Australian Government
Department of Finance

# Annual Report
2023–24

**Acknowledgement of Country and Traditional Owners**

The Department of Finance acknowledges the traditional owners and custodians of the land in which we live and work, and we acknowledge their continuing connection to country, waters and community.
We pay our respects to all elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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**Contact information**

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Our website contains accessible versions of our corporate plans[1] and annual reports[2].

The Australian Government Transparency portal contains online versions of Australian Government corporate plans and annual reports.

1 https://www.finance.gov.au/publications/corporate-plan
2 https://www.finance.gov.au/publications/annual-report

# Letter of transmittal

**Australian Government**

**Department of Finance**

**Jenny Wilkinson PSM**
**Secretary**

Our Ref: EC24-001412

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 2023–24.

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 2024.

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, and
- I have taken all reasonable measures to appropriately deal with fraud relating to the department.

Yours sincerely

J. Wilkinson

Jenny Wilkinson
Secretary

2 October 2024

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# Secretary's review



I am pleased to present the Department of Finance 2023–24 Annual Report. This annual report provides an overview of our achievements, financial position and performance for 2023–24.

This year was a busy one across all key functions in our department. In 2023–24, we contributed to the delivery of policy and services for all Australians, we supported the government to deliver budgets including through fiscal policy advice, supported decision making on commercial matters, provided shareholder oversight of government businesses, and continued to drive value in government spending through our work on resource management frameworks. The year in focus section of this report provides an overview of some of our key achievements during the year in a greater level of detail.

We supported the Australian Government's financial decisions through the provision of high-quality advice to government and the broader Australian Public Service (APS). In collaboration with Treasury, we delivered the 2024–25 Budget in May 2024. We achieved this through the preparation of Budget papers and appropriation bills, provision of advice, information and costings of policy proposals, and engagement in Cabinet processes.

We continue to support an efficient and high-performing public sector through our stewardship and leadership role in the Commonwealth. Our frameworks cover a broad range of systems, services, and oversight roles, including in areas such as public sector governance, performance, procurement, grants, property, risk management, and ICT systems. We continue to provide whole-of-government advice on regulatory reform and digital and data strategy, focusing particularly on cross cutting priorities.

Together with our portfolio entities, we provided support to parliamentarians and their staff through the delivery of, and advice on, work expenses and allowances, entitlements, and a range of offered services, such as processing of payroll and expense payments, electoral office fit outs, and COMCAR services. In October 2023, functions relating to the provision of human resources, work, health and safety and education services to parliamentarians and their staff were transitioned to the Parliamentary Workplace Support Service.

In February 2024, we welcomed 30 new graduates, 24 career starters, 7 digital cadets and 2 data graduates to our workforce. Our graduates have participated in the Finance Graduate Development Program, which is delivered through mentorships, training modules and on-the-job learning. This year we launched a bespoke development program for the whole-of-government Accounting and Financial Management Stream graduate cohort to address critical gaps, which was supported by the accounting and finance profession with a focus to uplift capability in these areas.

In the year ahead, we will maintain a focus on providing budget updates, being active stewards of the frameworks we are responsible for and progressing applications of the use of data and digital technologies. At the same time, we will advance regulatory reforms and the procurement integrity agenda. Internally, we are focusing on strengthening our data and digital capabilities, including the application of artificial intelligence.

I would like to acknowledge the contributions and commitment of all our staff at Finance, along with our portfolio entities and partners across the APS over this past year. I am privileged to lead a department committed to excellence, collaboration and providing high quality support to the Government and Commonwealth agencies. I am pleased to report on our performance against our purpose for 2023–24.

**Jenny Wilkinson PSM**

Secretary, Department of Finance

# 2023–24:
# The year in focus

# Supporting government priorities

We support the government's priorities through the Budget process and foster effective public sector practice through the public sector resource management, governance, and accountability frameworks.

The nature of our role as a central agency means we are uniquely positioned to lean into support and partner with our APS colleagues to achieve these priorities.

## 2024–25 Budget

In 2023–24, we supported government achieve its fiscal and policy objectives through the delivery of the 2024–25 Budget. We achieved this through our strong, collaborative relationships across the APS and a deep understanding of policy, accounting and legislative frameworks.

We partnered with Treasury to provide the government high-quality and timely advice on budget and fiscal policy. We also worked closely with Treasury on the continuous improvement of budgeting processes and systems, which is leading to better delivery of outcomes. Through our agency advice units, we worked closely with portfolios and the other central agencies to help shape the development of complex policies, such as the reforms to the National Disability Insurance Scheme and aged care, both of which are critical to fiscal sustainability. More broadly, we provided advice to government on the fiscal and policy impacts of policy proposals being considered across all portfolios to assist government prioritisation and decision making.

> ... we achieved this through our strong, collaborative relationships

Our Financial Analysis, Reporting and Management Division supported public service agencies in the annual budget process through accounting policy. This division also provided technical leadership on contemporary financial management through the Portfolio Departments' Chief Financial Officers Forum and the Financial Stewardship Forum.

## Passage of the Digital ID Bill 2024

Throughout 2023–24, we supported the government to develop Digital ID legislation, culminating in the passage of the Digital ID Bill (the Bill) in May 2024. This was a significant milestone and the result of extensive public consultation processes to inform the development of the legislative framework for an economy-wide Digital ID system in Australia. We released an exposure draft of the Bill from September to October 2023 and received 112 submissions and 1,346 survey responses from stakeholders. We also held targeted industry association roundtables, public webinars, and engagements with Commonwealth, state and territory government agencies.

On 30 November 2023, the Bill was introduced in the Senate and then referred to the Senate Economics Legislation Committee for inquiry, which reported in February 2024. Throughout this period, we supported the Minister to make a range of amendments in the Senate in March 2024 to address feedback from community and industry, and other issues raised in the Committee's inquiry. This included strengthening safeguards to help ensure that Digital ID services protect an individual's privacy, and are voluntary, accessible, and inclusive. The Bill passed Parliament on 16 May 2024, receiving Royal Assent on 30 May 2024. When the legislation commences on 1 December 2024, it will establish a secure, convenient, voluntary, and inclusive way for Australians to verify their ID online.

## Release of the Data and Digital Government Strategy

In December 2023, the government released its first combined data and digital strategy as a blueprint for APS use and management of data and digital technologies. The Data and Digital Government Strategy (the strategy) is a call to action to the APS to use data and digital technologies to improve how we deliver services and make decisions, with a goal of delivering better outcomes for all people and business. We are proud to have developed the strategy with the Digital Transformation Agency. Together, we undertook extensive consultation in June to July 2023 to ensure the strategy is focused on things that make a difference to people and business. We heard from a wide range of stakeholders including members of the public, the community sector, businesses and state and territory governments and worked hard to incorporate the range of views and expectations within the strategy.

> ... to use data and digital technologies to improve how we deliver services

In 2024, we led several initiatives under the strategy that will build the data and digital foundations in the APS. We released the senior executive service Accountabilities for Data in March 2024 to support government entities to better understand their responsibilities for data, and the key role performed by a Chief Data Officer. In May 2024, we rolled out the first APS-wide Data Maturity Assessment Tool to develop a clearer picture of our data maturity as a service and to identify areas of opportunity for further focus and investment. We also supported the National Indigenous Australians Agency in the development and release of the Framework for Governance of Indigenous Data. The framework will guide the APS to partner with Aboriginal and Torres Strait Islander people on issues impacting them, including providing them with meaningful access to government-held Indigenous data.

## Modernising document execution: Digitising Commonwealth statutory declarations

We collaborated with the Attorney-General's Department and Services Australia to develop a first-of-its-kind digital solution that delivers a simple, secure and accessible way to complete a Commonwealth statutory declaration in myGov, using Digital ID. This solution removes the need for wet-ink signatures and witnessing requirements. As at 30 June 2024, 22,602 digital Commonwealth statutory declarations have been completed.

Engaging with academics, businesses, consumers, community and public administration organisations enabled us to co-design the digital solution and develop legislative amendments to enable its use. On 12 June 2024, this collaboration received a merit award for digital innovation at the Australian Capital Territory finals of the Australian Information Industry Association's annual iAwards and has been nominated as a finalist in the Institute of Public Administration Australia's 2024 Spirit of Service Awards.

## AUKUS nuclear-powered submarine program

A major nuclear-powered submarine (NPS) program milestone was reached this year with announcement by the Deputy Prime Minister on 22 March of ASC Pty Ltd (ASC) and BAE as Australia's sovereign submarine partners. Throughout 2023-24, we continued to provide advice on several aspects of the NPS program to our Minister; the Australian Submarine Agency (ASA); and to our 2 Government Business Enterprises with a role in the NPS program, ASC and Australian Naval Infrastructure (ANI).

For the ASA we have provided advice on a range of policy issues associated with the NPS program. This included advice in relation to commercial partnerships, infrastructure and land requirements, international legal arrangements, and workforce and skills development.

As a shareholder we work closely with ASC and ANI on governance, financing, and workforce implications of their part in the NPS program. We also support our Minister in her capacity as the sole shareholder of ASC and joint shareholder of ANI. This support included oversight and advice on the infrastructure equity funding arrangements required to support ANI in its work.

ASC has been selected for the sustainment of nuclear-powered submarines, commencing with the Virginia class and followed by the SSN-AUKUS. ASC and BAE Systems were jointly selected to build Australia's SSN AUKUS submarines through an incorporated joint venture that will bring together and leverage the unique and complementary capabilities, skills, expertise and resources of the 2 partners. We have provided advice to ASC and support and advice to our Minister about ASC's requirements to fulfill these roles and we continue to support ASC and the ASA in the negotiations to establish the joint venture.

> … bring together and leverage the unique and complementary capabilities, skills, expertise and resources

# Improving transparency and integrity

Australians have high expectations of government and the public service, particularly in relation to the integrity and effectiveness of government institutions, frameworks, and decision-making processes. It is important that these expectations are met.

We are responsible for several frameworks which support entities across the APS in their proper use and management of public resources. We provide guidance and capability support to help entities meet their obligations.

In 2023–24, we progressed several initiatives to improve transparency and integrity.

## Introduction of the new Digital Annual Reporting Tool and data repository

A new Digital Annual Reporting Tool, enhanced Transparency Portal[3] and whole of government data repository[4] were introduced during 2023–24. The Digital Annual Reporting Tool supports a user-friendly authoring experience for *Public Governance, Performance and Accountability Act 2013* (PGPA Act) entities and companies entering their annual reports onto the Transparency Portal. The Transparency Portal contributes to the government's integrity agenda through improved transparency of entity activities and access to whole of government data for the Parliament and the public. The data repository builds on previous financial year data sets and contains data from all entity annual reports that can be queried on a whole of government basis.

A key enabler of robust data is a user-friendly authoring tool. We worked with entities in 2022 to design requirements and select a new tool to enhance user experience to provide more reliable data on the portal and the data repository. During 2023–24, the new tool was used to successfully publish all eligible 2022–23 annual reports to the portal.

> a streamlined experience … scalable and intuitive, taking advantage of advancements in technology.

In 2023–24, we have invested further in the tool by rolling out improvements to enable a one-stop solution for drafting and preparing a final annual report that satisfies physical and online tabling requirements, as well as providing reliable data sets in the data repository. This has further promoted a streamlined experience using new practices that are scalable and intuitive, taking advantage of advancements in technology.

3 https://www.transparency.gov.au/
4 https://www.transparency.gov.au/data-sets

## Bolstering integrity amongst Commonwealth suppliers

The Commonwealth requires its suppliers to conduct themselves with high standards of ethics such that they consistently act with integrity and accountability. To support these principles, we have introduced the Commonwealth Supplier Code of Conduct (the code) to set out the behavioural expectations of suppliers, their personnel and their subcontractors while under contract with the Commonwealth. The code applies to all Commonwealth contracts from 1 July 2024 and places a positive duty on suppliers to take proactive action to prevent and discourage breaches of the code. The development of the code is a key initiative to shape and maintain the minimum expectations of Commonwealth suppliers. There are 3 categories of expectations: ethical behaviour; corporate governance and business practices; and health, safety, and employee welfare.

The code is mandated through the Commonwealth Procurement Rules which require all relevant Commonwealth entities to incorporate the code into all Commonwealth forms of contracts. Where requested by the Commonwealth, tenderers and suppliers must be able to demonstrate they have appropriate policies and frameworks in place regarding ethics, governance and accountability to comply with these expectations. Failure to adhere to the code may result in remedial action, including termination in accordance with contractual provisions. The code is supported by the Commonwealth Contracting Suite, ClauseBank and guidance material on our website[5].

> ... a key initiative to shape and maintain the minimum expectations of Commonwealth suppliers

We have also developed and published frequently asked questions to assist businesses and Commonwealth entities to understand the introduction of the code and how it applies to Commonwealth suppliers.

5 https://www.finance.gov.au/government/procurement/commonwealth-supplier-code-conduct-overview

## Enhancements to the Parliamentary Expenses Management System (PEMS)

The release of the PEMS Expenditure Reporting functionality in December 2023 enabled recommencement of the public reporting of parliamentary expenditure. This supported the ongoing commitment to providing transparency in government. In delivering this milestone, we focused on improved governance arrangements and working more collaboratively with the users of the system to understand the requirements and what was essential to deliver on the project objectives.

As previously reported, the delivery of earlier parts of the PEMS project had been less than ideal. We have used this opportunity to review our approach to project delivery to inform improvements to our business processes going forward. This has included adopting a more collaborative approach to project delivery at all stages of the project lifecycle, having a clearly defined and agreed scope and deliverables, following a structured approach to gathering and agreeing user requirements, and appropriate business lead oversight to monitor changes to scope and requirements. We continue to work closely with the Digital Transformation Agency and other government departments to share these lessons with our APS colleagues.

## Commonwealth Climate Disclosure Pilot

The Commonwealth Climate Disclosure initiative will ensure the government anticipates, responds and continues to deliver on its climate change commitments. The initiative brings the public sector into a similar position as the private sector. It helps Commonwealth entities and companies to manage, and then transparently disclose, their climate risks and opportunities within annual reports. The Commonwealth Climate Disclosure Pilot was created to show leadership on climate disclosure while also building our internal skills and capability to deliver the initiative. It was designed to be challenging enough that entities would test their readiness and develop the capability needed to meet the future Commonwealth Climate Disclosure Requirements.

> … ensure the government anticipates, responds and continues to deliver on its climate change commitments

The pilot included the 16 Departments of State, with other entities able to opt in. Climate disclosures made under the pilot are published in participating entities' financial year 2023–24 annual reports, including our own pilot disclosure. We offered a range of support services and resources to help these participants, such as webinars, an example pilot disclosure, guidance, review services and one-on-one meetings. Participants have reported they benefitted from the pilot, with early feedback indicating that the webinars and example pilot disclosure were most useful. This will inform what we offer next year to support the next phase of implementation of Commonwealth Climate Disclosure. This is promising for future climate action and climate risk management across government.

# Capability building across the Commonwealth and broader economy

We play an integral role in supporting and building capability across the Commonwealth in all our key activities, and increasingly in the broader economy, particularly in our commercial activities.

Building capability across the Commonwealth and the private sector is an important element to improving the management of public resources.

We achieved this through our formal learning and development offerings, proactive outreach, tailored engagement activities, and recognition initiatives.

We lead 2 of the whole-of-government professional streams, the accounting and finance profession and the procurement and contracting profession, whose key objectives are to build capability, networks and best practice approaches for public servants working in these areas.

## Learning and development offerings

We offer a broad range of curriculum-based learning and development opportunities across our functions and frameworks. In 2023–24, we delivered:

- the Financial Analysis training program together with the Australian Graduate School of Management from the University of New South Wales, which aims to develop the financial analysis skills of participants, from fundamental skills such as understanding financial statements to more complex concepts such as debt financing for GBEs
- the GBE Legal and Governance Essentials training program together with the Australian Government Solicitor, which explores the legal and governance issues that are commonly encountered in establishing and overseeing a GBE
- the Commonwealth Procurement and Contract Management Training Suite, in collaboration with the APS Academy, to cover APS participants across 101 Commonwealth entities aimed at improving procurement and contract management capability across the Commonwealth, and
- the Comcover Education Program consisting of 4 learning pathways (foundation, generalist, specialised and senior executive service professional development) designed to increase risk management capability across the Commonwealth.

### Continuing to grow the accounting and finance profession in the APS

Across 2023 and 2024, we have continued to work in partnership across the APS and with professional accounting bodies, to attract, develop, and retain accounting and finance professionals. Key initiatives and achievements include the successful launch of a new quarterly training initiative, a notable increase in applications for the 2025 Australian Government Graduate Program, Accounting and Financial Management stream, the launch of a targeted development program for the 2024 graduates, and the inaugural APS Accounting and Finance Conference held in November 2023.

> … attract, develop, and retain accounting and finance professionals

Looking ahead, we remain committed to attracting talent and advancing APS capability in the accounting and finance profession. We will continue to drive these initiatives through collaboration, with a focus on attracting entry level employees and growing the future Chief Financial Officer cohort. Through ongoing training initiatives, strategic partnerships, and targeted recruitment efforts, we aim to develop and grow a future pipeline capable of navigating complex financial landscapes and driving outcomes for the Australian public.

## Proactive outreach and tailored engagement activities

We are committed to being active stewards of the resource management frameworks that we are responsible for. This is demonstrated through our proactive outreach activities, supported by the availability of digital guidance and web-based resources, provision of practical and pragmatic advice, and hosting of communities of practice. We also administer the GovTEAMS platform, which enables us to collaborate across the Commonwealth.

In 2023–24, we:

- conducted 30 Accountable Authority briefings, to inform the person or body appointed as responsible for a Commonwealth entity of their duties under the PGPA Act
- delivered 17 tailored '101 Commonwealth Performance Framework' sessions, attended by over 170 officials
- held 17 governance forums to support entities in the ongoing management of Commonwealth Property Policy and the Whole-of-Australian-Government Property Services Coordinated Procurement Arrangements
- provided ad-hoc 'Train the Trainer' sessions for the Parliamentary Document Management System, to support newly onboarded administration teams
- facilitated specialised PEMS training for *Members of Parliament (Staff) Act 1984* employees, including multiple online sessions for 54 participants and face-to-face sessions in the Commonwealth Parliamentary Offices in Brisbane, Perth, Sydney and Melbourne for 27 participants
- hosted a series of Meet the Supplier events for the Management Advisory Services panel, offering a mechanism for panel suppliers to promote service offerings and capabilities to potential APS buyers attracting 187 participants across 6 events, and
- hosted several communities of practice across the breadth of our work, including for procurement, risk management, annual reporting, and climate action in government operations.

