF WOMEN IN THE ONGOING SES WORKFORCE, AT 30 JUNE 2022 AND 30 JUNE 2023

Employment type	**2022**	**2023**
Ongoing	47.8%	46.3%

Employment arrangements

In December 2022, the Finance Secretary approved an amendment determination under the Public Service Act section 24(1) to adjust non-SES employee salaries by 3% from 22 February 2023. The determination operates alongside the Finance Enterprise Agreement 2019, relevant Commonwealth legislation and Finance's policies and guidelines to define the terms and conditions of employment for staff.

At times, Finance uses individual flexibility arrangements to secure specific expertise or specialist skills critical to business needs.

SES remuneration and employment conditions are determined under subsection 24(1) of the Public Service Act. These are supported by a remuneration model that determines pay levels within each SES level based on performance.

TABLE 26: EMPLOYMENT ARRANGEMENTS FOR SES AND NON-SES STAFF, AT 30 JUNE 2023

Arrangement	SES	Non-SES	Total
Enterprise Agreement	0	1,847	1,847
Individual Flexibility Arrangements	0	28	28
Determinations under subsection 24(1) of the *Public Service Act 1999*	78	0	78
Total	**78**	**1,875**	**1,953**

Staff on Individual Flexibility Arrangements are included in the Enterprise Agreement total.

TABLE 27: SALARY RANGES BY EMPLOYMENT CLASSIFICATION, AT 30 JUNE 2023

	Salary ranges	
Classification	**Minimum ($)**	**Maximum ($)**
SES3[a]	386,250	401,185
SES2	263,502	303,724
SES1	204,606	244,253
EL2	139,319	178,759
EL1	114,115	151,636
APS6	88,157	118,311
APS5	80,131	92,609
APS4	71,856	84,472
APS3	63,705	75,690
APS2	57,310	67,554
APS1	49,910	59,288

a. All figures reflect base salary only and exclude superannuation. The Secretary determines the salaries for SES staff.

APS performance pay

Finance does not offer performance pay.

Non-salary benefits

Finance offers staff a number of additional benefits including:

- annual influenza immunisation
- mentoring and coaching programs
- in-house capability development programs
- a confidential employee assistance program (EAP) for employees and their immediate families
- access to a serious illness register
- on-site gym

- study assistance to eligible employees
- access to flexible working arrangements
- contributions to relevant professional memberships.

Finance employees are eligible to participate in salary sacrifice arrangements for non-salary benefits such as novated car lease vehicles and additional employer superannuation contributions.

Performance management

Finance requires effective performance from each employee and is committed to identifying, fostering and developing employees to fulfil their potential through a fair, open and effective performance management process. Our performance management framework supports employees and their managers to maintain a positive performance culture.

Our 12-month performance cycle provides staff and managers the opportunity to participate in formal performance conversations at three stages during the year. These conversations support individuals to establish their performance expectations, refresh their goals and development plans, and reflect on their achievements. Formal performance conversations are reinforced by regular and ongoing feedback discussions.

Targeted resources and learning programs support staff to engage with the performance process in a positive way, build confidence in giving and receiving feedback and identify performance and development goals.

Recognition of outstanding performance

Finance recognises and rewards outstanding performance as a critical element in attracting and retaining the best people. Finance formally recognises exceptional contributions by staff through the annual Secretary's awards which recognise the contributions of those teams and individuals whose work has exemplified Finance's values and who have made significant contributions to Finance's outcomes.

A review of Finance's awards program was completed in late 2022. The review was undertaken to ensure that the awards program met the needs of Finance and continued to inspire and motivate staff to excel. The awards program is underpinned by the key values of integrity and excellence and is aligned with our corporate priorities.

Recipients of the 2022 Secretary's awards are listed in Appendix D.

Machinery-of-government changes

Seventy-nine ongoing employees and 13 non-ongoing employees moved from Prime Minister and Cabinet to Finance through a machinery-of-government change in 2022–23.

Work health and safety

Finance meets its obligations under the *Work Health and Safety Act 2011* (WHS Act) by maintaining a safe and healthy work environment, promoting strategies to enhance personal wellbeing, and upholding high standards of ethical behaviour as set out in the APS Values, APS Employment Principles and the APS Code of Conduct.

Finance is committed to taking all reasonably practicable steps to eliminate or minimise risks to the health, safety and welfare of our staff, contractors and visitors. Finance continues to apply policies, procedures and practices to appropriately protect workers from, and respond to, potential hazards.

Under our obligations in the WHS Act, Finance's WHS Committee met quarterly throughout 2022–23. Health and safety representatives, mental health advisers and first aid officers also assisted Finance to maintain a safe and healthy work environment.

Finance remains an accredited breastfeeding friendly workplace, and received Healthier Work Recognition – Gold Status, from the ACT Government.

Health, safety and wellbeing initiatives

Throughout 2022–23, Finance undertook a range of initiatives to ensure that we provide a healthy and safe workplace including:

- investing in a range of awareness and interactive sessions on mental health, building resilience, boosting energy, reducing the risk of skin cancer, office ergonomics, managing stress, and gut health and immunity
- revising practices and procedures following the introduction of psychosocial hazards in the WHS regulations
- refreshing the First Aid Officer network and completing hazard inspections in all Finance tenancies
- encouraging participation in events such as the Push Up Challenge, STEPtember and Movember
- promoting and encouraging employees to access the free and confidential counselling services of our EAP and Beyond Blue's NewAccess workplace program to support positive mental health
- offering early intervention strategies which provide timely and tailored support to employees, including the reimbursement of short-term treatment (physical or psychological), engagement of workplace rehabilitation providers, workplace assessments and fitness for duty medical assessments when required
- delivering ergonomic workstation assessments by suitably qualified persons and providing recommended ergonomic equipment
- providing employees access to a free annual influenza vaccination.

Finance's first health and wellbeing strategy was also developed. The strategy and accompanying action plan aim to foster a healthy work environment and culture, and deliver an evidence-based staff health offering, focusing on:

- the prevention of illness and injury
- the promotion of health and wellbeing
- the timely and appropriate safe return to work for staff with an illness or injury.

The action plan will be implemented during 2023–24.

As COVID-19 continued to impact on our work practices, tailored support was offered to employees. This included:

- encouraging working from home arrangements until symptoms are no longer experienced
- maintaining enhanced hygiene protocols, including by providing hand sanitiser and alcohol wipes
- encouraging social distancing in communal spaces such as meeting rooms and kitchens.

NOTIFIABLE INCIDENTS

In 2022–23, Finance reported one notifiable incident to Comcare under section 38 of the WHS Act. No employees suffered a serious compensable injury or illness.

WORK HEALTH AND SAFETY INVESTIGATIONS

No investigations were conducted, and no notices were given in relation to incidents at Finance workplaces during 2022–23.

MOP(S) Act employees

WORK HEALTH AND SAFETY INITIATIVES

Finance acknowledges our employer responsibilities under the WHS Act, the *Safety Rehabilitation and Compensation Act 1988* (SRC Act) and relevant anti-discrimination legislation. Finance and parliamentarians share duties under the WHS Act for health and safety in parliamentarians' workplaces. This includes duties to all staff employed under the *Members of Parliament (Staff) Act 1984*. Finance is committed to maintaining a safe and healthy workplace for all MOP(S) Act staff, contractors and visitors.

During 2022–23, Finance:

- entered into new WHS contractual arrangements for a WHS hazard and incident management system, emergency management services and systems and the EAP

- undertook initial work with respect to development of three WHS policies relating to alcohol, safe and respectful workplaces, and appropriate workplace culture for parliamentarians and MOP(S) Act employees. This work has been undertaken in consultation with the Work Health and Safety Committee and will continue into 2023–24.

Other health and safety initiatives undertaken in 2022–23 include:

- continuation of the safe and respectful workplaces training program developed and implemented in the last financial year, supporting parliamentarians and their staff to understand their rights and responsibilities in the workplace and how to respond to incidents when they occur
- continuation of the EAP provider and specialised wellbeing services, including confidential counselling and manager support, critical incident support and debriefing sessions for offices
- refreshment of our standard program content to include information on obligations in relation to psychosocial hazards in the workplace
- free flu vaccinations for MOP(S) Act employees
- ongoing support under the early intervention policy to address early signs of injury and illness
- ongoing administration of a WHS site officer program to support hazard identification and incident notification.
- access to first aid in parliamentarians' workplaces, emergency management systems and workstation assessments, including annual mandatory training for nominated WHS roles: emergency officers, WHS site officers and first aid officers
- continuation of quarterly workplace safety inspections to ensure compliance with the WHS Act from a physical and psychosocial perspective.

NOTIFIABLE INCIDENTS

In 2022–23, Finance reported one notifiable incident involving a MOP(S) Act employee to Comcare under section 38 of the WHS Act.

INVESTIGATIONS AND NOTICES

In 2022–23, Finance has not had any investigations conducted in relation to incidents involving MOP(S) Act employees under Part 10 of the WHS Act.

The Comcare premium

Finance's 2022–23 workers' compensation premium accounted for 0.29% of its payroll (for both Finance and MOP(S) Act employees), a decrease from 0.46% of its payroll in the previous year.

Disability reporting

The National Disability Strategy 2021–2031 vision is for an inclusive Australian society that ensures people with disability can fulfil their potential, as equal members of the community. The strategy sets out practical changes that will assist people with disability across seven outcome areas. Additional information is available on the Department of Social Services website.

Part 5
Financial statements

- Independent auditor's report
- Financial statements



Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the Minister for Finance

Opinion

In my opinion, the financial statements of the Department of Finance (the Entity) for the year ended 30 June 2023:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key Audit Matter	How the audit addressed the matter

Valuation of the liability for outstanding insurance claims
 	
Refer to Note C1 'General insurance activities'
 	
The Entity provides insurance to Australian Government entities. The estimation of outstanding insurance claims liability involves significant judgement given the inherent uncertainty in estimating the expected future payments for claims incurred.
 	
I consider the estimation of the outstanding insurance claims liability for the Australian Government's self-managed general insurance fund to be a key audit matter due to:
 	
• the balance being significant relative to the Entity's Statement of Financial Position ($1,401.1 million outstanding insurance claims liability as at 30 June 2023); and
• the complex calculation of the liability that involves significant judgement over key assumptions including claim ratios, expected frequency of claims, severity of claims and discount rates.
	To address the key audit matter, I:
	
	• tested the accuracy and completeness of data used to calculate the liability, including, agreeing a sample of payments made to claimants, and assessing the quality assurance and reconciliation processes used by the Entity to provide data to its actuary; and
	• evaluated the Entity's actuarial report and year-end adjustments by:
	  ○ assessing the competence, capability and objectivity of the actuary;
	  ○ assessing the appropriateness of the valuation model, including the model's theoretical soundness, mathematical integrity and the accuracy and completeness of the data used in the model; and
	  ○ assessing the reasonableness of the key assumptions used in the valuation model by comparing to those used in the insurance industry and in prior periods.

Key audit matter	**How the audit addressed the matter**
Valuation of collective investment vehicles held at fair value through profit or loss *Refer to Note C2 'Investment funds'* As at 30 June 2023, collective investment vehicles totaled $12.6 billion. Collective investment vehicles comprise holdings of a diverse range of asset categories including private equity funds, hedge funds, debt funds, infrastructure funds and property funds. Valuation techniques are varied depending on the particular asset category and holding. All investments are held in custody by the Entity's appointed custodian. I consider the valuation of collective investment vehicles to be a key audit matter due to the size of the investments and the inherent subjectivity, significant judgements and estimates required where market data is not available to determine the fair value of these investments. In addition, disclosures that support the users' understanding of the valuation of collective investment vehicles are complex.	To assess the controls over the valuation of all collective investment vehicles, I: • inspected the custodian's independent auditor's assurance report in respect of the design, implementation and operating effectiveness of relevant controls over the valuation of investments by the custodian; • assessed the qualifications, competence and objectivity of the custodian's independent auditor; and • tested the design, implementation and operating effectiveness of a selection of the controls in place at the Entity to assess the valuation of collective investment vehicles whether they be performed by the custodian, the collective investment vehicle manager, a valuation expert or management. I assessed, on a sample basis, the valuation of indirectly held single infrastructure investments as at 30 June 2023. To do so I: • evaluated the qualifications, competence and objectivity of the valuation expert used by management; and • tested the valuation models used including the reasonableness of key assumptions regarding growth rates, discount rates and multiples

	applied to earnings within the models by performing a cross-check between management's valuation and the valuation applied by comparable companies, including considering the underlying assumptions. To assess the valuation of all other collective investment vehicles as at 30 June 2023, on a sample basis, I: • agreed the fair value to the capital account statements received from the underlying investment manager; • obtained audited financial statements of each underlying collective investment vehicle as at 30 June 2023, where available, and agreed the audited net asset value to the capital account statement; • performed an assessment of the audited financial statements of the collective investment vehicles which included: o considering the regulatory framework under which the financial statements were prepared and the accounting policies adopted; and o evaluating the qualifications, competence and objectivity of the audit firm performing the audit and the opinion provided; • where 30 June 2023 audited financial statements were unavailable, investigated significant movements from the date of the most recent audited financial statements and obtained additional evidence to support these movements; and • assessed the accuracy and completeness of the related disclosures in Note C2 to the financial statements to support the user's understanding of collective investment vehicles.
Key audit matter **Valuation of superannuation provisions** *Refer to Note C3 'Superannuation'* The Entity administers defined benefit schemes that entitle Australian Government employees to retirement benefits based on past service. I consider the valuation of the superannuation provisions to be a key audit matter due to: • the balance being significant relative to the Entity's Administered Schedule of Assets and Liabilities ($175.0 billion as at 30 June 2023); and • the measurement of the provision being complex, requiring significant professional	**How the audit addressed the matter** To address the key audit matter, I: • assessed the design, implementation and operating effectiveness of internal controls over the arrangements under which superannuation administration services are provided in relation to the defined benefit schemes, including management of members' data used in the valuation model; • tested the accuracy and completeness of data used to calculate the superannuation provisions, including, assessing the quality assurance and reconciliation processes used by the Entity to provide data to its actuary; • evaluated the reasonableness of the review

judgement in the selection of long-term assumptions (including economic assumptions relating to the general economic environment and demographics of the schemes' members), to which the valuation of the schemes is highly sensitive.	performed by the Entity's actuary to confirm the integrity of the data used for estimating the defined benefit provision; and • evaluated the appropriateness of the methodology and reasonableness of the key assumptions applied in estimating the superannuation provision by: o comparing economic assumptions to realistic long-term expectations over the term of the schemes' liabilities, based on the Government's economic forecasts; and o assessing the detailed analysis undertaken by the Entity's actuary for consistency with historical data on the membership experience with regards to: ▪ promotional salary increases; ▪ rates of retirement, redundancy, resignation; and ▪ mortality.
Key audit matter **Valuation of Properties** *Refer to Note D5 'Non-financial assets'* The Entity is responsible for the management of the Australian Government's domestic non-defence property portfolio, including delivery of major capital works projects as directed by the Government. I consider the valuation of the Entity's land, buildings and investment properties to be a key audit matter due to the valuations being dependent on assumptions that require significant judgement about fair market rents, discount rates, condition and use of the properties, and comparable properties. Where observable market data is not available, the valuation is subject to a higher level of judgement. As at 30 June 2023, the reported fair value of non-financial assets was $494.9 million for land, $2,050.1 million for buildings and $777.6 million for investment properties.	**How the audit addressed the matter** To address the key audit matter, I: • evaluated the appropriateness of the Entity's methodologies and the reasonableness of the key assumptions used in the valuation models by: o evaluating the competence, capabilities and objectivity of the Entity's valuers; o testing the accuracy and completeness of data used to value the Entity's properties, including, assessing the quality assurance and reconciliation processes used by the Entity to provide data to its valuer; o assessing the reasonableness of the key assumptions used in the valuation model for relevance by comparing with prior periods and observable market data; and o assessing whether all properties have been valued at their highest and best use.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Grant Hehir
Auditor-General for Australia

Canberra

7 September 2023

Department of Finance

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Finance will be able to pay its debts as and when they fall due.



Jenny Wilkinson PSM
Secretary
Department of Finance
7 September 2023



Lasantha Samaranayake
Chief Financial Officer
Department of Finance
7 September 2023

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Department of Finance
Statement of Comprehensive Income
for the period ended 30 June 2023

Departmental Primary Statements

		Actuals		Budget
		30 June 2023	30 June 2022	*30 June 2023*
	Note ref	**$'000**	$'000	*$'000*
NET COST OF SERVICES				
Expenses				
Employee benefits	E1.1	**197,477**	168,078	*193,716*
Suppliers	D1 B1	**207,368**	159,945	*223,277*
Insurance claims	C1.1 B2	**334,587**	310,255	*179,087*
Competitive neutrality	H2	**3,518**	3,518	*3,403*
Notional reinsurance expense	C1.1	**5,000**	5,000	*5,000*
Depreciation and amortisation	D5.1 B3	**60,024**	39,441	*105,500*
Depreciation - right-of-use	D5.2	**19,209**	17,946	*17,881*
Non-financial asset write-downs and impairments	D5.1 B3	**106,122**	6,344	*6,501*
Impairment of financial assets	D3.3	**1**	71	-
Losses from asset sales		**1,147**	1,172	*135*
Interest on lease liabilities		**7,747**	7,662	*7,536*
Total expenses		**942,200**	719,432	*742,036*
Own-source income				
Own-source revenue				
Premium revenue	C1.1 B2	**187,077**	167,737	*174,468*
Reinsurance and other recoveries revenue	C1.1	**2,599**	1,528	-
Rental income	D2.1	**77,573**	76,299	*78,635*
Contracts with customers	D2.2 B4	**97,943**	118,138	*73,644*
Volunteer services	H2	**1,415**	1,415	*1,391*
Other revenue		**38**	1,298	*620*
Total own-source revenue		**366,645**	366,415	*328,758*
Gains				
Gains		**1,461**	38,427	-
Total gains		**1,461**	38,427	-
Total own-source income		**368,106**	404,842	*328,758*
Net (cost of)/contribution by services		**(574,094)**	(314,590)	*(413,278)*
Revenue from Government	F1.1	**339,917**	278,940	*339,407*
Surplus/(deficit) before income tax on continuing operations		**(234,177)**	(35,650)	*(73,871)*
Income tax equivalent	H2	**3,058**	3,081	*3,270*
Surplus/(deficit) after income tax on continuing operations		**(237,235)**	(38,731)	*(77,141)*
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves	D5.1 B3	**62,713**	65,450	-
Total comprehensive income/(loss)		**(174,522)**	26,719	*(77,141)*

The above statement should be read in conjunction with the accompanying notes

Department of Finance
Statement of Financial Position
as at 30 June 2023

Departmental Primary Statements

	Note ref		Actuals 30 June 2023 $'000	30 June 2022 $'000	*Budget 30 June 2023 $'000*
Assets					
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	D3.1		**15,082**	14,574	*14,898*
Special account cash held in OPA	F3.1	B2,B3	**1,323,826**	1,596,356	*843,633*
Trade and other receivables	D3.1		**21,274**	15,729	*15,076*
Appropriations receivable					
Other departmental undrawn	F1.2	B5	**56,630**	48,901	*46,595*
Reinsurance and other recoveries	C1.3		**2,573**	2,622	-
Lease incentive assets			**519**	651	*651*
Other financial assets			**8,391**	11,571	*14,847*
Total financial assets			**1,428,295**	1,690,404	*935,700*
Non-financial assets					
Land	D5.1	B3	**494,939**	483,432	*483,432*
Buildings	D5.1	B3	**2,050,089**	1,846,343	*2,058,246*
Leasehold improvements	D5.1	B3	**28,696**	24,653	-
Investment property	D5.1	B3	**777,550**	872,672	*872,672*
Plant and equipment	D5.1		**16,255**	16,170	*16,156*
Intangibles	D5.1	B3	**98,905**	90,034	*96,260*
Right-of-use assets	D5.2		**402,082**	417,120	*395,437*
Prepayments			**8,792**	7,645	*7,646*
Total non-financial assets			**3,877,308**	3,758,069	*3,929,849*
Total Assets			**5,305,603**	5,448,473	*4,865,549*
Liabilities					
Trade creditors and accruals	D3.1	B3	**46,286**	116,765	*37,875*
Unearned revenue	D6	B4	**27,818**	20,145	*20,143*
Return of equity - special accounts			**38,948**	53,476	*53,476*
Outstanding insurance claims	C1.4	B2	**1,401,091**	1,276,404	*858,790*
Employee provisions	E1.2		**74,656**	67,102	*70,430*
Lease liabilities	D7		**444,077**	449,520	*441,480*
Other provisions	D8		**2,397**	3,310	*3,310*
Other payables			**7,772**	5,881	*5,880*
Total liabilities			**2,043,045**	1,992,603	*1,491,384*
Net assets			**3,262,558**	3,455,870	*3,374,165*
Equity					
Retained earnings		B2,B3	**143,573**	380,808	*304,144*
Asset revaluation reserves		B3	**529,317**	466,604	*466,604*
Contributed equity/capital			**2,589,668**	2,608,458	*2,603,417*
Total equity			**3,262,558**	3,455,870	*3,374,165*

The above statement should be read in conjunction with the accompanying notes

Department of Finance
Statement of Changes in Equity
as at 30 June 2023

		Actuals							
		30 June 2023				30 June 2022			
	Note ref	**Retained earnings** $'000	**Asset revaluation reserves** $'000	**Contributed equity/capital** $'000	**Total** $'000	Retained earnings $'000	Asset revaluation reserves $'000	Contributed equity/capital $'000	Total $'000
Opening balance									
Balance carried forward		**380,808**	**466,604**	**2,608,458**	**3,455,870**	419,539	401,154	1,293,577	2,114,270
Adjusted opening balance		**380,808**	**466,604**	**2,608,458**	**3,455,870**	419,539	401,154	1,293,577	2,114,270
Comprehensive income									
Deficit for the period		**(237,235)**	**-**	**-**	**(237,235)**	(38,731)	-	-	(38,731)
Other comprehensive income		**-**	**62,713**	**-**	**62,713**	-	65,450	-	65,450
Total comprehensive income		**(237,235)**	**62,713**	**-**	**(174,522)**	(38,731)	65,450	-	26,719
Transactions with owners									
Distributions to owners									
Transfer of assets	D5.1	**-**	**-**	**-**	**-**	-	-	(9,650)	(9,650)
Return of equity - special accounts		**-**	**-**	**(42,921)**	**(42,921)**	-	-	(50,424)	(50,424)
Return of equity - other	F1.2	**-**	**-**	**-**	**-**	-	-	(7,330)	(7,330)
Restructuring	D9	**-**	**-**	**-**	**-**	-	-	(500)	(500)
Contributions by owners									
Departmental capital budget	F1.1	**-**	**-**	**8,470**	**8,470**	-	-	6,413	6,413
Equity injection - appropriations	F1.1	**-**	**-**	**6,526**	**6,526**	-	-	1,376,372	1,376,372
Restructuring	D9	**-**	**-**	**9,135**	**9,135**	-	-	-	-
Total transactions with owners		**-**	**-**	**(18,790)**	**(18,790)**	-	-	1,314,881	1,314,881
Closing balance		**143,573**	**529,317**	**2,589,668**	**3,262,558**	380,808	466,604	2,608,458	3,455,870
Budget 30 June 2023									
Opening balance		*380,808*	*466,604*	*2,608,458*	***3,455,870***	*422,813*	*395,696*	*1,462,979*	*2,281,488*
Adjustment for changes in accounting policies		*477*		*1*	***478***				
Adjusted opening balance		***381,285***	***466,604***	***2,608,459***	***3,456,348***				
Total comprehensive income		*(77,141)*	-	-	***(77,141)***	*29,277*	-	-	*29,277*
Total transactions with owners			-	*(5,042)*	***(5,042)***	-	-	*(12,017)*	*(12,017)*
Closing balance		***304,144***	***466,604***	***2,603,417***	***3,374,165***	*452,090*	*395,696*	*1,450,962*	*2,298,748*

The above statement should be read in conjunction with the accompanying notes

Department of Finance
Cash Flow Statement
for the period ended 30 June 2023

Departmental Primary Statements

	Note ref	Actuals 30 June 2023 $'000	Actuals 30 June 2022 $'000	Budget 30 June 2023 $'000
OPERATING ACTIVITIES				
Cash received				
Contracts with customers		**97,570**	131,055	*152,279*
Revenue from Government		**333,942**	279,703	*347,109*
Insurance premiums		**189,577**	167,737	*174,468*
Reinsurance and other recoveries		**2,648**	1,343	-
Rent received		**77,573**	76,299	-
Net GST received		**6,738**	-	-
Other		**237**	1,259	*618*
Total cash received		**708,285**	657,396	*674,474*
Cash used				
Employees		**188,244**	166,131	*193,716*
Suppliers		**209,686**	163,681	*222,634*
Insurance claims		**209,900**	128,493	*603,885*
Interest payments on lease liabilities		**7,747**	7,662	*7,536*
Net GST paid		**-**	8,257	-
Other		**12,391**	8,753	*3,270*
Total cash used		**627,968**	482,977	*1,031,041*
Net cash received/(used) for operating activities		**80,317**	174,419	*(356,567)*
INVESTING ACTIVITIES				
Cash received				
Proceeds from sale of land and buildings		**-**	11,303	*298*
Total cash received		**-**	11,303	*298*
Cash used				
Purchase of land and buildings		**270,248**	1,105,252	*358,926*
Purchase of leasehold improvements		**1,838**	748	-
Purchase of investment property		**10,831**	9,178	-
Purchase of plant and equipment		**2,612**	1,950	*2,888*
Purchase of intangibles		**17,858**	13,932	*13,735*
Total cash used		**303,387**	1,131,060	*375,549*
Net cash received/(used) for investing activities		**(303,387)**	(1,119,757)	*(375,251)*
FINANCING ACTIVITIES				
Cash received				
Contributed equity		**13,242**	1,384,469	*17,565*
Restructuring		**4,869**	-	-
Total cash received		**18,111**	1,384,469	*17,565*
Cash used				
Return of contributed equity		**57,449**	70,154	*29,778*
Restructuring		**-**	500	-
Principal payments on lease liabilities		**9,614**	7,769	*8,369*
Total cash used		**67,063**	78,423	*38,147*
Net cash received/(used) for financing activities		**(48,952)**	1,306,046	*(20,582)*
Net increase/(decrease) in cash held		**(272,022)**	360,708	*(752,400)*
Cash and cash equivalents at the beginning of the reporting period		**1,610,930**	1,250,222	*1,610,931*
Cash and cash equivalents at the end of the reporting period	D3.1	**1,338,908**	1,610,930	*858,531*

The above statement should be read in conjunction with the accompanying notes

Department of Finance
Administered Schedule of Comprehensive Income
for the period ended 30 June 2023