### Buy Australian Plan – making procurement easier to navigate for small and medium enterprises

The Buy Australian Plan aims to use government purchasing power to generate more economic, social and environmental benefits for the Australian public. The plan improves the way government supports businesses to deliver better value for money, grow the local economy and build sovereign capability. Implementation of the plan is a whole-of-government effort with Finance having an overarching coordination role.

Over the course of 2023–24, we have been driving implementation of the plan, including providing resources to raise awareness of opportunities to sell to the government and uplift the capability of small and medium enterprises to compete for government contracts. These have included:

- substantial updates to the Selling to Government website[6], the key resource we provide to support suppliers in understanding government procurement, to ensure information is accessible and easy to understand
- delivery of 28 workshops and webinars to almost 700 business and industry stakeholders, to improve their ability to participate in government procurement, and
- participating in 27 industry events across Australia connecting with almost 1,200 business and industry stakeholders to promote available resources and support potential suppliers in understanding opportunities to participate in government procurement.

> … better value for money, grow the local economy and build sovereign capability

These industry-focused activities complement broader initiatives to professionalise and uplift the capability of APS officials working in procurement and contract management roles.

## Recognition initiatives

Recognition initiatives, including our award programs aim to lift the capability of the Commonwealth, drive effective engagement, and demonstrate a commitment to excellence in risk management and procurement.

### Commonwealth Awards for Excellence in Risk Management 2023

The Commonwealth Awards for Excellence in Risk Management demonstrate a commitment to excellence in risk management by recognising entities that have risk management systems that support innovation and improved decision-making. The awards promote and showcase proven risk management practices, which can be adopted by other entities, to enhance risk management capability across the Commonwealth.

6 https://www.sellingtogov.finance.gov.au

There were 3 award categories in 2023:

- enterprise-wide – for excellence in implementing an entity's risk management frameworks, practices and processes
- risk initiative – for excellence in risk management demonstrated by a specific entity program/project, or service delivery initiative, and
- risk in focus – insurable risk – each year the risk in focus category centres on a different area of risk management. The focus for 2023 was 'insurable risk'.

The Hon. Patrick Gorman MP, Assistant Minister to the Prime Minister and Assistant Minister for the Public Service, delivered the keynote address and presented the awards to the winning entities at the awards ceremony held on 21 November 2023 in Canberra.

### Procurement and Contract Management Awards for Excellence

The Commonwealth Procurement and Contract Management Awards for Excellence were launched in 2019 and promote the important role that procurement and contract management plays in delivering services and outcomes for government, the Australian public, and the business community. There were 3 award categories in 2023:

- building entity capability – recognising leadership or excellence in building procurement and/or contract management capability across an entity or across the APS value for money is delivered throughout the procurement lifecycle
- encouraging environmental sustainability through procurement – recognising strategies or approaches to a procurement which generate outcomes and value to Australia above and beyond the value of the goods and services being procured, and
- generating broader benefits to the Australian economy though procurement – recognising leadership in using recycled content and embedding environmental sustainability into procurement design and delivery, including the management of the ongoing arrangement.

Video presentations of past winning nominations are shared with Commonwealth entities through the community of practice to showcase innovation and best practice, and to encourage collaboration between entities when undertaking similar procurement activities.

The 2023 Awards ceremony was held on 9 November 2023 at the National Library of Australia. The awards were attended by the Hon Patrick Gorman MP, Assistant Minister to the Prime Minister, Assistant Minister for the Public Service and hosted by the Finance Secretary.

# Part 1:
# Overview



We support the government's priorities through the Budget process and foster effective practice through the public sector resource management, governance, and accountability frameworks. We play a leading role in advising the government on many of its strategic priorities, including on the arrangements for the management and ownership of public assets, and data and digital strategy.

## Purpose

Our purpose is to:

> 'Provide high-quality advice, frameworks, and services to achieve value in the management of public resources for the benefit of all Australians'.

We achieve our purpose through 6 key activities:



## Role and core functions

We have a broad role and range of core functions, which includes:

- supporting the delivery of the Budget, key economic updates, and the delivery of the government's fiscal strategy, including advice on expenditure across all portfolios
- supporting Commonwealth entities and companies to meet the requirements and policy intent of the resource management framework, including in relation to the PGPA Act
- enhancing integrity and transparency of the Commonwealth's procurement and grants processes, through the provision of guidance and support to Commonwealth entities, the private sector, and non-government organisations, and stewardship of the overarching frameworks
- supporting the government to put in place the legislative framework to create an economy-wide Digital ID system in Australia
- uplifting APS-wide capability in procurement, contracting, accounting, performance reporting and risk management
- progressing the government's commitment to reduce APS emissions to net zero by 2030 and implementing the low emissions vehicle target for the Commonwealth fleet
- enhancing the use of data across government and in the wider research community to improve policy advice and delivery through the government's Digital and Data Strategy
- delivering quality and effective ICT services to the Commonwealth and shared services to our client agencies
- progressing regulatory reforms to improve outcomes, and
- working with portfolio entities to effectively support to parliamentarians and their staff.

**Figure 1:** 2023–24 Outcome and program structure

## 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 Group

## 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, service delivery, and managing, acquiring, and divesting government investments.

**Programs**

- **2.1** Public sector governance
- **2.2** DATA Scheme
- **2.3** Property and construction
- **2.4** Insurance and risk management
- **2.5** Procurement
- **2.6** Delivery of government technology services
- **2.7** Service Delivery Office
- **2.8** Public sector superannuation
- **2.9** Australian Government Investment Funds
- **2.10** Nuclear powered submarine program advice

**Contributing business areas**: Business Enabling Services, Commercial Group, Governance and Resource Management Group

## 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 areas**: Business Enabling Services

## Portfolio overview

During the 2023–24 reporting period, 2 ministers were responsible for the Finance portfolio:



**Senator the Hon Katy Gallagher**
Minister for Finance



**Senator the Hon Don Farrell**
Special Minister of State

We are a department of state and lead a diverse portfolio. At 30 June 2024, the Finance portfolio included:

**Department of Finance**
Portfolio Secretary:
Jenny Wilkinson PSM

**Australian Electoral Commission**
Electoral Commissioner:
Tom Rogers

**Commonwealth Superannuation Corporation**
Chair:
Garry Hounsell

**Digital Transformation Agency**
Chief Executive Officer:
Chris Fechner

**Future Fund Management Agency**
Chair:
Hon Greg Combet AO

**Independent Parliamentary Expenses Authority**
Chief Executive Officer:
Annwyn Godwin

**Parliamentary Workplace Support Service**
Chief Executive Officer:
Leonie McGregor

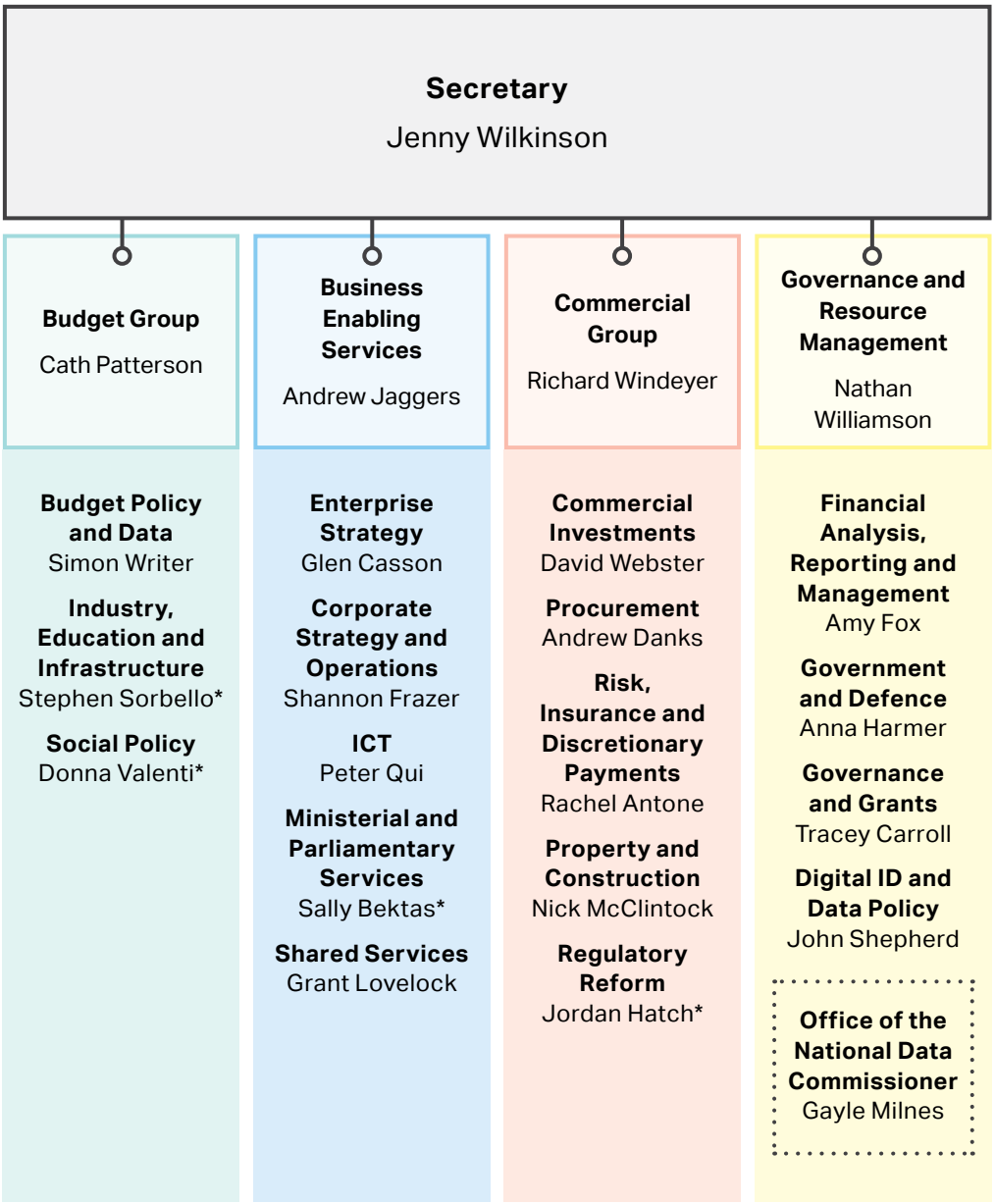
**ASC Pty Ltd**
Chair:
Bruce Carter AO

**Australian Naval Infrastructure Pty Ltd**
Chair:
Lucio Di Bartolomeo

## Organisational structure

Finance's Accountable Authority is Jenny Wilkinson PSM, Secretary, who occupied the position for the full 2023–24 reporting year.

**Figure 2:** Organisational structure as at 30 June 2024




* indicates an acting arrangement

# Part 2:
# Non-financial performance

## Statement of preparation

As accountable authority for the Department of Finance, I present the 2023–24 Annual Performance Statements, as required under paragraph 39(1)(a) of the PGPA Act. In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

In accordance with subsection 16F of the PGPA Rule, these statements report on our performance in the year ended 30 June 2024, assessed against the purpose, key activities, and performance measures relevant to Finance published in:

- 2023–24 Department of Finance Corporate Plan
- 2023–24 Finance Portfolio Budget Statements.



**Jenny Wilkinson, PSM**
Secretary, Department of Finance

2 October 2024

## Our purpose

We have a single purpose to '**provide high-quality advice, frameworks, and services to achieve value in the management of public resources for the benefit of all Australians**'. As set out in our 2023–24 Corporate Plan, we achieve our purpose through 6 key activities:

- Budget and financial (KA1)
- Resource management frameworks (KA2)
- Commercial interests (KA3)
- Enabling service delivery (KA4)
- Data and digital strategy (KA5)
- Ministerial and parliamentary services (KA6).

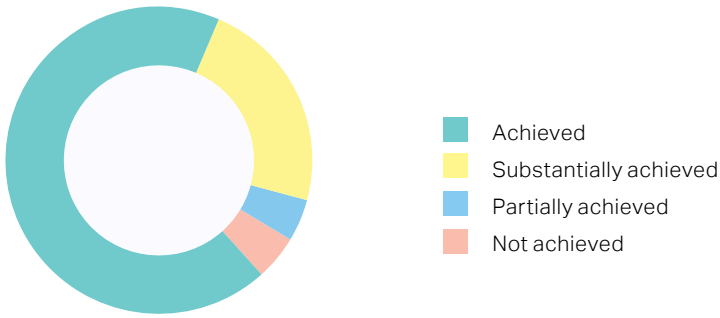
In 2023–24, we had 22 performance measures, consisting of 37 targets across the 6 key activities to assess our performance against the activities undertaken to achieve our purpose.

## Performance summary

Our performance framework includes a combination of output, efficiency, effectiveness and proxy measures, and associated targets to assess our performance. There have been some changes to performance measures and targets from the previous reporting period. Where possible, we have included the previous year results to demonstrate our performance over time[7].

In 2023–24, we achieved 15 measures (68 per cent), substantially achieved 5 measures (22 per cent), partially achieved 1 measure (5 per cent) and did not achieve 1 measure (5 per cent) (see Figure 3).

**Figure 3:** Overall performance results for 2023–24




Overall, we substantially achieved our purpose in 2023–24. As demonstrated in our annual performance statements, we provided high-quality advice, frameworks, and services to achieve value in the management of public resources. Table 1 below summarises our performance results for each key activity and provides a comparison to the 2022–23 result, where possible.

**Table 1:** 2023–24 Performance results by key activity, and comparison to 2022–23 result

| Performance measures | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| Key activity 1 – Budget and financial | | | |
| 1.1 | Budget updates and appropriation bills | Substantially achieved | Substantially achieved |
| 1.2 | Financial statements | Substantially achieved | Achieved |
| 1.3 | Daily disbursement of cash | Fully achieved | Achieved |

7 See Table 2 for a comparison of assessment scales for 2022–23 and 2023–24.

| Performance measures | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| Key activity 2 – Resource management frameworks | | | |
| 2.1 | Governance, accountability, and performance | Fully achieved | Achieved |
| 2.2 | Stewardship over procurement systems and policies | Fully achieved | Achieved |
| 2.3 | Whole-of-government approach to regulatory policy, practice, performance, and regulatory reform | Fully achieved | Achieved |
| 2.4 | Australian Government Investment Funds | Substantially achieved | Substantially achieved |
| 2.5 | Civilian Superannuation Schemes | Fully achieved | Achieved |
| 2.6 | Administration of pension schemes for former parliamentarians, judges, and governors-general | Substantially achieved | Substantially achieved |
| Key activity 3 – Commercial interests | | | |
| 3.1 | Commonwealth property initiatives are efficient and effective | Fully achieved | Achieved |
| 3.2 | Promote efficient, financially sustainable, and sound governance of commercial investments | Substantially achieved | Achieved |
| 3.3 | Nuclear-powered submarine program advice | Not applicable | Achieved |
| 3.4 | Promoting best practice risk management | Not applicable | Substantially achieved |
| 3.5 | Effective Administration of Comcover | Fully achieved | Achieved |
| 3.6 | Comcover Claims Management | Fully achieved | Achieved |
| Key activity 4 – Enabling service delivery | | | |
| 4.1 | Shared services hub meets client needs | Substantially achieved | Not achieved |
| 4.2 | GovTEAMS improves public sector collaboration | Fully achieved | Partially achieved |
| 4.3 | GovCMS effectively supports entities to create and manage digital services | Fully achieved | Achieved |
| Key activity 5 – Data and digital strategy | | | |
| 5.1 | Participation in DATA Scheme | Not applicable | Achieved |
| 5.2 | Support the Australian Government to continue developing Australia's Digital ID System | Not applicable | Achieved |
| Key activity 6 – Ministerial and parliamentary services | | | |
| 6.1 | Deliver ministerial and parliamentary services | Fully achieved | Substantially achieved |
| 6.2 | Improve administration of parliamentary work expenses | Fully achieved | Achieved |

## Maturing our performance

Our annual performance statements outline the performance results reported in 2023–24 against the applicable performance measures. In 2023–24, we revised our purpose statement and key activities to better reflect the breadth of our functions.

For 2023–24, we updated our performance assessment scales from the previous year. Table 2 provides a comparison between the 2022–23 and 2023–24 assessment scales.

**Table 2:** Comparison of assessment scales

| 2022–23 assessment scales | 2023–24 assessment scales |
|---|---|
| Fully achieved | Achieved |
| Substantially achieved | Substantially achieved |
| Partially achieved | Partially achieved |
| Not achieved | Not achieved |

# Annual performance statements

**Key activity 1 – Budget and financial**

Provide policy advice on expenditure across all portfolios and deliver Budget updates, cash management and consolidated financial reporting.

**Measure 1.1 – Budget updates and appropriation bills**

Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook (MYEFO)) 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.

**Result: Substantially achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 1.1.1 Accuracy of Budget Estimates Variances between estimated expenses and final outcome are within set parameters. | Substantially achieved | Substantially achieved |
| • First forward year – difference between estimated expenses and Final Budget Outcome (target: <2%) | -0.6% | 1.5% |
| • Budget year – difference between Budget estimated expenses and Final Budget Outcome (target: <1.5%) | -0.5% | -0.1% |
| • Current year – difference between the revised current year estimates at MYEFO and Final Budget Outcome (target: <1%) | -2.3% | -0.8% |
| • Current year – difference between the current year estimates at budget time and Final Budget Outcome (target: <0.5%). | -1.2% | -0.8% |
| • Significant variances between estimated expenses and final outcome are explained. | Achieved | Achieved |

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 1.1.2 Timeliness of Budget Estimate Updates and Appropriation Bills | Fully achieved | Achieved |
| • Budget papers and related updates meet timeframes set out in the *Charter of Budget Honesty Act 1998* | Fully achieved | Achieved |
| • Appropriation bills introduced at times intended by government. | Fully achieved | Achieved |
| 1.1.3 External reporting standards and legislative requirements are met. | Fully achieved | Achieved |

**Methodology:**

1.1.1 The accuracy of estimates is measured by calculating the variance between estimated expenses and the Final Budget Outcome at 4 points in time and significant variances are explained.

1.1.2 Timeliness is demonstrated by tabling dates of Budget papers, related updates and appropriation bills recorded in Hansard.

1.1.3 Budget papers and related economic updates outline the external reporting standards used and identify any departure from that standard.

**Data sources:**

CBMS Annual Actuals and Estimates, Budget publications, the Charter of Budget Honesty Act, and Hansard records.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 1, Program 1.1, page 24

2023–24 Corporate Plan, page 19

In 2023–24, we have removed specific weighting for performance targets, to improve the clarity of how overall results are calculated for this measure. The overall measure result is determined by the lowest rated target. This approach will be used to assess this measure moving forward, consistent with the approach applied to our full suite of performance measures and targets for 2024–25.