Administered Primary Schedules

		Actuals		Budget
		30 June 2023	30 June 2022	*30 June 2023*
	Note ref	**$'000**	$'000	*$'000*
NET COST OF SERVICES				
Expenses				
Employee benefits	E1.1	**391,435**	353,433	*394,690*
Superannuation expense	C3.1	**9,190,137**	8,370,473	*9,199,098*
Suppliers	D1	**122,892**	132,524	*128,836*
Investment funds	C2.1 B7	**76,657**	57,821	*154,945*
Investment funds loss on financial investments	C2.1	**-**	610,024	-
Investment funds distributions	C2.1 B7	**1,929,802**	2,043,383	*2,854,696*
Depreciation and amortisation	D5.1	**19,551**	18,638	*16,194*
Depreciation - right-of-use	D5.2	**55,119**	41,892	*40,794*
Non-financial asset write-downs and impairments	D5.1	**805**	116	-
Impairment of financial assets	D3.3	**75**	435	-
Grants		**4,032**	3,636	*3,079*
Interest on lease liabilities		**3,811**	3,136	*3,053*
Other expenses		**1,004**	925	*6,609*
Total expenses		**11,795,320**	11,636,436	*12,801,994*
Income				
Non-taxation revenue				
Interest	D3.3	**32,576**	18,197	*14,543*
Dividends	D3.3	**5,100**	12,200	*5,500*
Investment funds	C2.1 B7	**779,711**	613,534	*1,295,895*
Contracts with customers	D2.2	**7,429**	5,448	*3,000*
Superannuation contributions	C3.1	**1,079,326**	1,112,489	*1,027,799*
Volunteer services	H2	**4,684**	4,359	*4,659*
Other revenue		**1,967**	5,832	*10,206*
Total revenues		**1,910,793**	1,772,059	*2,361,602*
Gains				
Investment funds	C2.1 B7	**1,265,465**	-	*549,502*
Other gains		**726**	521	-
Total gains		**1,266,191**	521	*549,502*
Total income		**3,176,984**	1,772,580	*2,911,104*
Net (cost of)/contribution by services		**(8,618,336)**	(9,863,856)	*(9,890,890)*
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Movement in carrying amount of superannuation	C3.1 B6	**7,654,748**	47,354,218	-
Changes in asset revaluation reserves	D5.1	**20,111**	17,095	-
Items subject to subsequent reclassification to net cost of services				
Gains/(losses) in carrying amount of Commonwealth entities and companies	D3.3 B8	**111,281**	(200,326)	-
Total other comprehensive income/(loss)		**7,786,140**	47,170,987	-
Total comprehensive income/(loss)		**(832,196)**	37,307,131	*(9,890,890)*

The above schedule should be read in conjunction with the accompanying notes

Department of Finance
Administered Schedule of Assets and Liabilities
as at 30 June 2023

Administered Primary Schedules

		Actuals		Budget
		30 June 2023	30 June 2022	*30 June 2023*
	Note ref	**$'000**	$'000	*$'000*
Assets				
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	D3.1 B9	**800,882**	801,743	-
Special account cash held in OPA	D3.1 B9	**500,686**	540,334	*336,008*
Trade and other receivables	D3.1	**3,927**	2,810	*210,640*
Investment funds	C2.2 B7	**50,615,022**	48,879,185	*48,954,941*
Loans	D3.1	**134,684**	102,605	*94,685*
Commonwealth entities and companies	D3.1 B8	**2,000,239**	1,888,958	*1,918,958*
Other financial assets		**70,647**	36,046	*36,046*
Total financial assets		**54,126,087**	52,251,681	*51,551,278*
Non-financial assets				
Leasehold improvements	D5.1	**51,455**	29,482	*27,907*
Infrastructure	D5.1	**91,366**	88,306	*90,358*
Plant and equipment	D5.1	**19,996**	14,369	*20,839*
Intangibles	D5.1	**339**	709	*913*
Right-of-use assets	D5.2	**253,024**	239,148	*201,500*
Prepayments		**5,330**	4,398	*4,398*
Total non-financial assets		**421,510**	376,412	*345,915*
Total assets		**54,547,597**	52,628,093	*51,897,193*
Liabilities				
Trade creditors and accruals	D3.1	**13,634**	12,107	*12,107*
Unearned revenue	D6	**-**	97	-
Investment funds	C2.2 B7	**588,735**	953,853	*953,853*
OPA overnight cash payable	D3.1	**2,228,909**	2,567,225	-
Employee provisions	E1.2	**240,038**	270,324	*270,324*
Superannuation provisions	C3.1 B6	**174,954,490**	180,999,825	*153,098,853*
Lease liabilities	D7	**274,823**	255,989	*215,081*
Other provisions	D8	**21,138**	14,942	*14,316*
Other payables		**9,474**	8,098	*8,089*
Total liabilities		**178,331,241**	185,082,460	*154,572,623*
Net assets/(liabilities)		**(123,783,644)**	(132,454,367)	*(102,675,430)*

The above schedule should be read in conjunction with the accompanying notes

Department of Finance
Administered Reconciliation Schedule
for the period ended 30 June 2023

Administered Primary Schedules

		Actuals	
		30 June 2023	30 June 2022
	Note ref	**$'000**	$'000
Opening assets less liabilities as at 1 July		**(132,454,367)**	(176,703,085)
Net cost of services		**(8,618,336)**	(9,863,856)
Other comprehensive income/(loss)		**7,786,140**	47,170,987
Transfers (to)/from the Australian Government			
Appropriation transfers from OPA			
Annual appropriations	F1.1	**366,932**	323,006
Administered assets and liabilities appropriations	F1.1	**1,312**	239,827
Special appropriations	F2.1	**8,643,391**	7,917,877
Contributions from Government to the investment funds	F3.2	**6,062,238**	5,105,843
Other		**922**	2,044
Appropriation transfers to OPA			
Transfers to OPA		**(1,890,939)**	(2,680,939)
Investment funds return to Government	F3.2	**(4,000,000)**	(4,000,000)
OPA transfers with other Commonwealth entities			
Transfers to other Commonwealth entities	H2	**(981,638,672)**	(924,305,639)
Transfers from other Commonwealth entities	H2	**981,957,735**	924,339,568
Closing assets less liabilities		**(123,783,644)**	(132,454,367)

The above schedule should be read in conjunction with the accompanying notes

Department of Finance
Administered Cash Flow Statement
for the period ended 30 June 2023

Administered Primary Schedules

	Actuals		Budget
	30 June 2023	30 June 2022	*30 June 2023*
Note ref	**$'000**	$'000	*$'000*
OPERATING ACTIVITIES			
Cash received			
Contracts with customers	**8,314**	3,523	*3,000*
Superannuation contributions - employers	**1,045,357**	1,116,219	*1,027,799*
Superannuation contributions - members	**792,984**	1,507,190	*750,844*
Interest and dividends	**830,252**	637,637	*1,295,895*
Realised exchange gains	**47,156**	45,420	-
Other	**3,962**	6,167	*17,547*
Total cash received	**2,728,025**	3,316,156	*3,095,085*
Cash used			
Employees	**421,832**	379,245	*394,690*
Suppliers	**192,595**	189,436	*279,228*
Investment fund distributions	**1,929,802**	2,043,383	*2,854,696*
Superannuation payments	**8,463,046**	8,029,212	*8,402,079*
Realised exchange losses	**-**	80	-
Grants	**4,032**	3,636	*3,079*
Interest payments on lease liabilities	**3,811**	3,136	*3,053*
Net GST paid	**414**	3	-
Other	**712**	14,719	*7,231*
Total cash used	**11,016,244**	10,662,850	*11,944,056*
Net cash received/(used) for operating activities	**(8,288,219)**	(7,346,694)	*(8,848,971)*
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of financial investments	**58,119,500**	61,164,697	*7,009,641*
Net gains from sale of financial instruments	**699,814**	277,734	-
Repayments of advances and loans	**12,446**	197,246	*12,446*
Total cash received	**58,831,760**	61,639,677	*7,022,087*
Cash used			
Purchase of financial investments	**59,723,917**	61,105,120	*6,743,871*
Equity injections - CECs	**-**	221,965	*30,000*
DHA Loans	**40,000**	-	-
Purchase of leasehold improvements	**16,127**	8,015	-
Purchase of infrastructure	**616**	1,508	-
Purchase of plant and equipment	**7,170**	2,342	*23,349*
Purchase of intangibles	**-**	798	-
Total cash used	**59,787,830**	61,339,748	*6,797,220*
Net cash received/(used) for investing activities	**(956,070)**	299,929	*224,867*

The above schedule should be read in conjunction with the accompanying notes

Department of Finance
Administered Cash Flow Statement
for the period ended 30 June 2023

Administered Primary Schedules

	Note ref	Actuals 30 June 2023 $'000	Actuals 30 June 2022 $'000	Budget 30 June 2023 $'000
FINANCING ACTIVITIES				
Cash received				
Contributions to investment funds		**6,062,238**	5,105,843	*5,240,000*
Total cash received		**6,062,238**	5,105,843	*5,240,000*
Cash used				
Investment funds distributions to Government		**4,000,000**	4,000,000	*4,000,000*
Principal payments on lease liabilities		**50,161**	37,460	*44,054*
Total cash used		**4,050,161**	4,037,460	4,044,054
Net cash received/(used) for financing activities		**2,012,077**	1,068,383	*1,195,946*
Net increase/(decrease) in cash held		**(7,232,212)**	(5,978,382)	*(7,428,158)*
Cash and cash equivalents at the beginning of the reporting period		**1,342,077**	1,413,762	*540,334*
OPA transfers with other Commonwealth entities				
Transfers to other Commonwealth entities		**(981,976,988)**	(924,339,722)	
Transfers from other Commonwealth entities		**981,957,735**	924,339,568	
Total cash from/(to) OPA		**(19,253)**	(154)	-
Finance administered transfers				
Appropriation transfers from OPA		**9,101,895**	8,587,790	*9,021,039*
Appropriation transfers to OPA		**(1,890,939)**	(2,680,939)	*(1,797,207)*
Total cash from/(to) OPA		**7,210,956**	5,906,851	*7,223,832*
Cash and cash equivalents at the end of the reporting period	D3.1	**1,301,568**	1,342,077	*336,008*

The above schedule should be read in conjunction with the accompanying notes

A. About this report

The Department of Finance (Finance) is an Australian Government controlled not-for-profit entity, its purpose being: to assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, the Government.

Finance is structured to fulfil its purpose through three outcomes, as set out in the 2022-23 Portfolio Budget Statements (PBS) these are:

Outcome 1: Support sustainable Australian Government finances through providing high-quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.

Outcome 2: Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.

Outcome 3: Support for parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.

Finance's activities are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, incomes and expenses controlled or incurred by Finance in its own right.

Administered items are controlled by the Government and managed or overseen by Finance on behalf of the Government. These items are distinguished from Departmental items using shading.

Administered items include:

- Superannuation schemes for current and former civilian Australian Government employees, parliamentarians, current and former Governor-Generals, Federal Judges and Federal Circuit Court Judges
- Australian Government investment funds
- Entitlements, allowances and work expenses provided to current and former members of parliament and their staff
- Grants
- State, territory and Defence Housing Australia (DHA) government loans and interest
- Investments in Commonwealth entities and companies.

In some areas of this financial report, Departmental and Administered items are included in the same section. This is for presentation purposes only and these balances should not be compared.

The continued existence of Finance in its present form and with its present programs is dependent on government policy and on continued funding by Parliament.

Basis of preparation

The financial statements are required by section 42 of the PGPA Act. They have been prepared in accordance with the *PGPA (Financial Reporting) Rule 2015* (FRR) and Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period. Finance has applied simplified disclosures for Tier 2 Entities under AASB 1060 issued by the AASB and has included additional disclosures for financial instruments, fair value, administered investments and superannuation as required under subsection 18(4) of the FRR.

Basis of accounting

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value.

All assets have been assessed for impairment at the end of the reporting period and no impairment indicators exist unless otherwise stated.

Comparative reclassifications

Minor changes were made to the comparatives in both the Departmental and Administered financial statements as a result of the reclassification, disaggregation or merging of some line items. There was no change to the comparative operating surplus or net assets reported.

How to read this report

The following pages set out the notes to the financial statements, which include further information required to understand the financial statements. This has been assessed against materiality and relevance to the operations, financial position and performance of Finance. All amounts are presented in Australian dollars (AUD).

Key judgements and estimates

In applying Finance's accounting policies, management has made a number of judgements and applied estimates and assumptions to future events. Judgements and estimates that are material to the financial statements are found in the following notes:

C1 General insurance activities
C2 Investment funds
C3 Superannuation
D3 Financial instruments
D5 Non-financial assets
E1 Employee benefits

With the exception of judgements and estimates applied in the above notes, no allowance is made for the effect of changing prices on the results or the financial position.

New Australian Accounting Standards (AAS)

One amending standard (AASB 2021-2) was adopted earlier than the applicable date as stated in the standard. This amending standard has been adopted for the 2022-23 reporting period.

The following amending standard that was issued prior to the sign-off date and are applicable to the current reporting period did not have a material financial impact on Finance's financial statements.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements.
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate. The details of the changes in accounting policies and adjustments are disclosed below and in the relevant notes to the financial statements.

B. Budgetary variance reporting

The below table provides explanations for significant variances between Finance's original budget estimates, as published in the 2022-23 Portfolio Budget Statements and the actual financial performance and position for the year.

Note Reference	Affected line items	Explanation
B1 Suppliers	Suppliers	Supplier expenses are below budget due to: • Deferred expenditure on delivery of the Government's key infrastructure priorities and underspends in the project for the adoption of common corporate Australian Public Service System. • The elimination of intra-Finance services with special accounts that were included in the budget.
B2 General insurance activities	Insurance claims Premium revenue Special account cash held in OPA Outstanding insurance claims Retained earnings	Insurance claims expenses were impacted in 2022-23 due to adverse movements in some outstanding claims and movements arising from changes in economic assumptions such as higher inflation forecasts and delays in settling some claims. Premium revenue increased due to the rising cost of claims.
B3 Finance owned estate and non-financial assets	Depreciation and amortisation Non-financial asset write-downs and impairments Special account cash held in OPA Land, Buildings, Investment property, Leasehold Improvements Other financial assets Trade creditors and accruals Changes in Asset revaluation reserves Retained earnings	Events that have impacted the financial performance associated with the Commonwealth's non-defence domestic property portfolio include: • The COVID-19 Response Package – Centres for National Resilience (CNRs) provided equity funding for the construction of three centres in 2021-22. Two of the centres were completed in 2022-23, impacting trade creditors, other financial assets (GST credits) and special account cash held in the OPA. • Revaluation increments from independent valuations for the land and building portfolio (mainly CNRs) is recognised as changes in asset revaluation reserves. • Impairments from the independent valuations for investment property arising from rising market interest rates. • Depreciation expenses on the CNRs is lower as their useful life is longer than originally budgeted.
B4 Contracts with customers	Contracts with customers Unearned revenue	Increased volumes for services that were not budgeted for arose during the year relating to Machinery of Government events, additional subscription fees from WoAG advertising and travel and systems such as GovTEAMS and PDMS.
B5 Cash and appropriations	Other departmental undrawn	Deferred expenditure and additional resourcing from the transfer in of functions from Machinery of Government changes.

Note Reference	Affected line items	Explanation
B6 Superannuation	Movement in carrying amount of superannuation Superannuation provisions	For budget reporting purposes, the discount rate of 5.0 per cent used by actuaries in preparing the Long-Term Cost Reports (LTCRs) is used to value the superannuation liability. The use of the LTCR rate reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. Consistent with Australian Accounting Standards, for financial reporting purposes, the superannuation liability and expense are valued using the long-term government bond rate as at 30 June and 1 July respectively. Changes in the rates used for budget and financial reporting purposes significantly impact on the superannuation provisions and superannuation expense.
B7 Investment funds	Investment funds revenues, expenses, gains Investment funds assets and liabilities Investment funds distributions	The net asset balance is higher due to reprofiling of distributions from the DisabilityCare Australia Fund to better reflect the expected timing of state entitlements and as a result of higher Commonwealth contributions into the DisabilityCare Australia Fund.
B8 Investments in subsidiaries	Commonwealth entities and companies	The fair valuation of various investment entities in particular the Australian Naval Infrastructure Pty Ltd (ANI), increased arising from the AUKUS alliance.
B9 Cash and cash equivalents	Cash and cash equivalents Special account cash held in the OPA	Includes Whole of Government OPA balance and the funding for loans held in the DHA special account.

C. General business disclosures

This section includes disclosures for operations which are significant in size and/or nature for Finance.

C1 General insurance activities

Finance provides insurance and risk management services to Australian General Government Sector entities. The classes of business cover include: Liability, Property, Motor Vehicle, and Personal Accident and Travel.

These services are funded from the Comcover Special Account, refer to Note F3.1.

Policy and measurement

Premium revenue
Premium revenue includes amounts charged excluding Goods and Services Tax (GST). Premiums are recognised as revenue over the period insured which is from 1 July to 30 June each year.

Notional reinsurance expense
A notional reinsurance charge of $5.0 million is paid to the Official Public Account (OPA) each year.

Reinsurance and other recoveries
Reinsurance and other recoveries received or receivable in respect of gross claims paid and movements in reinsurance and other recovery assets are recognised as revenue in the year they occur.

Reinsurance and other recovery assets are actuarially assessed as the present value of the expected future receipts, calculated on the same basis as the outstanding claims liability.

Insurance claims expense and outstanding insurance claims liabilities
Claims expense represents claims payments and the movement in the gross outstanding claims liability.

The outstanding insurance claims liability is actuarially assessed and measured at the central estimate of the present value of expected future payments of claims incurred at the reporting date with an additional risk margin to allow for inherent uncertainty in the central estimate. The expected future payments include those in relation to unpaid reported claims; claims incurred but not reported (IBNR); claims incurred but not enough reported (IBNER); and indirect expenses that are expected to be incurred in settling these claims. Changes in claims estimates are recognised in the surplus/(deficit) in the year in which the estimates are changed.

Assets backing general insurance liabilities
The balance of the Comcover Special Account and receivables from insurance activities are held to back general insurance liabilities. For further information in relation to the Comcover Special Account, refer to Note F3.1.

Key judgements and estimates

Finance takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. The claim estimates and judgements are regularly evaluated and updated based on historical experience and other factors. However, given the uncertainty in the estimation process, it is likely that the final outcome will prove to be different from the original liability established.

Finance's activities are classified into two main categories: **Property** (Property, Motor Vehicle and Personal Accident and Travel) and **Liability**. Different actuarial methods and assumptions are applied at a more granular level taking into account the characteristics of the class of business, claim type and the extent of the development of each past accident period.

The estimation of IBNR and IBNER are generally subject to a greater degree of uncertainty where claims notification and settlement may not happen for many years after the event giving rise to the claim. For this reason, Liability classes of business typically display greater variability between the initial estimates and final outcomes.

Key actuarial assumptions

The key actuarial assumptions for the determination of the outstanding claims liabilities are set out in the table below:

	30 June 2023		30 June 2022	
	Property	**Liability**	Property	Liability
Average discount rate	**4.1%**	**4.1%**	2.9%	3.1%
Average inflation rate	**4.1%**	**4.1%**	6.1%	4.9%
Average weighted term to settlement (years)	**2.1**	**2.5**	1.8	2.6
Expense rate	**0.6%**	**0.7%**	0.7%	1.0%
Risk margin	**18.9%**	**27.6%**	22.7%	31.2%

Process used to determine actuarial assumptions

Discount rate	To allow for the time value of money, projected payments are discounted at a risk free rate derived from market yields on Australian Government securities at the reporting date.
Inflation rate	Claims inflation is incorporated into the resulting projected payments to allow for both expected levels of economic inflation and superimposed inflation. Economic inflation is based on economic indicators such as the Consumer Price Index (CPI) and/or increases in average weekly earnings. Superimposed inflation is past claims inflation in excess of wage inflation. A review of past claims reveals no evidence of superimposed inflation.
Average weighted term to settlement	The average weighted term to settlement is based on historic payment patterns.
Expense rate	Claims handling expenses are calculated by reference to Finance's claims handling remuneration agreements for direct expenses and internal costs for indirect expenses.
Risk margin	The risk margin is assessed by examining the historical variability of the claims experience, considering industry studies and benchmarks and applying actuarial judgement, especially in respect of uncertainties not reflected in the claims data. This assessment is performed for each class of business. Diversification benefit is allowed for, with consideration given to industry studies and benchmarks.

Sensitivity analysis

Finance has conducted sensitivity analysis to quantify the impact of changes in the key underlying assumptions on the surplus/(deficit). The sensitivity analysis has been performed for each variable independently of all other changes and is net of reinsurance and other recoveries. The table below describes how a change in each assumption will affect the surplus/(deficit).

		30 June 2023		30 June 2022	
		Property	**Liability**	Property	Liability
Assumption	**Movement**	**$'000**	**$'000**	$'000	$'000
Average discount rate	+1%	**8,131**	**24,656**	7,160	22,098
	-1%	**(7,786)**	**(23,483)**	(6,879)	(21,071)
Average inflation rate	+1%	**(9,203)**	**(28,207)**	(7,551)	(23,877)
	-1%	**9,449**	**29,139**	7,720	24,603
Average weighted term to settlement (years)	+1 year	**1,741**	**(1,509)**	(12,103)	(8,954)
	-1 year	**(2,952)**	**(2,229)**	4,765	1,771
Expense rate	+1%	**(3,963)**	**(9,952)**	(4,068)	(8,585)
	-1%	**3,963**	**9,952**	4,068	8,585
Risk margin	+1%	**(3,353)**	**(7,854)**	(3,337)	(6,605)
	-1%	**3,353**	**7,854**	3,337	6,605

The movements are the absolute movement in the assumption (e.g. +1% increase in the expense rate for Property from 0.7% to 1.7%).

Insurance risk management

Finance is exposed to insurance risk, which is discussed below.

Objectives, policies and processes for managing insurance risk
Finance provides insurance and risk management services to deliver a net benefit to the Australian Government over the longer term. The transfer of insurance risk from participating General Government Sector entities offers the most comprehensive and cost effective approach to the management of risk exposures. The provision of a captive fund focuses on improving risk identification and management in entities and increases in transparency and accountability to the Australian Government and the public.

Key processes to manage the insurable risk exposure of the Commonwealth include:

- Detailed risk exposure surveys
- Actuarial modelling of claims history, exposures and industry experience to provide an estimate of expected claims costs for the insured year and to determine the annual premium collection
- Claim management and investigation processes
- Appointment of an independent actuary for valuation services of the outstanding claims liability
- WoAG policy development and risk management advisory and education services to improve risk awareness and capability of Fund Members.

Concentration of insurance risk
No reinsurance policies were placed in 2022-23 (2021-22: nil), reflecting the capacity of the Australian Government to cost-effectively self-insure against infrequent large claims.

C1.1 Underwriting result

	Departmental	
	30 June 2023 $'000	30 June 2022 $'000
Direct premium revenue		
Premium revenue	**187,077**	167,737
Premium revenue eliminated on consolidation	**2,664**	2,304
Total direct premium revenue	**189,741**	170,041
Notional reinsurance expense	**(5,000)**	(5,000)
Net premium revenue	**184,741**	165,041
Net incurred claims		
Insurance claims	**(334,587)**	(310,255)
Reinsurance and other recoveries revenue	**2,599**	1,528
Total net claims	**(331,988)**	(308,727)
Other underwriting expenses	**(9,952)**	(9,100)
Underwriting result	**(157,199)**	(152,786)
Revenue from Government	**21,760**	1,620
Operating surplus/(deficit)	**(135,439)**	(151,166)

C1.2 Net claims incurred

	30 June 2023			30 June 2022		
	Current year	**Prior years**	**Total**	Current year	Prior years	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Gross claims incurred						
Undiscounted	238,055	141,830	**379,885**	244,756	139,486	384,242
Discount and discount movement	(26,774)	(25,194)	**(51,968)**	(21,325)	(60,880)	(82,205)
Gross claims incurred discounted	**211,281**	**116,636**	**327,917**	223,431	78,606	302,037
Reinsurance and other recoveries						
Undiscounted	(850)	(1,831)	**(2,681)**	(460)	(1,154)	(1,614)
Discount and discount movement	8	74	**82**	3	83	86
Reinsurance and other recoveries discounted	**(842)**	**(1,757)**	**(2,599)**	(457)	(1,071)	(1,528)
Net claims incurred	**210,439**	**114,879**	**325,318**	222,974	77,535	300,509
Claims handling expense			**6,670**			8,218
Total net claims			**331,988**			308,727

The current year net claims incurred is impacted by adverse developments in large liability claims.

C1.3 Reinsurance and other recoveries receivable

	Departmental	
	30 June 2023	30 June 2022
	$'000	$'000
Reinsurance and other recoveries		
Reinsurance and other recoveries	**2,840**	2,807
Discount to present value	**(267)**	(185)
Total reinsurance and other recoveries	**2,573**	2,622

C1.4 Outstanding insurance claims liability

	Departmental	
	30 June 2023	30 June 2022
	$'000	$'000
Gross claims liability - undiscounted	**1,229,394**	1,058,148
Discount to present value	**(116,271)**	(72,501)
Gross claims liability - discounted	**1,113,123**	985,647
Claims handling expense	**7,657**	8,616
Gross central estimate	**1,120,780**	994,263
Risk margin	**280,311**	282,141
Outstanding insurance claims liability	**1,401,091**	1,276,404
Risk margin adopted	**25.0%**	28.4%
Probability of adequacy of the risk margin	**75.0%**	75.0%

Reconciliation of the movement in discounted outstanding claims liability

	Property	Liability	**30 June 2023 Total**	30 June 2022 Total
	$'000	**$'000**	**$'000**	$'000
Net outstanding claims liability at the beginning of the year	408,822	864,960	**1,273,782**	1,092,205
Incurred claims	119,922	90,518	**210,440**	222,975
Claims payments	(116,224)	(84,357)	**(200,581)**	(118,933)
Unwinding of discount	5,851	12,970	**18,821**	81
Risk margin release	(23,333)	(19,283)	**(42,616)**	(23,959)
Changes in assumptions and experience	2,750	135,922	**138,672**	101,413
Net outstanding claims liability at the end of the year	**397,788**	**1,000,730**	**1,398,518**	1,273,782
Reinsurance and other recoveries	937	1,636	**2,573**	2,622
Gross outstanding claims liability at the end of the year	**398,725**	**1,002,366**	**1,401,091**	1,276,404

C1.5 Claims development table

The following table shows the development of the estimated undiscounted outstanding claims relative to the ultimate expected claims for the 10 most recent accident years.

	Prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Estimate of net ultimate claims costs												
At end of accident year		114,162	102,138	91,686	86,286	93,055	117,798	219,627	150,603	198,357	198,687	
One year later		106,114	119,144	87,813	91,391	139,062	109,241	248,787	153,453	203,351		
Two years later		96,653	218,627	96,971	89,415	159,898	110,226	287,041	142,267			
Three years later		89,631	215,052	92,516	85,866	163,988	125,008	364,278				
Four years later		82,685	205,636	80,781	96,024	178,649	161,318					
Five years later		75,963	196,769	79,076	106,044	175,723						
Six years later		69,127	194,916	80,378	105,228							
Seven years later		72,773	196,173	87,057								
Eight years later		75,210	200,638									
Nine years later		115,794										
Estimate of net ultimate claims costs		115,794	200,638	87,057	105,228	175,723	161,318	364,278	142,267	203,351	198,687	
Cumulative payments		73,442	193,711	67,017	75,646	142,445	66,615	148,168	64,474	42,831	12,690	
Net claims liability - undiscounted	359,665	42,352	6,927	20,040	29,582	33,278	94,703	216,110	77,793	160,520	185,997	1,226,967
Discount to present value	(27,472)	(2,062)	(480)	(1,607)	(2,712)	(3,393)	(10,536)	(20,126)	(8,291)	(17,144)	(22,226)	(116,049)
Net claims liability - discounted	332,193	40,290	6,447	18,433	26,870	29,885	84,167	195,984	69,502	143,376	163,771	1,110,918
Claims handling expense												7,657
Net central estimate												**1,118,575**
Net risk margin												279,944
Total net outstanding claims liability												**1,398,519**
Reinsurance and other recoveries												2,572
Total gross outstanding claims liability												**1,401,091**

The claims development table discloses amounts net of reinsurance and other recoveries to give the most meaningful insight into the impact on surplus/(deficit).

C2 Investment funds

Finance provides advice on the investment mandates and governance arrangements for the investment funds. This includes advice on the credit of amounts to, and debits of amounts from, the investment funds. The Future Fund Board of Guardians (the Board), supported by the Future Fund Management Agency (FFMA), is responsible for the management and investment of the assets of the investment funds. The investment funds consist of the respective special accounts and the investments of the:

- **DisabilityCare Australia Fund (DCAF)** – an investment fund established by the *DisabilityCare Australia Fund Act 2013* to support the Commonwealth's ability to reimburse States and Territories, and the Commonwealth Government for expenditure incurred in relation to the *National Disability Insurance Scheme Act 2013.*
- **Medical Research Future Fund (MRFF)** – an investment fund established under the *Medical Research Future Fund Act 2015* to support medical research and innovation into the future.
- **Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF)** – an investment fund established under the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018* to support the making of annual and discretionary payments to the Indigenous Land and Sea Corporation.
- **Future Drought Fund (FDF)** – an investment fund established under the *Future Drought Fund Act 2019* to fund initiatives that enhance future drought resilience, preparedness and response across Australia.
- **Disaster Ready Fund (DRF)** – an investment fund initially established under the *Emergency Response Fund Act 2019* to fund emergency response and recovery following natural disasters in Australia that have significant or catastrophic impact as well as resilience initiatives. On 1 March 2023, the Emergency Response Fund was renamed to the DRF and is governed by the *Disaster Ready Fund Act 2019.* The Act allows the Government to draw up to $200 million in any given year to fund natural disaster resilience and risk reduction from 2023-24 onwards.

Key judgements and estimates

In applying Finance's accounting policies, management has made a number of judgements and applied estimates and assumptions to future events. Judgements and estimates which are material to the financial statements are located throughout the investment funds disclosure.

Policy and measurement

Investment mandate

Each fund has an investment mandate that is determined by the responsible Ministers under legislation. For the DCAF, the investment mandate sets a target benchmark return of the Australian three month bank bill swap rate + 0.3 per cent per annum calculated on a rolling 12 month basis (net of fees). The investment mandate also requires the Board to invest in such a way as to minimise the probability of capital losses over a 12 month horizon.

The investment mandate for the MRFF sets an average return of at least the Reserve Bank of Australia (RBA) Cash Rate target + 1.5 per cent to 2.0 per cent per annum, net of investment fees, over a rolling 10 year term as the benchmark return on the Fund. In targeting the benchmark return, the Board must determine an acceptable but not excessive level of risk measured in terms such as the probability of losses in a particular year.

The investment mandates for the ATSILSFF, FDF and DRF set a benchmark return of CPI Index + 2.0 per cent to 3.0 per cent per annum, net of investment fees over the long term. In targeting the benchmark return, the Board must determine an acceptable but not excessive level of risk, including having regard to the plausible capital loss from investment return.

Investments

All investments are designated as financial assets through profit and loss on acquisition. Subsequent to initial recognition, all investments held at fair value through profit and loss are measured at fair value with changes in their fair value recognised in the Administered Schedule of Comprehensive Income each reporting date.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract, the terms of which require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value, net of transaction costs that are directly attributable to acquisition or issue of the investment.

Investments in collective investment vehicles are recorded at fair value on the date which consideration is provided to the contractual counterparty under the terms of the relevant subscription agreement. Any associated due diligence costs in relation to these investments are expensed when incurred.

The following methods are adopted by the investment funds in determining the fair value of investments:

- Listed securities, exchange traded futures and options and investments in listed managed investment schemes are recorded at the quoted market prices on relevant stock exchanges.
- Unlisted managed investment schemes and collective investment vehicles are re-measured based on the estimated fair value of the net assets of each scheme or vehicle at the reporting date. Collective investment vehicles are entities that enable investors to pool their money and invest the pooled funds, rather than buying securities directly. Collective investment vehicles are used to invest in private equity funds, hedge funds, debt funds, listed equity funds, infrastructure funds and property funds and are usually structured as interests in limited partnerships and limited liability companies.

  In determining the fair value of the net assets of unitised unlisted managed investment schemes and collective investment vehicles, reference is made to the underlying unit price provided by the Manager (where available) and capital account statements and the most recent audited financial statements of each scheme or vehicle.

  Manager valuation reports are reviewed to ensure the underlying valuation principles are materially compliant with Australian Accounting Standards and applicable industry standards including International Private Equity and Venture Capital Valuation Guidelines as endorsed by the Australian Investment Council.
- Derivative instruments including forward foreign exchange currency contracts, swaps, options, forward contracts on mortgage backed securities, futures and rights and warrants are recorded at their fair value on the date the contract is entered into and are subsequently re-measured to their fair values at each reporting date. The investment funds have entered into derivative contracts to manage their exposure to foreign exchange risk, interest rate risk, equity market risk, inflation risk and credit risk. The investment funds also use derivatives to gain indirect exposure to market risks. The use of derivative financial instruments by the investment funds is governed by the *DisabilityCare Australia Fund Act 2013*, the *Medical Research Future Fund Act 2015*, the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018*, the *Future Drought Fund Act 2019* and the *Disaster Ready Fund Act 2019*. Further disclosure regarding the use of derivatives by the investment funds is presented in Note C2.3.
- Interest bearing securities including asset backed securities, commercial paper, negotiable certificate of deposit, mortgage backed securities, government securities and corporate debt securities which are traded in active markets are valued at the quoted market price. Securities for which no active market is observable are valued at current market rates using broker sourced market quotations and/or independent pricing services as at the reporting date.

MRFF Investment Companies
Whilst all investments are held by the Future Fund Board of Guardians (the Board) in respect of the relevant Investment Fund, some investments are indirectly held through wholly owned investment holding companies, MRFF Investment Companies (MRFFICs).

The MRFFICs are funded primarily via loan arrangements between the Board in respect of the MRFF and each respective MRFFIC. These loans are designated as financial assets and measured at fair value with changes in their fair value recognised in the Administered Schedule of Comprehensive Income each reporting date. Interest receivable at reporting date is included in the fair market value.

Loan assets are repayable on demand. Interest rates are set on the loans having regard to the 10 year government bond rate in the market in which the underlying investment is made.

As the MRFFICs hold a material portion of the investments of the investment funds, disclosures in the financial instruments and managing financial risk notes (Note C2.3) include the underlying investments of the MRFFICs on a look-through basis as this provides users of the information with more relevant information in relation to the investment portfolio.

Income

Interest income is interest earned on cash and cash equivalents. Dividends, franking credits and distribution income are recognised when the right to receive payment is established.

Net realised gain/loss on investments held at fair value through profit or loss includes:

- Realised interest income including coupon payments received during the year
- Net realised gains/losses including realised gains and losses as compared to the original cost of the investment
- Net realised changes in the fair value including the current year unrealised gain/loss on investments held as at reporting date.

C2.1 Investment funds operating results

	30 June 2023 Total $'000	30 June 2022 Total $'000
Revenue		
Interest	**297,180**	25,374
Dividends and distributions	**482,531**	588,160
Total revenue	**779,711**	613,534
Gains on financial investments	**1,265,465**	-
Total income	**2,045,176**	613,534
Expenses		
Supplier expenses	**66,377**	57,741
Foreign exchange losses	**10,280**	80
Total expenses	**76,657**	57,821
Loss on financial investments	**-**	610,024
Net investment funds return	**1,968,519**	(54,311)
less investment funds distributions	**1,929,802**	2,043,383
Net surplus/(deficit)[1]	**38,717**	(2,097,694)
Attributable to:		
DCAF	**(433,810)**	(1,288,169)
MRFF	**333,398**	(436,828)
ATSILSFF	**35,262**	(60,046)
FDF	**105,555**	(108,791)
DRF	**(1,688)**	(203,860)
Net surplus/(deficit)[1]	**38,717**	(2,097,694)

[1] Includes investment funds distributions for DCAF $973.6 million, MRFF $598.0 million, ATSILSFF $58.2 million, FDF $100.0 million and DRF $200.0 million (2022: DCAF $1,232.7 million, MRFF $455.0 million, ATSILSFF $55.7 million, FDF $100.0 million and DRF $200.0 million).

C2.2 Investment funds financial position

	30 June 2023 Total $'000	30 June 2022 Total $'000
Assets		
Financial assets measured at amortised cost		
Cash and cash equivalents	**9,818,756**	8,892,844
Other receivables	**175,464**	376,418
Total financial assets measured at amortised cost	**9,994,220**	9,269,262
Financial assets measured at FVPL		
Interest bearing securities	**22,054,584**	20,681,531
MRFFICs	**5,464,185**	6,490,159
Listed equities and managed investment schemes	**4,058,118**	4,259,300
Collective investment vehicles	**8,467,328**	7,476,684
Restricted cash	**356,179**	467,097
Derivatives	**220,408**	235,152
Total financial assets measured at FVPL	**40,620,802**	39,609,923
Total assets	**50,615,022**	48,879,185
Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	**19,299**	23,984
Unsettled purchases	**157,210**	84,723
Total financial liabilities measured at amortised cost	**176,509**	108,707
Financial liabilities measured at FVPL		
Derivatives	**412,226**	845,146
Total financial liabilities measured at FVPL	**412,226**	845,146
Total liabilities	**588,735**	953,853
Net assets	**50,026,287**	47,925,332
Attributable to:[1]		
DCAF	**16,925,516**	15,297,088
MRFF	**21,916,951**	21,583,553
ATSILSFF	**2,137,998**	2,102,736
FDF	**4,597,456**	4,491,901
DRF	**4,448,366**	4,450,054
Total net assets	**50,026,287**	47,925,332

[1] Details of the investment activity and performance of the funds are available on FFMA's website.

Collective investment vehicles

The investment funds, directly and via the investment companies, have committed to provide capital to various collective investment vehicles. The total of these commitments at reporting date is $2,373 million (30 June 2022: $2,351 million). The investment funds' commitments, being capital calls, are set out in the various underlying subscription documents. Whilst the actual timing of the capital calls to be made by the managers of these vehicles is uncertain, as it is dependent on the managers sourcing suitable investment opportunities, the investment funds have recorded the commitments as being current in accordance with the underlying legal documents. The investment funds have appropriate liquidity planning in place to ensure a suitable allocation of resources will be available to cover these future commitments of capital.

The table below provides more detailed information of collective investment vehicles at the reporting date:

			30 June 2023		
Description of underlying Strategy		**Capital committed local currency $'000**	**Outstanding commitments AUD equivalent $'000**	**Net capital cost AUD equivalent $'000**	**Fair value AUD equivalent $'000**
Directly held by MRFF and DCAF					
Alternatives	AUD	4,110,433	62,246	4,015,905	4,475,786
Alternatives	USD	72,560	-	101,336	134,237
Debt	AUD	1,188,453	22,212	1,071,474	1,160,173
Debt	EUR	300,188	97,725	375,018	416,401
Debt	USD	324,012	190,844	239,279	373,004
Global Infrastructure	AUD	280,983	-	252,481	583,095
Global Infrastructure	EUR	57,310	58,243	39,020	64,470
Global Infrastructure	USD	374,527	249,436	284,815	365,931
Private Equity	USD	145,167	65,843	141,149	173,170
Property	EUR	65,000	70,244	34,264	34,958
Property	GBP	84,725	112,107	47,798	50,333
Property	USD	597,184	321,717	359,783	635,770
Total			**1,250,617**	**6,962,322**	**8,467,328**
Via MRFF investment companies					
Alternatives	AUD	745,234	1,105	655,913	748,935
Alternatives	USD	403,556	-	409,365	624,022
Debt	USD	140,000	83,085	119,683	145,588
Global Infrastructure	AUD	309,053	-	309,053	394,012
Global Infrastructure	USD	14,723	-	22,181	26,439
Private equity	AUD	188,854	56,941	105,805	121,056
Private equity	EUR	110,002	109,757	22,530	26,942
Private equity	USD	1,374,949	547,727	1,309,666	1,824,795
Property	EUR	207,225	179,032	11,271	161,309
Property	USD	124,224	144,766	26,895	23,794
Total			**1,122,413**	**2,992,362**	**4,096,892**

C2.3 Managing financial risk

The investment funds have entered into forward foreign exchange currency contracts, currency swaps and options and commodity futures to manage their exposure to foreign exchange risk. The investment funds also use interest rate futures and swaps to manage their exposure to interest rate risk and credit default swaps to manage their exposure to credit risk and/or gain indirect exposure to credit risk. The investment funds also use equity derivatives to manage market exposure to equity price risk.

C2.3.1 Market risk

Market risk is the risk of loss arising from movements in the prices of various assets flowing from changes in interest rates and foreign currency risk. The investment funds have entered into derivative contracts to manage their exposure to foreign exchange risk, interest rate risk, equity market risk and credit risk. The investment funds also use derivatives to gain indirect exposure to market risks.

Interest rate risk

Interest rate risk exposure

The investment funds are exposed to risk of loss arising from movement in the prices of various assets flowing through interest rate changes. The total exposure for each class of financial asset is set out below.

Financial assets exposed to interest rate risk	Variable interest rate	Fixed interest rate	Non-interest bearing	Total
30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	9,862,418	-	-	**9,862,418**
Interest bearing securities	6,506,069	15,591,510	-	**22,097,579**
Other financial assets	-	-	18,655,025	**18,655,025**
Total investment	**16,368,487**	**15,591,510**	**18,655,025**	**50,615,022**
Swaps (notional amount) - pay	(3,510,192)	(83,190)	-	
Swaps (notional amount) - receive	7,762,828	14,343	-	
30 June 2022				
Cash and cash equivalents	9,095,176	-	-	9,095,176
Interest bearing securities	7,431,462	13,575,841		21,007,303
Other financial assets	-	-	18,776,706	18,776,706
Total investment	16,526,638	13,575,841	18,776,706	48,879,185
Swaps (notional amount) - pay	(5,328,577)	(973,718)	-	
Swaps (notional amount) - receive	5,969,721	2,276,139	-	

Interest rate derivative contracts

The investment funds had open positions in exchange traded interest rate futures contracts and interest rate swap agreements at the reporting date. Interest rate derivative contracts are used by the investment funds investment managers to manage the exposure to interest rate risk and to ensure it remains within approved limits. The notional value of the open contracts and their fair value are set out below.

	30 June 2023		30 June 2022	
	Notional value	**Fair market value**	Notional value	Fair market value
	$'000	**$'000**	$'000	$'000
Total interest rate derivatives	**5,754,394**	**(109,866)**	3,509,599	(60,536)

Interest rate futures contract open positions are cash margined daily with the relevant futures clearing exchange. The above fair market value represents the value of the open contracts at reporting date, these positions have been cash settled via postings to or from the associated margin account with the resulting gain or loss recorded in the statement of comprehensive income.

Interest rate sensitivity analysis

The investment funds are exposed to interest rate risk in relation to their investments. The impact of a change in interest rates is disclosed in the table below, with all other variables held constant. The table demonstrates the impact on the operating result of a 104 basis point (2022: 79 basis point) change in bond yields with all other variables held constant. It is assumed that the 104 basis point change occurs as at the reporting date and there are concurrent movements in interest rates and parallel shifts in the yield curves. A 104 basis point movement would impact on the debt portfolios' (including derivatives) contribution to the investment funds operating result. The impact on the operating result includes the increase/(decrease) in interest income on floating rate securities from the basis point change.

Sensitivity by year	Risk variable	Change in risk variable	Net cost of services $'000
2023	**Discount rate**	**+1.04%**	**17,499**
		-1.04%	**(1,342)**
2022	Discount rate	+0.79%	(108,507)
		-0.79%	118,353

Foreign currency risk

The investment funds and MRFFICs undertake certain transactions denominated in foreign currencies and are therefore exposed to the effects of exchange rate fluctuations. Exposure to foreign currency risk is managed utilising forward foreign exchange contracts. The exposure in AUD equivalents to foreign currency risk at reporting date is as follows.

Financial assets exposed to currency risk 30 June 2023	**USD $'000**	**EURO $'000**	**GBP $'000**	**JPY $'000**	**Other $'000**	**Total $'000**
Cash & cash equivalents	579,592	82,617	42,875	20,497	30,916	**756,497**
Interest bearing securities	4,149,651	1,179,239	494,050	1,174,225	630,969	**7,628,134**
Listed equities	2,254,546	363,016	162,678	201,389	1,018,486	**4,000,115**
Collective investment vehicles	4,315,981	704,081	50,333	-	-	**5,070,395**
Other investments	206,696	19,297	8,265	(3,051)	11,245	**242,452**
Receivables	138,273	21,150	10,026	12,742	36,717	**218,908**
Payables	(61,369)	(1,550)	(1,103)	(70,580)	-	**(134,602)**
Total physical exposure	**11,583,370**	**2,367,850**	**767,124**	**1,335,222**	**1,728,333**	**17,781,899**
Derivatives						
Buy foreign currency	(1,948,028)	307,302	43,851	(267,157)	1,269,595	**(594,437)**
Sell foreign currency	(7,438,943)	(2,391,290)	(703,599)	(273,957)	(1,461,219)	**(12,269,008)**
Total derivative exposure	**(9,386,971)**	**(2,083,988)**	**(659,748)**	**(541,114)**	**(191,624)**	**(12,863,445)**
Net exposure	**2,196,399**	**283,862**	**107,376**	**794,108**	**1,536,709**	**4,918,454**
Financial assets exposed to currency risk 30 June 2022						
Cash and cash equivalents	630,452	112,662	20,444	367,678	281,907	1,413,143
Interest bearing securities	4,490,932	1,092,715	585,455	1,050,742	584,788	7,804,632
Listed equities	2,614,881	341,607	155,194	249,744	1,216,942	4,578,368
Collective investment vehicles	4,044,267	658,415	37,781	-	-	4,740,463
Other investments	131,494	16,787	(2,973)	268	6,753	152,329
Receivables	39,509	6,519	2,032	639	62,591	111,290
Payables	(60,831)	(14,440)	(11,037)	(83)	(455)	(86,846)
Total physical exposure	11,890,704	2,214,265	786,896	1,668,988	2,152,526	18,713,379
Derivatives						
Buy foreign currency	4,648,600	272,405	79,086	638,244	1,748,900	7,387,235
Sell foreign currency	(12,381,917)	(2,105,567)	(764,706)	(1,114,859)	(2,176,690)	(18,543,739)
Total derivative exposure	(7,733,317)	(1,833,162)	(685,620)	(476,615)	(427,790)	(11,156,504)
Net exposure	4,157,387	381,103	101,276	1,192,373	1,724,736	7,556,875

Foreign currency sensitivity analysis

The sensitivity analysis table below demonstrates the impact on the operating result of a movement in the value of the AUD relative to the actual net exposures as at year end, with all other variables held constant.

Sensitivity by year	Risk variable	Change in risk variable	Net cost of services $'000
2023	**Exchange rate**	**+8.48%**	**(867,784)**
		-8.48%	**1,043,992**
2022	Exchange rate	+8.31%	(930,737)
		-8.31%	1,115,653

Other price risk

The investment funds are exposed to price risk arising from equity investments. The equity price risk is the risk that the value of the investment funds equity portfolio will decrease as a result of changes in the levels of equity indices and the price of individual stocks. The exposure to equity price risk at the reporting date was as follows:

30 June 2023	$'000
Domestic equities and managed investment schemes	1,158,732
International equities and managed investment schemes	4,000,424
Total equity price risk exposure	**5,159,156**

Equity derivative contracts

Equity futures are used to manage the exposure to equity price risk. The notional value and fair value of the open positions at the reporting date are set out in the following table.

30 June 2023	Notional value $'000	Fair market value $'000
Total equity derivative	824,694	26,363

Equity price sensitivity analysis

The analysis below demonstrates the impact on the operating result of the following movements:

- +/- 20% on Australian equities
- +/- 15% on International equities

The sensitivity analysis has been performed to assess the direct risk of holding equity instruments. The analysis is undertaken on the base currency values of the underlying exposures.

Impact on operating results	
30 June 2023	**$'000**
20% increase in Australian equities	336,750
15% increase in International equities	1,131,486
Total	**1,468,236**
20% decrease in Australian equities	(324,191)
15% decrease in International equities	(1,113,580)
Total	**(1,437,771)**

C2.3.2 Liquidity risk

Liquidity risk is the risk that the investment funds will not be able to meet their obligations as they fall due. The investment funds must be in a position to meet the distribution payments required up to the amount periodically declared. This is managed by the FFMA under the Short-term Liquidity Risk Policy which includes a short-term crash test which is applied to the portfolio of each investment fund to ensure they are able to meet their immediate cash flow obligations under a plausible but very severe market dislocation.

C2.3.3 Credit risk management

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitments in full and on time, or from losses arising from the change in value of a traded financial instrument as a result of changes in credit risk on that instrument. The Board sets limits on the credit ratings of debt investments when appointing investment managers. These limits are reflected in the underlying investment mandates and are monitored by FFMA with compliance reported to the Board. The investment funds' maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the investment funds' financial position. Exposures are measured at the fair value of the underlying securities which is equivalent to their carrying value in the Balance Sheet. Any associated income which is outstanding has been included within the numbers presented. None of these accrued income amounts are past due.

	30 June 2023	30 June 2022
Interest bearing securities issued by	**$'000**	$'000
Commonwealth Bank of Australia	**4,533,571**	2,355,587
Westpac Banking Corporation	**2,076,703**	442,646
National Australia Bank	**4,651,868**	2,222,214
Australia and New Zealand Banking Group	**6,351,164**	3,597,589
Total	**17,613,306**	8,618,036

As at 30 June 2023, the investment funds had an exposure of 35.31% of net assets to interest bearing securities issued by domestic banks and cash deposits held with banks. Exposures to domestic banks are identified in this table.

Credit exposure by credit rating

	30 June 2023	30 June 2022
	$'000	$'000
Long-term rated securities		
AAA	**6,298,238**	5,156,668
AA	**10,544,148**	7,960,517
A	**2,457,013**	4,257,084
BBB	**899,385**	936,180
Below investment grade/not rated	**1,668,331**	3,403,354
Short-term rated securities		
A-1+	**9,121,929**	7,208,341
A-1	**694,269**	932,872
A-2	**17,907**	8,701
Other		
US Government Guaranteed	**258,777**	238,762
Total debt securities held	**31,959,997**	30,102,479
Other non-debt financial assets	**18,655,025**	18,776,706
Total financial assets	**50,615,022**	48,879,185

The investment funds use Moody's and Standard & Poors credit rating scales to report exposure to credit risk. The long term credit risk exposures range from 'AAA' (extremely strong capacity to meet financial commitments) to 'below investment grade/not rated'. The investments classified as below investment grade are held in debt mandates. This table provides information regarding the credit risk exposures of the debt instruments held by the investment funds at reporting date according to the credit ratings of the underlying debt instruments.

Credit risk derivatives

The investment funds managers utilise credit default swaps to gain exposure to, and to hedge, credit risk. The investment funds transact in credit default swaps in the form of centrally cleared over-the-counter contracts. Centrally cleared transactions are cash margined at least daily. Managers are required to fully cash back all sold credit protection positions. Outstanding positions are marked to market and collateralisation of out of the money positions is required by the central clearing exchange.

	Notional value 30 June 2023 $'000	Fair market value 30 June 2023 $'000	
Buy credit protection	101,741	(2,548)	*The notional value of the open credit default swap positions, the impact on increasing or reducing credit exposures and their fair value are set out in this table.*
Sell credit protection	(3,442)	(11)	
Total	**98,299**	**(2,559)**	

C3 Superannuation

C3.1 Overview of schemes

Finance administers the following defined benefit superannuation schemes on behalf of the Australian Government:

- Commonwealth Superannuation Scheme (CSS), including the 1922 Scheme
- Public Sector Superannuation Scheme (PSS)
- Parliamentary Contributory Superannuation Scheme (PCSS)
- Governor-General Pension Scheme (G-GPS)
- Judges' Pensions Scheme (JPS)
- Division 2 Judges of the Federal Circuit Court and Family Court of Australia Death and Disability Scheme (FCFC DDS).

The CSS, PSS and PCSS are closed to new members.

Finance recognises an Administered liability for the present value of the Australian Government's expected future payments arising from the PCSS, JPS, G-GPS and FCFC DDS and the unfunded components of the CSS and PSS. These liabilities are based on an annual actuarial assessment. The funded components of these schemes are reported in the financial statements of the respective schemes. Finance also has the responsibility to record the Australian Government's transactions in relation to the above schemes.

Policy and measurement

Actuarial gains or losses are recognised in other comprehensive income (OCI) in the year in which they occur. Interest on the net defined benefit liability is recognised in the surplus/(deficit). The return on plan assets excluding the amount included in interest income is recognised in OCI.

Superannuation liabilities are calculated annually as the present value of future benefit obligations less the fair value of scheme assets. The rate used to discount future benefits is determined by reference to the government bond rate at the reporting date.