## 1.1.1

In 2023–24, 3 of the 4 variance targets were achieved.

Advising on expenditure through the Budget process and related economic and fiscal updates is a core activity we undertake as part of our role in supporting the government to achieve its policy and fiscal objectives. This advice is largely based on the estimates that are produced at each economic update.

We work 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 economic update, we measure the changes to program budget estimates for expenditure between each update. We do not include the effect of government decisions and economic parameter updates made at future updates, as these cannot be reasonably predicted by us.

Variations between the 2024–25 Budget estimates, and Final Budget Outcome reflect the lower-than-expected expenses in 2023–24, largely due to:

- lower expenses across a number of National Partnership agreements, partly due to delays in delivery of projects in 2023–24, and
- small underspends across a large number of programs across many portfolios.

Additional details of the variance between estimates and outcomes can be found in the 2023–24 Final Budget Outcome.

This result is consistent with the results achieved in 2022–23, demonstrating our continued commitment to provide accurate budgetary and financial advice to the government.

## 1.1.2

Our role in the preparation of budget estimates and appropriation bills is essential to supporting the ongoing delivery of government programs and services.

In 2023–24, we achieved our target with the relevant Budget documents and appropriation bills produced and delivered in accordance with the timeframes set by government and as specified in the *Charter of Budget Honesty Act 1998*. The passage of the appropriation bills through the Parliament is publicly available via the Australian Parliament website[8], and made available on the Australia Government Budget website[9], on the internet.

This result is consistent with the result achieved in 2022–23. Overall, the result demonstrates that we are consistently meeting the timeframes expected by government and stakeholders for the Budget papers, related updates and appropriation bills.

## 1.1.3

This target measures our effectiveness in ensuring that the Budget papers, related economic updates and appropriation bills are delivered consistent with external reporting standards and legislative obligations.

In 2023–24, we achieved our target by ensuring external reporting standards and legislative requirements were met and documented within the relevant Budget documents which are tabled in the Parliament and available publicly via the Australian Government Budget website[10]. This result is consistent with the result achieved in 2022–23.

8 https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation
9 https://budget.gov.au/
10 https://budget.gov.au/

**Measure 1.2 – Financial statements**

The Government's financial statements, including monthly statements, are complete, fairly presented and released publicly in timeframes agreed with the Government.

## Result: Achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 1.2.1 Complete and fairly presented financial statements | Fully achieved | Achieved |
| • The Auditor-General issues an unmodified audit report on consolidated financial statements. | Fully achieved | Achieved |
| 1.2.2 Timeliness of Financial Statements | Fully achieved | Achieved |
| • Monthly statements are prepared within 21 days of the end of month, on average, following release of Final Budget Outcome (FBO). June Monthly Financial Statement (MFS) is excluded because it is incorporated into FBO. The July and August MFS are also excluded as they are delivered following the release of FBO. | Fully achieved | Achieved |
| • Consolidated financial statements are provided to the Auditor-General by 30 November each year. | Fully achieved | Achieved |

**Methodology:**

1.2.1 Complete and fairly presented financial statements are demonstrated by the Auditor-General issues an unmodified audit report on the Consolidated Financial Statements.

1.2.2 Timeliness is demonstrated by date of correspondence to the Finance Minister, providing monthly financial statements, and to the Auditor-General providing consolidated financial statements.

**Data sources:**

Monthly financial statements, Consolidated Financial Statements, and correspondence documents.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 1, Program 1.1, page 24

2023–24 Corporate Plan, page 20

## 1.2.1

The Consolidated Financial Statements for 2022–23 have been prepared, fairly presented, and made available on our website. Throughout the year the completion of the Consolidated Financial Statements was monitored through regular project sponsor meetings, which included representatives of the Auditor-General. These governance arrangements support delivery of this measure, and results of this project governance are documented through a regular outcome report.

This measure is important as the PGPA Act subsection 48(2) requires that the Consolidated Financial Statements comply with Australian Accounting Standards, and present fairly the consolidated financial position, financial performance and cash flows of the Australian Government.

The 2022–23 Consolidated Financial Statements were signed by the Finance Minister on 15 November 2023 and an unmodified audit opinion was issued by the Auditor-General on 17 November 2023. This result is consistent with the result achieved in 2021–22.

## 1.2.2

We use well-established and robust business processes to prepare the financial statements, working in close collaboration with all government entities.

Monthly financial statements for 2023–24 were provided to the Finance Minister within expected timeframes. The 2023–24 monthly financial statements were provided to the Finance Minister on average within 21 days of the end of each month since the release of 2022–23 Final Budget Outcome. This result is consistent with the previous year.

This measure is important as the PGPA Act subsection 48 requires the Finance Minister to prepare the Australian Government's annual financial statements as soon as practicable following the end of the financial year, and subsection 48(2) requires that the statements comply with Australian Accounting Standards, and present fairly the consolidated financial position, financial performance and cash flows of the Australian Government.

The PGPA Act further requires the Finance Minister to provide the Consolidated Financial Statements to the Auditor-General by 30 November each year (or to table in the Parliament the reasons for not doing so).

The 2022–23 Consolidated Financial Statements were signed by the Finance Minister on 15 November 2023 and were provided to the Auditor-General on 16 November 2023. An unmodified audit opinion was issued by the Auditor-General on 17 November 2023 and the Finance Minister subsequently tabled the Consolidated Financial Statements and the Auditors-Report in the Parliament on 8 December 2023. This result is consistent with the result achieved in 2021–22.

The monthly financial statements and the Consolidated Financial Statements are available publicly via our website[11] [12].

11 https://www.finance.gov.au/publications/commonwealth-consolidated-financial-statements
12 https://www.finance.gov.au/publications/commonwealth-monthly-financial-statements

**Measure 1.3 – Daily disbursement of cash**

Commonwealth entities have access to cash, in near real-time, as required.

**Result: Achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 1.3.1 Cash needs of all entities are met on a daily basis in near real-time. | Fully achieved | Achieved |

**Methodology:**
A review of payment requests completed daily against CBMS and Reserve Bank of Australia (RBA) intraday data.

**Data sources:**
CBMS records along with daily data transmissions to the RBA input into the monthly reconciliations.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 1, Program 1.1, page 24

2023–24 Corporate Plan, page 20

## 1.3.1

Timely cash management is a critical function of the government, ensuring that essential policy and program outcomes across the Commonwealth can be delivered. This measure is an important indicator of success due to the critical nature of cash management and disbursement.

The result for this measure is determined daily and validated through the daily reconciliation of cash data from the Reserve Bank of Australia (where the Commonwealth central bank accounts are being held) and the Commonwealth Central Budget Management System by Finance. In addition, entities are required to provide Finance with a sign off from their Chief Financial Officer on accuracy of their respective entities' appropriation balances as part of the end of financial year process. In combination. this confirms the accuracy of the entities' appropriation balances and accordingly, that cash needs throughout the year have been met.

The daily reconciliations and Chief Financial Officer attestations confirm all daily payment requests from entities were met within the required timeframes across the 2023–24 reporting period. Overall, the results demonstrate that cash needs of entities have been consistently met on a daily basis in near real time. This result is consistent with the result achieved in 2022–23.

**Key activity 2 – Resource management frameworks**

Manage frameworks and policies and provide advice to support the proper use and management of public resources.

**Measure 2.1 – Governance, accountability, and performance**

Finance's stewardship supports Commonwealth entities and companies to meet the requirements and policy intent of the Resource Management Framework. The Commonwealth performance framework provides for the scrutiny of the non-financial performance of Commonwealth entities and companies.

The PGPA survey is used as a proxy to measure Commonwealth entity and company satisfaction with the support provided by Finance to assist them in meeting the requirements and policy intent of the Resource Management Framework.

Monitoring Joint Committee of Public Accounts and Audit (JCPAA) Reports and AuditorGeneral Performance Audit Reports provide evidence of Parliament using the Commonwealth performance framework to scrutinise the non-financial performance of Commonwealth entities and companies. This is a proxy measure of performance.

**Result: Achieved**

| Performance targets | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| 2.1.1 | PGPA 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 result of 85% or above. | Fully achieved | Achieved |
| 2.1.2 | Joint Committee of Public Accounts and Audit (JCPAA) Reports and Auditor-General Performance Audit Reports provide evidence of Parliament using the key artifacts of the Commonwealth performance framework to scrutinise the non-financial performance of Commonwealth entities and companies. | Fully achieved | Achieved |

**Methodology:**

2.1.1 Assessed through an entity survey (satisfaction target derived from a specific survey question).

2.1.2 Measured through monitoring all JCPAA Reports and Auditor-General ANAO reports tabled in Parliament.

**Data sources:**

Survey results and analysis. JCPAA reports and Auditor-General performance audit reports.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.1, page 39

2023–24 Corporate Plan, page 21

## 2.1.1

The PGPA Entity Survey consolidated responses provided a satisfaction rate of 85 per cent, meeting the performance measure target.

The 2023–24 PGPA Survey was provided to the Chief Finance Officer of all 190 Commonwealth entities and companies. The response rate was 49 per cent (94 entities and companies). This compares to a response rate of 35 per cent for the 2022–23 survey.

The survey indicated that 85 per cent 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. High-level feedback from the PGPA Entity Survey on the application of the Resource Management Framework indicates that the stewardship approach that Finance takes in relation to supporting entities is effective. This includes resource management guidance and other web-based resources, engagement with entities and advice in relation to specific policy matters.

## 2.1.2

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.

In 2023–24:

- the Auditor-General tabled 45 performance audits. Of these, 24 provided commentary and 12 had recommendations on the application of the Commonwealth Performance Framework by entities, and
- the JCPAA tabled 6 inquiry reports. Of these, one provided commentary and a recommendation relating to the application of the Commonwealth Performance Framework by an entity.

The 2023–24 results are consistent with those from 2022–23. They indicate continuing evidence of Parliament using the key artifacts of the Commonwealth Performance Framework to scrutinise the non-financial performance of Commonwealth entities and companies.

As with 2022–23, the commentary and recommendations in JCPAA and Auditor-General reports 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. There were no recommendations and commentary on the framework itself.

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

**Measure 2.2 – Stewardship over procurement systems and policies**

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-Australian-Government (WoAG) procurement arrangements for non-ICT services (e.g. travel bookings and major office equipment) to generate price savings and operating efficiencies.

## Result: Achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 2.2.1 Finance facilitates 30 outreach sessions per year and 99% of enquiries are responded to within 3 business days. | Fully achieved | Achieved |
| • Finance facilitates 30 outreach sessions per year | 32 | 30 |
| • 99% of enquiries are responded to within 3 business days. | 100% | 99.2% |
| 2.2.2 AusTender platform and data is available to users 99.5% of the time. | 99.9% | 99.7% |
| 2.2.3 All WoAG coordinated procurement arrangements which have been established for at least 12 months have a panel usage rate by NCEs of 75% or more during the financial year. | Not applicable | 100% |

**Methodology:**

2.2.1 Number of outreach sessions, enquiries received through procurement advice inbox and AusTender helpdesk data.

2.2.2 AusTender application, database and infrastructure performance and availability statistics.

2.2.3 Number of NCEs that hold a contract under a WoAG coordinated procurement arrangement for the financial year divided by the number of NCEs identified in the 'Flipchart of PGPA Act Commonwealth entities and companies' reference document.

**Data sources:**

Departmental records, AusTender's Cloud and Performance Monitoring System data, WoAG coordinated procurement arrangement reporting by entities and suppliers and Flipchart of PGPA Act Commonwealth entities and companies.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.5, page 48

2023–24 Corporate Plan, page 22

## 2.2.1

There have been 30 outreach sessions held by 30 June 2024. Outreach meetings are tracked and recorded in SharePoint and includes a record of the attendees of each session, and notes from the meeting. The team has a forward workplan to ensure outreach sessions are organised at least 2 weeks in advance. The team also prioritises responding to queries promptly.

In 2023–24, 99.2 per cent of enquiries were responded to within 3 days. Emails received and responses sent from the ProcurementAgencyAdvice@finance.gov.au inbox are tracked in an excel spreadsheet. The Procurement Agency Advice saw an increase of 24 per cent of queries this financial year.

Our procurement outreach program involves the procurement policy team organising informal information sessions on a one-on-one basis with 30 Commonwealth entities each year. Outreach sessions provide the central procurement teams of procuring entities the opportunity to engage with us, ask questions specific to the entities' procurement needs, and to update them on any changes to the procurement framework. Outreach sessions improve understanding of the procurement framework and uplift procurement capability throughout the Commonwealth.

## 2.2.2

In 2023–24, the AusTender system and data was available for 99.7 per cent of the time. Results were derived directly from AusTender's cloud monitoring platform. The results were determined based on down time throughout business hours 9:00am and 5:00pm, Monday to Friday.

AusTender introduced infrastructure changes towards the end of quarter one 2023–24, which is expected to improve system availability in future years. This has provided us with monitoring and alerts when system degradation is in process. Throughout 2023–24, AusTender had a large emailing outage due to external factors, which caused the reduction in the overall annual uptime compared to the 2022–23 results of 99.9 per cent.

## 2.2.3

This measure assesses the effectiveness of WoAG non-ICT mandatory arrangements we manage. As mandatory arrangements, the contracts deliver economies of scale and more efficient processes through better prices, service and quality, together with increased transparency, standard terms and conditions and improved contract management which benefits both the government and suppliers.

In 2023–24, the following arrangements had a usage rate of 100 per cent:

- Stationery and Office Suppliers (SOS) Panel
- Motor Vehicle Leasing and Fleet Management arrangement
- Travel Management Services arrangement
- Airline Services arrangement
- Vehicle Rental Services arrangement
- Travel Payment arrangement.

The Management Advisory Services (MAS) panel had a usage rate of 81.2 per cent.

**Measure 2.3 – Whole-of-government approach to regulatory policy, practice, performance, and regulatory reform**

Finance works with government agencies to deliver targeted reform projects and provides guidance on regulatory performance reporting.

**Result: Achieved**

| Performance targets | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| 2.3.1 | Targeted projects have been identified, approved and 75% of milestones delivered on time and on budget and satisfy expected objectives and outcomes. | Fully achieved | Achieved |

**Methodology:**
A review of targeted projects and assessment of milestones delivered.

**Data sources:**
Departmental records.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.1, page 39

2023–24 Corporate Plan, page 22

## 2.3.1

The 5 target projects for 2023–24 involved 40 scheduled milestones. Of this, 31 or 77.5 per cent of milestones were achieved on time and on budget. An additional targeted project was also delivered during the financial year on time and on budget, establishing the National Electrical Safety Taskforce, a joint Finance-Australian Competition and Consumer Commission (ACCC) project to review the existing federal, state and territory regulatory frameworks for household consumer electrical products.

An important contributor to the result was our ability to engage stakeholders across portfolio departments, states and territories and Commonwealth regulators and establish effective partnerships. However, dependence on stakeholders external to Finance for decision-making and implementation impacted full project closure and continues to be a strategic risk managed under the regulatory reform agenda.

In some cases, assessment of whether a project has achieved its desired objectives and outcomes cannot be determined until subsequent implementation processes and/or the collection of measurement information is undertaken in the future. This is particularly relevant for cross-jurisdictional projects and those designed to uplift public sector capability and performance.

**Measure 2.4 – Australian Government Investment Funds**

Advice on the legislative framework for each investment fund facilitates the achievement of its policy objectives and includes setting investment mandates which specify the financial and risk objectives of each fund.

**Result: Substantially achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 2.4.1 There are no material legislative impediments to the investment funds meeting their policy objectives and the Future Fund Portfolio quarterly updates show that funds are capable of meeting long-term investment mandate risk and return targets. | Substantially achieved | Substantially achieved |

**Methodology:**
A review of proposed changes to policy, legislation, and/or investment mandates following a decision of the Government, advice from the Future Fund Management Agency, and where necessary, any other investment advisory expert.

**Data sources:**
Risk and return data from the Future Funds' quarterly portfolio updates and annual reports.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.9, page 58

2023–24 Corporate Plan, page 22

## 2.4.1

In 2023–24, we supported the establishment of the new Housing Australia Future Fund on 1 November 2023, following the passage of legislation through Parliament. We also supported the Minister in issuing an investment mandate for the Housing Australia Future Fund on the day of establishment, following consultation with the Future Fund Board of Guardians (Board) as required by legislation. The legislation and investment mandate provide a robust framework for the investment and governance of the Housing Australia Future Fund into the future.

The Housing Australia Future Fund Investment Mandate provides a transition period for the Board to invest amounts credited to the Housing Australia Future Fund. The investment transition period remains in effect as of 30 June 2024.

Excluding the Housing Australia Future Fund, the 30 June 2024 results show that 5 of the 6 (or 83 per cent) remaining investment funds have met the benchmark rate of return. For funds that are invested for the long term (e.g. with a 10 year plus horizon), the investment strategy is designed with a focus on delivering that long term performance and results over shorter term periods are assessed in that context. Four of the funds with long-term benchmarks were established less than 5 years ago.

Of the investment mandates for the investment funds:

- 5 have benchmarks which are set over the long-term. Four are meeting their long-term targets and one (Aboriginal and Torres Strait Islander Land and Sea Future Fund) is modestly under-performing in the medium term against its long-term benchmark.
- One (DisabilityCare Australia Future Fund) has a short-term benchmark and has performed above its benchmark over the 12 months to 30 June 2024.

These results are consistent with the 2022–23 results which demonstrates the provision of high-quality advice to support the ongoing management of the Commonwealth's commercial interest.

**Measure 2.5 – Civilian Superannuation Schemes**

Advice on the legislative framework for the Commonwealth Government's civilian superannuation schemes facilitates the schemes being administered in accordance with the applicable regulatory and legislative requirements.

## Result: Achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 2.5.1 There are no material legislative impediments to the administration of the civilian superannuation schemes. | Fully achieved | Achieved |

**Methodology:**

The legislation establishing the civilian superannuation schemes is considered in response to material framework changes affecting the broader superannuation sector as well as advice from the Commonwealth Superannuation Corporation, government, Australian Government Solicitor and administering entities.

**Data sources:**

Submissions, briefings and advice prepared as needed with changes required or made to the legislation reported on legislation.gov.au, the internet and/or annual report.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.8, page 56

2023–24 Corporate Plan, page 23

## 2.5.1

In 2023–24, we provided high-quality and timely advice to agencies and the government on the legislative framework for the Commonwealth's civilian superannuation schemes. We also worked in partnership with the Commonwealth Superannuation Corporation and the Treasury to assist with early identification of changes required to the legislative framework underpinning the Commonwealth's civilian superannuation schemes.