Amounts recognised in the Schedule of Comprehensive Income and Schedule of Assets and Liabilities

			Other				
	CSS	PSS	PCSS	G-GPS	JPS	FCFC DDS	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2023							
Revenues	25,906	1,053,197	223	-	-	-	**1,079,326**
Expenses	2,661,174	6,385,156	37,474	641	104,735	957	**9,190,137**
OCI	398,157	7,114,578	48,437	1,169	91,450	957	**7,654,748**
Liabilities	69,464,402	103,248,217	903,830	15,358	1,322,683	-	**174,954,490**
30 June 2022							
Revenues	41,446	1,070,766	277	-	-	-	1,112,489
Expenses	1,744,843	6,505,483	29,381	440	89,456	870	8,370,473
OCI	12,721,490	34,182,967	194,148	1,686	253,072	855	47,354,218
Liabilities	71,243,115	107,410,289	960,389	17,087	1,368,945	-	180,999,825

The expected employer productivity contributions for 2024 are: $3.3 million for the CSS and $122.9 million for the PSS (2023 actual: $4.4 million for the CSS and $149.3 million for the PSS).

C3.2 Scheme information

The funding arrangements for the various schemes:

Scheme	Funding arrangements
1922 Scheme	Unfunded. There are no longer any members contributing under this Act. Benefits are paid to members from the Consolidated Revenue Fund (CRF).
CSS and PSS	Partially funded. Contributions generally comprise basic member contributions and employer productivity (up to 3 per cent) contributions. Benefits are paid to members from the CRF.
PCSS	Unfunded. Member contributions are a fixed percentage of: parliamentary allowance; salary for Ministers of State; and allowance by way of salary for office holders, which is paid into the CRF. Benefits are paid to members from the CRF.
G-GPS, JPS and FCFCDDS	Unfunded. Members are not required to contribute towards the cost of their benefit during their term of appointment. Benefits are paid to members from the CRF.

The nature of the benefits provided under the schemes:

Scheme	Benefits Paid
1922 Scheme	The benefit payable is a lifetime indexed pension (indexed in January and July in line with changes in the CPI). The payments and liabilities in respect of these members are included in the CSS amounts.
CSS	The types of benefits payable are a lifetime indexed pension (indexed in January and July in line with changes in the CPI), a lifetime non-indexed pension and a lump sum payment. The main retirement benefit is the employer-financed indexed pension that is calculated by a set formula based on a member's age, years of contributory service and final salary. Where a member has preserved their benefit in the scheme, when the benefit becomes payable the employer financed indexed pension is calculated by applying age-based factors to the amount of two and a half times the member's accumulated basic member contributions and interest. Member’s basic contributions, employer productivity contributions and interest can be taken as a lump sum or an additional non-indexed lifetime pension. This benefit is determined by the value of contributions and investment returns, and in the case of the non-indexed pension by applying age-based factors.
PSS	The types of benefits payable are a lifetime indexed pension (indexed in January and July in line with changes in the CPI) and a lump sum payment. On retirement a lump sum benefit is payable which is calculated based on the member’s length of contributory membership, their rate of member contributions and final average salary (average of a member’s superannuation salary on their last three birthdays). Where a member preserves their benefit in the scheme, generally the member’s lump sum benefit at that time is crystallised with the funded component of the benefit accumulating with interest and the unfunded component accumulating with changes in the CPI, until the benefit becomes payable. Generally members can convert 50 per cent or more of their lump sum to a lifetime indexed pension. The indexed pension is calculated by applying age-based factors to the amount of the lump sum to be converted to a pension.
PCSS	The benefit payable is a lifetime pension or lump sum depending on length of service and additional offices held. Where a retiring member has sufficient parliamentary service to meet the pension qualification period for a lifetime pension (which is payable as set out in the Act), pension benefits are expressed as a percentage of the superannuation salary applicable for the PCSS and are indexed by movements in that superannuation salary.

	A PCSS member who qualifies for a pension can also elect to convert up to half of their benefit to a lump sum. Lump sum benefits are payable to PCSS members who do not have sufficient parliamentary service to qualify for a lifetime pension.
G-GPS	The benefit payable is a lifetime pension equal to 60 per cent of the salary of the Chief Justice of the High Court of Australia. There is no minimum qualification period.
JPS	The benefit payable is a lifetime pension equal to 60 per cent of the judicial salary, payable where a judge has 10 or more years' service and is 60 years of age or older. Provisions are made for part pension (pro-rated based on length of service) where a judge retires on reaching the maximum retirement age with at least 6 years but less than 10 years' service.
FCFCDDS	Division 2 Federal Circuit and Family Court Judges who retire due to permanent disability are provided with a pension equal to 60 per cent of the salary the Judge would have received if they had not retired, and is payable until the earlier of the Judge attaining age 70, or his/her death. In addition, a Judge continues to receive employer superannuation contributions in respect of this pension until they reach age 65.

Generally, benefits may also be payable to any surviving eligible spouse and children on the death of a member or pensioner.

Regulatory framework

The following table details the enabling legislation for each of the individually disclosed defined benefit schemes and whether the scheme must comply with the requirements of the *Superannuation Industry (Supervision) Act 1993,* as well as a number of other Acts.

Scheme	Enabling Act	Period open to new members	Regulatory requirement
CSS	*Superannuation Act 1976*	1 July 1976 to 30 June 1990	Compliance with the *Superannuation Industry (Supervision) Act 1993* required for these schemes.
PSS	*Superannuation Act 1990*	1 July 1990 to 30 June 2005	
1922 Scheme	*Superannuation Act 1922*	1 July 1922 to 30 June 1976	These schemes are exempt from *Superannuation Industry (Supervision) Act 1993.*
PCSS	*Parliamentary Contributory Superannuation Act 1948*	Up to 8 October 2004	
G-GPS	*Governor-General Act 1974*	To present	
JPS	*Judges' Pensions Act 1968*	To present	
FCFC DDS[1]	*Federal Circuit and Family Court of Australia Act 2021*	To present	

[1] *The Federal Circuit Court of Australia Act 1999* was superseded by the *Federal Circuit and Family Court of Australia Act 2021* on 1 September 2021, on merger of the Federal Circuit Court and Family Court of Australia. Finance continues to administer the Death and Disability arrangement for Division 2 Judges under the *Federal Circuit and Family Court of Australia Act 2021* (formerly Judges of the Federal Circuit Court).

Governance

The Commonwealth Superannuation Corporation (CSC) was established under the *Governance of Australian Government Superannuation Schemes Act 2011* and is the trustee for the CSS and PSS. CSC is responsible for:

- providing administration services for each scheme
- management and investment of scheme assets
- compliance with superannuation taxation and other applicable laws
- compliance with relevant legislation including the *Governance of Australian Government Superannuation Schemes Act 2011*.

CSC is supported by a custodian and other specialist providers.

The PCSS is administered by Finance on behalf of the Minister for Finance. The Parliamentary Retiring Allowances Trust (the Trust) has responsibility for matters where discretion has been given under the *Parliamentary Contributory Superannuation Act 1948*. The Trust consists of five trustees - the Minister for Finance (or a Minister authorised by the Minister for Finance) who is the presiding trustee, plus two Senators and two Members of the House of Representatives appointed by their respective Houses.

The enabling Acts for the 'other' defined benefit superannuation schemes confer certain powers to the Secretary of Finance in relation to administration of each scheme. Day-to-day administration of the schemes is undertaken by Finance.

C3.3 Risks and assumptions

The schemes are exposed to interest rate risk, investment risk, longevity risk and salary risk. The following pages identify and explain the amounts reported in these financial statements and detail the principal actuarial assumptions underpinning each of the major schemes, including an analysis of the sensitivity of changes in these assumptions to the amounts reported in the financial statements.

Composition of scheme assets

The fair value of scheme assets for CSS and PSS at 30 June 2023 is $24.6 billion (30 June 2022 was $22.2 billion). The assets are diversified in the following sectors:

	CSS	PSS
Australian equities	24%	25%
International equities	21%	21%
Private capital	12%	13%
Property and infrastructure	14%	14%
Corporate bonds	4%	4%
Alternative strategies	12%	12%
Cash and sovereign bonds	13%	11%

This includes $1.9 million of Australian Government bonds (30 June 2022: $3.2 million).

Key judgements and estimates

CSS, PSS, and PCSS
Assumptions have been made regarding rates of retirement, death (for active, preserved and pension members), mortality improvements, invalidity, resignation, retrenchment, retention and take up rates of pensions in the scheme. Assumptions have also been made for the ages of spouses and rates of member contributions. These assumptions are consistent to those used within the 2020 Long Term Cost Reports (LTCRs).

Membership data as at 30 June 2022 has been rolled forward to 30 June 2023 by making allowance for estimated investment earnings, contributions, salary increases, benefit payments and benefit accruals, using the actuarial assumptions from the LTCRs where other information is not available. The defined benefit obligation calculated is based on the rolled forward membership data that was then adjusted to reflect the difference between expected benefit payments and actual benefit payments to 30 June 2023.

The fair value of scheme assets as at 30 June 2023 (CSS and PSS only) were estimated using the unaudited net scheme assets available to pay benefits at 15 June 2023 rolled forward to 30 June 2023 with cash flow items provided by the CSC.

Other Schemes (G-GPS, JPS and FCFC DDS)
Membership data as at 31 May 2023 has been rolled forward to 30 June 2023. Other actuarial assumptions are consistent to those used within the LTCRs.

Key actuarial assumptions

The key actuarial assumptions for the defined benefit obligation are set out in the table below:

	CSS	PSS	Other
Discount rate (%)	4.2	4.4	4.4
Salary growth rate to June 2024 (%)	4.0	4.0	4.0
Salary growth rate to June 2025[1] (%)	3.5	3.5	3.5
Salary growth rate to June 2026[1] (%)	3.0	3.0	3.0
Salary growth rate to June 2027 and thereafter (%)	3.5	3.5	4.0
Pension increase rate to June 2024 (%)	3.5	3.5	4.0
Pension increase rate to June 2025 (%)	3.0	3.0	3.5
Pension increase rate to June 2026 (%)	2.5	2.5	3.0
Pension increase rate to June 2027 and thereafter (%)	2.5	2.5	4.0
Maturity profile (years)	10.9 (CSS 1976) 6.7 (CSS 1922)	17.3 (PSS1990)	12.9 (PCSS) 9.5 (G-GPS) 13.1 (JPS) 0.0 (FCCJDDS)

Process used to determine actuarial assumptions

Discount rate	The relevant Australian Government Treasury Bond rates were used for the calculation of the defined benefit obligation.
Salary growth rate	For the CSS and PSS a long-term rate of 3.5 per cent per annum is applied. The short-term rate is based on the Australian Public Service Commission Chief Negotiator's salary growth offer tabled on 16 May 2023[1]. The long-term rate is determined by taking into consideration the duration of the salary linked liabilities, economy-wide wage growth, productivity growth and inflationary expectations plus assumed promotional increases. The assumed rate for future salary increases has been determined having regard to the average expected long-term outlook for national wage inflation. The long-term rates are consistent with those used in the LTCRs for the schemes.
Expected pension increase rate	For the CSS and PSS, pensions are increased in line with changes in the CPI. For Other Schemes, the assumed rate for the pension increase has been determined having regard to the average estimated applicable wage inflation.
Maturity profile	This reflects the weighted average duration of each schemes' defined benefit obligation as at 30 June.

[1] On 29 August the Chief Negotiator made a subsequent pay offer of 4.0 per cent to June 2024, 3.8 per cent to June 2025 and 3.4 per cent to June 2026. The offer remains subject to the outcome of employee voting.

Sensitivity analysis for significant actuarial assumptions

Finance has conducted a sensitivity analysis to quantify the impact of changes in the key underlying assumptions on the defined benefit obligation. The defined benefit obligation has been recalculated by changing the assumptions as outlined below, whilst retaining all other assumptions.

Assumption	Movement	CSS $'000	PSS $'000	Other $'000
Discount rate[1]	+ 0.5%	(3,467,832)	(9,267,914)	(133,067)
	- 0.5%	3,786,295	10,462,209	147,119
Salary growth rate	+ 0.5%	20,609	1,616,843	146,691
	- 0.5%	(19,824)	(1,535,508)	(133,899)
Pension increase rate	+ 0.5%	3,307,856	8,206,493	n/a
	- 0.5%	(3,059,948)	(7,447,188)	n/a

[1] An increase in the discount rate between financial years generates a decrease in the defined benefit obligation and a gain in OCI. Conversely, a decrease in the discount rate between financial years causes an increase in the defined benefit obligation and a loss to OCI.

C3.4 Superannuation Schemes

	30 June 2023				30 June 2022			
	CSS	**PSS**	**Other**	**Total**	CSS	PSS	Other	Total
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Reconciliation of the present value of the defined benefit obligation								
Value at beginning of the year	72,623,412	128,215,246	2,346,421	**203,185,079**	87,970,882	158,647,759	2,778,218	249,396,859
Current service cost	34,311	2,266,344	54,398	**2,355,053**	61,506	3,367,153	57,405	3,486,064
Interest expense	2,674,041	4,940,285	89,409	**7,703,735**	1,715,517	3,617,566	62,742	5,395,825
Contribution from scheme participants	14,764	494,366	-	**509,130**	19,615	514,517	-	534,132
Productivity contribution	4,462	149,303	-	**153,765**	5,927	155,390	-	161,317
Actuarial losses/(gains) in liabilities arising from:								
Changes in financial assumptions	(2,441,627)	(9,547,554)	(152,998)	**(12,142,179)**	(15,017,169)	(39,026,513)	(492,197)	(54,535,879)
Liability experience	2,106,476	3,443,283	10,985	**5,560,744**	2,229,502	3,859,953	42,436	6,131,891
Benefits paid	(4,354,152)	(3,299,240)	(106,344)	**(7,759,736)**	(4,361,473)	(2,897,354)	(102,183)	(7,361,010)
Taxes, premiums and expenses paid	(777)	(22,523)	-	**(23,300)**	(895)	(23,225)	-	(24,120)
Closing value of the defined benefit obligation	**70,660,910**	**126,639,510**	**2,241,871**	**199,542,291**	72,623,412	128,215,246	2,346,421	203,185,079
Reconciliation of the fair value of plan assets								
Value at beginning of the year	1,380,297	20,804,957	-	**22,185,254**	1,780,180	21,207,756	-	22,987,936
Interest income	47,178	821,473	-	**868,651**	32,180	479,236	-	511,416
Actual return on Scheme assets less interest income	63,006	1,010,307	-	**1,073,313**	(66,177)	(983,593)	-	(1,049,770)
Contribution from scheme participants	14,764	494,366	-	**509,130**	19,615	514,517	-	534,132
Productivity contribution	4,462	149,303	-	**153,765**	5,927	155,390	-	161,317
Net appropriation from the CRF	4,041,730	3,432,650	106,344	**7,580,724**	3,970,940	2,352,230	102,183	6,425,353
Benefits paid	(4,354,152)	(3,299,240)	(106,344)	**(7,759,736)**	(4,361,473)	(2,897,354)	(102,183)	(7,361,010)
Taxes, premiums and expenses paid	(777)	(22,523)	-	**(23,300)**	(895)	(23,225)	-	(24,120)
Closing fair value of plan assets	**1,196,508**	**23,391,293**	**-**	**24,587,801**	1,380,297	20,804,957	-	22,185,254
Closing value of the net defined benefit liability	**69,464,402**	**103,248,217**	**2,241,871**	**174,954,490**	71,243,115	107,410,289	2,346,421	180,999,825

The fair value of CSS and PSS scheme assets relates to investments in the Pooled Superannuation Trust (PST).

D. Operating resources

This section provides further information about major expenses, revenue, assets and liabilities held or administered by Finance, significant estimates and judgements made and the management of risk in relation to these items.

D1 Supplier expenses

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Communication and information technology	**72,155**	61,935	**27,893**	25,372
Consultants and contractors	**36,024**	31,266	**354**	720
Domestic property portfolio expenses	**62,394**	29,905	**-**	-
General supplier expenses	**16,964**	16,960	**25,059**	29,082
Office expenses	**133**	105	**41,607**	49,469
Superannuation administration costs	**290**	288	**8,575**	8,649
Master media agency services	**10,895**	11,023	**-**	-
Property operating expenses	**4,430**	5,248	**18,050**	17,644
Training	**2,704**	2,767	**722**	1,454
Travel	**1,350**	448	**632**	134
Short-term leases	**29**	-	**-**	-
Total supplier expenses	**207,368**	159,945	**122,892**	132,524

D2 Own source revenue

D2.1 Rental Income

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Operating lease				
Investment properties	**60,919**	59,152	**-**	-
Lease income	**16,220**	16,057	**-**	-
Subleasing right-of-use assets	**434**	1,090	**-**	-
Total rental income	**77,573**	76,299	**-**	-

Lease income commitment receivables (including GST):

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Domestic property portfolio rent receivable	**523,711**	592,054	**-**	-
Total commitments receivable	**523,711**	592,054	**-**	-
By maturity:				
Within one year	**70,744**	70,631	**-**	-
One to two years	**72,074**	70,790	**-**	-
Two to three years	**69,105**	72,068	**-**	-
Three to four years	**63,913**	70,853	**-**	-
Four to five years	**62,134**	63,721	**-**	-
More than five years	**185,741**	243,991	**-**	-
Total commitments receivables	**523,711**	592,054	**-**	-

D2.2 Contracts with customers

Policy and measurement

Revenue from contracts with customers mainly relates to goods and services that Finance provides to other Australian Government entities in delivering Finance's outcomes. Revenue is recognised when control has transferred to the customer at the transaction price to which Finance expects to be entitled in exchange for transferring promised goods or services. The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both.

Information about Finance's revenue from contracts with customers and performance obligations is summarised below:

Transforming government
Revenues relate to the PDMS, which is a subscription service to support ministerial level correspondence, briefings and submissions; parliamentary questions on notice; senate estimates briefings and questions on notice; executive level communications; and general communication and media enquiries. Consumption based fees are payable in advance, with performance obligations satisfied over time.

Property and construction
Revenues are primarily attributable to services charged on a cost recovery basis or contractual rights provided. Performance obligations are satisfied over time consistent with the consumption of resources. Payment may include amounts received in advance or on completion depending on the service provided.

Service Delivery Office
The Service Delivery Office (SDO) provides management and project shared services for human resources, financial operations, and support of Enterprise Resource Planning systems to enable entities to focus on their core business.

Management services are specified for each customer service and charged on a per unit price basis. Fees for each service are estimated based on the customer's consumption for the following 12 month period, invoiced quarterly in advance with adjustments for actual experience performed each month. Performance obligations are satisfied over time consistent with the expected consumption and adjustments for actual experience.

Project services are charged as a fixed fee with price variations above or below five percent subject to agreement by both parties. Performance obligations are attributed to the specified deliverable in the statement of work. The customer pays a deposit equal to 50 percent of the transaction price, recognised as a contract liability until earned, with the balance payable on completion. Revenue is recognised over time as the SDO's performance does not create an asset with an alternate use, and is entitled to payment for its performance completed. The SDO measures its progress towards complete satisfaction of the performance obligation on the basis of an input model, such as actual costs incurred (generally labour hours) or a scheduled performance indicator as appropriate. Where actual costs are used, the completion percentage is tested with the project manager for impairment. Revenue recognised in excess of the 50 percent deposit is recognised as a contract asset until invoiced.

Technology and procurement
Information and communication technology revenue includes GovCMS and GovTEAMS subscription services. These services provide web content management and collaboration services for government entities. Consumption based fees are payable in advance, with performance obligations satisfied over time.

Coordinated procurement arrangements (facilitated through the Coordinated Procurement Contracting Special Account) are established for commonly used goods or services by Australian Government entities including travel, campaign evaluation and market research, government advertising, motor vehicle leasing, stationary and office supplies. Administration fees are received from suppliers for participant entities accessing the services. The performance obligations are satisfied upon delivery of the service and payment generally due within 30 to 90 days from delivery.

Ministerial and Parliamentary Services
Revenues substantially comprise information and telecommunication services including the Intra-government Communications Network (ICON), Ministerial Communications Network, National Telepresence System and COMCAR driver services.

Information and telecommunication services are charged to agencies for connection, consumption, decommissioning and annual memberships. Performance obligations for connection and decommissioning services are satisfied when the associated action is complete and payment is due. Membership fees are charged up to 12 months in advance with the performance obligations satisfied over the subscription period.

Performance obligations for COMCAR and associated ground transport services are satisfied at the time of delivery, with payment generally due within 30 to 60 days.

Notes to and forming part of the financial statements D. Operating Resources

Disaggregation of revenue from contracts with customers

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Program				
Technology and procurement	**38,569**	43,281	**-**	-
Service Delivery Office	**33,250**	27,157	**-**	-
Ministerial and Parliamentary Services	**7,042**	8,433	**7,429**	5,448
Transforming government	**14,404**	13,256	**-**	-
Property and construction	**1,427**	23,000	**-**	-
Other	**3,251**	3,011	**-**	-
Total contracts with customers	**97,943**	118,138	**7,429**	5,448

D3 Financial instruments

Policy and measurement

Financial assets

Financial assets are classified in the following categories:

- Financial assets measured at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVPL).

The classification is based on Finance's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when Finance becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial assets at amortised cost
Includes cash and cash equivalents which are readily convertible to cash, trade receivables, loans and other receivables with fixed or determinable payments that are not quoted in an active market. Amortised cost is determined using the effective interest rate.

Impairment is assessed at the end of the reporting period using the simplified approach for trade and other receivables which measures the loss allowance as the amount equal to the lifetime credit losses.

Income is recognised on an effective rate basis.

Financial assets at FVOCI
Includes designated equity investments in Commonwealth entities and companies which are not held for trading. Any gains or losses as a result of a fair value measurement or recognition of an impairment loss allowance are recognised in other comprehensive income.

Financial assets at FVPL
Includes financial assets that are not classified as financial assets at amortised cost or at FVOCI (i.e. mandatorily held at FVPL) and is generally held for trading. Any gains or losses as a result of a fair value measurement are recognised through profit and loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVPL or at amortised cost. Financial liabilities are recognised and derecognised upon trade date.

Financial liabilities at amortised cost
Includes suppliers and other payables with a fixed or determinable amount to be paid that are not quoted in an active market. Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at FVPL
Includes derivatives held by the investment funds. Financial liabilities are initially measured at fair value with subsequent adjustments recognised in profit and loss.

D3.1 Categories of financial instruments

		Departmental		Administered	
		30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Note ref	**$'000**	$'000	**$'000**	$'000
Financial Assets					
Financial assets measured at amortised cost					
Cash and cash equivalents					
OPA balance	H2	**-**	-	**800,000**	800,000
Operating cash balance		**5,024**	2,259	**882**	1,743
Special account cash held by Finance	F3.1	**10,058**	12,315	**-**	-
Special account cash held in OPA	F3	**1,323,826**	1,596,356	**500,686**	540,334
Trade and other receivables					
Contract assets from contracts with customers		**6,513**	7,314	**56**	24
Contract receivables		**13,133**	7,435	**3,062**	775
Other		**1,628**	980	**809**	2,011
Investment funds	C2.2	**-**	-	**9,994,220**	9,269,262
Loans					
State and territory government loans		**-**	-	**94,684**	102,605
DHA loans		**-**	-	**40,000**	-
Total financial assets measured at amortised cost		**1,360,182**	1,626,659	**11,434,399**	10,716,754
Financial assets designated at FVOCI					
Commonwealth entities and companies		**-**	-	**2,000,239**	1,888,958
Total financial assets designated at FVOCI		**-**	-	**2,000,239**	1,888,958
Financial assets measured at FVPL					
Investment funds	C2.2	**-**	-	**40,620,802**	39,609,923
Total financial assets measured at FVPL		**-**	-	**40,620,802**	39,609,923
Total financial assets		**1,360,182**	1,626,659	**54,055,440**	52,215,635
Financial Liabilities					
Financial liabilities measured at amortised cost					
Trade creditors and accruals		**46,286**	116,765	**13,634**	12,107
Investment funds	C2.2	**-**	-	**176,509**	108,707
OPA overnight cash payable	H2	**-**	-	**2,228,909**	2,567,225
Total financial liabilities measured at amortised cost		**46,286**	116,765	**2,419,052**	2,688,039
Financial liabilities measured at FVPL					
Investment funds	C2.2	**-**	-	**412,226**	845,146
Total financial liabilities measured at FVPL		**-**	-	**412,226**	845,146
Total financial liabilities		**46,286**	116,765	**2,831,278**	3,533,185

D3.2 Fair value information by financial asset class

The following table sets out the fair value, valuation techniques and inputs used for Administered financial instruments. The techniques used to value financial instruments have not changed during the year.
Financial instruments have been valued using inputs under the following fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that Finance can access at measurement date
- Level 2: observable inputs that are derived from prices in active markets
- Level 3: inputs that are not observable and involve significant judgement.

	Level	Inputs used	Valuation technique	**30 June 2023 $'000**	30 June 2022 $'000
Financial assets					
State and territory government loans	2	N/A	Income approach	**128,209**	144,107
Investments in CECs	3	NET	Cost approach	**1,596,781**	1,501,140
Investments in CECs	3	WACC	Income approach	**403,458**	387,818
Investment funds					
Interest bearing securities	1	NET	Market approach	**16,328**	-
Other investments	1	NET	Market approach	**5,498,213**	6,317,494
Derivative assets	1	NET	Market approach	**31,678**	50,431
Interest bearing securities	2	N/A	Price Index[1]	**21,975,343**	20,846,303
Other investments	2	N/A	Market approach	**-**	6,103
Derivative assets	2	N/A	Market approach	**188,730**	184,723
Other investments	3	NET	Market approach	**12,581,344**	11,813,829
Interest bearing securities	3	NET	Market approach	**105,908**	161,000
Total financial assets				**42,525,992**	41,412,948
Financial liabilities					
Investment funds - derivative liabilities	1	NET	Market approach	**76,581**	43,787
Investment funds - derivative liabilities	2	N/A	Market approach	**335,645**	801,359
Total financial liabilities				**412,226**	845,146

[1] Price Index values based on observable market data relating to prices, industry accepted pricing models and broker/dealer quotes.

Key judgements and estimates

Loans to state and territory governments
Concessional loan balances receivable from states and territories are measured at amortised cost and no security is held for these. Repayments are based on a reducing balance method. The amortised cost differs from the fair value disclosed in Note D3.2.

Loans to Defence Housing Australia (DHA)
Loans to DHA are carried at amortised cost and no security is held for these. Interest rates are currently floating and paid quarterly, principal is required to be repaid in full at maturity.