No material legislative impediments to the administration of the civilian superannuation schemes were identified by Finance or the Commonwealth Superannuation Corporation. Results were achieved through analysis of changes to industry wide superannuation legislation and, where required, making changes to the legislative framework for the Commonwealth's civilian superannuation schemes. Changes made in 2023–24 included updates to the Public Sector Superannuation (PSS) Trust Deed relating to superannuation family law splitting rules.

Advice to government was developed in consultation with the Commonwealth Superannuation Corporation, the Treasury and the Department of the Prime Minister and Cabinet. Implementation of legislative framework changes were undertaken through consultation with the Attorney-General's Department, the Office of Parliamentary Counsel and the Australian Government Solicitor. The result is consistent with the result achieved in 2022–23.

**Measure 2.6 – Administration of pension schemes for former parliamentarians, judges, and governors-general**

Pension schemes are administered by the Department in accordance with the applicable regulatory and legislative requirements.

## Result: Substantially achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 2.6.1 The operations of the pension schemes administered by Finance comply with the regulatory and legislative requirements including the relevant schemes' legislation, payment requirements and superannuation scheme reporting obligations to the Australian Taxation Office. | Substantially achieved | Substantially achieved |

**Methodology:**

Progress is measured continuously and reported on an annual basis, and subject to regular audits, based on pension scheme information in the superannuation system.

**Data sources:**

Regular audits of Finance's pension scheme.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.8, page 56

2023–24 Corporate Plan, page 23

## 2.6.1

All pension payments for the pension schemes for former federal parliamentarians, judges and governors-general during 2023–24 were processed on time (100 per cent). Statutory reporting obligations were also substantially achieved during 2023–24 (99 per cent). Overall, the results are comparable with 2022–23.

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 the processing and reporting of payments. All pension payments including adjustments (i.e. due to new pension commencements, deaths and office of profit adjustments) are subject to a cyclical review and approval process prior to distribution or release of funds.

Payments and receipts for the schemes during the year were reconciled with records held by Finance. There were some complex benefit entitlements requiring additional information or legal advice. Four reversionary spouse applications and 2 surcharge deduction amounts required approval from the Parliamentary Retiring Allowances Trust and the Finance Minister, in line with the schemes' rules. In relation to statutory reporting requirements, member payment summaries and other reports to the Australian Taxation Office (ATO) were reported on time during 2023–24.

In July 2023, member contributions (10 members) payments were processed and reported outside the 10-day reporting deadline (due 11 August 2023, submitted on 17 August 2023). The process for this member contribution reporting has since been incorporated into the Capital 11 system and is now reported to the ATO as soon as contributions are entered and processed.

The annual compliance report on Anti-Money Laundering and Counter Terrorism Financing arrangements was submitted to the Australian Transaction Reports and Analysis Centre (AUSTRAC) by the due date of 31 March 2024, and the business continuity plan for the schemes was reviewed as part of annual processes in April 2024.

**Key activity 3 – Commercial interest**

Support the commercial interest of the Commonwealth.

**Measure 3.1 – Commonwealth property initiatives are efficient and effective**

The management of Commonwealth property demonstrates improved outcomes in line with Commonwealth property policy in an evolving environment, including in relation to leasing and facilities management for non-corporate Commonwealth entities.

## Result: Achieved

| Performance targets | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| 3.1.1 | Property efficiencies are delivered through the Whole-of-Australian Government Property Services Coordinated Procurement Arrangements through all Property Service Providers meeting the Property Operating Expenses saving target and the Commonwealth improving occupational density towards meeting the benchmark. | Fully achieved | Achieved |
| 3.1.2 | Entity scoring in the Performance Survey Balanced Scorecard results show performance ratings at or above Meets Most Expectations for all Property Service Providers. | Fully achieved | Achieved |

**Methodology:**

3.1.1 Occupational Density is measured and reported through the annual Australian Government Office Occupancy Report, the target is currently 14m$^2$ per occupied work point.

3.1.2 Performance of the Property Service Providers is measured through a balanced scorecard approach, informed by scoring and feedback provided through the bi-annual performance survey.

**Data sources:**

Australian Government Office Occupancy Report, Australian Government Property Data Collection, Property Services Coordinated Procurement Arrangements – Property Operating Expenses Report, survey results and analysis.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.3, page 45

2023–24 Corporate Plan, page 24

## 3.1.1

Property Operating Expenses (POE) savings can only be determined once the POE baseline is agreed. As outlined in the deed, the calculation of the POE baseline requires the previous year's baseline to be adjusted by the consumer price index (CPI) for the previous financial year. For this reason, savings can only be calculated in arrears. Property Service Providers can contribute to the POE savings target in several ways, including by decreasing the cost of services provided under the Property Services Coordinated Procurement Arrangements.

Due to the lag time in the availability of independently audited data, activities in the immediately concluded financial year are unable to be reviewed and reported on prior to the publication of this annual report. For this reason, performance results are reported with a one-year lag. The performance result included in the 2023–24 Annual Report relates to the FY2022–23. The result for FY2023–24 will be reported in the 2024–25 Annual Report.

The independently audited FY2022–23 results show total savings in dollars and as a percentage of the agreed POE baseline. All Property Service Providers achieved savings against their respective POE baseline, with 2 out of the 3 Property Service Providers achieving additional savings against their respective saving target percentages. One Property Service Provider did not achieve the POE savings target percentage, but still achieved over $13m of savings against the agreed baseline.

The Australian Government Office Occupancy Report[13] reported improvements to the occupational density, in line with expected results. This is evidenced by our oversight role of Commonwealth lease transactions.

13 Australian Government Office Occupancy Reports | Department of Finance

## 3.1.2

All Property Service Providers achieved a rating of 'meets most expectations' for the previous performance assessment period (July to December 2023), the eighth consecutive period that all Property Service Providers have achieved this rating. Over recent performance periods, performance scores have generally trended in a positive direction.

The Performance Survey Balanced Scorecard is completed biannually. Consistent with previous years, the most recent result (July to December 2023) is used to determine the performance result for this target. This is due to results taking up to 6 months to be finalised, and the inability to combine the 2 biannual results.

Property Service Providers have the professional expertise to provide outcomes to the standards required under the deed and/or to the entity's satisfaction. Where significant issues arise, we are consulted on mitigation strategies and resolution of issues.

Through analysing previous performance results, we have identified areas of improvement for Property Service Providers and engaged extensively with them to implement strategies to improve their performance. Supporting evidence shows an increase in entity satisfaction through the last reporting period.

**Measure 3.2 – Promote efficient, financially sustainable and sound governance of commercial investments**

Continue to promote ongoing efficiency and financially sustainable commercial investments in significant Government owned businesses or initiatives, including:

delivering Government priorities, including infrastructure, and other policies through Government Business Enterprises (GBEs) and Specialist Investment Vehicles (SIVs)

GBE commercial models remaining financially responsible and sustainable and

investing in innovative financing and strategic transactions that strengthen Australia's economy and security.

## Result: Achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 3.2.1 Finance continues to proactively manage commercial investments in Government initiatives via entities such as GBEs and SIVs, and monitors progress through consistent engagement and regular reporting, including against corporate plan targets, quarterly performance reports and annual reports. | Substantially achieved | Achieved |

**Methodology:**
Assessment of GBE performance against key performance indicators, outlined in corporate plans.

**Data sources:**
Parliamentary Document Management System records, GBE corporate plans and quarterly reports.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.1, page 39

2023–24 Corporate Plan, page 25

## 3.2.1

We promote ongoing efficiency and financially sustainable commercial investments in significant government initiatives. This includes delivery of infrastructure priorities and other policies through GBEs and SIVs, provision of financially responsible and sustainable commercial models by GBEs, and advice on innovative financing and strategic transactions that strengthen Australia's economy and security.

This was achieved by measuring GBE performance against key performance indicators (KPIs) outlined in each GBE's corporate plan. Where necessary, we interrogated the need for GBEs to update KPIs, and required GBEs to report on and explain variances to targets through regular meetings. Regular and timely analysis of GBE's annual and quarterly reporting were provided to ministers and executives, relationships with key stakeholders were managed appropriately, and the ongoing training of staff occurred.

Shareholder meetings were held with GBEs, covering:

- quarterly performance reporting
- consultation on development of corporate plans
- project monitoring groups
- risk management working groups
- regular senior executive engagements.

We assessed the performance of SIVs against KPIs in corporate plans, investment mandates, and accompanying explanatory statements. In late 2023–24, we finalised Resource Management Guide (RMG) 127 – Special investment vehicles, which was published in early 2024–25. We worked with responsible departments in finalising the joint minister model. The model ensures a consistent approach to SIV oversight, including through legislative amendments. During the year, we developed a whole-of-SIV-portfolio dashboard, providing visibility to the Finance Minister on aggregate capital and risk to inform budget updates. Dashboard reporting will commence from quarter one 2024–25.

**Measure 3.3 – Nuclear-powered submarine program advice**

The Department is supporting the initial steps in Australia's acquisition of conventionally armed, nuclear-powered submarine capability. To achieve this, the Department, in cooperation with several Commonwealth agencies, seeks to influence, support, and advise the Department of Defence, the Australian Submarine Agency and Government to ensure that program-related decisions are made in a timely and inform ed manner; and are consistent with legislative and regulatory requirements and meet policy objectives.

**Result: Achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 3.3.1 Provide timely, relevant, and informed advice adhering to best practice, legislative and regulatory frameworks, and requirements.<br><br>Scope of control over decision-making is limited as ultimate decisions are made by Cabinet and finalised by the Australian Submarine Agency. Given the relative immaturity of the program and the multi-decade program to follow, precise and exacting performance targets are difficult to define (target: identification of Sovereign Submarine partners). | Not applicable | Achieved |

**Methodology:**
Assessment of advice provided in support of the selection and appointment of the Sovereign Submarine partners.

**Data sources:**
Departmental records.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.10, page 60

2023–24 Corporate Plan, page 25

## 3.3.1

In 2023–24, we worked closely with the Australian Submarine Agency, Defence and several other Commonwealth entities to deliver on the strategic objectives of the nuclear-powered submarine program. We provided timely, relevant, and informed advice and support to Government, and key stakeholders.

Areas of advice provided included advice on the strategy supporting the selection and appointment of the Sovereign Submarine partners (announced by the Deputy Prime Minister on 20 March 2024). All advice developed was based on sound evidence, and factual and unbiased analysis. Interactions have been collegiate, with all key relationships based on trust and openness.

**Measure 3.4 – Promoting best practice risk management**

Comcover supports best practice risk management to improve risk maturity in the General Government Sector.

**Result: Substantially achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 3.4.1 Outcomes of the biennial (every 2 years) risk management benchmarking report shows sustained or positive improvement to best practice risk management across the General Government Sector. | Not applicable[14] | Not applicable |
| • 85% of Comcover Fund Members complete Comcover's Biennial Risk Management Benchmarking Program. | | |
| 3.4.2 Attain a high level of attendance of workshops and receive positive feedback on risk management education packages. | Not applicable | Substantially achieved |
| • 90% of officials attending face-to-face or virtual workshops self-assess an increase in their capability to manage risk as a result of undertaking the workshops | Not applicable | 100% |
| • A net positive presenter score for each face-to-face workshop is achieved | Not applicable | Achieved |
| • Comcover learning workshops are 80% subscribed. | Not applicable | 70% |

**Methodology:**

3.4.1 The Comcover Risk Management Benchmarking Survey measures entity risk management capability maturity by reference to the requirements of the Commonwealth Risk Management Policy and indicators of success. A report is prepared with analysis of the collective maturity level, demonstrating program outcomes.

3.4.2 Participation in education is captured through our learning management centre, LearnHub and APS Academy. Education results are measured through attendance records and evaluation surveys that measure participants' assessment of their capability pre- and post-workshop using a 5-point Likert scale and the net presenter score.

14 This performance target has varied from the target reported in the 2022–23 performance cycle. The result is not directly transferable for the previous reporting period (2022–23 result for target 5.2.2: fully achieved).

**Data sources:**
Benchmarking Program Key Findings Reports and Fund Member survey responses and attachments. Comcover Learning Centre – Learning Management System. Departmental records. Comcover Customer Relationship Management database.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.4, page 46

2023–24 Corporate Plan, page 25

## 3.4.1

This target is not applicable because there is no data to be reported on for 2023–24. The Comcover Risk Management Benchmarking Survey is conducted every second year in recognition of the time it takes to enhance organisational capability and culture, and for such changes to become evident. The last survey was conducted in 2023, and the results were reported in the 2022–23 Annual Performance Statement.

The next benchmarking survey will commence in March 2025 with results being reported in the 2024–25 Annual Performance Statement.

## 3.4.2

As the custodian of the Commonwealth Risk Management Policy, we play a lead role in providing Commonwealth entities with advice on the policy's application and building the APS capability required to implement the policy effectively. Through our education packages, we support Commonwealth officials to obtain the knowledge, skills and expertise necessary for best practice risk management, as defined by the policy.

In 2023-24, there was a total of 4,194 completions of Comcover e-learning modules (an 8.2 per cent decrease compared to 2022–23) and a total of 29 of workshops were delivered to 133 participants virtually and 201 face to face, a total of 334 attendees (a 3.7 per cent increase compared to 2022–23) between 1 July 2023 to 30 June 2024.

100 per cent of officials who attended face-to-face or virtual workshops self-assessed an increase in their capability to manage risk because of undertaking these workshops. All facetoface workshops achieved a net positive presenter score and 70 per cent of the workshops were subscribed, resulting in a substantially achieved result against the target of 80 per cent.

We are now reviewing its education activities to ensure they remain fit for purpose, evolving with the Commonwealth's risk management maturity and reaching the intended audiences.

**Measure 3.5 – Effective Administration of Comcover**

The Australian Government's self-managed insurance fund, Comcover, is financially sustainable to meet an ordinary level of claims.

## Result: Achieved

| Performance targets | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| 3.5.1 | The total premium pool set for the following financial year was in line with the actuarially assessed expense forecasts, and the actuarial assessment underpinning that forecast has taken account of claims history, Commonwealth risk profile, statistical trends, and anticipated volatility and uncertainty. | Fully achieved | Achieved |
| 3.5.2 | At the time of reporting, Comcover's special account balance can cover 3 or more years of forecasted cash outflow, as actuarially assessed. | Fully achieved | Achieved |

**Methodology:**

3.5.1 Assessment of future years premiums in comparison to actuarial advice.

3.5.2 The balance of the Comcover special account compared to forecasted expenses at 30 June 2024.

**Data sources:**

Reports from the appointed actuary, Comcover's Annual Budget Workbook, monthly management report showing Comcover's special account balance, quarterly actuarial valuation reports showing forecasted payment, Department of Finance annual financial statements and data on committed funds (under s23(3) of the PGPA Act).

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.4, page 46

2023–24 Corporate Plan, page 26

## 3.5.1

As an internal, self-managed government insurance mechanism, Comcover is intended to be self-sustaining within ordinary claims limits, with the Budget supporting extraordinary shocks or expenses that extend beyond Comcover coverage. Comcover's main source of revenue is premiums, charged to fund members (General Government Sector entities), set and collected at the beginning of the financial year, based on a forecast of expected ordinary claims expenses for that year and beyond. It is critical for that forecast to be informed by the best available information and actuarial assessments.

In 2023–24, we achieved our target. Comcover premiums were charged at the beginning of 2023–24, in line with the actuarially assessed expense forecast. The actuarial assessment underpinning these forecasts considers claims, history, Commonwealth risk profile, statistical trends, and anticipated volatility and uncertainty.

## 3.5.2

Maintaining at least 3 years of forecasted cash outflows in the Comcover special account ensures that time is available to address extraordinary claims shocks, external economic pressures or any other capital management issues, before cashflow is affected.

We have calculated the total forecasted payments over the next 3 financial years from the cash outflow, as forecast by Comcover's actuary and provided in the financial statement note disclosure's tables for 30 June 2024. We have compared this amount to the Comcover special account balance. As the special account balance is higher than forecasted outflow, this measure was met.

As at 30 June 2024, the balance of the Comcover Special Account was $1,161m and forecast cash outflows for the next 3 financial years are $1,043m.

This target has been consistently met in previous years.

**Measure 3.6 – Comcover Claims Management**

Litigated insurance claims are managed in accordance with the model litigant obligation outlined in the *Legal Services Directions 2017*.

**Result: Achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 3.6.1 There have been no formal allegations or self-identification of a breach of the model litigant obligation under the Legal Services Directions, which is confirmed by the Office of Legal Services Coordination recording zero breaches for the quarter. | Fully achieved | Achieved |

**Methodology:**
Confirmation from the Office of Legal Services Coordination in the Attorney-General's Department of no breaches of the model litigant obligation.

**Data sources:**
Departmental records and Office of Legal Services Coordination communications and reports.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.4, page 46

2023–24 Corporate Plan, page 26

## 3.6.1

At 1 July 2023, Comcover had 3,511 active claims. During 2023–24, we received 6,414 new claims and closed 6,915 claims, resulting in 3,010 active claims at 30 June 2024. We undertook all claims litigation consistently with the obligations to act as a model litigant under the Legal Services Directions.

For 2023–24, there were 15 allegations of acting inconsistently with the obligation, and no confirmed model litigant obligation breaches. Consistent with the process outlined in the Office of Legal Services Coordination Guidance Note 3, we identify allegations of noncompliance by:

- monitoring all communications for any allegation of a breach or a suspected breach
- monitoring by staff managing claims to identify any actual or possible breaches, and
- legal service providers procured for the management of litigation being instructed to advise on any breaches or suspected breaches.

- Following identification of allegations or possible instances of non-compliance, the Agency Notification Form was completed, and a review was conducted, and provided to the Office of Legal Services Coordination in the Attorney-General's Department. Comcover and the legal service providers reviewed the allegations, concluded that there had been no breach.

Notification Forms were also reviewed by the Office of Legal Services Coordination to confirm agency compliance. No issues have been identified by the Office of Legal Services Coordination for the period between 1 July 2023 and 31 March 2024. Notification Forms for the period between 1 April 2024 and 30 June 2024 are still under review by the Office of Legal Services Coordination. We were unable to obtain confirmation prior to the publication of this annual report.

**Key activity 4 – Enabling service delivery**

Provide enabling services to the Commonwealth.

**Measure 4.1 – Shared services hub meets client needs**

As a shared service hub, the Service Delivery Office (SDO) provides quality and efficient services to client entities.