Investments in Commonwealth entities and companies (CECs)
CECs are wholly owned by the Commonwealth and managed by Finance on behalf of the Commonwealth. CECs are not controlled by Finance and have been reported as investments and measured at FVOCI. The following are details of Finance's CECs:

- CSC is a trustee and administrator of the Commonwealth superannuation schemes. The value of CSC has been measured using the net assets (NET) reported in its financial statements. A change in the net assets would result in an equal change in reported fair value.
- Australian Naval Infrastructure Pty Ltd (ANI) is a Commonwealth Company that is prescribed as a Government Business Enterprise (GBE). ANI's primary objective is to support the Commonwealth's continuous naval shipbuilding program through acquiring, holding, managing and developing critical infrastructure and related facilities used in connection with this program. ANI is currently redeveloping the Osborne Naval Shipyard, and establishes access arrangements with naval shipbuilding prime contractors as infrastructure is completed. The value of ANI has been measured using the net assets reported in its financial statements. A change in the net assets would result in an equal change in reported fair value.
- ASC Pty Ltd (ASC) is a Commonwealth Company that is prescribed as a GBE. ASC is responsible for the ongoing sustainment and Life of Type Extension of the Collins Class submarine fleet and provides submariner-training services to the Royal Australian Navy. ASC is also sub-contracted to provide services to Luerssen Australia to build the first two Arafura Class Offshore Patrol Vessels. ASC manages the Sovereign Shipbuilding Talent Pool, which is re-deploying the existing shipbuilding workforce throughout current and new shipbuilding programs, while building the nuclear-powered submarine skills to support the nuclear-powered submarine program. The value of ASC has been measured using the estimated future cash flows of the company sourced from the 2022-27 Corporate Plan, discounted using a weighted average cost of capital (WACC). The WACC is calculated using inputs derived from either professional judgement or observable historical market data of comparable entities. The impact of WACC changes is included in the Market Risk analysis at Note D4.1.

  ASC Shipbuilding Sovereign Share
  In December 2018, ASC Shipbuilding (which was a wholly owned subsidiary of ASC) was transferred by the Commonwealth to BAE Systems Australia Limited (BAE Systems) to support delivery of the Hunter Class Frigate program and develop sovereign naval shipbuilding capability that will be capable of independently designing, developing and leading the construction of complex, large naval warships. The Commonwealth retains a sovereign share in ASC Shipbuilding that provides a number of protective rights, whilst ensuring that BAE Systems is fully responsible and accountable for the delivery of the frigates. The Commonwealth also has a call option to re-purchase the ordinary shares in ASC Shipbuilding from BAE Systems at the end of the contract for a nominal amount. Together, the sovereign share and call option ensure the retention in Australia of intellectual property, a highly skilled workforce and the associated equipment at the end of the program. For accounting purposes, the sovereign share and call option are recognised at nil fair value.

Movements of recurring level 3 financial assets

	Administered	
	30 June 2023	30 June 2022
	$'000	$'000
Opening balance of investments in CECs	**1,888,958**	1,867,319
Equity injections	-	221,965
Total gains/(losses) recognised in other comprehensive income	111,281	(200,326)
Closing balance of investments in CECs	**2,000,239**	1,888,958
Opening balance of investment funds - financial assets at FVPL	**11,974,829**	9,520,904
Purchase	2,937,477	3,765,183
Sales	(2,557,519)	(2,284,671)
Transfers into level 3	742	2,825
Total gains/(losses) recognised in net cost of services	349,022	1,020,147
Transfers out of level 3	(17,299)	(49,559)
Closing balance of investment funds - financial assets at FVPL	**12,687,252**	11,974,829

D3.3 Net gains or losses on financial assets

		Departmental		Administered	
		30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Note ref	**$'000**	$'000	**$'000**	$'000
Financial assets at amortised cost					
Interest					
OPA deposits		**-**	-	**21,428**	478
State and territory government loans		**-**	-	**10,715**	11,502
DHA loans		**-**	-	**433**	6,217
Impairment of financial assets		**(1)**	(71)	**(75)**	(435)
Net gains/(losses) on financial assets at amortised cost		**(1)**	(71)	**32,501**	17,762
Financial assets at FVOCI					
Dividends		**-**	-	**5,100**	12,200
Gains/(losses) on Commonwealth entities and companies	D3.2	**-**	-	**111,281**	(200,326)
Net gains/(losses) on financial assets at FVOCI		**-**	-	**116,381**	(188,126)
Financial assets measured as FVPL					
Investment funds					
Interest	C2.1	**-**	-	**297,180**	25,374
Dividends and distributions	C2.1	**-**	-	**482,531**	588,160
Gains/(losses) on financial investments	C2.1	**-**	-	**1,265,465**	(610,024)
Foreign exchange losses	C2.1	**-**	-	**(10,280)**	(80)
Net gains/(losses) on financial assets at FVPL		**-**	-	**2,034,896**	3,430
Net gains/(losses) on financial assets		**(1)**	(71)	**2,183,778**	(166,934)

D4 Managing financial risk

Finance is generally exposed to a low level of risk in relation to its financial instruments with the exception of the investment funds which are exposed to a moderate level of risk commensurate with the types of financial instruments held and the markets in which those instruments are traded. These risks are discussed as part of the investment funds (Note C2). Non-investment fund risks are discussed below.

D4.1 Market risk

Market risk refers to the risk that a change in market parameters will impact on assets held by Finance. Other than balances held by the investment funds, investments in CECs and the OPA which are exposed to interest rate risk and foreign currency risk, Finance holds basic financial instruments that are not exposed to market risks. The following table discloses market risks in relation to the OPA and investments in CECs. Disclosures in relation to the investment funds are included as part of Note C2.3.1.

Sensitivity analysis of interest rate risk exposure

			Effect on	
		Change in risk variable	Surplus/ (Deficit)	Equity
30 June 2023	**Risk variable**	**%**	**$'000**	**$'000**
Overnight cash deposits with the RBA	**Deposit rate**	**+1.04%**	**8,322**	**-**
		-1.04%	**(8,318)**	**-**
Investments in CECs	**Discount rate**	**+1.04%**	**-**	**(22,700)**
		-1.04%	**-**	**31,800**
30 June 2022				
Overnight cash deposits with the RBA	Deposit rate	+0.79%	6,320	-
		-0.79%	(6,320)	-
Investments in CECs	Discount rate	+0.79%	-	(27,100)
		-0.79%	-	38,000

D4.2 Liquidity risk

Liquidity risk is the risk that an entity will be unable to pay its debts when they fall due. As Finance is appropriation funded, the risk of not meeting its obligations associated with financial liabilities is highly remote. Internal policies and procedures are also in place to ensure there are appropriate resources available to meet obligations. Credit terms for goods and services are payment within 30 days. Disclosures in relation to the investment funds are included as part of Note C2.3.2.

D4.3 Credit risk

Credit risk is the risk that entities owing debts to Finance will not pay those debts as and when they fall due. Finance is exposed to a moderate level of credit risk in relation to the investment fund's assets; all other financial assets are considered to be low risk. Trade and other receivables (excluding state and territory government loans) have standard 30 day terms. Additional disclosures for the investment funds credit risk are included in Note C2.3.3.

D5 Non-financial assets

Finance owned estate

Finance manages a diverse portfolio of approximately 60 non-defence Commonwealth-owned properties in Australia. The portfolio includes office buildings, law courts, special purpose facilities, heritage assets, vacant land, contaminated sites and major capital works projects under construction.

Properties held for investment purposes are predominately leased to other Australian Government entities with rental income recognised systematically over the period of the lease. Where these properties operate in an active rental market, a competitive neutrality charge is applied to cover indirect taxes such as payroll tax, council rates, stamp duty, land tax and income tax which is paid to the OPA.

Surplus funds arising from property operations and divestment proceeds are paid to the OPA in the following financial year as a return of equity.

Policy and measurement

Non-financial assets (excluding assets held for sale) are not expected to be sold or realised within the next 12 months.

Asset recognition threshold
Purchases of property, plant and equipment and intangibles are recognised where they meet an individual asset recognition threshold of $5,000. All purchases under this threshold are expensed in the year of acquisition, other than when they form part of a group of similar items which are significant in total in which case they are recognised on a group basis. The recognition and measurement policy for each asset class is outlined below:

Asset class (includes work in progress)	Initial Recognition	Subsequent Recognition	Revaluation Frequency	Fair value measured at
Land	At cost	Fair value	Annually	Market selling price or discounted cash flows
Buildings				Market selling price, discounted cash flows or current replacement cost
Leasehold improvements	At cost	Fair value	At least once every three years	Current replacement cost
Plant and equipment				Market selling price or current replacement cost
Infrastructure	At cost	Fair value	Annually	Current replacement cost
Investment property	At cost, except where acquired at nominal cost, then fair value	Fair value	Annually	Market selling price or discounted cash flows
Intangibles (including internally developed and externally acquired software)	At cost	Cost less accumulated amortisation and accumulated impairment losses	N/A	N/A
Right-of-use assets	At cost	Cost less accumulated amortisation and accumulated impairment losses	N/A	N/A

Revaluations
Revaluation adjustments are made on a class basis. For property, plant and equipment, revaluation increments are credited to equity except to the extent it reverses a previous revaluation decrement of the same asset class that was recognised in the surplus/(deficit). Revaluation decrements for a class of assets are recognised directly in the surplus/(deficit) except to the extent that they reversed a previous revaluation increment for that class.

Gains or losses arising from changes in the fair value of investment property are recognised in the surplus/(deficit) in the year in which they arise.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Decontamination, restoration and decommissioning costs
Obligations relating to the dismantling, removal, remediation and restoration are recognised in the cost of property, plant and equipment where reliably estimated, with a corresponding provision for remediation costs.

There are also a small number of properties with potential remediation issues that are currently subject to further investigation. A provision is recognised for remediation of these properties only when there is agreement from Government that Finance will meet the costs of the remediation, the liability can be reliably measured and the funding is legally available.

Depreciation/amortisation
Depreciable assets are written down to their estimated residual values over their estimated useful lives using the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current and future reporting periods as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset class	2023 and 2022
Buildings on freehold land	3 to 100 years
Leasehold improvements	Lesser of useful life or lease term
Intangibles	3 to 12 years
Infrastructure, plant and equipment	1 to 45 years
Right-of-use	Lesser of useful life or lease term

Assets held for sale
Assets held for sale includes properties that have been fully prepared for sale, are being actively marketed at fair value and are likely to settle within the next 12 months. Also included are properties that are currently under offer or contract (contract issued or exchanged but not yet settled) as at the end of the reporting period. These properties are valued at the lower of carrying amount and fair value less costs to sell.

Right-of-use assets
Right-of-use assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are disclosed separately from owned assets in the Statement of Financial Position and the Schedule of Administered Assets and Liabilities with details by class of underlying asset disclosed in Note D5.2.

An impairment review is undertaken for any right-of-use asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use asset that is impaired. Right-of-use assets continue to be measured at cost after initial recognition.

Key judgements and estimates

Valuation of non-financial assets
Independent valuations are obtained annually for all land, buildings and investment property with the exception of select low value properties which are internally valued. Where possible, assets are valued based upon observable inputs to the extent available. Where this information is not available, valuation techniques rely on unobservable inputs.

For land and buildings, the valuations include calculations of estimated market cash flows which are adjusted to take into account physical, economic and external factors such as sale prices of comparable assets, replacement cost, expected useful life and adjustments for obsolescence.

For investment property, judgements include income and expenditure, as well as average vacancy periods and costs of establishing a new tenant, as leases become due for renewal and properties become vacant.

Some properties within the portfolio are subject to remediation or have heritage value and this is taken into account by the valuer in assessing the market value of the property.

There are a small number of properties where the highest and best use differs from the current use. While the fair values for these properties have been measured in the financial statements using the highest and best use for each, they are not being utilised at their highest and best use as Finance is not in the business of property development.

Leasehold improvements and plant and equipment is subject to a formal independent valuation at least once every three years with valuation undertaken as at 30 June 2023.

For infrastructure assets (the Intra-government Communications Network (ICON)), an independent valuation is conducted annually. Current replacement cost has been adopted to determine the fair value of these assets. The valuation includes an age/life analysis on the physical deterioration and obsolescence on ICON assets.

Finance reviews all reports received from independent valuers to ensure valuations align with its own assumptions and understanding of the respective assets and their circumstances.

D5.1 Property, infrastructure, plant and equipment and intangibles

Departmental

Owned assets (excluding operating leases)	Land	Buildings[1]	Leasehold improve-ments	Invest-ment property	Plant and equip-ment	Intang-ibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2022							
Gross book value	169,705	1,505,728	28,942	65,479	27,472	201,827	**1,999,153**
Accumulated depreciation, amortisation and impairment	-	-	(4,289)	-	(11,302)	(111,793)	**(127,384)**
Total as at 1 July 2022	**169,705**	**1,505,728**	**24,653**	**65,479**	**16,170**	**90,034**	**1,871,769**
Additions	-	159,306	1,838	-	2,612	17,858	**181,614**
Transfers from agencies						4,266	**4,266**
Revaluations recognised in OCI	20,389	80,187	4,161	-	341	-	**105,078**
Impairments recognised in NCOS	-	-	-	-	-	(142)	**(142)**
Revaluations recognised in NCOS	-	-	-	(58,775)	-	-	**(58,775)**
Depreciation and amortisation	-	(28,961)	(1,956)	-	(2,862)	(13,111)	**(46,890)**
Disposals							
Write-downs	-	(22)	-	-	(6)	-	**(28)**
Total as at 30 June 2023	**190,094**	**1,716,238**	**28,696**	**6,704**	**16,255**	**98,905**	**2,056,892**
Represented by							
Gross book value	190,094	1,716,238	28,709	6,704	16,383	221,501	**2,179,629**
Accumulated depreciation, amortisation and impairment	-	-	(13)	-	(128)	(122,596)	**(122,737)**
Total as at 30 June 2023	**190,094**	**1,716,238**	**28,696**	**6,704**	**16,255**	**98,905**	**2,056,892**
Owned assets under operating leases							
As at 1 July 2022							
Total as at 1 July 2022	**313,727**	**340,615**	**-**	**807,193**	**-**	**-**	**1,461,535**
Additions	-	40,735		10,831	-	-	**51,566**
Revaluations recognised in OCI	(8,000)	(34,365)	-	-	-	-	**(42,365)**
Revaluations recognised in NCOS	-	-	-	(47,178)	-	-	**(47,178)**
Depreciation	-	(13,134)	-	-	-	-	**(13,134)**
Disposals							
Other	(882)	-	-	-	-	-	**(882)**
Total as at 30 June 2023	**304,845**	**333,851**	**-**	**770,846**	**-**	**-**	**1,409,542**
Represented by							
Gross book value	304,845	333,851	-	770,846	-	-	**1,409,542**
Total as at 30 June 2023	**304,845**	**333,851**	**-**	**770,846**	**-**	**-**	**1,409,542**
Total owned assets							
As at 30 June 2023	**494,939**	**2,050,089**	**28,696**	**777,550**	**16,255**	**98,905**	**3,466,434**
As at 30 June 2022	483,432	1,846,343	24,653	872,672	16,170	90,034	3,333,304

[1]The construction cost of the Centres of National Resilience (CNRs) in Melbourne, Brisbane and Perth was $1.4 billion with $0.2 billion of this occurring in 2022-23. The CNRs are subjected to future government decisions on additional uses with various stakeholders which may impact their longer-term carrying value. The Brisbane and Perth CNRs were built on Department of Defence owned land which will be transferred to Finance once the land is subdivided and registered.

Notes to and forming part of the financial statements D. Operating Resources

Capital commitments payable (GST inclusive)

	Departmental					
	30 June 2023			30 June 2022		
	Within one year $'000	**Between one and five years $'000**	**Total $'000**	Within one year $'000	Between one and five years $'000	Total $'000
Land and buildings	**200,675**	**44,421**	**245,096**	232,558	-	232,558
Intangible assets development	**11,260**	**792**	**12,052**	5,250	-	5,250
Infrastructure, plant & equipment	**-**	**-**	**-**	555	-	555
Total capital commitments	**211,935**	**45,213**	**257,148**	238,363	-	238,363

	Administered				
	Leasehold improve-ments $'000	**Infrastruct-ure $'000**	**Plant and equipment $'000**	**Intangibles $'000**	**Total $'000**
As at 1 July 2022					
Gross book value	60,330	88,306	20,190	994	**169,820**
Accumulated depreciation, amortisation and impairment	(30,848)	-	(5,821)	(285)	**(36,954)**
Total as at 1 July 2022	**29,482**	**88,306**	**14,369**	**709**	**132,866**
Additions	16,127	616	7,170		**23,913**
Revaluations recognised in OCI[1]	20,111	5,607	1,124	-	**26,842**
Impairments recognised in NCOS	-	-	-	(152)	**(152)**
Depreciation and amortisation	(13,603)	(3,163)	(2,567)	(218)	**(19,551)**
Disposals - write-downs	(677)	-	24	-	**(653)**
Other disposals	15	-	(124)	-	**(109)**
Total as at 30 June 2023	**51,455**	**91,366**	**19,996**	**339**	**163,156**
Represented by					
Gross book value	52,455	91,366	20,446	743	**165,010**
Accumulated depreciation, amortisation and impairment	(1,000)	-	(450)	(404)	**(1,854)**
Total as at 30 June 2023	**51,455**	**91,366**	**19,996**	**339**	**163,156**

[1] Does not include adjustments to makegood provision associated with leasehold improvement assets.

Capital commitments payable (GST inclusive)

	Administered					
	30 June 2023			30 June 2022		
	Within one year $'000	**Between one and five years $'000**	**Total $'000**	Within one year $'000	Between one and five years $'000	Total $'000
Land and buildings	**-**	**-**	**-**	1,414	-	1,414
Infrastructure, plant and equipment	**463**	**-**	**463**	6,377	-	6,377
Total capital commitments	**463**	**-**	**463**	7,791	-	7,791

D5.2 Right-of-use assets

Departmental

	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
As at 1 July 2022				
Gross book value	469,800	1,229	266	471,295
Accumulated depreciation	(52,718)	(1,224)	(233)	(54,175)
Total as at 1 July 2022	**417,082**	**5**	**33**	**417,120**
Additions	1,900	2,255	16	**4,171**
Depreciation	(18,084)	(1,085)	(40)	**(19,209)**
Carrying amount as at 30 June 2023	**400,898**	**1,175**	**9**	**402,082**
Represented by				
Gross book value	471,700	3,484	282	**475,466**
Accumulated depreciation	(70,802)	(2,309)	(273)	**(73,384)**
Total as at 30 June 2023	**400,898**	**1,175**	**9**	**402,082**

Administered

	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
As at 1 July 2022				
Gross book value	354,576	6,433	6,308	**367,317**
Accumulated depreciation	(119,586)	(3,740)	(4,843)	**(128,169)**
Total as at 1 July 2022	**234,990**	**2,693**	**1,465**	**239,148**
Additions	67,160	531	1,308	**68,999**
Disposals	-	-	-	**-**
Depreciation	(51,577)	(1,494)	(2,048)	**(55,119)**
Other movements	-	(4)	-	**(4)**
Carrying amount as at 30 June 2023	**250,573**	**1,726**	**725**	**253,024**
Represented by				
Gross book value	421,736	6,960	7,616	**436,312**
Accumulated depreciation	(171,163)	(5,234)	(6,891)	**(183,288)**
Total as at 30 June 2023	**250,573**	**1,726**	**725**	**253,024**

D5.3 Fair value information by non-financial asset class

Fair value measurements

Finance only holds non-financial assets in the following two levels of the fair value hierarchy:

- Level 2: observable inputs (other than quoted prices in active markets) are used to calculate the fair value of the asset.
- Level 3: inputs used to calculate the fair value are not observable.

The following tables set out (by asset class) the valuation technique, inputs used and the level of the fair value hierarchy per AASB 13 *Fair Value Measurement*:

				Departmental		Administered	
				30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
Non-financial assets	**Level**	**Inputs used**	**Valuation technique**	**$'000**	$'000	**$'000**	$'000
Land	2	AMT	Market approach	**494,939**	483,432	-	-
Buildings	2	AMT	Income approach	**356,376**	363,423	-	-
Buildings	3	RCN, CEB	Cost approach	**1,693,713**	1,482,920	-	-
Leasehold improvements	3	RCN, CEB	Cost approach	**28,696**	24,653	**51,455**	29,482
Infrastructure	3	RCN, CEB	Cost approach	-	-	**91,366**	88,306
Investment property	2	AMT	Market approach	**89,594**	154,285	-	-
Investment property	2	AMT	Income approach	**687,956**	718,387	-	-
Plant and equipment	2	AMT	Market approach	**10,378**	12,106	**2,138**	2,806
Plant and equipment	3	RCN, CEB	Cost approach	**5,877**	4,064	**17,858**	11,563
Total fair value 30 June 2023				**3,367,529**	3,243,270	**162,817**	132,157

Inputs used

Adjusted Market Transactions (AMT): market transactions of comparable assets, adjusted to reflect differences in price sensitive characteristics.

Replacement Cost of New Assets (RCN): the amount a market participant would pay to acquire or construct a new substitute asset of comparable utility.

Consumed Economic Benefits (CEB): obsolescence of assets, physical deterioration, functional or technical obsolescence and conditions of the economic environment specific to the asset.

D6 Unearned revenue

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Contract liabilities from contracts with customers	**27,631**	19,423	**-**	97
Other	**187**	722	**-**	-
Total unearned revenue	**27,818**	20,145	**-**	97

D7 Lease liabilities

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Lease liabilities	**444,077**	449,520	**274,823**	255,989
Total lease liabilities	**444,077**	449,520	**274,823**	255,989
Maturity analysis - contractual undiscounted cash flows				
Within 1 year	**17,310**	**20,810**	**40,236**	39,397
Between 1 to 5 years	**83,201**	**96,551**	**120,929**	137,482
More than 5 years	**518,975**	**578,159**	**128,863**	151,281
Total leases	**619,486**	695,520	**290,028**	328,160

D8 Other provisions

Policy and measurement

Finance recognises a provision when it has a legal or constructive obligation to make a payment, it is probable that payment will be made and the amount to be paid can be reliably measured.

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Remediation costs[1]	**2,397**	3,310	**13,727**	7,060
Act of Grace	**-**	-	**6,028**	6,506
Same-Sex Relationships Act	**-**	-	**1,383**	1,376
Total other provisions	**2,397**	3,310	**21,138**	14,942
Movements of other provisions				
Opening balance	**3,310**	5,029	**14,942**	15,956
Additional provisions made	**904**	-	**7,323**	574
Amounts used	**(1,817)**	(1,719)	**(231)**	(1,144)
Amounts reversed	**-**	-	**(896)**	(444)
Closing balance	**2,397**	3,310	**21,138**	14,942

[1] Includes an increase to the remediation makegood provision of $6.7m associated with leasehold improvement assets.

Further information

Act of Grace

The Act of Grace mechanism is a discretionary power found in section 65 of the PGPA Act, which allows payments to be made if it is appropriate and a decision maker considers there are special circumstances. In most cases these relate to pension payments to spouses of former members of the Commonwealth defined benefit superannuation schemes.

Same-Sex Relationships Act

The *Same-Sex Relationships (Equal Treatment in Commonwealth Laws – General Reform) Act 2008* removes discrimination against same-sex couples and their dependent children from a wide range of Commonwealth laws and programs. These relate to pension payments to partners of former members of the Commonwealth defined benefit superannuation schemes.

D9 Restructuring

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

On 1 July 2022, Deregulation, Office of the National Data Commissioner and Data and Digital policy functions were transferred to Finance from the Department of Prime Minister and Cabinet (PMC).

In 2021-22, to support the revised mandate of the Digital Transformation Agency (DTA), the Government Domain Names function was assumed from the DTA and the ICT Investment Approval Process and Whole of Government Procurement Major Office Machines functions were relinquished to the DTA.

On 1 July 2022, the complaints handling function that relates to certain complaints by parliamentarians and their staff were relinquished to the Australian Public Service Commission (APSC). There were no transfers of assets or liabilities as a result of this restructure.

	PMC 30 June 2023 $'000	DTA 30 June 2022 $'000
FUNCTIONS ASSUMED		
Assets recognised		
Cash and cash equivalents	**-**	97
Appropriation Receivable	**3,098**	-
Appropriation Receivable - DCB	**4,869**	-
Intangibles - computer software	**4,266**	-
Total assets recognised	**12,233**	97
Liabilities recognised		
Employee Provisions	**3,098**	97
Total liabilities recognised	**3,098**	97
Income assumed		
Recognised by the receiving entity	**8,480**	-
Total income for the assumed function	**8,480**	-
Expenses assumed		
Recognised by the receiving entity	**7,007**	-
Recognised by the losing entity	**1,504**	-
Total income for the assumed function	**8,511**	-
FUNCTIONS RELINQUISHED		
Assets relinquished		
Cash and cash equivalents	-	500
Total assets relinquished		500
Net assets/(liabilities) relinquished		(500)

E. Our people

This section describes the employment and post-employment benefits provided to our people and our relationships with other key people.

Finance provides salary and related benefits to:

- staff employed by current and former members of parliament under the *Members of Parliament (Staff) Act 1984* (MOP(S) Act)
- Parliamentarians under the *Parliamentary Business Resources Act 2017* (PBR Act).

Finance provides post-employment benefits to former prime ministers under the PBR Act.

E1 Employee benefits

Policy and measurement

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured at the present value of the defined benefit obligation at the end of the reporting period.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including Finance's superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out at termination.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. Finance recognises a provision for restructuring when it has a detailed formal plan for the restructuring and has informed those employees affected that it will carry out the restructuring.

Superannuation

Finance employees are members of the CSS, PSS, PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes of the Australian Government. The PSSap is a defined contribution scheme. The liability for defined benefits is recognised in Finance's Administered statements and reported in Note C3.

Finance makes employer contributions to the employees' defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. Finance accounts for the contributions as if they were contributions to defined contribution plans.

Key judgements and estimates

Leave

The liability for long service leave has been determined by reference to an actuarial assessment. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Leave liabilities for employees engaged under the MOP(S) Act are calculated with reference to an actuarial assessment. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

A provision for severance payments is made for employees engaged under the MOP(S) Act in the event their employment is terminated, other than through resignation. These are measured as the defined benefit obligation adjusted for future salary increases discounted back to present value using yields on government bonds.

Post-employment benefits

Provision is made for certain entitlements for former prime ministers, including staff, office and vehicle costs. The liability is calculated with reference to an actuarial assessment for each former prime minister individually where future recurrent expenditure assumptions are set having regard to historical data adjusted for inflation.

E1.1 Employee benefit expenses

	Departmental		Administered	
	30 June 2023 $'000	30 June 2022 $'000	**30 June 2023 $'000**	30 June 2022 $'000
Wages and salaries	**146,023**	128,846	**285,969**	292,414
Superannuation expense				
Defined contribution plans	**17,326**	14,259	**40,858**	40,415
Defined benefit plans	**10,545**	10,182	**3,592**	7,800
Leave and other entitlements	**22,599**	14,283	**28,914**	12,891
Post-employment benefits	**-**	-	**(18,952)**	(22,548)
Separation and redundancies	**774**	343	**31,534**	5,489
Other employee expenses	**210**	165	**19,520**	16,972
Total employee benefit expenses	**197,477**	168,078	**391,435**	353,433

E1.2 Employee provisions

	Departmental		Administered	
	30 June 2023 $'000	30 June 2022 $'000	**30 June 2023 $'000**	30 June 2022 $'000
Leave	**74,656**	67,102	**35,261**	46,594
Separation and redundancies	**-**	-	**19,428**	21,626
Post-employment benefits	**-**	-	**185,349**	202,104
Total employee provisions	**74,656**	67,102	**240,038**	270,324

E2 Key management personnel remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of Finance. Finance has determined the KMP to be the Finance Minister, the Assistant Minister for Finance and the members of Finance's Executive Board which for 2022-23 consist of the Secretary and Deputy Secretaries. For 2021-22, there were two additional members on a rotational basis. KMP remuneration is reported in the table below.

	Departmental	
	30 June 2023 $'000	30 June 2022 $'000
Short-term employee benefits		
Salary	**2,256**	2,837
Annual leave	**213**	256
Short-term employee benefits	**2,469**	3,093
Post-employment benefits		
Superannuation	**322**	517
Post-employment benefits	**322**	517
Other long-term benefits		
Long service leave	**232**	(164)
Other long-term benefits	**232**	(164)
Total key management personnel remuneration[1]	**3,023**	3,446
Number of key management personnel included in the table above[2]	**11**	10

[1] The above table excludes the remuneration and other benefits of the Finance Minister and the Assistant Minister for Finance whose remuneration and other benefits are set by the Remuneration Tribunal.
[2] Represents the total number of persons who held a KMP position during the year, or part thereof.

E3 Related parties

Finance is an Australian Government controlled entity. Related parties to Finance are KMP, cabinet ministers and other Australian Government entities. KMP remuneration for members of the Executive Board is disclosed in Note E2.

Transactions with related parties

Finance undertakes a number of functions on behalf of the Australian Government, as detailed in the financial statements. In performing these functions, Finance transacts with other Australian Government controlled entities for normal day-to-day business operations provided under normal terms and conditions or on a cost recovery basis. This includes general insurance activities and the collection of rental income. Finance also administers payments for work expenses, allowances and entitlements of parliamentarians (including cabinet ministers). These payments are made in the normal course of Administered operations and are paid in accordance with legislation and appropriate frameworks.

Giving consideration to the relationships with related parties and the transactions entered into during the year, it has been determined that there were no related party transactions to be separately disclosed.

F. Funding

Departmental appropriations (adjusted for any formal additions and reductions) are recognised as revenue from Government when Finance gains control. Appropriations receivable are recognised at their nominal amounts.

Administered appropriations are not recognised as revenue in the Schedule of Comprehensive Income. They are included in the Administered Reconciliation Schedule at the date they are drawn down to Finance's bank account for payment against the appropriation for annual and special appropriations, or the date stated in the determination for other Administered amounts.

F1 Annual appropriations

F1.1 Annual appropriations ('recoverable GST exclusive')

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Ordinary annual services				
Annual Appropriation				
Ordinary annual services	**332,255**	278,363	**335,274**	346,653
Capital budget	**9,679**	6,413	**5,395**	5,279
Section 51 Quarantine[1]	**(2,027)**	-	**-**	-
Section 74 receipts of PGPA Act	**49,226**	30,943	**2,156**	1,584
Section 75 transfers of PGPA Act[2, 3]	**10,754**	-	**(106)**	-
Section 75 transfers of PGPA Act[4]	**-**	577	**-**	-
Total	**399,887**	316,296	**342,719**	353,516
Appropriation applied[6]	**(398,449)**	(314,749)	**(366,932)**	(323,006)
Variance	**1,438**	1,547	**(24,213)**	30,510
Other services				
Annual appropriation				
Equity injection	**6,525**	755,372	**-**	-
Assets and liabilities	**-**	-	**2,365**	58,117
Advance to the Finance Minister[5]	**-**	821,000	**-**	-
Section 51 Quarantine[1]	**-**	(200,000)	**-**	-
Total	**6,525**	1,376,372	**2,365**	58,117
Appropriation applied[6]	**(5,927)**	(1,380,047)	**(1,312)**	(239,827)
Variance	**598**	(3,675)	**1,053**	(181,710)

[1] Direction to manage access to Annual Appropriations, under s51 of the *Public Governance, Performance and Accountability Act 2013*. Included in the s51 quarantine is $1.2m DCB in 2022-23. During 2022-23, there was also a s51 quarantine of 2021-22 Annual Administered Appropriations of $6.7m.

[2] Funding was transferred from Prime Minister and Cabinet following MoG changes effective 1 July 2022 which included $2.3m DCB. Finance has also received an additional $5.7m of prior year departmental operating appropriations.

[3] Administered funding was transferred to Australian Public Service Commission after MoG changes effective 1 July 2022.

[4] Funding transferred from the Digital Transformation Agency following MoG changes effective 1 July 2021.

[5] *Advance to the Finance Minister Determination (No. 1 of 2021-2022)* $218 million, *Advance to the Finance Minister Determination (No. 3 of 2021-2022)* $403 million and *Advance to the Finance Minister Determination (No. 5 of 2021-2022)* $200 million.

[6] Appropriation applied includes cash payments made from current and prior year appropriations. CSC has spent money from the CRF on behalf of Finance. The money spent has been included in the table above.

Departmental and Administered capital budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

F1.2 Unspent annual appropriations ('recoverable GST exclusive')

	Departmental		Administered	
	30 June 2023 $'000	30 June 2022 $'000	**30 June 2023 $'000**	30 June 2022 $'000
Appropriation Act (No. 1) 2022-2023[1]	**14,758**	-	**-**	-
Appropriation Act (No. 3) 2022-23	**1,193**	-	**8,041**	-
Supply Act (No. 1) 2022-23	**-**	-	**3,765**	-
Supply Act (No. 1) 2022-23 - Capital	**21**	-	**2,248**	-
Supply Act (No. 2) 2022-23	**-**	-	**563**	-
Supply Act (No. 3) 2022-23	**39,015**	-	**6,684**	-
Supply Act (No. 3) 2022-23 - Capital	**5,749**	-	**3,147**	-
Supply Act (No. 4) 2022-23	**918**	-	**1,512**	-
Appropriation Act (No. 1) 2021-2022	**-**	46,844	**-**	48,818
Appropriation Act (No. 1) 2021-2022 - Capital	**-**	4,614	**5,170**	5,279
Appropriation Act (No. 2) 2021-2022	**-**	320	**33,205**	33,789
Appropriation Act (No. 1) 2020-2021 - Capital	**-**	-	**-**	1,798
Appropriation Act (No. 2) 2020-2021	**-**	-	**-**	211
Supply Act (No. 1) 2020-2021 - Capital	**-**	-	**-**	3,047
Appropriation Act (No. 4) 2019-2020	**-**	-	**-**	227
Total unspent appropriations	**61,654**	51,778	**64,335**	93,169

Reconciliation to appropriations receivable (other departmental undrawn)

	Departmental	
	30 June 2023 $'000	30 June 2022 $'000
Total unspent appropriations	**61,654**	51,778
Adjustments		
Cash at bank - 30 June	**(5,024)**	(2,877)
Closing appropriations receivable balance	**56,630**	48,901

[1] The balance includes cash at bank as at 30 June 2023 of $5.0 million (30 June 2022: $2.9 million).

F2 Special appropriations

F2.1 Special appropriations ('recoverable GST exclusive')

	Appropriations applied	
	30 June 2023	30 June 2022
	$'000	$'000
Administered		
Commonwealth of Australia Constitution Act s 66 (Parliamentary Business Resources Regulations 2017 s 55)[1]	**(5,331)**	(5,150)
Federal Circuit Court of Australia 1999[2]	**-**	(15)
Governance of Australian Government Superannuation Schemes Act 2011	**(132)**	(405)
Governor-General Act 1974	**(1,201)**	(1,419)
Judges' Pensions Act 1968	**(59,547)**	(56,593)
Medibank Private Sale Act 2006	**-**	(7)
Parliamentary Business Resources Act 2017	**(255,573)**	(245,133)
Parliamentary Contributory Superannuation Act 1948	**(45,596)**	(44,363)
Parliamentary Superannuation Act 2004	**(8,577)**	(8,028)
Same-Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Act 2008	**(69)**	(65)
Superannuation Act 1922	**(46,419)**	(50,007)
Superannuation Act 1976[3]	**(4,757,109)**	(4,585,515)
Superannuation Act 1990[3]	**(3,553,175)**	(3,027,707)
Total special appropriations applied	**(8,732,729)**	(8,024,407)

[1] For the 2021-22 reporting period this appropriation was limited to $5.7 million.

[2] *Federal Circuit and Family Court of Australia Act 2021* replaced the *Federal Circuit Court of Australia Act 1999* from 1 September 2021. No appropriation was drawn from this Act in 2022-23.

[3] Payments include amounts that are not an additional cost to the Australian Government and are funded from a return of superannuation benefit funded component associated with retirements of scheme members and reimbursements from the emerging cost entities.

Third party drawing arrangements

Agency	Appropriations drawn on (amounts included in the table above)
CSC	*Superannuation Act 1922, Superannuation Act 1976, Superannuation Act 1990, Governance of Australian Government Superannuation Schemes Act 2011,* PGPA Act s 77, *Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008.*
Department of the House of Representatives and the Department of the Senate	*Parliamentary Superannuation Act 2004* *Commonwealth of Australia Constitution Act s 66 (Parliamentary Business Resources Regulations 2017 s 55)* *Parliamentary Business Resources Act 2017* (PBR Act)
Attorney-General's Department, Department of Employment and Workplace Relations, and the Department of Parliamentary Services	*Parliamentary Business Resources Act 2017* (PBR Act)
Fair Work Commission	*Judges Pension Act 1968*

The following special appropriations were not drawn upon in the current or prior year:

- *ACT Government Loan Act 2014*
- *Airports (Transitional) Act 1996*
- *Loans Securities Act 1919*
- *Parliamentary Retiring Allowances (Increases) Act 1967*
- *Public Accounts and Audit Committee Act 1951*
- *Public Governance, Performance and Accountability Act 2013*
- *Superannuation Legislation (Consequential Amendments and Transitional Provisions) Act 2011*
- *AIDC Sale Act 1997*
- *Lands Acquisition Act 1989*
- *Moomba-Sydney Pipeline System Sale Act 1994*
- *Parliamentary Retiring Allowances (Increases) Act 1971*
- *Public Works Committee Act 1969*
- *Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014*
- *Transferred Officers' Allowances Act 1948*

F2.2 Disclosure by agent in relation to annual and special appropriations ('recoverable GST exclusive')

The following table discloses appropriations Finance drew on behalf of other agencies:

		Appropriations applied	
		30 June 2023	30 June 2022
	Relationship	**$'000**	$'000
Attorney-General's Department			
Total receipts		-	-
Total payments	Solicitors-General pension payments	(288)	(280)

F3 Special accounts

A special account is an appropriation mechanism that notionally sets aside an amount within the CRF to be expended for specific purposes. The type of appropriation provided by a special account is a special appropriation. The appropriation mechanism remains available until the special account is abolished. The amount of appropriation that may be drawn from the CRF, via a special account, is limited to the balance of the particular special account.

A special account can be established either by the Finance Minister making a determination under section 78 of the PGPA Act, or by legislation as recognised under section 80 of the PGPA Act.

F3.1 Departmental special accounts

30 June 2023	Comcover $'000	Property $'000	CPCSA $'000	SDOSA $'000	Total $'000
Balance brought forward	1,132,068	419,139	37,636	19,828	**1,608,671**
Appropriations credited	21,760	87,009	1,846	5,800	**116,415**
Other receipts	214,872	134,521	34,437	45,319	**429,149**
Payments made	(249,515)	(485,400)	(41,430)	(44,006)	**(820,351)**
Balance carried forward	**1,119,185**	**155,269**	**32,489**	**26,941**	**1,333,884**
Balance represented by					
Cash held by Finance	3,537	6,500	21	-	**10,058**
Cash held in OPA	1,115,648	148,769	32,468	26,941	**1,323,826**
Special account balance	**1,119,185**	**155,269**	**32,489**	**26,941**	**1,333,884**
30 June 2022					
Balance brought forward	1,100,324	121,796	33,018	3,837	1,258,975
Appropriations credited	16,697	1,500,878	2,594	15,109	1,535,278
Other receipts	170,718	99,129	31,672	45,268	346,787
Payments made	(155,671)	(1,302,664)	(29,648)	(44,386)	(1,532,369)
Balance carried forward	1,132,068	419,139	37,636	19,828	1,608,671
Balance represented by					
Cash held by Finance	3,050	8,627	638	-	12,315
Cash held in OPA	1,129,018	410,512	36,998	19,828	1,596,356
Special account balance	1,132,068	419,139	37,636	19,828	1,608,671

Comcover Special Account
Establishing instrument: *PGPA Act Determination (Comcover Special Account 2018).* Purpose: For receipts and expenditure relating to the promotion of risk management to General Government Sector entities, to administer the Commonwealth's general insurance fund and to make payments in respect of any uninsured superannuation liability claims against an insured Commonwealth entity. This account is non-interest bearing. The special account determination sunsets on 1 April 2029.

Property Special Account 2014
Establishing instrument: *PGPA Act (Property Special Account 2014 – Establishment) Determination 04*. Purpose: Facilitates the management of the Finance owned estate. This account is non-interest bearing. The special account determination sunsets on 1 April 2025.

Coordinated Procurement Contracting Special Account (CPCSA)
Establishing instrument: *PGPA Act Determination (Coordinated Procurement Contracting Special Account 2018)*. Purpose: For expenditure relating to the whole of government contract for providing fleet management and leasing services, centralised government advertising activities and other coordinated procurement contracts for the benefit of government entities. The account is non-interest bearing. The special account determination sunsets on 1 October 2028.

Service Delivery Office Special Account (SDOSA)
Establishing instrument: PGPA Act Determination (SDO Special Account 2018). Purpose: To enable the Department of Finance to facilitate the activities of the Service Delivery Office, a provider hub under the government's shared services program. The account is non-interest bearing. The special account determination sunsets on 1 April 2029.

F3.2 Administered special accounts

30 June 2023	DCAF $'000	MRFF $'000	ATSILSFF $'000	FDF $'000	DRF $'000	DHA $'000	Total $'000
Balance brought forward	**-**	**-**	**-**	**-**	**-**	**540,334**	**540,334**
Contributions from Government	**6,062,238**	**-**	**-**	**-**	**-**	**-**	**6,062,238**
Investments realised	**14,338,183**	**39,203,155**	**1,014,440**	**1,825,663**	**2,284,148**	**-**	**58,665,589**
Other receipts	**224,989**	**229,664**	**9,550**	**22,318**	**18,327**	**516**	**505,364**
Investment funds return to Government	**(4,000,000)**	**-**	**-**	**-**	**-**	**-**	**(4,000,000)**
Purchase of investments	**(15,634,513)**	**(38,781,718)**	**(961,680)**	**(1,739,239)**	**(2,093,562)**	**-**	**(59,210,712)**
Investment funds distributions	**(973,626)**	**(598,000)**	**(58,176)**	**(100,000)**	**(200,000)**	**-**	**(1,929,802)**
Loans	**-**	**-**	**-**	**-**	**-**	**(40,000)**	**(40,000)**
Other payments	**(17,271)**	**(53,101)**	**(4,134)**	**(8,742)**	**(8,913)**	**(164)**	**(92,325)**
Balance carried forward	**-**	**-**	**-**	**-**	**-**	**500,686**	**500,686**
Balance represented by							
Cash held in the OPA	**-**	**-**	**-**	**-**	**-**	**500,686**	**500,686**

30 June 2022							
Balance brought forward	-	-	-	-	-	349,234	349,234
Contributions from Government	5,105,843	-	-	-	-	-	5,105,843
Investments realised	17,866,774	43,474,039	369,401	1,321,449	1,279,905	-	64,311,568
Other receipts	100,926	46,378	267,887	575,058	588,534	191,231	1,770,014
Investment funds return to Government	(4,000,000)	-	-	-	-	-	(4,000,000)
Purchase of investments	(17,828,281)	(41,662,773)	(580,317)	(1,795,027)	(1,666,925)	-	(63,533,323)
Investment funds distributions	(1,232,659)	(455,000)	(55,724)	(100,000)	(200,000)	-	(2,043,383)
Other payments	(12,603)	(1,402,644)	(1,247)	(1,480)	(1,514)	(131)	(1,419,619)
Balance carried forward	-	**-**	**-**	**-**	**-**	540,334	540,334
Balance represented by							
Cash held in the OPA	-	-	-	-	-	540,334	540,334

DisabilityCare Australia Fund (DCAF) Special Account
Establishing instrument: *DisabilityCare Australia Fund Act 2013*, *s 11*. Purpose: To record all transactions relating to the DCAF, including interest and Medicare levy proceeds and reimbursements to State and Territory and Commonwealth Governments in relation to expenditure incurred under the *National Disability Insurance Scheme Act 2013*. The balance of the special account is invested by the Future Fund Board of Guardians (the Board). The Board may invest amounts standing to the credit of the special account in financial assets, although the special account itself is non-interest bearing. Investment in DCAF were made under the *DisabilityCare Australia Fund Act 2013 s 27*.

Medical Research Future Fund (MRFF) Special Account
Establishing instrument: *Medical Research Future Fund Act 2015*, *s 14*. Purpose: To record all transactions relating to the MRFF, including interest received and payments in relation to medical research and medical innovation. The balance of the special account is invested by the Board. The Board invests amounts standing to the credit of the special account, although the special account itself is non-interest bearing. Investment in MRFF were made under the *Medical Research Future Fund Act 2015 s 37*.

Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) Special Account
Establishing instrument: *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2019, s 12*. Purpose: To record all transactions relating to the ATSILSFF, including interest received and payments to the Indigenous Land and Sea Corporation. The balance of the special account is invested by the Board. The Board may invest amounts standing to the credit of the special account in financial assets, although the special account itself is non-interest bearing. Investment in ATSILSFF were made under the *Aboriginal and Torres Strait Islander Land and Sea Future Fund 2019 Act s 30*.

Future Drought Fund (FDF) Special Account
Establishing Instrument: *Future Drought Fund Act 2019, s 13*. Purpose: To record all transactions relating to the FDF, including interest received and grant payments to persons and bodies in relation to drought resilience, preparedness and response. The balance of the special account is invested by the Board. The Board may invest amounts standing to the credit of the special account in financial assets, although the special account itself is non-interest bearing. Investment in FDF were made under the *Future Drought Fund Act 2019 s 39*.

Disaster Ready Fund (DRF) Special Account
Establishing Instrument: *Disaster Ready Fund Act 2019, s 12*. Purpose: For making payments up to $200 million in any given year to fund natural disaster resilience and risk reduction from 2023-24 onwards. The balance of the special account is invested by the Board. The Board may invest amounts standing to the credit of the special account in financial assets, although the special account itself is non-interest bearing. Investments in the DRF were made under the *Disaster Ready Fund Act 2019 s.37*.

Defence Housing Australia (DHA) Borrowings Special Accounts
Establishing instrument: *PGPA Act Determination (DHA Borrowing Special Account 2020*). Purpose: To provide a mechanism to support the operation of a revolving loan facility between DHA and the Commonwealth and allow DHA to more easily borrow money from the Commonwealth in accordance with section 36 of the *Defence Housing Australia Act 1987*.

The following Special Accounts have not been used during the current and comparative years:

Lands Acquisition Special Account
Establishing instrument: *Lands Acquisition Act 1989*, s *89A*. Purpose: For holding amounts of compensation due to be paid to a person in respect of compulsory acquisition of land where the amount of compensation payable to the person has been determined under the *Lands Acquisition Act 1989*, but after three months the amount remains unpaid due to default or delay on the part of the claimant. To date there have been no transactions through this account.

Services for Other Entities and Trust Moneys (SOETM) Special Account – Department of Finance
Establishing instrument: *Financial Management and Accountability (Establishment of SOETM Special Account – Finance) Determination 2012/08*. Purpose: For the receipt of moneys temporarily held in trust for other persons other than the Commonwealth and for the payment to a person other than the Commonwealth, on behalf of the Government, that are not PGPA Act agencies, or as permitted by an Act. The account is non-interest bearing. This special account was established on 26 June 2012 and ceased on 1 October 2022.

G. Managing other uncertainties

This section includes additional information about other events that may have an impact on future financials. These amounts have not been recorded elsewhere in the statements.

G1 Contingencies

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

Finance does not have any significant quantifiable contingent assets or liabilities, nor does it have any unquantifiable contingent assets.

Unquantifiable contingent liabilities

In the normal course of business (including the Finance owned estate and general insurance functions), Finance has a number of matters that are unquantifiable or subject to litigation. At the date of this report, Finance does not consider the outcome of any such matters likely to have a significant effect on its operations or financial position.

G2 Events after the Reporting Period

On 28 July 2023, the Department of Finance (Finance) on behalf of the Commonwealth purchased a non-controlling 49.01 per cent shareholding in CEA Technologies Pty Limited (CEA) which manufactures defence radar systems. As part of the transaction, Finance acquired convertible notes issued by a company with a shareholding in CEA and was granted an option over the remaining shareholding in CEA.

The convertible notes will automatically convert (without any further payment due by the Commonwealth) on 28 January 2025, or following the occurrence of certain events prior to that date, increasing the Commonwealth's shareholding in CEA. From this point, CEA will be majority-owned and controlled by the Commonwealth and is intended to be prescribed as a Government Business Enterprise. Finance paid approximately $365 million in connection with these interrelated transactions. At a future date, following the occurrence of certain events, the Commonwealth has the option to pay a fixed amount and move to 100 per cent ownership of CEA.

The Commonwealth provided a limited set of warranties to counterparties of the interrelated transactions, which related to: simultaneous completion, price transparency and title/capacity/authority. As the purchase and payment has occurred, it is highly remote that amounts may be payable by the Commonwealth under these warranties. At the date of this report, no amounts are payable or claimed to be payable.

H. Other information

This section includes additional financial information which is considered relevant to assist users in understanding the financial statements.

H1 Current and non-current distinction for assets and liabilities

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Assets expected to be recovered in:				
No more than 12 months				
Cash and cash equivalents	**15,082**	14,574	**800,882**	801,743
Special account cash held in OPA	**1,323,826**	1,596,356	**500,686**	540,334
Trade and other receivables	**21,274**	15,729	**3,927**	2,810
Other departmental undrawn	**56,630**	48,901	**-**	-
Reinsurance and other recoveries	**1,208**	968	**-**	-
Lease incentive assets	**133**	132	**-**	-
Investment funds	**-**	-	**24,556,860**	22,479,608
Loans	**-**	-	**8,301**	7,921
Other financial assets	**8,391**	11,571	**70,647**	36,046
Prepayments	**8,309**	6,697	**4,934**	4,258
Total no more than 12 months	**1,434,853**	1,694,928	**25,946,237**	23,872,720
More than 12 months				
Reinsurance and other recoveries	**1,365**	1,654	**-**	-
Lease incentive assets	**386**	519	**-**	-
Investment funds	**-**	-	**26,058,162**	26,399,577
Loans	**-**	-	**126,383**	94,684
Commonwealth entities and companies	**-**	-	**2,000,239**	1,888,958
Land	**494,939**	483,432	**-**	-
Buildings	**2,050,089**	1,846,343	**-**	-
Leasehold improvements	**28,696**	24,653	**51,455**	29,482
Investment property	**777,550**	872,672	**-**	-
Infrastructure	**-**	-	**91,366**	88,306
Plant and equipment	**16,255**	16,170	**19,996**	14,369
Intangibles	**98,905**	90,034	**339**	709
Right-of-use assets	**402,082**	417,120	**253,024**	239,148
Prepayments	**483**	948	**396**	140
Total more than 12 months	**3,870,750**	3,753,545	**28,601,360**	28,755,373
Total assets	**5,305,603**	5,448,473	**54,547,597**	52,628,093

	Departmental		Administered	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	$'000	$'000	**$'000**	$'000
Liabilities expected to be settled in:				
No more than 12 months				
Trade creditors and accruals	**46,286**	116,765	**13,634**	12,107
Unearned revenue	**27,818**	20,145	**-**	97
Return of equity - special accounts	**38,948**	53,476	**-**	-
Outstanding insurance claims	**354,019**	321,568	**-**	-
Investment funds	**-**	-	**588,735**	953,853
OPA overnight cash payable	**-**	-	**2,228,909**	2,567,225
Employee provisions	**17,823**	17,742	**18,651**	26,596
Superannuation provisions	**-**	-	**8,323,625**	7,698,303
Lease liabilities	**9,971**	8,385	**38,578**	35,471
Other provisions	**1,196**	2,099	**4,299**	4,215
Other payables	**7,772**	5,881	**9,474**	8,098
Total no more than 12 months	**503,833**	546,061	**11,225,905**	11,305,965
More than 12 months				
Outstanding insurance claims	**1,047,072**	954,836	**-**	-
Employee provisions	**56,833**	49,360	**221,387**	243,728
Superannuation provisions	**-**	-	**166,630,865**	173,301,522
Lease liabilities	**434,106**	441,135	**236,245**	220,518
Other provisions	**1,201**	1,211	**16,839**	10,727
More than 12 months	**1,539,212**	1,446,542	**167,105,336**	173,776,495
Total liabilities	**2,043,045**	1,992,603	**178,331,241**	185,082,460

H2 Other policy and disclosures

This section of the report provides additional information in relation to line items in the primary statements that do not have specific disclosures in the preceding notes. They are additional disclosures directed at the interests of particular users and their needs.

Competitive neutrality (including income tax equivalent)

Finance is exempt from all forms of taxation except Fringe Benefits Tax and GST.

Finance applies the Australian Government's Competitive Neutrality Policy Statement (June 1996) to properties in the portfolio that are leased and managed in a competitive environment. The taxation equivalent regime is applied as a competitive neutrality charge (shown as competitive neutrality and income tax equivalent in the Statement of Comprehensive Income) and a notional payment is calculated quarterly to cover indirect taxes such as payroll tax, council rates, stamp duty and land tax and income tax based upon accounting income; as if they have been applied to these properties. These amounts have been paid or are payable by Finance to the OPA.

Volunteer services

Volunteer services are recognised as revenue when, and only when, a fair value can be reliably determined and the services would be purchased if they had not been donated. Use of the resources is recognised as an expense. Volunteer services are recorded as either revenue or gains depending on their nature. Volunteer services relate to Australian National Audit Office audit fees for Finance's financial statements and WoAG financial statements (2022-23: $1.4 million).

Volunteer services includes rent for office space in the Ministerial Wing of Parliament House.

Borrowing Costs

All borrowing costs are expensed as incurred.