**Result: Not achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 4.1.1 Service level agreements with client entities, including measurement of efficiency and effectiveness of services, are met. | Substantially achieved | Not achieved |
| • Accounts Payable – Proportion of correctly submitted invoices processed in line with the Australian government policy (target: 100%) | Not applicable | 100% |
| • Accounts Receivable – Proportion of financial documents processed, and debts administered in line with client Accountable Authority Instructions (AAIs) and Australian Government policy (target: 100%) | Not applicable | 100% |
| • Payroll Administration – Proportion of pay slips for employees, serving board and committee members paid correctly, following delegate approval, and on time (target: 100%) | Not applicable | 99.8% |
| • HUB usage – Proportion of planned days clients are able to manage their services, data, and ledger maintenance activities through the HUB (ERP) System (target: 100%) | Not applicable | 99.9% |
| • The average resolution time of client requests (target: <10 days). | 5.67 days | 4.12 days |
| 4.1.2 The benefits of shared, standard, and sustainable ERP technologies and business processes are realised. | Fully achieved | Achieved |
| • The number of agencies using SDO HUB is maintained or increased (target: ≥15) | Fully achieved | Achieved |
| • The number of agencies using shared ERP technology is maintained or increases (target: ≥6) | Fully achieved | Achieved |

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| • The number of agencies adopting end to end whole-of-government business processes is maintained or increases, compared to 2022–23 end of year results (target: ≥2022–23 baseline). | Fully achieved | Achieved |

**Methodology:**

4.1.1 Progress is measured using the 7 metrics in the SDO's Memorandum of Understanding, which are provided to clients on a quarterly basis.

4.1.2 The number of Memoranda of Understanding signed by clients which have completed schedules for accessing the HUB and SDO delivering managed services.

**Data sources:**

Volumetric data direct from the Enterprise Resource Management system (ERP) and Memoranda of Understanding in place with each client outlining the services they consumed.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.7, page 53

2023–24 Corporate Plan, page 28

## 4.1.1

For 2023–24, performance against the Service Level Agreements with client entities are summarised in the table above. This target is based on the Service Delivery Office's service level agreements with client agencies, which focuses on providing efficient and effective services. We did not achieve our target in 2023–24 as we did not achieve our target of no errors in payroll administration and no outages for the HUB (ERP) system.

In 2023–24, the Service Delivery Office processed 236,536 payslips. Administration errors resulted in corrections being required either through advance or recall for 426 instances. Some of the factors that contributed to this included the complexity of enterprise agreement provisions, human error, increase in demand, or one-off increases in workload relating to the company code project (separation of 2 client entities).

In 2023–24, there were 2 unplanned outages of the HUB (ERP) system.

The result for the previous year was set at a different scale, and measured outcomes from the ticketing data for survey results and average resolution times. This changed in 2023–24, with our target aligned to the service catalogue agreements with clients.

## 4.1.2

- In 2023–24, the Service Delivery Office maintained the number of client entities using the ERP solution (15 entities).
- The Service Delivery Office also engaged its client entity, the Department of Education, to onboard to the Travel and Expense Management software-as-a-service which gained a positive result.
- In comparison to the 2022–23 result, the Service Delivery Office has increased clients adopting standardised system such as travel and expense management.

We achieved this target in 2023–24, maintaining the number of client agencies using the Service Delivery Office ERP solution. The result is consistent with 2022–23.

During 2023–24, the Government announced the new APS ERP approach to replace the Shared Service Transformation Program which sets the strategic direction for the APS in ERP corporate systems. This provides client agencies with autonomy of choice, and from 2024–25 this target will no longer be measured.

**Measure 4.2 – GovTEAMS improves public sector collaboration**

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.

**Result: Partially achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 4.2.1 GovTEAMS platform is fully operational in accordance with set performance targets (Years 1 to 4, 99%). | 99.9% | >99.9% |
| 4.2.2 GovTEAMS active user count (target: 32,500). | 36,015 | 36,861 |
| 4.2.3 GovTEAMS usage – average number of interactions per active user per month (target: 29.29). | 35.31 | 15.99 |

**Methodology:**

4.2.1 Measured through Microsoft uptime statistics.

4.2.2 Active user count is measured through monitoring the number of users who have opted to keep using GovTEAMS or be logged in at least once in 60 days.

4.2.3 GovTEAMS usage is measured through monitoring GovTEAMS statistics (calls, chat, meetings) and dividing by the total number of active users.

**Data sources:**

Uptime statistics published by Microsoft, GovTEAMS platform reporting on user count and Microsoft Teams usage data.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.6, page 51

2023–24 Corporate Plan, page 29

## 4.2.1

The GovTEAMS platform was fully operational in 2023–24 with an average uptime exceeding 99.9 per cent (2023–24 result: 99.9 per cent). There was one significant outage of approximately 10 hours, representing less than 0.01 per cent of the 2208 hours of that reporting period. This was an unplanned event related to one of Microsoft's data centres. Microsoft have completed a post incident review. Our technical team continue to refine their deployment and testing processes to ensure unscheduled outages are minimised, with none occurring in 2023–24 that we were responsible for.

## 4.2.2

GovTEAMS had an average of 36,861 active users in 2023–24.

Monthly active user numbers showed some fluctuation throughout the year. Quarter 1 recorded the highest number of active users. Quarters 2 and 3 saw a decrease before a slight increase in quarter 4.

There has been an expectation of some ongoing fluctuations in active user numbers as agencies progress in their transition to internal Microsoft Office 365 tenancies. These transitions generally result in users migrating from GovTEAMS to their agency's internal solution for work that does not require external collaboration. Despite this, the GovTEAMS user count has remained consistently above 32,500 users.

## 4.2.3

GovTEAMS had an average usage of 15.99 per user per month.

This result is a significant reduction when compared 35.31 average interactions per active user, per month that was achieved in 2022–23.

The primary factor contributing to the reduction in average interactions is the decreased use of GovTEAMS by the Department of Veterans Affairs (DVA), where DVA confirmed their transition to internal Microsoft Teams and subsequent reduction in usage of GovTEAMS. It is anticipated that as agencies transitioned to their own Microsoft Office 365 tenancies, their use of GovTEAMS would diminish.

In response to this decline over the reporting period, we have extended our engagement efforts. We have facilitated webinars that have reached over 600 members, with more planned throughout 2024. Additionally, a monthly newsletter for GovTEAMS members is being developed, with the first issue due for distribution in September 2024. These initiatives aim to enhance awareness and drive higher engagement in the platform, particularly as an enabler of external collaboration.

**Measure 4.3 – GovCMS effectively supports entities to create and manage digital services**

Commonwealth entities and companies have access to the GovCMS content management and website hosting platform. The platform provides the infrastructure, content management tools, and publishing workflow used by entities to deliver public facing websites and digital services. Access is defined as entity personnel or their contracted third-party service providers being able to use the GovCMS platform to create, review, update, or delete content, application code or other digital assets.

## Result: Achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 4.3.1 The GovCMS platform is available to entities seeking to develop and maintain websites 99% of the time apart from scheduled outages. | 99.9% | 100% |
| 4.3.2 The GovCMS program continues to meet or exceed a customer satisfaction (CSAT) target of 80%. | Not appliable | 98.3% |

**Methodology:**

4.3.1 Measured through uptime statistics to determine availability of the GovCMS platform. Scheduled maintenance and other outages are automatically excluded from uptime statistics.

4.3.2 A survey is issued to service desk users when their support request or service ticket is resolved and closed. Users can select from a 5-point scale and optionally provide qualitative feedback.

**Data sources:**

Uptime statistics and survey results and analysis.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 2, Program 2.6, page 51

2023–24 Corporate Plan, page 29

## 4.3.1

Over the reporting period, the GovCMS platform was available to entities 100 per cent of the time (2022–23 result: 99.9 per cent). In collaboration with the GovCMS service provider, we maintained a public-facing status report[15] to notify entities of operational issues or maintenance activities at, or close to, the actual time of the event. No platform outages other than planned maintenance occurred.

This result is consistent with observed outcomes for the stability of GovCMS over the past 6 years. Ongoing tuning of the platform infrastructure, regular review of platform load, and detailed investigation of edge-case issues as they arise have enabled the service provider to maintain maximum resilience.

## 4.3.2

The customer satisfaction score for the 2023–24 reporting period is comprised of 2 components measuring satisfaction with the GovCMS platform, and the quality of service provided by the contracted service provider. The platform recorded a customer satisfaction of 95.2 per cent, and the service provider had a customer satisfaction of 98.3 per cent.

This result is consistent with observed outcomes for entity satisfaction with the GovCMS program over the past 6 years. Ongoing refinement of workflow and service desk processes, and direct engagement with entities in all cases where negative feedback was provided at the time it was reported, have enabled the service provider to maintain exceptional levels of trust with entities, and to maintain throughput processing service requests.

15 https://status.govcms.support/

**Key activity 5 – Data and digital strategy**

Support wider availability and use of Government data and promote digital transformation.

**Measure 5.1 – Participation in DATA Scheme**

Supporting safe sharing of data to deliver public benefit through requests in Dataplace that lead to data sharing.

**Result: Achieved**

| Performance targets | | 2022–23 result | 2023–24 result |
|---|---|---|---|
| 5.1.1 | Provide 10 Dataplace case studies (request for data that leads to sharing). | Not applicable | Achieved |

**Methodology:**
Count of registrations of requests for data that leads to sharing.

**Data sources:**
Dataplace registrations.

**Authority:**
2023–24 Portfolio Budget Statements, Outcome 2, Program 2.2, page 43

2023–24 Corporate Plan, page 30

## 5.1.1

Over the year, the DATA Scheme and the Office of the National Data Commissioner (ONDC) transitioned from the establishment to operational phase. The number of entities accredited to participate in the DATA Scheme tripled to 28 creating a core, trusted data sharing community. ONDC developed further the tools – Dataplace and the Australian Government Data Catalogue – to support data discovery and safe data sharing.

With the increase in scheme participants, greater uptake of Dataplace, and our focus on facilitating data sharing, data requests through Dataplace increased fourfold to 24. These requests resulted in 12 data shares, exceeding our target of 10 for the year. This included the first 2 DATA Scheme data sharing agreements, registered in May 2024. These support creation of the National Disability Data Asset so governments and others can better support people with disability, their carers, and the community.

## Regulator performance

The National Data Commissioner's Statement of Intent[16] outlines how the Commissioner, supported by ONDC, plans to operate in step with the Minister's Statement of Expectations[17] and the principles of the regulator best practice – continuous improvement and building trust, risk based and data driven, and collaboration and engagement.

Performance highlights for 2023–24 include:

- refreshing our regulatory approach and publishing our annual priorities
- maintaining a risk management framework
- establishing easy to access and transparent procedures for applying for accreditation, providing feedback, making complaints and meeting obligations and responsibilities under the DATA Scheme
- reducing the time taken to assess applications for accreditation to meet service level standards and timely handling of enquiries and complaints
- providing a platform (Dataplace and the Australian Government Data Catalogue), education, guidance and advice to promote best practice data handling and use and help regulated entities to comply with the Scheme
- establishing a working group comprising scheme participants to identify and address issues impeding uptake of the DATA Scheme
- hosting our first annual forum for DATA Scheme participants to share perspectives on the operation of the DATA Scheme and the regulator
- maintaining public registers of accredited user, accredited data service providers and data sharing agreements
- publishing our annual report on the operation of the DATA Scheme.

16 https://www.datacommissioner.gov.au/sites/default/files/2022-12/National%20Data%20Commissioner%20-%20Statement%20of%20Intent.pdf

17 https://www.datacommissioner.gov.au/sites/default/files/2022-12/Ministerial%20Statement%20of%20Expectations%20for%20the%20National%20Data%20Commissioner.pdf

**Measure 5.2 – Support the Australian Government to continue developing Australia's Digital ID System**

Output measures for the next stage of the Digital ID Program are progressed and reported on to established timelines. These include:

- introduce legislation to support the Digital ID system in 2023–24.
- establish an independent regulator for the Digital ID System to begin 1 July 2024, subject to the passage of legislation.
- expand public communications and engagement activities about Digital ID in 2023–24.

## Result: Achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 5.2.1 All planned Digital ID program activities completed to schedule. | Not applicable | Achieved |

**Methodology:**
Assessment of outputs from the Digital ID program and implementation schedule.

**Data sources:**
Departmental records.

**Authority:**
2023–24 Corporate Plan, page 31

## 5.2.1

Progressing Digital ID is a new function for the department. Our major Digital ID program activities for 2023–24 were to progress Digital ID legislation, establish regulators for the scheme and improve understanding and trust in the Digital ID System.

The *Digital ID Bill 2024* and *Digital ID (Transitional and Consequential Provisions) Bill 2024* passed the Parliament on 16 May 2024, receiving Royal Assent on 30 May 2024 and will commence on 1 December 2024. This represents a crucial milestone for the Digital ID program by providing the legal framework for a comprehensive economy-wide Digital ID system. This system aims to make it easier and safer to access online services by providing a more secure method for online verification with both government services and businesses.

Progressing this complex legislation involved significant work and stakeholder engagement including through public consultation and parliamentary committee processes. Further work is required in 2024–25 to develop rules to support operation of the legislation.

The ACCC has been appointed as the initial Digital ID regulator to perform interim regulatory functions under the Digital ID legislation from 1 December 2024. The Information Commissioner will also regulate privacy-related aspects of the Digital ID accreditation scheme to protect individuals who choose to use an accredited Digital ID provider. The establishment of these regulatory roles establishes a framework for the system's integrity, security, and public trust.

We successfully expanded on public communication and engagement to increase awareness and understanding of Digital ID. Various communication and media activities were undertaken including public consultation, media roundtables and provision of timely and factual information to media outlets. These activities help educate the public and foster support and trust in the Digital ID System.

**Key activity 6 – Ministerial and parliamentary services**

Deliver ministerial and parliamentary services.

**Measure 6.1 – Deliver ministerial and parliamentary services**

Deliver a range of services to parliamentarians, their employees and others as determined by the Government to assist them in undertaking their duties.

## Result: Substantially achieved

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 6.1.1 Services meet client needs | Fully achieved | Substantially achieved |
| • Contacts from parliamentarians and MOP(s) Act staff acknowledged within 24 hours and responded to within agreed timeframes (target: 95%) | 95.3% | 92.5% |
| • Payments (including payroll) will be made within agreed timeframes (target: 95%) | 99.8% | 99.6% |
| • Projects to establish and relocate permanent Electorate Offices for parliamentarians are delivered in accordance with Finance's internal national fit-out standards (target: 100%) | 100% | 100% |
| • COMCAR reservations will be completed without service failure (target: 99%). | 99.6% | 99.8% |

**Methodology:**

Using established data sources, progress against targets is measured and reported regularly to Executive Board through the performance update progress report. Data is extracted from relevant system(s) or data sources for all measures. Additional calculations are made for the payments measure. Payments percentage is a calculation of expense payments plus payroll payments. Data extracted reflects point-in-time, year to date performance.

**Data sources:**

Vfire (call logging system) EMS, COMCAR Automated Resource System (CARS), Chris21, PEMS.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 3, Program 3.1, page 63

2023–24 Corporate Plan, page 32

## 6.1.1

In 2023–24, we met 3 of the 4 composite targets resulting in a substantially achieved result overall. We delivered strong results in the delivery of payment administration including office expense and payroll payments, office establishment and relocation projects, and COMCAR services. This achievement reflects Finance's commitment to delivering efficient, effective and timely services to parliamentarians and their staff.

We did not meet the client contact performance target with 92.5 per cent of contacts from parliamentarians and MOP(s) Act staff acknowledged within 24 hours and responded to within agreed timeframes (compared to 95.3 per cent in 2022–23). In 2023–24, the Parliamentary Workplace Support Service (PWSS) was established as an independent statutory agency in response to recommendation 11 of the Set the Standard Report. The implementation of this legislation saw several human resource functions previously managed by Finance transfer to PWSS.

Ensuring a smooth experience for our clients, with a 'no-wrong-door' model, ultimately contributed to longer overall response and closure times compared with the expected target. This was because of warm referrals from us to PWSS, additional time to support client re education on the new PWSS contact points for human resource queries, working closely with the PWSS to ensure consistency of advice and client experience, as well as a change in the help desk operating structure and supporting processes. Strengthened governance including a regular review of queries to actively monitor and track resolution timeframes has seen an improvement in the performance results over the latter part of the reporting period.

The results for the remaining 3 composite targets are consistent with the previous results in 2022–23.

- 99.6 per cent of expense and payroll payments were processed within agreed timeframes (2022–23 result: 99.8 per cent). This achievement reflects our commitment to efficient and timely administration of expense and payroll payments.
- 99.8 per cent of COMCAR reservations were completed without service failure, which represents a small improvement on last year's result (2022–23 result: 99.6 per cent). The COMCAR Automated Resource System (CARS) allows COMCAR National Operations Centre officers to monitor in real time the location of vehicles and estimated timings of trips, alerting us to any last-minute changes to bookings and flight arrivals. A combination of effective software, professional COMCAR drivers and operations centre staff, as well as a continuous review of processes have allowed us to exceed our target of 99 per cent.
- Design and construction of all newly established or relocated parliamentarians' offices were compliant with national fit-out standards, ensuring adherence with current legislation and best practice (2022–23 result: 100 per cent).

**Measure 6.2 – Improve administration of parliamentary work expenses**

Sustained usage of PEMS by parliamentarians and their staff and successful processing of claims in PEMS.

**Result: Achieved**

| Performance targets | 2022–23 result | 2023–24 result |
|---|---|---|
| 6.2.1 Sustained usage of PEMS by parliamentarians and their staff. | Fully achieved | Achieved |
| 6.2.2 Successful processing of claims in PEMS (target: 90%). | Not applicable | 99% |
| 6.2.3 Availability of public reporting on parliamentarian work expenses. | Not applicable | Achieved |

**Methodology:**

6.2.1 – Measured by the number of office expense claims processed through PEMS being at least 85 per cent of the number of claims processed.

6.2.2 – Measured by the number of office expense claims being paid within agreed service levels.

6.2.3 – Availability of functionality within PEMS to produce reporting on parliamentarian work expenses at regular intervals.

**Data sources:**

PEMS data and Independent Parliamentary Expenses Authority public reporting.

**Authority:**

2023–24 Portfolio Budget Statements, Outcome 3, Program 3.1, page 63

2023–24 Corporate Plan, page 32

## 6.2.1

In 2023–24, there was sustained usage of PEMS by parliamentarians and their staff, demonstrated by at least 90 per cent of offices accessing the system to process claims regularly. This builds on the result of the previous year of at least 85 per cent of Parliamentarians registering an account in PEMS. Parliamentarians and their staff have been able to access and submit claims for travel and office expenses since July 2022. We continue to make system improvements, particularly focused on the user experience and work with offices to support the ongoing and efficient utilisation of PEMS. Parliamentarians and their authorised staff have access to run budget reports to enable them to accurately monitor and manage their office expenditure. PEMS training support continued in 2023–24 by providing face-to-face and online personalised sessions.