Cash and cash equivalents

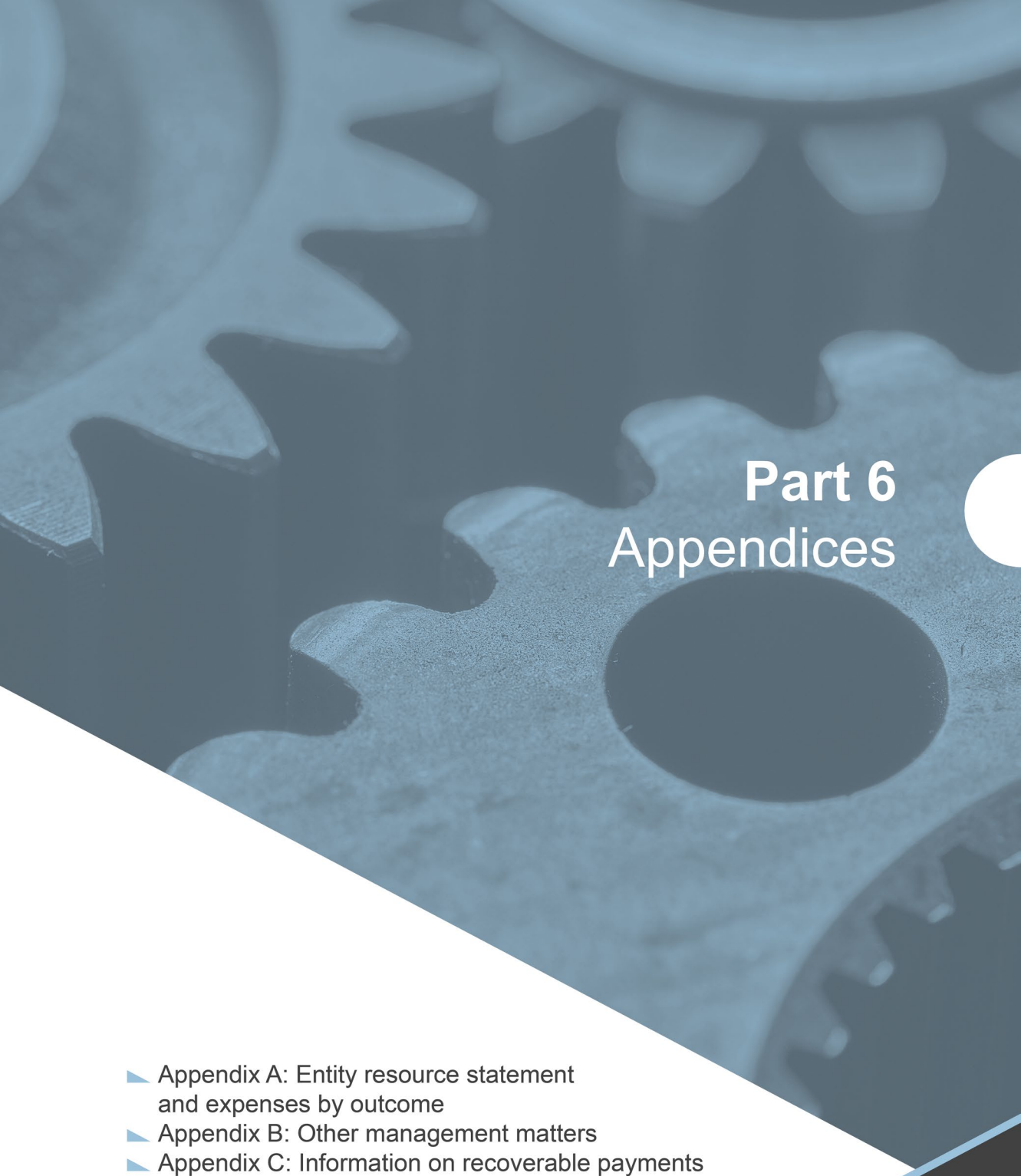
Cash and cash equivalents include cash on hand, cash held with outsiders, cash in special accounts and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Cash is recognised at its nominal amount. Cash and cash equivalents held for investment purposes are classified as investments.

Official public account (OPA)

The OPA consists of the central bank accounts administered by Finance where the aggregate balance represents the government's daily cash position. Cash in bank accounts held by non-corporate Commonwealth entities (NCCE) are consolidated in the OPA each night. The amounts to be returned to the NCEs before the next business day is reported in the Administered financial statements as OPA overnight cash payable. Transfers to and from the OPA with other Commonwealth entities represents receipts collected on behalf of the Commonwealth and the Commonwealth payments drawn from the Appropriation Acts.

Glossary

AAS	Australian Accounting Standards	IBNER	Incurred But Not Enough Reported
AASB	Australian Accounting Standards Board	ICON	Intra-government Communications Network
AMT	Adjusted Market Transactions	Investment funds	Administered Investment Funds managed by the Future Fund Board of Guardians
ANI	Australian Naval Infrastructure Pty Ltd	JPS	Judges' Pensions Scheme
ASC	ASC Pty Ltd	KMP	Key Management Personnel
ATSILSFF	Aboriginal and Torres Strait Islander Land and Sea Future Fund	LTCRs	2020 Long Term Cost Reports
AUD	Australian Dollar	MoG	Machinery of Government
AUKUS	Australia, United Kingdom and the United States security partnership	MOP(S) Act	*Members of Parliament (Staff) Act 1984*
CEB	Consumed Economic Benefits	MRFF	Medical Research Future Fund
CECs	Commonwealth Entities and Companies	MRFFICs	Medical Research Future Fund Investment Companies
CRF	Consolidated Revenue Fund	NCCEs	Non-Corporate Commonwealth Entities
CPCSA	Coordinated Procurement Contracting Special Account	NCOS	Net Cost of Services
CPI	Consumer Price Index	NET	Net Assets
CSC	Commonwealth Superannuation Corporation	OCI	Other Comprehensive Income
CSS	Commonwealth Superannuation Scheme	OPA	Official Public Account
DCAF	DisabilityCare Australia Fund	PBR Act	*Parliamentary Business Resources Act 2017*
DCB	Departmental Capital Budget	PBS	Portfolio Budget Statements
DHA	Defence Housing Australia	PDMS	Parliamentary Document Management System
DRF	Disaster Ready Fund	PGPA Act	*Public Governance, Performance and Accountability Act 2013*
EUR	Euro	PCSS	Parliamentary Contributory Superannuation Scheme
FCFCDDS	Federal Circuit Court and Family Court of Australia Death and Disability Scheme	PSS	Public Sector Superannuation Scheme
FDF	Future Drought Fund	PSSap	Public Sector Superannuation Accumulation Plan
FFMA	Future Fund Management Agency	RBA	Reserve Bank of Australia
FRR	*PGPA (Financial Reporting) Rule 2015*	RCN	Replacement Cost of New Assets
FVOCI	Fair Value through Other Comprehensive Income	SDO	Service Delivery Office
FVPL	Fair Value through Profit or Loss	SDOSA	Service Delivery Office Special Account
GBE	Government Business Enterprise	The Board	Future Fund Board of Guardians
GBP	British Pound	USD	United States Dollar
G-GPS	Governor-General Pension Scheme	WACC	Weighted Average Cost of Capital
GST	Goods and Services Tax	WoAG	Whole of Australian Government
IBNR	Incurred But Not Reported		



Part 6
Appendices

- Appendix A: Entity resource statement and expenses by outcome
- Appendix B: Other management matters
- Appendix C: Information on recoverable payments
- Appendix D: Staff achievements
- Appendix E: Corrections to previous annual report

Appendix A: Entity resource statement and expenses by outcome

TABLE A1: ENTITY RESOURCE STATEMENT, 2022–23

	Actual Available appropriation - current year $'000 (a)	Payments made $'000 (b)	Balance remaining $'000 (a)-(b)
Departmental			
Annual appropriations – ordinary annual services [a,c]	459,185	398,449	60,736
Annual appropriations – other services – non-operating [b]	6,845	5,927	918
Total departmental annual appropriations	**466,030**	**404,376**	**61,654**
Special accounts	2,154,235	820,351	1,333,884
Total special accounts	**2,154,235**	**820,351**	**1,333,884**
less departmental appropriations drawn from annual/special appropriations and credited to special accounts	116,415	116,415	-
Total departmental resourcing (A)	**2,503,850**	**1,108,312**	**1,395,538**
Administered			
Annual appropriations – ordinary annual services [a,c]	395,987	366,932	29,055
Annual appropriations – other services – non-operating [b]	36,592	1,312	35,280
Total administered annual appropriations	**432,579**	**368,244**	**64,335**
Administered special appropriations		8,732,729	
Total administered special appropriations		**8,732,729**	
Special Accounts	65,773,525	65,272,839	500,686
Total special accounts	**65,773,525**	**65,272,839**	**500,686**
Total administered resourcing (B)	**66,206,104**	**74,373,812**	
Total resourcing and payments for Department of Finance (A + B)	**68,709,954**	**75,482,124**	

a. *Supply Act (No. 1) 2022-2023*, *Supply Act (No. 3) 2022-2023*, *Appropriation Act (No. 1) 2022-2023* and *Appropriation Act (No. 3) 2022-2023*. Includes prior-year departmental appropriation and section 74 external revenue.

b. *Supply Act (No. 2) 2022-2023*, *Supply Act (No. 4) 2022-2023*, *Appropriation Act (No. 2) 2022-2023*, *Appropriation Act (No. 4) 2022-2023*.

c. Departmental and Administered capital budgets are not separately identified in Appropriation Bills (No. 1, 3) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

Further details of the department's resourcing is provided in the financial statements at ***Note F: Funding***.

TABLE A2: EXPENSES FOR OUTCOME 1, 2022–23

Outcome 1: Support sustainable Australian Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.	**Budget [a] 2022–23 $'000 (a)**	**Actual Expenses 2022–23 $'000 (b)**	**Variation 2022–23 $'000 (a)-(b)**
Program 1.1: Budget and Financial Management			
Departmental expenses			
Departmental appropriation [b]			
Budget advice	64,993	66,763	(1,770)
Financial reporting	30,376	32,569	(2,193)
Expenses not requiring appropriation in the budget year [c]	9,764	9,202	562
Total for Program 1.1	**105,133**	**108,534**	**(3,401)**
Outcome 1 totals by appropriation type			
Departmental expenses			
Departmental appropriation [b]	95,369	99,332	(3,963)
Expenses not requiring appropriation in the budget year [c]	9,764	9,202	562
Total expenses for Outcome 1	**105,133**	**108,534**	**(3,401)**
	2022–23	**2022–23**	
Average staffing level (number)	444	437	

a. Full-year budget, including any subsequent adjustments made in the 2021–22 Portfolio Additional Estimates.

b. Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1 and 3) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

c. Expenses not requiring appropriation in the budget year is made up of depreciation and amortisation expenses, write-down and impairment of non-financial assets and volunteer services.

TABLE A3: EXPENSES FOR OUTCOME 2, 2022–23

Outcome 2: Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.	**Budget [a] 2022–23 $'000 (a)**	**Actual Expenses 2022–23 $'000 (b)**	**Variation 2022–23 $'000 (a)-(b)**
Program 2.1: Public Sector Governance			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)			
Grant in Aid – Australian Institute of Policy and Science	40	41	(1)
Grant in Aid – Chifley Research Centre	259	259	-
Grant in Aid – Green Institute	127	125	2
Grant in Aid – Menzies Research Centre	258	259	(1)
Grant in Aid – Page Research Centre	125	125	-
Grant in Aid – Royal Humane Society of Australasia	30	30	-
Grant in Aid – RSPCA Australia Inc	40	41	(1)
Special accounts			
DHA Borrowings Special account	228	58	170
Departmental expenses			
Departmental appropriation [b]			
Financial framework	31,022	27,382	3,640
Government shareholder oversight	24,859	17,705	7,154
Special financial claims	2,610	3,826	(1,216)

Regulatory reform	18,481	15,707	2,774
Expenses not requiring appropriation in the budget year [c]	1,517	1,799	(282)
Total for Program 2.1	**79,596**	**67,357**	**12,239**
Program 2.2: Transforming Government			
Departmental expenses			
Departmental appropriation [b]			
Transforming the public sector	21,234	21,701	(467)
Office of the National Data Commissioner	20,909	17,714	3,195
Expenses not requiring appropriation in the budget year [c]	3,568	1,433	2,135
Total for Program 2.2	**45,711**	**40,848**	**4,863**
Program 2.3: Property and Construction			
Departmental expenses			
Special accounts			
Property Special Account [d]	179,630	237,774	(58,144)
Total for Program 2.3	**179,630**	**237,774**	**(58,144)**
Program 2.4: Insurance and Risk Management			
Departmental expenses			
Special accounts			
Comcover Special Account	194,579	349,539	(154,960)
Total for Program 2.4	**194,579**	**349,539**	**(154,960)**
Program 2.5: Technology and Procurement			
Departmental expenses			
Departmental appropriation [b]			
Technology transformation	16,534	15,326	1,208
Procurement framework	12,364	11,762	602
Special accounts			
Coordinated Procurement Contracting Special Account	37,337	36,282	1,055
Expenses not requiring appropriation in the budget year [c]	980	608	372
Total for Program 2.5	**67,215**	**63,978**	**3,237**
Program 2.6: Service Delivery Office			
Departmental expenses			
Special accounts			
SDO Special Account	41,990	41,742	248
Total for Program 2.6	**41,990**	**41,742**	**248**
Program 2.7: Public Sector Superannuation			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)			
Act of Grace	1,177	756	421
Compensation and legal expenses	500	101	399
Superannuation administration costs	8,766	8,575	191
Special appropriations			
Federal Circuit Court of Australia Act 1999	957	957	-
Governance of Australian Government Superannuation Schemes Act 2011	1,000	132	868
Governor-General Act 1974	641	641	-
Judges' Pensions Act 1968	104,735	104,735	-

Parliamentary Contributory Superannuation Act 1948	37,474	37,474	-
Parliamentary Superannuation Act 2004	8,961	8,577	384
Same-Sex Relationships (Equal Treatment in Commonwealth Laws General Law Reform) Act 2008	39	76	(37)
Superannuation Act 1922	13,475	13,475	-
Superannuation Act 1976	2,647,699	2,647,699	-
Superannuation Act 1990	6,385,156	6,385,156	-
Departmental expenses			
Departmental appropriation [b]			
Public Sector Superannuation	3,650	3,816	(166)
Expenses not requiring appropriation in the budget year [c]	553	568	(15)
Total for Program 2.7	**9,214,783**	**9,212,738**	**2,045**
Program 2.8: Australian Government Investment Funds			
Administered expenses			
Special accounts			
DisabilityCare Australia Fund Special Account	1,859,393	989,902	869,491
Medical Research Future Fund Special Account	742,344	654,491	87,853
Aboriginal and Torres Strait Islander Land and Sea Future Fund Special Account	68,637	58,964	9,673
Future Drought Fund	119,845	101,536	18,309
Disaster Ready Fund [e]	219,422	201,566	17,856
Total for Program 2.8	**3,009,641**	**2,006,459**	**1,003,182**
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)	11,322	10,312	1,010
Special appropriations	9,200,137	9,198,922	1,215
Special accounts	3,009,869	2,006,517	1,003,352
Departmental expenses			
Departmental appropriation [b]	151,663	134,939	16,724
Special accounts	453,536	665,337	(211,801)
Expenses not requiring appropriation in the budget year [c]	6,618	4,408	2,210
Total Expenses for Outcome 2	**12,833,145**	**12,020,435**	**812,710**
	2022–23	**2022–23**	
Average staffing level (number)	840	805	

a. Full-year budget, including any subsequent adjustments made in the 2022–23 Portfolio Additional Estimates.

b. Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1 and 3) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

c. Expenses not requiring appropriation in the budget year is made up of depreciation and amortisation expenses, write-down and impairment of non-financial assets and volunteer services.

d. Excludes income tax equivalent expenses.

e. On 1 March 2023, the Emergency Response Fund was renamed the Disaster Ready Fund.

TABLE A4: EXPENSES FOR OUTCOME 3, 2022–23

Outcome 3: Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, work expenses and allowances, entitlements and targeted programs.	**Budget [a] 2022–23 $'000 (a)**	**Actual Expenses 2022–23 $'000 (b)**	**Variation 2022–23 $'000 (a)-(b)**
Program 3.1: Ministerial and Parliamentary Services			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)			
Electorate and ministerial support costs	296,016	325,865	(29,849)
Australian Political Exchange Program	941	489	452
Australian Political Parties for Democracy Program	2,200	2,200	-
Special Appropriations			
Commonwealth of Australia Constitution Act (s 66)	5,518	5,331	187
Parliamentary Business Resources Act 2017	255,138	220,641	34,497
Expenses not requiring appropriation in the budget year [b]	20,853	25,043	(4,190)
Departmental expenses			
Departmental appropriation [c]			
Services to Senators, Members & their staff	26,821	23,155	3,666
Expenses not requiring appropriation in the budget year [b]	2,044	5,827	(3,783)
Total for Program 3.1	**609,531**	**608,551**	**980**
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1 and 3)	299,157	328,554	(29,397)
Special appropriations	260,656	225,972	34,684
Expenses not requiring appropriation in the budget year [b]	20,853	25,043	(4,190)
Departmental expenses			
Departmental appropriation [c]	26,821	23,155	3,666
Expenses not requiring appropriation in the budget year [b]	2,044	5,827	(3,783)
Total Expenses for Outcome 3	**609,531**	**608,551**	**980**
	2022–23	**2022–23**	
Average staffing level (number) [d]	112	113	

a. Full-year budget, including any subsequent adjustments made in the 2022–23 Portfolio Additional Estimates.

b. Expenses not requiring appropriation in the budget year is made up of depreciation and amortisation expenses, write-down and impairment of non-financial assets and volunteer services.

c. Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1 and 3) and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act.

Appendix B: Other management matters

Grants

Information on grants awarded by Finance during the period 1 July 2022 to 30 June 2023 is available on GrantConnect at help.grants.gov.au.

Disability reporting

The National Disability Strategy 2021–2031 provides a unified, national approach to building inclusion for people with disability. The vision is for an inclusive Australian society that ensures people with disability can fulfil their potential, as equal members of the community. The strategy sets out practical changes that will assist people with disability across 7 outcome areas. Additional information is available on the Department of Social Services website. Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au/.

Freedom of information

Entities subject to the *Freedom of Information Act 1982* are required to publish information for the public as part of the Information Publication Scheme. Each entity must display on its website a plan showing what information it publishes in accordance with the scheme's requirements. Finance's plan is available on our website at www.finance.gov.au/about-us/freedom-information. Members of the public can provide comments on our information publication plan to the Freedom of Information team.

Advertising and market research

During 2022–23, Finance's total payments for advertising and market research were $378,912.03 (GST inclusive).

Table B1 shows payments of $15,200 or more (GST inclusive) to advertising and market research, polling, direct mail, and media advertising organisations, as required under section 311A of the *Commonwealth Electoral Act 1918*.

The following payments to market research organisations relate to the whole-of-government master media agency contract that Finance manages. The lead entity responsible for specific advertising or market research contracts reports the relevant expenditure under their annual report.

TABLE B1: ADVERTISING AND MARKET RESEARCH PAYMENTS, 2022–23

Organisation	Purpose	Expenditure ($, Including GST)
Market research organisations		
Colmar Brunton Research Pty Ltd (also known as Kantar Public)	Customer survey and analysis services	$81,864.20
DBM Social Research Pty Ltd	Customer survey and analysis services	$32,065.00
Ebiquity Pty Ltd	Industries advice for campaign advertising	$153,310.32
Total reportable market research organisations		**$267,239.52**
Media advertising organisations		
Universal McCann	Advertising in relation to electorate offices and recruitment advertising	$86,402.48
Mediabrands	Recruitment advertising	$16,428.58
Total reportable market research organisations		**$102,831.06**
Total reportable payments of $15,200		**$370,070.58**

Executive remuneration

Tables B2 to B4 provide remuneration information for the following categories of officials:

- key management personnel
- senior executives
- other highly paid staff, whose total remuneration exceeds the threshold remuneration amount for the reporting period.

REMUNERATION POLICY AND PRACTICES

The remuneration for the Secretary and statutory office holders is determined by the Remuneration Tribunal under the *Remuneration Tribunal Act 1973.*

Remuneration for Finance's SES employees is established through individual determinations made under section 24(1) of the *Public Service Act 1999*.

Reporting on the remuneration for our Key Management Personnel and Senior Executives is governed by Part 6 of the Commonwealth entities executive remuneration reporting guide for annual reports.

Salary levels for SES employees are generally set at rates within a salary band applicable to each SES classification.

Finance has put in place a Determination under section 24(1) of the PS Act. The Determination provides remuneration of all non-SES employees covered by Finance's Enterprise Agreement 2019 (Finance Enterprise Agreement). The Finance Enterprise Agreement provides conditions for all non-SES employees and allows individual flexibility arrangements for remuneration, superannuation, working hours, leave, allowance, overtime rates and penalty rates.

REMUNERATION GOVERNANCE ARRANGEMENTS

Finance's Executive Board is responsible for overseeing Finance's remuneration (all staff) and SES development and SES recruitment.

Additional details on the Executive Board are provided in the Key Management Personnel section below.

KEY MANAGEMENT PERSONNEL

The key management personnel for Finance are identified as the Minister for Finance, the Special Minister of State and the members of the Finance Executive Board which is made up of the Secretary and the 4 Deputy Secretaries in Finance. Following a review in August 2022, the previous rotating Board membership for SES positions ceased. Remuneration paid to members of the Finance Executive Board is disclosed in Table B4 below.

TABLE B2: INFORMATION ABOUT REMUNERATION FOR SENIOR EXECUTIVES

Remuneration Band	$220,001 - $245,000	$245,001 - $270,000	$270,001 - $295,000	$295,001 - $320,000	$320,001 - $345,000	$345,001 - $370,000	$370,001 - $395,000
No. of senior executives	10	10	19	7	5	0	3
Short-term benefits							
Average base salary	190,527	211,375	229,405	291,245	268,120	0	316,025
Average bonuses	0	0	0	0	0	0	0
Average other benefits and allowances	0	0	377	0	0	0	0
Post-employment benefits							
Average superannuation contributions	32,069	37,686	38,999	48,850	46,694	0	55,063
Other long-term benefits / Termination benefits							
Average long service leave	12,902	8,434	12,249	16,484	15,835	0	14,055
Average other long-term benefits	0	0	0	0	0	0	0
Termination Benefits							
Average termination benefits	0	0	0	0	0	0	0
Total remuneration							
Average total remuneration	235,498	257,495	281,030	356,579	330,649	0	385,143

The table includes all substantive senior executives who received remuneration during the reporting period, including those who have been promoted, transferred or ceased during the reporting period. Therefore, more than one individual may have filled a single position over the course of the year. Long service leave on separation may create a negative leave expense for amounts accrued but not yet vested.

TABLE B3: INFORMATION ABOUT REMUNERATION FOR OTHER HIGHLY PAID STAFF

Remuneration Band	$220,001 - $245,000	$245,001 - $270,000	$270,001 - $295,000	$295,001 - $320,000
No. of other highly paid staff	10	10	19	7
Short-term benefits				
Average base salary	190,527	211,375	229,405	291,245
Average bonuses	0	0	0	0
Average other benefits and allowances	0	0	377	0
Post-employment benefits				
Average superannuation contributions	32,069	37,686	38,999	48,850
Other long-term benefits / Termination benefits				
Average long service leave	12,902	8,434	12,249	16,484
Average other long-term benefits	0	0	0	0
Termination Benefits				
Average termination benefits	0	0	0	0
Total remuneration				
Average total remuneration	235,498	257,495	281,030	356,579

Table above includes other highly paid staff who received remuneration during the reporting period, including those who have been promoted, transferred or ceased during the reporting period. 8 individuals included were acting as SES for a portion of the year.

TABLE B4: INFORMATION ABOUT REMUNERATION FOR KEY MANAGEMENT PERSONNEL

			Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position	Term as key management personnel	Base Salary [a]	Bonuses	Other benefits and allowances [b]	Superannuation contributions	Long Service leave [d]	Other long-term benefits	Termination benefits	Total remuneration [e]
Rosemary Huxtable	Secretary	1 July 2022 – 5 August 2022	87,487	0	0	7,837	13,561	0	0	108,885
Jenny Wilkinson	Secretary	9 August 2022 – 30 June 2023	694,233	0	0	21,596	50,087	0	0	765,916
Cath Patterson	Deputy Secretary	1 July 2022 – 30 June 2023	410,953	0	0	66,676	52,838	0	0	530,467
Andrew Jaggers	Deputy Secretary	1 July 2022 – 30 June 2023	352,277	0	0	68,051	45,720	0	0	466,048
Nathan Williamson	Deputy Secretary	1 July 2022 – 30 June 2023	410,031	0	0	70,290	38,537	0	0	518,858
Mary Wiley-Smith	Deputy Secretary	24 August 2022 – 30 June 2023	339,687	0	0	59,297	28,158	0	0	427,142
Clare Walsh	Deputy Secretary	1 July 2022 – 15 July 2022	9,230	0	0	3,038	132	0	0	12,400
Libor Pelecky	FAS	1 July 2022 – 24 August 2022	45,182	0	0	7,739	713	0	0	53,634
Iain Scott	FAS	4 July 2022 – 23 December 2023	35,976	0	0	5,742	540	0	0	42,258
Andrew Danks	FAS	21 November 2022 – 29 January 2023	38,197	0	0	4,181	572	0	0	42,950
Tracey Carroll	FAS	18 July 2022 – 28 November 2022	46,009	0	0	7,870	1,052	0	0	54,931

a. Base salary includes salary paid and accrued, salary paid whilst on annual leave, salary paid while on personal leave, annual leave accrued and higher duties allowances.
b. Other benefits and allowances include monetary benefits such as car allowances and non-monetary benefits such as provision of a carpark. These benefits have been rolled into base salary from 1 Sept 2019.
c. For individuals in a defined contribution scheme (for example PSSAp and super choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefits scheme (for example CSS and PSS), superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.
d. Long service leave comprises the amount of leave accrued, leave taken in the period and the impacts of a reduction in the net discount rate (or increase in the 10 year bond rate to 3.75% offset by higher salary growth of 4%).
e. Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits with the exception of the impact of any promotion on leave balances that existed prior to the promotion. This means there is a difference between the remuneration determined by the Remuneration Tribunal and the remuneration disclosed in this table and note E2 Key Management Personnel presented in the Financial Statements.

Appendix C: Information on recoverable payments

Finance is responsible for administering:

- the Parliamentary Contributory Superannuation Scheme
- the Judges' Pensions Scheme
- the Governors-General Pension Scheme

Legislation for these schemes requires that Finance report recoverable payments that arise from inadvertent overpayment of pension benefits (see Table C1).

Overpayments are most often a consequence of Finance receiving notification of an event that has a retrospective impact on an amount of pension already paid. In general, recoverable payments arise where:

- regular pension payments are made prior to receiving notification of the death of a member
- a PCSS member receives regular pension payments prior to providing notification of work undertaken in a recognised 'office of profit' position, which has the effect of reducing the amount of pension paid in an earlier period
- there are incorrectly calculated pension benefits due to system or human error

All amounts are recovered, although amounts paid and amounts recovered may not align where recovery was undertaken in subsequent financial years.

The number of recoverable payments and the amounts of those payments can vary significantly between financial years, particularly depending on the number of 'office of profit' positions held by retired parliamentarians in a relevant year.

Where Finance is notified of an event after the relevant financial year any adjustments made to prior year information will be disclosed in the current year's report.

TABLE C1: RECOVERABLE SUPERANNUATION SCHEME PAYMENTS – PARLIAMENTARIANS, JUDGES AND GOVERNORS-GENERAL, 2021–22 AND 2022–23

	2022–23			2021–22		
Legislation	Number of payments	Amount paid $'000	Amount recovered $'000	Number of payments	Amount paid $'000	Amount recovered $'000
Parliamentary Contributory Superannuation Act 1948						
Death payments	25	61	41	15[a]	32[a]	26
Other payments	27	35	37	64	30	40
Total	52	96	78	79	61	66
Judges' Pensions Act 1968						
Death payments	3	23	25	2[a]	11[a]	7
Other payments	–	–	–	–	–	–
Total	3	23	25	2	11	7
Governor-General Act 1974						
Death payments	–	1	13	1	13	–
Other payments	–	–	–	–	–	–
Total	–	–	13	1	13	–

Note: Totals may not add due to rounding.

a. The revised figures relate to the death of scheme members in 2021–22 and Finance received notification in 2022–23. For the PCSS, the previously reported number of payments was 14 and the amount paid was $31,000. For the Judges' Pensions Scheme, the previously reported number of payments was 1 and the amount paid was $7,000.

Appendix D: Staff achievements

Secretary's awards 2022

Government response to communities affected by floods comprising Josh Wang, Aaron Zou, Annesley Athaide, Jason Lee, Tracey Fitzgerald, Mei Ling Kelly, Tim Godfrey, Tim Forato, Erica Huang, Sue Shaw, Linh Huynh, Bianca Wu, Anne Martin, Matthew Rogers and Sid Ray for providing high quality and timely advice to support the government response to communities affected by the February/March 2022 floods.

Infrastructure Agency Advice Unit/ Accounting and Data Support Section comprising Michael Navaratnam, Joshua Drummond, Rebecca Coward, Penny Zhang, Rachael Dagher, Clare Stephens, Andrew Lovering, John Su, Sarah Nguyen and William Currey for excellence in collaboration within Finance and across government to achieve significant and continuous improvement of the estimates adjustments process as part of the Budget.

Neelia Kanathigoda for exemplary service delivery to federal parliamentarians and their staff, and outstanding support to Ministerial and Parliamentary Services division.

Assurance and Risk Team comprising Megan Sin, Melissa Gocentas, Melanie Flynn, Dana Fedorow, Denise Burge and Toby Whitehead for supporting Finance to build a strong risk culture through the review of the Enterprise Risk Management Framework.

Accounts Payable, Accounts Receivable and E-invoicing Enablement Teams comprising Naini Singh, Andrew Khay, Yane Dimitrovski, Arjun Sra, Amtul Bushra, Duncan Smith, Graham Priddey, Jodi Bates, Lalita Panigrahy, Muhammad Mir, Peter Crowley, Rodney Andriolo, Sai Sudheer Mhamane, Sukh Jatana, Van Do, Vikrant Kelkar, Rishi Abrol, Pradeep Konduru, Tony Sultana, Erly Kaul, Jessica Salazar, Ming Chen, Deepa Dhillon, Darren Csordas, Ula Martin, Vasan Machumpurath, Ivan Spudic, Sharad Parasher, Gaurav Kishore, Roy Li and Sai Konchada for modernising client services and processes through fostering productive partnerships and the use of innovative, future-focused technologies, tools and automation.

Centre of Procurement Excellence comprising William Yu, Angela Reed and Kieran Jones for supporting the development and inclusion of Indigenous suppliers to Finance and to the broader government through participation in Supply Nation's Indigenous Business Roadshow.

Secretary’s Office comprising Radovan Dragojlovic, Rhana Crago and Daniella Catanzariti for providing exceptional advice and support to Secretary Rosemary Huxtable during her time as Secretary at Finance.

Incoming Government Brief Team comprising Priya Reddy, Jill Bruce, Vanessa Boyley, Rachel Gabellone, Indika Abeyratne, Patrice Fitzpatrick and Kelly Hoffmeister for the successful coordination and delivery of the incoming government briefs to the Minister for Finance and the Special Minister of State.

Robyn Butler and **Protective Security Team** comprising Michael Blewitt, Rachel Haines, Lorraine Shore, Rob Martone, Michael Olsen, Khadija Burns, Bev Hartnell, Ben Doherty and Shane Stroud for building sound financial management and assurance practices across people, processes and systems in the Comcover Fund.

Emma Rostron for outstanding leadership and exemplifying stewardship across government in supporting the integrity and delivery of the 2022 Federal Election.

Cameron Jose for outstanding leadership in delivering commercial policy and advice.

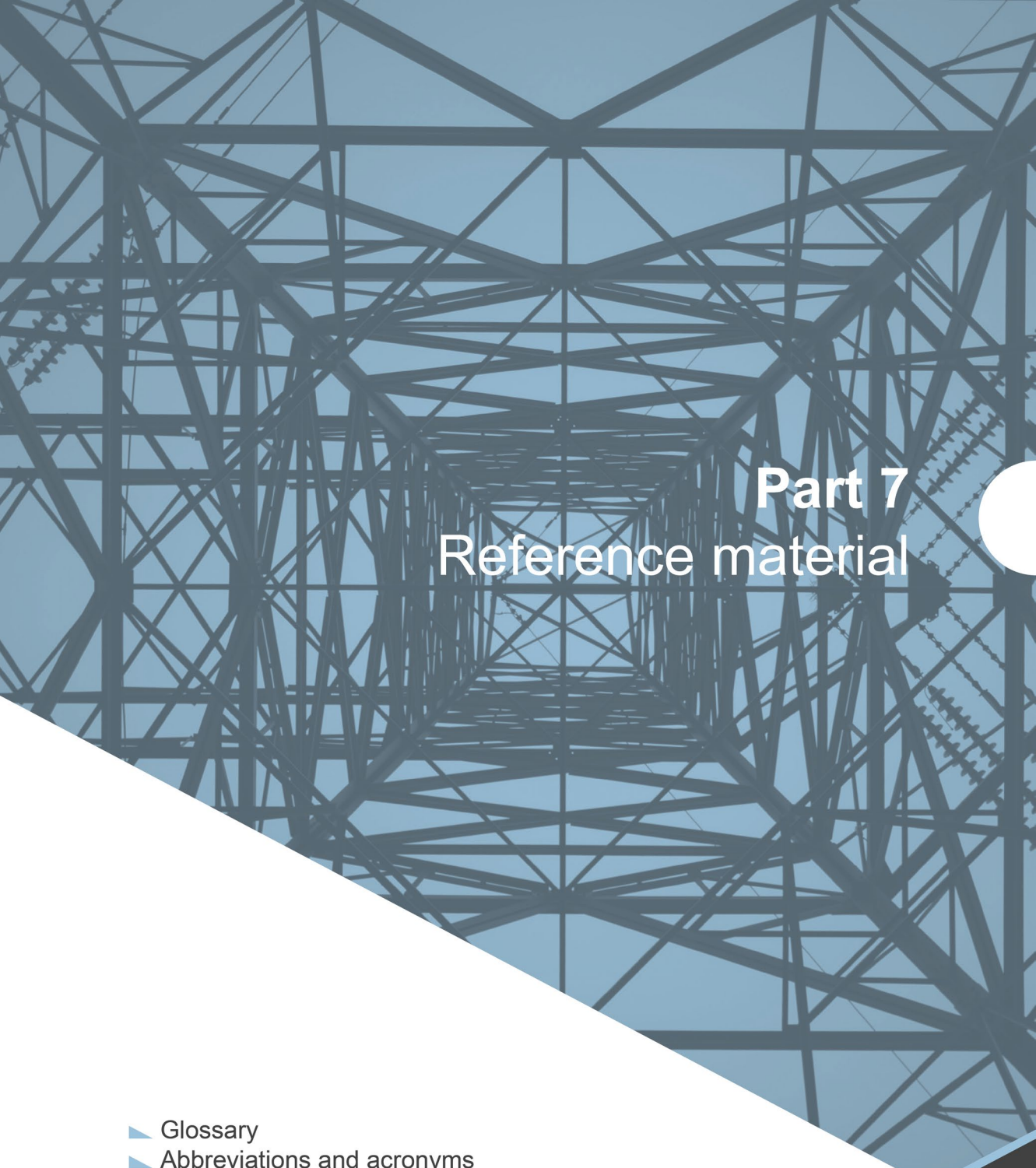
There were no Australia Day awards in 2022–23.

Appendix E: Corrections to previous annual report

Part 1: Overview

Finance executive

Page 18: Should read *Deputy Secretary Cath Patterson*.



Part 7
Reference material

- Glossary
- Abbreviations and acronyms
- List of requirements
- Index

Glossary

Term	Meaning
accountable authority instructions	Instructions issued to manage the affairs of an entity to promote the efficient, effective, economical and ethical use of Commonwealth resources.
Advances to the Finance Minister	Funding provisions enable urgently required funding allocations to be issued to entities.
appropriation	Public monies the parliament authorises the Australian Government to withdraw from the consolidated revenue fund for a specified purpose.
AusTender	The central web-based facility for the publication of Australian Government procurement information, including business opportunities, annual procurement plans and procurement contracts awarded.
Australian Government Investigations Standards	The Australian Government Investigations Standards set the minimum standard of conduct for entities conducting investigations into the programs and legislation they administer. The Standards are designed so entities may apply them and maintain a minimum quality standard within investigations. All non-corporate Commonwealth entities must keep to these standards.
Australian Government Office Occupancy Report	Covers office accommodation with 500 square metres or more, which is owned or leased by the Commonwealth. The report sets out the occupational density for entities against the current target of 14 square metres of office space per occupied work point.
Australian Public Service (APS) Employee Census	The Australian Public Service Employee Census is a voluntary survey in which APS employees may share their views about the APS. The survey is conducted annually and collects information on a range of workforce issues including health and wellbeing, employee engagement, performance management, leadership, and general impressions of the APS.
Budget	Sets out the fiscal and economic outlook for Australia, and includes expenditure and revenue estimates for the current financial year, the budget year, and 3 forward financial years. It identifies the government's social and political priorities and how they will be achieved. The Budget is usually announced in May each year.
career starter	A person completing a Year 12 certificate or equivalent by the end of the relevant year, or who has completed a Year 12 certificate within the last 24 months.
caretaker period	Begins when an election is called and the House of Representatives and half the Senate are dissolved. It ends when the election result is clear.
Central Advertising System	Coordinated procurement arrangement that consolidates government advertising expenditure and buying power to secure optimal media discounts on Commonwealth-wide media rates.
central agencies	The Department of the Prime Minister and Cabinet, the Treasury and the Department of Finance.
Central Budget Management System	The IT system used to manage the flow of financial information between Finance and Commonwealth entities to facilitate cash and appropriations management, the preparation of budget documentation, and financial reporting.
Charter of Budget Honesty Act 1998	Provides a legislative framework for the conduct and reporting of fiscal policy, government decisions and Commonwealth financial statements. It aims to improve discipline, transparency and accountability in the conduct of fiscal policy.
COMCAR	Provides car-with-driver and other ground transport services to the Prime Minister, the Governor General, members of parliament, judges and international guests of government.
Comcover	The Australian Government's self-managed general insurance fund.
co-mingled recycling	A process that allows for mixed recyclables to be disposed of in a single container. Recyclable materials include glass, plastic, metal and aluminium cans and containers.
Commonwealth entity	A department of state of the Commonwealth; a department of the parliament; an executive agency, or statutory agency, within the meaning of the Public Service Act 1999.

Term	Meaning
Commonwealth Procurement Rules	Rules representing the government policy framework under which Commonwealth entities undertake their own procurement in line with both Australia's international obligations and good practice. They enable entities to design processes that are robust and transparent and instil confidence in the Australian Government's procurement.
consolidated financial statements	Statements that present the whole-of-government financial results inclusive of all Australian Government-controlled bodies, including bodies outside the general government sector, such as Australia Post and the Reserve Bank of Australia.
consultant	A person or organisation providing professional, independent and expert advice or services. Typically the term is used to describe the application of expert skills to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; or provide independent advice, information or creative solutions to assist an entity in management decision-making.
corporate Commonwealth entity	A corporate Commonwealth entity is a body corporate that has a separate legal personality from the Commonwealth, and can act in its own right exercising certain legal rights such as entering into contracts and owning property. Most corporate Commonwealth entities are financially separate from the Commonwealth.
corporate plan	The primary planning document of a Commonwealth entity that sets out the objectives and strategies the entity intends to pursue in achieving its purposes over at least 4 reporting periods. A corporate plan explains what an entity's purposes are, what it will do to achieve its purposes, and how it will know that it has achieved its purposes.
Commonwealth company	A company established under the Corporations Act 2001 that the Commonwealth controls. A Commonwealth company is legally and financially separate from the Commonwealth.
costings or cost estimates	An assessment of the financial impact of a proposed policy change. Commonwealth entities are required to provide costings for any new policy proposals and seek Cabinet endorsement. Finance must agree to these costings before they can be incorporated in a submission for Cabinet.
eInvoicing	The automated digital exchange of invoice information between suppliers' and buyers' software through a secure network.
enterprise agreement	An employment agreement made directly between an employer and employees.
Expenditure Review Committee of Cabinet	The ministerial committee responsible for examining all proposals against the government's overall fiscal strategy, advising Cabinet on budget spending priorities and initiating reviews of individual ongoing programs.
Final Budget Outcome	Encompasses Australian Government general government sector fiscal outcomes for the financial year and is based on external reporting standards. The Charter of Budget Honesty Act 1998 requires that a Final Budget Outcome be released no later than 3 months after the end of the relevant financial year. The financial statements in the Final Budget Outcome are similar to those in the Budget but provide actual outcomes rather than estimates.
fiscal policy	The government's approach to taxation and spending, both of which can affect the economy.
fraud	Dishonestly obtaining a benefit, or causing a loss, by deception or other means. Accountable authorities of Commonwealth entities must take all reasonable measures to prevent, detect and deal with fraud in accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014.
full-time equivalent	Full-time equivalent is a point-in-time measure of the hours an employee is scheduled to work (irrespective of whether they are on paid or unpaid leave) converted to a proportion of 1 with adjustments for part-time employees. See below for calculation of FTE. **Calculation** Hours an employee is scheduled to work in the fortnight, divided by number of full-time hours in a fortnight (75).
Future Fund	A government fund established for accumulating assets to offset future Australian Government superannuation liabilities.

Term	Meaning
GovCMS	An open source web content management and hosting service developed to help agencies create modern, affordable and responsive websites, making it easier to collaborate and innovate. GovCMS helps reduce the technology and compliance burden on Commonwealth entities.
Government Business Enterprise	A Commonwealth entity or Commonwealth company that is prescribed as a government business enterprise by the rules of the Public Governance, Performance and Accountability Act 2013.
GovTEAMS	Finance's collaboration and communication platform for government.
GrantConnect	A single online point of discovery for information about all government grants. Individuals and organisations are able to register to receive notifications on grant opportunities relevant to them. Information on grant opportunities is presented to the public in a standard and consistent format.
Green Brief	A summary of a proposal and the associated financial implications, and Finance and central agency views on a proposal to be considered by the Expenditure Review Committee of Cabinet.
Independent Parliamentary Expenses Authority	Audits and reports on parliamentarians' work expenses. Provides advice to parliamentarians and their staff on travel and work-related expenses to support them in undertaking their duties, requiring that taxpayer funds be spent appropriately and in compliance with the relevant principles and regulations.
Indigenous Procurement Policy	A mandatory procurement-connected policy to leverage the Commonwealth's annual multibillion dollar procurement spend to drive demand for Indigenous goods and services, stimulate Indigenous economic development and grow the Indigenous business sector. The policy has 3 main parts: • a target number of contracts that need to be awarded to Indigenous businesses • a mandatory amount set aside for remote contracts and contracts valued between $80,000 and $200,000 • minimum Indigenous participation requirements in contracts valued at or above $7.5 million in certain industries.
machinery-of-government change	Sometimes referred to as an Administrative Arrangements Order (AAO) change, follows a prime ministerial decision to abolish or create an entity, move functions or responsibilities between entities, or move functions into, or out of, the Australian Public Service.
measure	A policy or decision of the government that affects revenues, expenses or capital.
Mid-Year Economic and Fiscal Outlook	Provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions taken since the Budget to allow assessment of the government's fiscal performance against the fiscal strategy statement. The Treasurer is required to publicly release and table in parliament a Mid-Year Economic and Fiscal Outlook report by the end of January each year, or within 6 months after the Budget, whichever is later.
near real-time funds	Automation of a daily payment function to enable Commonwealth entities to access their appropriations on a near real-time basis.
non-corporate Commonwealth entity	Non-corporate Commonwealth entities are legally and financially part of the Commonwealth. Examples include departments of state, parliamentary departments or listed entities. Non-corporate Commonwealth entities are established under power that comes from the Constitution, usually through legislation and the exercise of executive power. They form part of the executive government, are accountable to the parliament, and are subject to the PGPA Act, which further clarifies the financial and corporate governance arrangements of these bodies.
non-ongoing staff member	A person engaged as an employee under paragraph 22(2)(b) or (c) of the Public Service Act 1999.
ongoing staff member	A person engaged as an ongoing employee under paragraph 22(2)(a) of the Public Service Act 1999.
outcome	A government objective in a portfolio area. Outcomes are desired results, impacts or consequences for the Australian community influenced by the actions of the Australian Government. Actual outcomes are the results or impacts actually achieved.

Term	Meaning
performance information	Evidence about performance that is collected and used systematically. It relates to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention.
portfolio additional estimates statements	Inform senators and members of parliament of the proposed allocation of resources to government outcomes by entities within a portfolio.
portfolio budget statements	Statements that inform parliamentarians and the public of the proposed allocation of resources to government outcomes. They also assist the Senate standing committees with their examination of the government's Budget. Portfolio budget statements are tabled in parliament on Budget night and published as Budget-related papers.
Pre-election Economic and Fiscal Outlook	The Charter of Budget Honesty Act 1998 (the Charter) provides for the Secretary to the Treasury and the Secretary of the Department of Finance to release publicly a Pre-election Economic and Fiscal Outlook report within 10 days of the issue of the writs for a general election. The purpose of the report is to provide updated information on the economic and fiscal outlook. The information in the report takes into account, to the fullest extent possible, all government decisions and all other circumstances that may have a material effect on the economic and fiscal outlook in existence before the issue of the writs for an election.
procurement	Encompasses the whole process of acquiring goods and services. The process begins when a need is identified and a decision made on the acquisition requirements. It continues through to risk assessment, awarding of a contract, delivery of and payment for the goods and services and, where relevant, the ongoing management of the contract and consideration of disposal.
program	Actions taken by the government to deliver stated outcomes.
purpose	In the context of the *Public Governance, Performance and Accountability Act 2013*, purposes include the objectives, functions or role of a Commonwealth entity. Finance's purposes are described in the Corporate Plan 2022–23.
QBT	QBT is an Australian-owned travel management company providing services to government clients.
Resource Management Framework	Governs how the Commonwealth public sector uses and manages public resources. The *Public Governance, Performance and Accountability Act 2013* is the cornerstone of the framework.
risk management	The systematic application of policies, procedures and practices to clearly identify, analyse, evaluate, treat and monitor risks associated with identified opportunities. Risk is broadly defined as the effect of uncertainty on objectives or the impacts of unforeseen events or undesirable outcomes.
PGPA rule	In the context of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), a legislative instrument made by the Finance Minister under sections 101 to 105 of the PGPA Act prescribing matters: • required or permitted by the PGPA Act, or • necessary or convenient to be prescribed for carrying out or giving effect to the PGPA Act. The Public Governance, Performance and Accountability Rule 2014 supports the operation of the PGPA Act.
Service Delivery Office	Provides corporate transactions services to other Australian Government agencies. The office is one of 6 hubs under the Shared Services Program, which is an APS-wide initiative that is transforming the way the public service operates by consolidating and standardising the delivery of corporate services through designated shared services hubs.
Shared Services Program	A whole-of-government initiative that is transforming the way the public service operates by consolidating and standardising the delivery of corporate services through designated shared services hubs.
Shared Services Transformation Initiative	Part of the government's vision for a more efficient and sustainable public sector. The initiative will transform the way the Australian Public Service operates by reforming and standardising traditional operating models to enable a one-APS way of doing business.

Term	Meaning
underlying cash balance	The underlying cash balance is a cash measure that shows whether the Australian Government has to borrow from financial markets to cover its operating activities and net investments in non-financial assets used in the provision of goods and services.

Abbreviations and acronyms

AANZFTA	ASEAN-Australia-New Zealand Free Trade Agreement
AAS	Australian Accounting Standards
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AEC	Australian Electoral Commission
AGGP	Australian Government Graduate Program
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation forum
APS	Australian Public Service
APSC	Australian Public Service Commission
AS	Assistant Secretary
ASC	Australian Shipbuilding Corporation
ASEAN	Association of Southeast Asian Nations
CCE	corporate Commonwealth entity
CFS	consolidated financial statements
CPA	Certified Practising Accountants
CPF	Commonwealth Performance Framework
CPI	Consumer Price Index
CSS	Commonwealth Superannuation Scheme
DFAT	Department of Foreign Affairs and Trade
DTA	Digital Transformation Agency
EB	Executive Board
ERP	enterprise resource planning
FAS	First Assistant Secretary
FBO	Final Budget Outcome
Finance	Department of Finance
FRSC	Financial Reporting Subcommittee
FTA	Free Trade Agreement
FTE	full-time equivalent
FMiAO	Future Made in Australia Office
GBE	government business enterprise
GovERP	whole-of-government Enterprise Resource Planning

GovTEAMS	The department's collaboration and communication platform for government
GST	Goods and Services Tax
HR	Human Resources
IAP	Indigenous Apprentice Program
ICT	information and communications technology
IFLA BILL	Investment Funds Legislation Amendment Bill 2021
IPP	Indigenous Procurement Policy
JCPAA	Joint Committee of Public Accounts and Audit
MaPS	Ministerial and Parliamentary Services
MOP(S) Act	Members of Parliament (Staff) Act 1984
MYEFO	Mid-Year Economic and Fiscal Outlook
NBN	National Broadband Network
NCE	non-corporate Commonwealth entity
NIC	National Intermodal Corporation
NSOP	National Security Office Precinct
OAIC	Office of the Australian Information Commissioner
OECD	Organisation for Economic Co-operation and Development
ONDC	Office of the National Data Commissioner
PBS	Portfolio Budget Statement
PCSS	Parliamentary Contributory Superannuation Scheme
PEFO	Pre-election Economic and Fiscal Outlook
PEMS	Parliamentary Expenses Management System
PGPA Act	Public Governance, Performance and Accountability Act 2013
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PM&C	Department of the Prime Minister and Cabinet
POE	Property Operating Expenses
PRSC	Performance Reporting Subcommittee
PSM	Public Service Medal
PSS	Public Sector Superannuation Scheme
PSSAP	Public Sector Superannuation Accumulation Plan
PSP	Property Service Providers
RMG	Resource Management Guide
SDO	Service Delivery Office
SES	Senior Executive Service

SHL	Snowy Hydro Limited
SME	small and medium-sized enterprises
SPORG	Senior Procurement Officials Reference Group
WHS	work health and safety
WHS Act	Work Health and Safety Act 2011
WoAG	Whole-of-Australian-Government
WSA	Western Sydney Airport
WTO	World Trade Organization

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	**Letter of transmittal**		
17AI	iii	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	**Aids to access**		
17AJ(a)	iv	Table of contents (print only).	Mandatory
17AJ(b)	228	Alphabetical index (print only).	Mandatory
17AJ(c)	219	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	222	List of requirements.	Mandatory
17AJ(e)	ii	Details of contact officer.	Mandatory
17AJ(f)	ii	Entity's website address.	Mandatory
17AJ(g)	ii	Electronic address of report.	Mandatory
17AD(a)	**Review by accountable authority**		
17AD(a)	4	A review by the accountable authority of the entity.	Mandatory
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	27	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	37	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	30	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	28	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	31	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	31	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	31	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	37	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c)	**Report on the Performance of the entity**		
	Annual performance Statements		
17AD(c)(i); 16F	42	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	**Report on Financial Performance**		
17AF(1)(a)	66	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	196	A table summarising the total resources and total payments of the entity.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
17AD(d)	**Management and Accountability**		
	Corporate Governance		
17AG(2)(a)	79	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	70	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	80	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
	Audit Committee		
17AG(2A)(a)	74	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	75	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	75	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	75	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	75	The remuneration of each member of the entity's audit committee.	Mandatory
	External Scrutiny		
17AG(3)	80	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	80	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	80	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
	Management of Human Resources		
17AG(4)(a)	96	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(aa)	103	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory
17AG(4)(b)	103	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	110	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory
17AG(4)(c)(i)	111	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	111	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	111	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
	Assets Management		
17AG(5)	84	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
	Purchasing		
17AG(6)	90	An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory
	Reportable consultancy contracts		
17AG(7)(a)	92	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	92	A statement that "*During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]*".	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(7)(c)	92	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	92	A statement that "*Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.*"	Mandatory
	Reportable non-consultancy contracts		
17AG(7A)(a)	93	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	93	A statement that "*Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.*"	Mandatory
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts**		
17AGA	92	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
	Australian National Audit Office Access Clauses		
17AG(8)	91	If an entity entered into a contract with a value of more than $100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
	Exempt contracts		
17AG(9)	90	If an entity entered into a contract or there is a standing offer with a value greater than $10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
	Small business		
17AG(10)(a)	91	A statement that *"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."*	Mandatory
17AG(10)(b)	91	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	91	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "*[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website*."	If applicable, Mandatory

	Financial Statements		
17AD(e)	123	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive Remuneration		
17AD(da)	202	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f)	**Other Mandatory Information**		
17AH(1)(a)(i)	201	If the entity conducted advertising campaigns, a statement that *"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, Mandatory
17AH(1)(a)(ii)	N/A	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	201	A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."*	If applicable, Mandatory
17AH(1)(c)	201	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	201	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	212	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	N/A	Information required by other legislation	Mandatory

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