## 6.2.2

In 2023–24, an average of 99 per cent of claims lodged in PEMS have been paid successfully. Claims processed successfully are determined by payment of the claim. Administration teams assess each claim against the relevant legislation for eligibility and accuracy. Where claims have been lodged and not yet paid, processing teams work with offices to ensure the eligibility of claiming by follow up for additional information required to enable processing and payment. This target was new for 2023–24 and cannot be compared to the previous year.

## 6.2.3

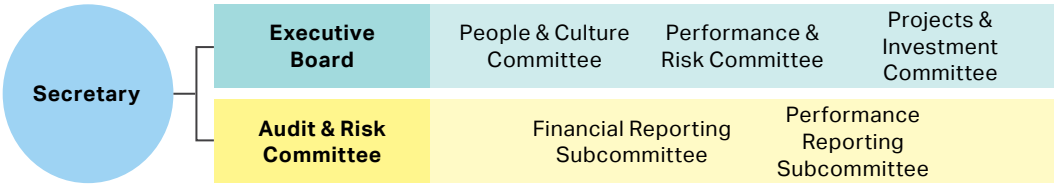
The expenditure reporting module was the final milestone of the PEMS project and was delivered in November 2023. This functionality enables parliamentarians and authorised staff to review and certify expenditure. Public expenditure reporting by the Independent Parliamentary Expenses Authority recommenced in December 2023 with a schedule for release of the outstanding expenditure reporting periods successfully maintained to ensure previously unreported periods were completed in a timely manner and enable the normal quarterly release of expenditure reporting to continue. This target was new for 2023–24 and cannot be compared to the previous year.

# Part 3:
# Management and accountability

## Corporate governance

Our governance framework supports us to deliver on our purpose and priorities. We review our governance framework annually to ensure governance remains appropriate to support decision making across Finance, is aligned with our priorities and management of risk, and supports the Accountable Authority in discharging their duties under the PGPA Act and *Public Service Act 1999*. Figure 4 below outlines our committee structure.

**Figure 4:** Our governance committee structure in 2023–24




### Executive Board

Our Executive Board is our chief advisory and decision-making body. Members of Executive Board provide strategic leadership to ensure we deliver on our purpose.

**Figure 5:** Our Executive Board



Left to right:
Nathan Williamson (Deputy Secretary), Andrew Jaggers PSM (Deputy Secretary), Jenny Wilkinson PSM (Secretary), Cath Patterson (Deputy Secretary), Richard Windeyer (Deputy Secretary).

### People and Culture Committee (PCC)

Our People and Culture Committee provides strategic advice to Executive Board on matters relating to people management, workforce strategy, diversity, inclusion, and leadership and capability development.

### Performance and Risk Committee (PRC)

Our Performance and Risk Committee provides oversight and advice on our strategic direction, how we allocate resources, and how we measure our performance and outcomes. The committee also monitors and provides advice on how we manage risk and our management of data.

### Projects and Investment Committee (PIC)

Our Projects and Investment Committee focuses on projects and investments benefitting from a whole of organisation governance view or requirement for broader departmental visibility and/or accountability.

### Audit and Risk Committee (ARC)

Our Audit and Risk Committee provides independent advice to the Secretary on the appropriateness of our financial reporting, performance reporting, systems of internal control and systems of risk oversight and management.

The ARC is supported by the Financial Reporting Subcommittee (FRSC) and Performance Reporting Subcommittee (PRSC).

The latest ARC charter is available on our website[18].

18 https://www.finance.gov.au/publications/charter/audit-committee-charter

Table 3 shows our ARC members during 2023–24, including an overview of their qualifications, attendance, and remuneration.

**Table 3:** Qualifications and remuneration of the Audit and Risk Committee

| Member | No. of meetings attended / total no. of meetings | Total annual remuneration $ (GST inc.) |
|---|---|---|
| **ARC & FRSC Chair**<br>Mr Don Cross | ARC 5 / 5<br>FRSC 4 / 4<br>PRSC 3 / 3 | $44,000 |
| Mr Cross has a background of holding senior roles in financial statement audit, internal audit, management assurance and performance and program management.<br>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.<br>He is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Certified Public Accountant (CPA). | | |
| **ARC & PRSC Member**<br>Mr Ian McPhee AO PSM | ARC 5 / 5<br>FRSC 2 / 4<br>PRSC 2 / 3 | $32,780 |
| 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 and risk committees of a number of Commonwealth government entities.<br>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. | | |
| **ARC Member & PRSC Chair**<br>Dr Wendy Southern PSM | ARC 5 / 5<br>FRSC 4 / 4<br>PRSC 3 / 3 | $31,100 |
| 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.<br>Dr Southern is currently a member of the Audit and Risk committees at the National Archives of Australia and the Australian Federal Police and Chair of the Parliamentary Budget Office Audit and Risk Committee. | | |

| Member | No. of meetings attended / total no. of meetings | Total annual remuneration $ (GST inc.) |
|---|---|---|
| **ARC & FRSC Member**<br>Mr Chris Ramsden | ARC 5 / 5<br>FRSC 4 / 4<br>PRSC 3 / 3 | $30,000 |

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 Reporting Subcommittee and the National Competition Council Audit and Risk Committee.
Mr Ramsden has a Business Degree in Accounting and Finance and is a Fellow of CPA Australia.

| | | |
|---|---|---|
| **ARC Member**<br>Ms Alexandra Spark | ARC 1 / 1<br>FRSC 1 / 1<br>PRSC 1 / 1 | $7,150 |

Ms Spark has over 25 years working as a Chartered Accountant and Risk Specialist with experience in financial statement audit, risk management, regulation and corporate governance. She was a partner at Deloitte Touche Tohmatsu and has worked with a range of clients within Australia and internationally, in the public and private sectors.
Ms Spark is currently a member of a number of Commonwealth Audit and Risk Committees, including the Department of Employment and Workplace Relations, Department of Climate Change, Energy, the Environment and Water and a non-executive director.

| | | |
|---|---|---|
| **ARC & FRSC Member (ceased in December 2023)**<br>Ms Patricia Kelly | ARC 2 / 3<br>FRSC 2 / 2<br>PRSC 1 / 1 | $11,000 |

Ms Kelly previously held several 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).
Concurrent with her role on the Committee, Ms Kelly held positions as Deputy Chancellor of the University of Canberra and a Council Member at the Australian Institute of Marine Science. She chaired the Australian Research Integrity Committee, the National Youth Science Forum, and the Australian SKA Regional Centre. She was a Director of DMTC Ltd and of Cooperative Research Australia.

## Enterprise Performance Framework

Our Enterprise Performance Framework integrates the 3 key publications identified in the Commonwealth Performance Framework, along with our division operational plans and other supporting documents, and is split into planning and reporting documents:

- Planning documents (forward looking)
  - Portfolio Budget Statements – non-financial performance information
  - Corporate plan, and
  - Division operational plans.
- Reporting documents (backward looking)
  - Annual performance statements
  - Annual report, and
  - Quarterly performance reports.

## Enterprise Risk Management Framework

Our Enterprise Risk Management Framework establishes our system of risk management and oversight. It enables the Secretary to meet her obligations under the PGPA Act and embeds risk management at all levels of Finance.

The Secretary and Executive Board have overarching responsibility for establishing systems of risk management and are supported by the PRC and ARC.

In 2023–24, the PRC refreshed our strategic (key) risks to reflect our most important risks related to our core objectives.

As part of our continuous improvement activities and with oversight and guidance by the PRC we:

- completed a review of our strategic risks
- further refined divisional reporting arrangements and our online risk register and reporting tools
- updated our risk guidance materials and tools
- commenced work to revise our enterprise risks
- implemented risk education with a focus on documenting and managing our operational risks, and
- worked together with our risk champion network to build risk capability across the department. This has included an expanded role in building climate risk capability.

## Values and integrity

Our work and our interactions are guided by the APS values (impartial, committed to service, accountable, respectful, and ethical). In addition to the APS values, we have established a set of leadership values and behaviours that are essential to effective leadership at all levels:

- act with integrity – lead by example, act with transparency, accountability, and honesty to deliver quality outcomes
- collaborate, innovate – build stakeholder relationships based on respect and trust, to drive quality and better ways of working
- be part of the solution – take a positive approach to your daily work by endeavouring to understand the challenges and providing or contributing to solutions, and
- develop self, develop others – know your strengths and areas for development, and invest time and effort to develop others.

In 2023–24, we acted to respond to recommendations within the 'Louder than Words: an APS action plan', both internally and through our whole-of-government stewardship role. This has included the publication of the Commonwealth Supplier Code of Conduct, which came into effect on 1 July 2024. The code clearly outlines the Commonwealth's minimum expectations of suppliers, their personnel and their subcontractors while under contract with the Commonwealth and places a positive duty on suppliers to proactively prevent misconduct.

Internally, we have continued to strengthen our pro-integrity culture through the implementation of the SES Performance Leadership Framework, which has been established in accordance with priority one of the APS Reform agenda, to ensure that the APS embodies integrity in everything it does. Our Executive Board continues to review quarterly reporting on key metrics in our integrity framework and in 2024–25 we will revise our integrity framework and supporting tools, resources and information.

## Business continuity management

Business continuity management is a key element of our enterprise risk management policy and framework. Our business continuity management framework involves the development, implementation and maintenance 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 disruption event, safeguarding the interests of stakeholders.

Under our business continuity management framework, if a business disruption event occurs, a central control team is convened by the central control team leader. The central control team is the central point of coordination and communication for Finance's response and recovery to a business disruption event.

Business continuity plans are reviewed and tested annually to ensure they meet our business requirements, in accordance with ISO22301 standards and best practice principles.

During 2023–24, critical function business owners:

- effectively managed and reported any business disruptions (actual or potential), and
- reviewed their business continuity plans, monitoring the effectiveness in meeting business needs, incorporating any lessons learned.

Active and meaningful collaboration with key stakeholders within Finance and across the APS occurred, including through participation in the APS Business Continuity Community of Practice.

## Fraud prevention and control

We are committed to a culture of professional integrity where our people are required to act with honesty, transparency, and accountability at all times and at all levels. We take all reasonable measures to prevent, detect and respond to fraud and corruption. We respond promptly to reports of fraud and corruption and investigate them in accordance with the Australian Government Investigations Standards.

Our fraud and corruption control plan aligns with the Commonwealth Fraud Control Framework and sets out our arrangements for fraud and corruption prevention, detection, investigation, and reporting. The plan establishes how we comply with the requirements of section 10 of the PGPA Rule and emphasises the primary strategy of prevention to reduce the risk of fraud and corruption.

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

We have 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, and
- mail: Department of Finance Fraud Officer, 1 Canberra Avenue Forrest ACT 2603.

## Internal audit

In collaboration with our internal audit provider, Axiom Associates, we conduct internal audits to provide assurance and identify improvements to our business processes, systems of internal control and risk management. These audits strengthen accountability and promote a culture of integrity, performance, and continuous improvement.

Our internal audit plan is developed in consultation with our senior executive and governance committees, including our ARC and Executive Board.

# External scrutiny

Our activities are subject to scrutiny from external bodies, including the Australian National Audit Office (ANAO), the Australian Information Commissioner, the Commonwealth Ombudsman, and various parliamentary committees.

## External audit

In 2023–24, the ANAO tabled 8 reports in the Parliament that involved Finance (6 performance reports and 2 financial statement audits):

- Auditor-General Report No. 9: Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023
- Auditor-General Report No. 12: Administration of the Parliamentary Expenses Management System
- Auditor-General Report No. 13: Efficiency of the Australian Passport Office
- Auditor-General Report No. 17: Implementation of Parliamentary Committee and Auditor-General Recommendations – Department of Finance
- Auditor-General Report No. 21: Management of the Australian War Memorial's Development Project
- Auditor-General Report No. 25: National Broadband Network – Transition from Construction to Operation
- Auditor-General Report No. 26: Department of Home Affairs' Regulation of Migration Agents, and
- Auditor-General Report No. 42: Interim Report on Key Financial Controls of Major Entities.

## Parliamentary committees

### Senate Standing Committee on Finance and Public Administration

The Senate Standing Committee on Finance and Public Administration covers the Prime Minister and Cabinet and Finance portfolios and is divided into 2 committees – Legislation Committee and References Committee.

### Legislation Committee

We appeared before the Legislation Committee at its Senate Estimates hearings of 23-24 October 2023, 12-13 February 2024 and 29-31 May 2024.

On 21 July 2023 we attended a hearing as part of the Inquiry into the Governor-General Amendment Cessation of Allowances in the Public Interest Bill 2023.

### References Committee

On 27 September 2023 and 23 February 2024, we attended hearings as part of the Inquiry into management and assurance of integrity by consulting services.

On 23 February 2024 we provided a submission to the Inquiry into supporting the development of sovereign capability in the Australian tech sector and attended a hearing as part of the same inquiry on 6 May 2024.

### Joint Committee of Public Accounts and Audit

The Joint Committee of Public Accounts and Audit (JCPAA) initiates inquiries into public administration matters and can conduct inquiries into matters referred to them by either House of Parliament.

In 2023–24, we had a series of engagements with the JCPAA as outlined below, in addition to our ongoing liaison on the Public Governance, Performance and Accountability framework:

- 28 July 2023: attended a hearing as part of the Inquiry into Annual Performance Statements 2021–22
- 24 August 2023: provided a submission to the Inquiry into probity and ethics in the Australian Public Sector and attended a hearing as part of the same inquiry on 20 November 2023
- 31 October 2023: provided a submission to the Inquiry into Defence Major Projects Report 2020–21 and 2021–22 and Procurement of Hunter Class Frigates. We also attended a hearing as part of the same inquiry on 20 November 2023
- 28 March 2024: provided a submission to the Inquiry into Commonwealth Financial Statements 2022–23 and attended a hearing as part of the same inquiry on 19 April 2024
- 9 April 2024: the Secretary wrote to the JCPAA addressing Recommendations 3 and 4 of Report 499 Inquiry into the Annual Performance Statements 2021–22, and
- 12 April 2024: provided 2 submissions to the Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects. We also attended a hearing as part of the same inquiry on 24 April 2024.

### Other committees

We attended hearings or provided submissions to the following parliamentary committees during 2023–24:

- Senate Foreign Affairs, Defence and Trade Legislation Committee: Inquiry into the Performance of the Department of Defence in supporting the capability and capacity of Australia's defence industry (submission provided 14 July 2023)
- Senate Select Committee on Cost of Living (attended hearing on 5 February 2024)
- Senate Economics Legislation Committee: Inquiry into the Digital ID Bill 2023 and the Digital ID (Transitional and Consequential Provisions) Bill 2023 (submission provided 19 January 2024, attended hearing on 9 February 2024), and
- Senate Environment and Communications References Committee:
  - Inquiry into Australian Antarctic Division funding (attended hearings on 28 February and 19 March 2024)
  - Inquiry into the Middle Arm Industrial Precinct (attended hearing on 17 June 2024)

- Joint Committee on Corporations and Financial Services, Inquiry into ethics and accountability in the audit, assurance, and consulting industry (submission provided on 31 August 2023, attended hearing on 22 April 2024).

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.

### Freedom of information

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

Our plan is available on our website at https://www.finance.gov.au/about-us/freedom-information.

## Asset management

We manage around 60 properties and national land interests, collectively referred to as the Finance owned estate. This portfolio includes office buildings, heritage assets, law courts, special purpose facilities, vacant land, and contaminated sites. Additionally, we maintain over 250 leased sites nationally to accommodate parliamentarians and their staff. This includes 6 Commonwealth Parliament Offices in capital cities outside of the ACT that provide additional capabilities for visiting parliamentarians and fit for purpose facilities to support the government of the day. We also maintain 6 COMCAR depots across Australia.

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

To improve the portfolio's performance, we continue to enhance building and environmental performance where feasible and to assist meeting APS Net Zero 2030 targets. Work completed to improve sustainability includes the installation of rooftop solar panels and upgrading aged building lighting systems to modern LED systems with dimmable organic response lighting technology. We will continue to progress upgrades to improve the operational efficiency of our buildings as assets reach their end of life or when newer technology is considered more feasible, including electrification of our properties.

We also manage the whole-of-government Property Services Coordinated Procurement Arrangements (the arrangements) for property-related services. As of 30 June 2024, 96 per cent of all non-corporate Commonwealth entities, representing 99 per cent of in scope properties have transitioned to the arrangements for their property needs.

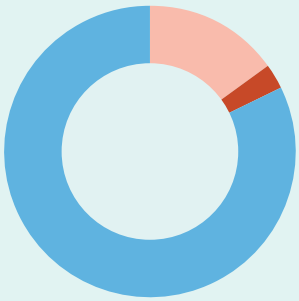
The arrangements continue to deliver a wide range of benefits to Commonwealth entities, including through the Commonwealth Leasing Strategy and downstream procurement strategies. Work is ongoing to deliver further benefits including enhancements to support wider government initiatives, such as APS Net Zero 2030, through the design of the next iteration of contracts with external property service providers, to be implemented during the 2024–25 financial year.

# Part 4:
# Human resource management



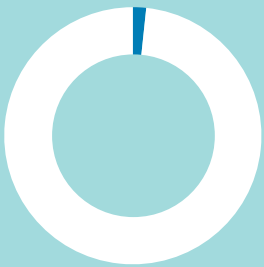
# 2,239

## Headcount of staff as at 30 June 2024

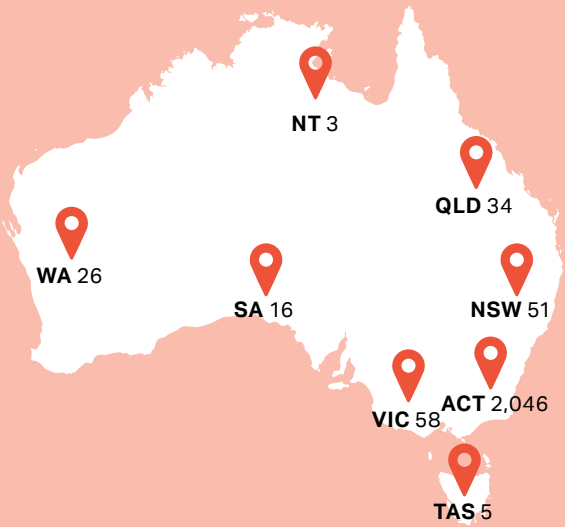





**5.4%** Staff with disability



**1.9%** Aboriginal and Torres Strait Islander






**58.3%** Women

## Women in leadership

(Finance SES)

2024

48.9%

## Our staff

Male: 1,059

Female: 1,175

Non-binary: 5

Total: 2,239

## Workforce planning

Our workforce and diversity strategies support us to strengthen workforce capability and culture to ensure we continue to mitigate workforce risks in a highly competitive labour market and build our profile as an employer of choice.

The Finance workforce strategy articulates our 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.

Implementation of the strategy is in its third year and is supported by a data informed action plan. Key activities delivered in 2023–24 included:

- development and launch of our Health and Wellbeing Strategy and Action Plan
- launch of our Mobility Policy and Career Connect
- review of contractor and labour hire arrangements to support the implementation of the Strategic Commissioning Framework, and
- development of a technical and specialist capability framework in support of our budget areas.

Our 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.

### Future ways of working pilot program

In 2023–24, we implemented a Future Ways of Working pilot program to understand and adjust our workforce needs within our existing accommodation and ensure we are providing a workplace that meets contemporary ways of working. The successful pilot has undergone extensive evaluation, which highlighted that many teams felt increased collaboration and connection. Under the pilot, teams were allocated a number of desks that reflected our general usage patterns, and people utilised lockers for their personal effects and work items. There were also substantial additional desks available to meet surge requirements of teams.

Our role as stewards of the Commonwealth Property Management Framework demands that we demonstrate leadership in the management of our accommodation, consistent with arrangements adopted by other APS agencies. More efficient use of our workspaces gives us the opportunity to adjust our workforce needs quickly within our existing accommodation and ensures we are providing a workplace that meets contemporary ways of working.

## Capability and development

Our 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.

Our capability focus continues to offer training and development solutions that are relevant, contemporary, and contextualised to our operating environment, with alignment to our workforce strategy, corporate priorities, and integrity framework. We have enhanced our learning offerings through academic partnerships and relationships with key stakeholder groups, the Australian Public Service Commission and APS Academy.

In 2023–24, we delivered over 180 refreshed learning programs (including our new starter induction program), providing training to over 2,465 individual attendees. Training and development programs had a focus on:

- strengthening data and digital capability
- management and leadership skills, and
- building resilience and managing workplace stress.

In 2023–24, our EL2 leadership program, Aspiring Leaders was launched. Twenty EL2 officers joined the 8-month program and completed a series of face-to-face modules, leadership assessment tools and coaching. This supports our approach to SES talent and succession planning in enhancing our future leadership bench strength and pipeline for more senior and complex roles.

To address critical workforce capability in the accounting and finance profession, in 2024, we launched a bespoke development program for the whole-of-government Accounting and Financial Management Stream graduate cohort (see Continuing to grow the accounting and finance profession in the APS).

New for 2024, our 30 graduates have participated in the Finance Graduate Development Program which focuses on communication (written and verbal), judgement and decision making, critical and strategic thinking, emotional intelligence and self-awareness, collaboration and resilience, and cultural capability. These capabilities are delivered through mentorships, training modules and on the job learning. This program aims to develop strong, capable engaged officers who can contribute to the strategic and operational goals of the agency.

In partnership with the Australian Taxation Office, we continue to manage the Australian Government School Leaver Program and particularly the Certificate IV in Government development program. The Australian Government School Leaver Program seeks to employ recent year 12 graduates into ongoing roles at the APS 1 level, across 24 agencies in the APS. Following successful completion of the Certificate IV and meeting performance expectations, school leavers will advance to the APS 2 level.

## Performance management

We are committed to identifying, supporting and developing employees through a transparent and effective performance management process. Our Performance Management Framework has been established on the principles of having clear performance expectations, ongoing and regular feedback, and support to develop and build capability.

In 2023–24, we conducted a review of our performance management processes to support greater employee engagement. The key areas of focus identified as part of the review were systems, policy, capability and communications. The review has supported a new communications campaign to encourage employees and managers to have more frequent conversations, reduce the focus on compliance and align performance conversations with career development.

We have progressed implementation of the APS SES Performance Leadership Framework with a new template and updated policy to support the 2024–25 performance cycle.

Targeted resources and learning programs are available to support employees to engage with the performance process, build confidence in giving and receiving feedback and identify performance and development goals.

## Workforce diversity and inclusion

We actively promote inclusive leadership and diversity to support a positive, respectful workplace culture. We support our employees to bring their whole selves to work and encourage our employees to meet their full potential and we support them in their professional and personal lives.

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

Key activities in 2023–24 to support and strengthen our inclusive and diverse workplace culture included:

- the establishment of a Disability Contact Officer to support employees with disability to seek and source additional assistance
- celebration of significant days such as Lunar New Year, Harmony Week, International Day of People with Disability and International Women's Day
- participation in the Australian Workplace Equality Index
- introduction of low sensory rooms within One Canberra Avenue to support diverse ways of working
- launch of our Gender Equity Action Plan in response to the APS Gender Equity Strategy and Action Plan, and
- participation in the APS pilot of the Cultural Sprint Project to identify employment barriers and support enhanced career progression for Cultural and Linguistically Diverse employees.

### Reconciliation initiatives

Our 2021–24 Innovate Reconciliation Action Plan (RAP) supports our ongoing commitment to reconciliation, diversity and inclusion and to build a more representative and agile workforce.

Reconciliation is at the core of the government's Closing the Gap Priority Reforms. We continue to contribute by implementing and leading initiatives to support these reforms across the public service.

Our RAP Working Group, representative of Aboriginal and Torres Strait Islander employees and non-Indigenous employees is led by our co-champions. The working group provides oversight and governance of the delivery and implementation of RAP activities.

During 2023–24, activities delivered under the RAP included:

- the development and launch of our cultural learning framework and program, Connection
- an Aboriginal and Torres Strait Islander Employment Strategy which was informed by direct employee feedback and will support enhanced attraction, career development and retention of First Nations employees
- acknowledgement of days of significance including the Anniversary of the Apology to the Stolen Generation, World Indigenous Day, National Reconciliation Week and National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, and
- preparations for the development of our new RAP, which is due to be launched in the second part of 2024.

## 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[19].

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at http://www.apsc.gov.au.

19 https://www.dss.gov.au/disability-and-australias-disability-strategy-2021-2031

## Workplace health and safety

We meet our 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.

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

Our WHS Committee met quarterly throughout 2023–24, and health and safety representatives and mental health first aid officers assisted us to maintain a safe and healthy work environment.

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

### Notifiable incidents

We reported one notifiable incident to Comcare under section 38 of the WHS Act. One employee suffered a compensable injury or illness because of this incident.

### Work health and safety investigations

No investigations were conducted, and no notices were given in relation to incidents at our workplace during 2023–24.

## Members of Parliament (Staff) Act employees

In October 2023, functions relating to the provision of human resources, work, health and safety and education services to parliamentarians and their staff were transitioned to the Parliamentary Workplace Support Service (PWSS). The reporting on work, health and safety incidents and investigations involving the MOP(s) Act employees will be reported by PWSS.

We will continue to provide high-quality payroll and expense payment processing services to parliamentarians and their employees under the MOP(s) Act.

## Employment arrangements

The *Department of Finance Enterprise Agreement 2024–2027* provides the employment conditions for all our non-SES employees, including COMCAR drivers. In certain circumstances, we use individual flexibility arrangements to secure specific expertise or specialist skills critical to our 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 4:** Employment arrangements for SES and non-SES employees, at 30 June 2024

| Arrangement | SES | Non-SES | Total |
|---|---|---|---|
| Enterprise agreement | – | 2,163 | **2,163** |
| Individual flexibility arrangements | – | 18 | **18** |
| Determinations under subsection 24(1) of the *Public Service Act 1999* | 76 | – | **76** |

Staff on individual flexibility arrangements are included in the enterprise agreement total.

**Table 5:** Salary ranges by employment classification, at 30 June 2024

| | Salary ranges | |
|---|---|---|
| Classification | Minimum ($) | Maximum ($) |
| SES3 | 408,085 | 445,999 |
| SES2 | 269,697 | 303,724 |
| SES1 | 209,561 | 244,253 |
| EL2 | 149,239 | 185,909 |
| EL1 | 122,240 | 157,701 |
| APS6 | 94,434 | 123,043 |
| APS5 | 85,836 | 96,313 |
| APS4 | 76,972 | 87,851 |
| APS3 | 68,241 | 78,718 |
| APS2 | 61,390 | 70,256 |
| APS1 | 53,463 | 61,660 |

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

### Non-salary benefits

We offer a range of non-salary benefits to our employees, including:

- access to flexible working arrangements
- a confidential employee assistance program for employees and their immediate family
- on-site gym
- annual influenza immunisation
- mentoring and coaching programs
- in-house capability development programs
- study assistance to eligible employees, and
- contributions to relevant professional memberships.

Our employees are eligible to participate in salary sacrifice arrangements for non-salary benefits, including novated car leases and additional employer superannuation contributions.

## Executive remuneration

The remuneration for the Secretary and statutory office holders is determined by the Remuneration Tribunal under the *Remuneration Tribunal Act 1973*. Remuneration for our SES employees is established through individual determinations made under section 24(1) of the Public Service Act.

**Table 6:** Information about remuneration for senior executives

| | | Short-term benefits | | Post-employment benefits | Other long-term benefits | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|
| Remuneration band | Number of senior executives | Average base salary ($) | Average other benefits and allowances ($) | Average superannuation contributions ($) | Average long service leave ($) | Average termination benefits ($) | Average total remuneration ($) |
| $0 – $220,000 | 26 | 86,037 | 139 | 12,829 | 16,389 | 6,409 | 121,804 |
| $220,001 – $245,000 | 6 | 177,427 | – | 32,550 | 17,362 | – | 227,339 |
| $245,001 – $270,000 | 11 | 208,456 | – | 34,040 | 18,995 | – | 261,492 |
| $270,001 – $295,000 | 19 | 221,871 | 532 | 37,655 | 11,860 | 10,410 | 282,328 |
| $295,001 – $320,000 | 15 | 248,780 | – | 41,456 | 17,557 | – | 307,793 |
| $320,001 – $345,000 | 4 | 268,553 | – | 47,677 | 13,644 | – | 329,873 |
| $345,001 – $370,000 | 3 | 298,203 | – | 49,519 | 8,647 | – | 356,368 |
| $370,001 – $395,000 | 2 | 320,044 | – | 55,411 | 9,073 | – | 384,528 |
| $395,001 –$420,000 | 1 | 344,792 | – | 48,425 | 4,364 | – | 397,580 |
| $420,001 – $445,000 | 1 | 258,854 | – | 28,294 | 133,924 | – | 421,072 |
| $445,001 – $470,000 | 2 | 325,332 | – | 58,836 | 81,988 | – | 466,156 |
| $470,001 – $495,000 | 0 | – | – | – | – | – | – |
| $495,001 – $520,000 | 0 | – | – | – | – | – | – |
| $520,001 – $545,000 | 0 | – | – | – | – | – | – |
| $545,001 – $570,000 | 1 | 306,102 | – | 51,729 | 202,644 | – | 560,476 |

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 7:** Information about remuneration for other highly paid staff

| | | Short-term benefits | | Post-employment benefits | Other long-term benefits | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|
| Remuneration band | Number of other highly paid officers | Average base salary ($) | Average other benefits and allowances ($) | Average superannuation contributions ($) | Average long service leave ($) | Average termination benefits ($) | Average total remuneration ($) |
| $250,000 – $270,000 | 1 | 180,557 | 10,496 | 29,834 | 34,120 | – | 255,008 |
| $270,001 – $295,000 | 2 | 208,625 | – | 34,023 | 41,792 | – | 284,440 |

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. 2 individuals included were acting as SES for a portion of the year.

## Key Management Personnel

Our key management personnel are identified as the members of the Executive Board (the Secretary and all 4 Deputy Secretaries).

**Table 8:** Information about remuneration for key management personnel

| Name | Position | Term as key management personnel | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Base Salary [a] | Bonuses | Other benefits and allowances [b] | Superannuation contributions [c] | Long Service leave [d] | Other long-term benefits | Termination benefits | Total remuneration [e] |
| Jenny Wilkinson | Secretary | 1 July 2023 – 30 June 2024 | 873,943 | – | – | 27,400 | 16,075 | – | – | 917,418 |
| Cath Patterson | Deputy Secretary | 1 July 2023 – 30 June 2024 | 445,999 | – | – | 73,719 | 17,663 | – | – | 537,381 |
| Andrew Jaggers | Deputy Secretary | 1 July 2023 – 30 June 2024 | 408,085 | – | – | 73,204 | 11,815 | – | – | 493,104 |
| Nathan Williamson | Deputy Secretary | 1 July 2023 – 30 June 2024 | 422,619 | – | – | 75,539 | 6,675 | – | – | 504,833 |
| Mary Wiley-Smith | Deputy Secretary | 1 July 2023 – 22 November 2023 | 149,283 | – | – | 29,017 | 3,808 | – | – | 182,108 |
| Richard Windeyer | Deputy Secretary | 12 March 2024 – 30 June 2024 | 138,848 | – | – | 26,067 | 7,111 | – | – | 172,026 |
| Grant Lovelock | Acting Deputy Secretary | 23 November 2023 – 11 March 2024 | 102,827 | – | – | 16,595 | 2,122 | – | – | 121,544 |
| Libor Pelecky | Acting Deputy Secretary | 12 July 2023 – 31 July 2023 | 18,397 | – | – | 3,304 | 3,445 | – | – | 25,146 |
| Nick McClintock | Acting Deputy Secretary | 6 December 2023 – 5 January 2024 | 30,298 | – | – | 3,913 | 7,233 | – | – | 41,444 |
| Anna Harmer | Acting Deputy Secretary | 15 January 2024 – 24 June 2024 | 44,382 | – | – | 7,600 | 284 | – | – | 52,266 |
| Tracey Carroll | Acting Deputy Secretary | 17 July 2023 – 31 July 2023 | 13,927 | – | – | 2,542 | 337 | – | – | 16,806 |

a. Base salary includes salary paid and accrued (including whilst on annual or personal leave) and any higher duty 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 4.31 per cent offset by salary growth of 4.0 per cent). The 2022–23 discount rate was 3.8 per cent leading to higher LSL expense reporting

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.

## Machinery-of-government changes

In 2023–24, 13 ongoing employees and 2 non-ongoing employees moved from the Digital Transformation Agency to Finance through a machinery-of-government change.

# Part 5:
# Financial reporting

## Overview of 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 11 September 2024.

A summary of our financial performance for departmental and administered activities are provided below.

### Departmental activities

We manage 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 2023–24 operating deficit of $477.6m (2022–23: deficit $237.2m) is primarily due to general insurance activities provided to Australian Government entities that were impacted by revised estimates for prior year liability claims and the componentisation and impairment of non-financial asset specialised buildings.

While we recognised an operating deficit in 2023–24 under the Statement of Comprehensive Income, the Statement of Financial Position remains strong. At 30 June 2024, we held net assets of $3.2b, which largely comprised the Finance Owned Estate (approximately 60 non-Defence Commonwealth-owned properties in Australia). Total assets increased by $0.1b primarily driven by an increase in special account cash held and right-of-use building assets, offset by, and the reduction in market values of investment properties and the componentisation of specialised buildings and facilities. Total liabilities increased by $0.2b to $2.2b, largely due to outstanding insurance claims to be paid.

### Administered activities on behalf of the Australian Government

In 2023–24, we administered 4 programs on behalf of the Australian Government with expenses of $12.3b including:

- $9.5b for Public Sector Superannuation including member benefits for Commonwealth defined benefit superannuation schemes
- $2.1b for the Australian Government Investment Funds including distributions to portfolio special accounts, and
- $0.7b for Ministerial and Parliamentary Services including entitlements, salaries for staff employed under the Members of Parliament (Staff) Act, and COMCAR services.

Administered income of $2.1b mainly comprises $1.0b of interest, dividends, distributions and gains from the Australian Government Investment Funds and $1.1b of superannuation contributions.

At 30 June 2024, administered assets were $69.9b which largely consists of the Australian Government Investment Funds and investments in Commonwealth entities and companies. Total assets increased by $15.4b from 2022–23, mainly due to equity injections into the new Housing Australia Future Fund $10.0b, DisabilityCare Australia Fund $2.3b, investment gains from the Investment funds, and the purchase of a non-controlling interest in a new investment entity.

Administered liabilities of $174.2b largely consists of member benefits for the Commonwealth defined benefit superannuation schemes. Superannuation liabilities decreased by $4.9b from the previous year primarily as a result of changes to the discount rate used to value the liabilities.

## Compliance with finance law

In 2023–24, there was one instance of significant non-compliance with finance law that related to the inadvertent data release of the Management Advisory Services (MAS) Panel details.

In response, Mr Michael Manthorpe PSM (former Commonwealth Ombudsman) conducted a review at the request of the Secretary. The Secretary considered the final report of the review and accepted its nine recommendations.

The report is published in full on our website[20].

20 https://www.finance.gov.au/about-us/news/2024/report-independent-review-inadvertent-data-release-mas-panel-details

# Procurement

## Performance assessment against the Commonwealth Procurement Rules

Our approach to procurement activities is consistent with the principles of the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies. This is further supported by our Accountable Authority Instructions and supporting procurement operational guidance. We focus on obtaining value for money, encouraging competition, efficient, effective, economical, and ethical use of government resources, accountability, and transparency in all our procurement activities.

Information on significant procurements expected to be undertaken in 2023–24 is in our annual procurement plan, available on the AusTender website[21].

## Small-to-medium enterprises and Indigenous business

We support small business participation in the government procurement market. An example of measures to support small business enterprises include:

- complying with the Commonwealth Procurement Framework
- using a straightforward approach-to-market templates, communicated in clear and simple language, and presented in an accessible format
- using standard contracts for low-risk procurements valued under $200,000
- implementing the Indigenous Procurement Policy, and
- using the Australian Industry Participation policies and programs to encourage small-to-medium enterprise engagement opportunities.

Small and medium enterprises and small enterprise participation statistics are available on our website[22].

We recognise the importance of ensuring that small businesses are paid on time, complying with the government's Supplier Pay On Time or Pay Interest Policy. The Pay On Time survey performance report for 2023 is available on the Treasury's website[23]. This report shows that, for invoices under $1,000,000, we paid 98 per cent of non-eInvoices within 20 days and 94 per cent of eInvoices within 5 days in 2023-24, as required under the Government's Supplier Pay On Time or Pay Interest Policy.

We support the goals of the Indigenous Procurement Policy. Our Aboriginal and Torres Strait Islander Procurement Strategy represents its commitment and approach to delivering the outcomes of the Indigenous Procurement Policy. This is reflected in the Indigenous Procurement Policy procurement statistics, which shows that we consistently exceed our Indigenous Procurement Policy targets. Further details are available on the National Indigenous Australians Agency website[24].

21 https://www.tenders.gov.au/
22 https://www.finance.gov.au/
23 https://treasury.gov.au/
24 https://www.niaa.gov.au/

## Consultancies

We engage consultants for specialist expertise or when independent research, review or assessment is required. Prior to engaging consultancies, we consider the skills and resources required, the skills available internally and the cost effectiveness of engaging external expertise. Decisions to engage consultants are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies.

During 2023–24, 214 new reportable consultancy contracts were entered into. These were valued at $10.14m with expenditure against these of $5.02m. In addition, 51 reportable consultancy contracts were active during the reporting period, involving total actual expenditure of $5.27m.

The main categories for which consultants were engaged were:

- Management Advisory Services, and
- other professional services, including market research, economic analysis.

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[25].

**Table 9:** 2023–24 Reportable consultancy contracts

| Reportable Consultancy Contracts | No. of Contracts | 2023–24 expenditure ($, including GST) |
|---|---|---|
| New contracts entered during the period | 214 | 5,021,549 |
| Ongoing contracts entered during a previous period | 51 | 5,271,158 |
| **TOTAL** | **265** | **10,292,707** |

**Table 10:** 2023–24 Top 5 consultants (by value of expenditure)

| 2023–24 Top 5 Consultants | Actual 2023–24 spend ($, including GST) | Proportion of 2023–24 total spend (%) |
|---|---|---|
| Deloitte Touche Tohmatsu | 1,658,609 | 16.1% |
| The Boston Consulting Group Pty Ltd | 718,000 | 7.0% |
| Kordamentha | 711,448 | 6.9% |
| Marsh Pty Ltd | 482,705 | 4.7% |
| Kpmg Australia | 478,085 | 4.6% |

25 https://www.tenders.gov.au/

## Non-consultancies

During 2023–24, 604 new reportable non-consultancy contracts were entered into. These were valued at $218.08m, with expenditure against these of $59.318m. In addition, 736 reportable non-consultancy contracts were active during the reporting period, involving total actual expenditure of $300.05m.

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

- building construction and support, and maintenance and repair services
- computer services, and
- data voice or multimedia network equipment, or platforms and accessories.

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[26].

**Table 11:** 2023–24 Reportable non-consultancy contracts

| Reportable Non-consultancy Contracts | No. of Contracts | 2023–24 expenditure ($, including GST) |
|---|---|---|
| New contracts entered during the period | 604 | 59,318,266 |
| Ongoing contracts entered during a previous period | 736 | 300,058,661 |
| **TOTAL** | **1,340** | **359,376,927** |

**Table 12:** 2023–24 Top 5 non-consultancies (by value of expenditure)

| 2023–24 Top 5 Non-consultants | Actual 2023–24 spend ($, including GST) | Proportion of 2023–24 total spend (%) |
|---|---|---|
| Ventia Property Pty Ltd | 116,480,230 | 32.4% |
| Barpa Pty Ltd | 42,406,214 | 11.8% |
| Willemsen Property Corporation Pty Ltd | 16,553,532 | 4.6% |
| Multiplex Constructions Pty Ltd | 12,318,491 | 3.4% |
| Data#3 | 11,347,155 | 3.2% |

# Grants

Information on grants awarded by us during the period of 1 July 2023 to 30 June 2024 is available on the GrantConnect website[27].

26 https://www.tenders.gov.au/
27 https://www.grants.gov.au/

## Advertising and market research

In 2023–24, we did not conduct any advertising campaigns. During 2023–24, our total payments for whole-of-government advertising and market research was $1,083,878.08 (GST inclusive).

Table 13 shows payments of $16,300 or more (GST inclusive) to market research organisations in relation to the whole-of-government master media agency contract that we manage and includes research and creative services to support communication and education about Digital ID. The lead entity responsible for specific advertising or market research contracts reports the relevant expenditure under their annual report.

**Table 13:** Advertising and market research payments, 2023–24

| Organisation | Purpose | Expenditure ($, Including GST) |
|---|---|---|
| **Market research organisations** | | |
| Ipsos Public Affairs Pty Ltd | Consultation and analysis services | $333,927.40 |
| Ebiquity Pty Ltd | Industries advice for campaign advertising | $125,899.40 |
| Verian Group Australia Pty Ltd | Customer Survey and analysis services | $80,510.10 |
| DBM Social Research Pty Ltd (also known as 3ARC Social Pty Ltd) | Customer Survey and analysis services | $58,245.00 |
| 3ARC Social Pty Ltd | Consultation and analysis services | $27,703.26 |
| **Total reportable market research organisations** | | **$626,285.16** |
| **Media advertising organisations** | | |
| The Monkeys Pty Limited | Advertising services | $328,472.03 |
| Universal McCann | Advertising in relation to electorate offices and recruitment advertising | $101,297.86 |
| Mediabrands | Recruitment advertising | $27,823.03 |
| **Total reportable market research organisations** | | **$457,592.92** |
| **Total reportable payments of $16,300** | | **$1,083,878.08** |

## Central advertising system

We administer the central advertising system, which consolidates the government's buying power to support the proper use of public resources. A total of $208.9m was expended across campaign and non-campaign advertising media through the central advertising system in 2023–24.

Total campaign advertising media expenditure was $180.5m, comprising $173.8m by non-corporate Commonwealth entities and $6.7m by corporate Commonwealth entities, Commonwealth companies and other bodies.

Total non-campaign advertising media expenditure was $28.3m, comprising $26.3m by non-corporate Commonwealth entities and $2.0m by corporate Commonwealth entities, Commonwealth companies and other bodies.

# Financial statements

Auditor-General for Australia

Australian National Audit Office

**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 2024:

(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 2024 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 2024 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 material accounting policy information 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**<br><br>*Refer to Note C1 'General insurance activities'*<br><br>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.<br><br>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:<br><br>• the balance being significant relative to the Entity's Statement of Financial Position ($1,675.5 million outstanding insurance claims liability as at 30 June 2024); and<br>• 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:<br><br>• 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<br>• evaluated the Entity's actuarial report and year-end adjustments by:<br>  ○ assessing the competence, capability and objectivity of the actuary;<br>  ○ 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<br>  ○ 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**<br><br>*Refer to Note C2 'Investment funds'*<br><br>As at 30 June 2024, collective investment vehicles totaled $13.3 billion.<br><br>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.<br><br>All investments are held in custody by the Entity's appointed custodian.<br><br>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.<br><br>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:<br><br>• 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;<br>• assessed the qualifications, competence and objectivity of the custodian's independent auditor; and<br>• 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.<br><br>I assessed, on a sample basis, the valuation of indirectly held single infrastructure investments as at 30 June 2024. To do so I:<br><br>• evaluated the qualifications, competence and objectivity of the valuation expert used by management; and<br>• 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 2024, 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 2024, 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:
    - considering the regulatory framework under which the financial statements were prepared and the accounting policies adopted; and
    - evaluating the qualifications, competence and objectivity of the audit firm performing the audit and the opinion provided;
- where 30 June 2024 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 | How the audit addressed the matter |
|---|---|
| **Valuation of superannuation provisions**<br><br>*Refer to Note C3 'Superannuation'*<br><br>The Entity administers defined benefit schemes that entitle Australian Government employees to retirement benefits based on past service.<br><br>I consider the valuation of the superannuation provisions to be a key audit matter due to:<br><br>• the balance being significant relative to the Entity's Administered Schedule of Assets and Liabilities ($170.0 billion as at 30 June 2024); and<br>• the measurement of the provision being complex, requiring significant professional judgement in the selection of long-term | To address the key audit matter, I:<br><br>• 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;<br>• 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;<br>• evaluated the reasonableness of the review |

| | |
|---|---|
| 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<br>• evaluated the appropriateness of the methodology and reasonableness of the key assumptions applied in estimating the superannuation provision by:<br>○ comparing economic assumptions to realistic long-term expectations over the term of the schemes' liabilities, based on the Government's economic forecasts; and<br>○ assessing the detailed analysis undertaken by the Entity's actuary for consistency with historical data on the membership experience with regards to:<br>▪ promotional salary increases;<br>▪ rates of retirement, redundancy, resignation; and<br>▪ mortality. |

| Key audit matter | How the audit addressed the matter |
|---|---|
| **Valuation of Properties**<br><br>*Refer to Note D5 'Non-financial assets'*<br><br>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.<br><br>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.<br><br>As at 30 June 2024, the reported fair value of non-financial assets was $546.0 million for land, $1,778.8 million for buildings and $732.4 million for investment properties. | To address the key audit matter, I:<br><br>• evaluated the appropriateness of the Entity's methodologies and the reasonableness of the key assumptions used in the valuation models by:<br>○ evaluating the competence, capabilities and objectivity of the Entity's valuers;<br>○ 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;<br>○ assessing the reasonableness of the key assumptions used in the valuation model for relevance by comparing with prior periods and observable market data; and<br>○ 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



Rona Mellor PSM
Acting Auditor-General for Australia

Canberra

11 September 2024

## Department of Finance

## Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2024 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
11 September 2024



Neil Dawson
Chief Financial Officer
Department of Finance
11 September 2024

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**Department of Finance**
**Statement of Comprehensive Income**
**for the period ended 30 June 2024**

| | Note ref | Actuals 30 June 2024 $'000 | Actuals 30 June 2023 $'000 | Budget 30 June 2024 $'000 |
|---|---|---|---|---|
| **NET COST OF SERVICES** | | | | |
| **Expenses** | | | | |
| Employee benefits | E1.1 | **229,141** | 197,477 | *221,499* |
| Suppliers | D1 B1 | **209,483** | 207,368 | *242,238* |
| Insurance claims | C1.1 B2 | **467,643** | 334,587 | *208,971* |
| Competitive neutrality | H2 | **3,365** | 3,518 | *3,505* |
| Notional reinsurance expense | C1.1 | **5,000** | 5,000 | *5,000* |
| Depreciation and amortisation | D5.1 | **67,146** | 60,024 | *61,222* |
| Depreciation - right-of-use | D5.2 | **14,005** | 19,209 | *17,881* |
| Non-financial asset write-downs and impairments | D5.1 B4 | **256,592** | 106,122 | *12,562* |
| Impairment of financial assets | D3.3 | **1** | 1 | - |
| Losses from asset sales | | **719** | 1,147 | *7,414* |
| Interest on lease liabilities | | **12,737** | 7,747 | *7,445* |
| Other expenses | | **84** | - | - |
| **Total expenses** | | **1,265,916** | 942,200 | *787,737* |
| **Own-source income** | | | | |
| **Own-source revenue** | | | | |
| Premium revenue | C1.1 B2 | **213,847** | 187,077 | *200,586* |
| Reinsurance and other recoveries revenue | C1.1 | **2,153** | 2,599 | - |
| Rental income | D2.1 | **76,719** | 77,573 | *81,163* |
| Contracts with customers | D2.2 | **107,012** | 97,943 | *106,111* |
| Resources received free of charge | H2 | **1,635** | 1,415 | *1,416* |
| Other revenue | | **115** | 38 | - |
| **Total own-source revenue** | | **401,481** | 366,645 | *389,276* |
| **Gains** | | | | |
| Gains | | **5,141** | 1,461 | - |
| **Total gains** | | **5,141** | 1,461 | - |
| **Total own-source income** | | **406,622** | 368,106 | *389,276* |
| **Net (cost of)/contribution by services** | | **(859,294)** | (574,094) | *(398,461)* |
| Revenue from Government | F1.1 B5 | **383,176** | 339,917 | *366,390* |
| **Surplus/(deficit) before income tax on continuing operations** | | **(476,118)** | (234,177) | *(32,071)* |
| Income tax equivalent | H2 | **1,525** | 3,058 | *2,798* |
| **Surplus/(deficit) after income tax on continuing operations** | | **(477,643)** | (237,235) | *(34,869)* |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| **Items not subject to subsequent reclassification to net cost of services** | | | | |
| Changes in asset revaluation reserves | D5.1 B4 | **(89,182)** | 62,713 | - |
| **Total comprehensive income/(loss)** | | **(566,825)** | (174,522) | *(34,869)* |

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

**Department of Finance**
**Statement of Financial Position**
**as at 30 June 2024**

| | Note ref | | Actuals 30 June 2024 $'000 | 30 June 2023 $'000 | *Budget 30 June 2024 $'000* |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Financial assets** | | | | | |
| Cash and cash equivalents | | | | | |
| Cash and cash equivalents | D3.1 | B5 | **28,260** | 15,082 | *15,665* |
| Special account cash held in OPA | F3.1 | B2,B5 | **1,776,667** | 1,323,826 | *814,620* |
| Trade and other receivables | D3.1 | | **30,719** | 21,274 | *26,484* |
| Appropriations receivable | | | | | |
| Other departmental undrawn | | B5 | **88,443** | 56,630 | *37,304* |
| Reinsurance and other recoveries | C1.3 | | **1,377** | 2,573 | - |
| Lease incentive assets | | | **386** | 519 | *651* |
| Other financial assets | | | **10,570** | 8,391 | *9,871* |
| **Total financial assets** | | | **1,936,422** | 1,428,295 | *904,595* |
| **Non-financial assets** | | | | | |
| Land | D5.1 | B4 | **546,030** | 494,939 | *483,432* |
| Buildings | D5.1 | B4 | **1,778,792** | 2,050,089 | *2,148,952* |
| Leasehold improvements | D5.1 | B4 | **29,037** | 28,696 | - |
| Investment property | D5.1 | B4 | **732,412** | 777,550 | *872,672* |
| Plant and equipment | D5.1 | | **16,869** | 16,255 | *18,570* |
| Intangibles | D5.1 | | **104,971** | 98,905 | *102,469* |
| Right-of-use assets | D5.2 | B3 | **265,009** | 402,082 | *355,174* |
| Prepayments | | | **10,364** | 8,792 | *7,646* |
| **Total non-financial assets** | | | **3,483,484** | 3,877,308 | *3,988,915* |
| **Total Assets** | | | **5,419,906** | 5,305,603 | *4,893,510* |
| **Liabilities** | | | | | |
| Trade creditors and accruals | D3.1 | B4 | **60,155** | 46,286 | *38,104* |
| Unearned revenue | D6 | | **30,590** | 27,818 | *20,143* |
| Return of equity - special accounts | | | **56,077** | 38,948 | *53,476* |
| Outstanding insurance claims | C1.4 | B2 | **1,675,472** | 1,401,091 | *858,790* |
| Employee provisions | E1.2 | | **78,307** | 74,656 | *70,201* |
| Lease liabilities | D7 | B3 | **316,778** | 444,077 | *434,540* |
| Other provisions | D8 | | **1,670** | 2,397 | *3,310* |
| Other payables | | | **12,283** | 7,772 | *5,880* |
| **Total liabilities** | | | **2,231,332** | 2,043,045 | *1,484,444* |
| **Net assets** | | | **3,188,574** | 3,262,558 | *3,409,066* |
| **Equity** | | | | | |
| Retained earnings | | B2,B4 | **(334,070)** | 143,573 | *306,832* |
| Asset revaluation reserves | | B4 | **440,135** | 529,317 | *466,604* |
| Contributed equity/capital | | | **3,082,509** | 2,589,668 | *2,635,630* |
| **Total equity** | | | **3,188,574** | 3,262,558 | *3,409,066* |

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

**Department of Finance**
**Statement of Changes in Equity**
**as at 30 June 2024**

| | | Actuals | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 30 June 2024 | | | | 30 June 2023 | | | |
| | 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 | | **143,573** | **529,317** | **2,589,668** | **3,262,558** | 380,808 | 466,604 | 2,608,458 | 3,455,870 |
| **Adjusted opening balance** | | **143,573** | **529,317** | **2,589,668** | **3,262,558** | 380,808 | 466,604 | 2,608,458 | 3,455,870 |
| | | | | | | | | | |
| **Comprehensive income** | | | | | | | | | |
| Deficit for the period | | **(477,643)** | **-** | **-** | **(477,643)** | (237,235) | - | - | (237,235) |
| Other comprehensive income | | | **(89,182)** | **-** | **(89,182)** | - | 62,713 | - | 62,713 |
| **Total comprehensive income** | | **(477,643)** | **(89,182)** | **-** | **(566,825)** | (237,235) | 62,713 | - | (174,522) |
| | | | | | | | | | |
| **Transactions with owners** | | | | | | | | | |
| **Distributions to owners** | | | | | | | | | |
| Transfer of assets | D5.1 | **-** | **-** | **(106)** | **(106)** | - | - | - | - |
| Return of equity - special accounts | | **-** | **-** | **(60,154)** | **(60,154)** | - | - | (42,921) | (42,921) |
| Restructuring | D9 | **-** | **-** | **(3,435)** | **(3,435)** | - | - | - | - |
| **Contributions by owners** | | | | | | | | | |
| Departmental capital budget | F1.1 | **-** | **-** | **11,306** | **11,306** | - | - | 8,470 | 8,470 |
| Equity injection - appropriations | F1.1 | **-** | **-** | **545,230** | **545,230** | - | - | 6,526 | 6,526 |
| Restructuring | D9 | **-** | **-** | **-** | **-** | - | - | 9,135 | 9,135 |
| **Total transactions with owners** | | **-** | **-** | **492,841** | **492,841** | - | - | (18,790) | (18,790) |
| **Closing balance** | | **(334,070)** | **440,135** | **3,082,509** | **3,188,574** | 143,573 | 529,317 | 2,589,668 | 3,262,558 |
| *Budget 30 June 2024* | | | | | | | | | |
| *Opening balance* | | *340,899* | *466,604* | *2,574,355* | ***3,381,858*** | *380,808* | *466,604* | *2,608,458* | *3,455,870* |
| *Adjustment for changes in accounting policies* | | *802* | | *-* | ***802*** | *477* | | *1* | *478* |
| *Adjusted opening balance* | | ***341,701*** | ***466,604*** | ***2,574,355*** | ***3,382,660*** | *381,285* | *466,604* | *2,608,459* | *3,456,348* |
| *Total comprehensive income* | | *(34,869)* | *-* | *-* | ***(34,869)*** | *(77,141)* | *-* | *-* | *(77,141)* |
| *Total transactions with owners* | | *-* | *-* | *61,275* | ***61,275*** | *-* | *-* | *(5,042)* | *(5,042)* |
| *Closing balance* | | ***306,832*** | ***466,604*** | ***2,635,630*** | ***3,409,066*** | *304,144* | *466,604* | *2,603,417* | *3,374,165* |

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

| | Note ref | Actuals 30 June 2024 $'000 | Actuals 30 June 2023 $'000 | Budget 30 June 2024 $'000 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Contracts with customers | | **100,327** | 97,570 | *186,614* |
| Revenue from Government | | **354,071** | 333,942 | *373,128* |
| Insurance premiums | | **213,859** | 189,577 | *200,586* |
| Reinsurance and other recoveries | | **3,349** | 2,648 | - |
| Rent received | | **76,719** | 77,573 | - |
| Net GST received | | **733** | 6,738 | - |
| Other | | **228** | 237 | *660* |
| **Total cash received** | | **749,286** | 708,285 | *760,988* |
| **Cash used** | | | | |
| Employees | | **224,039** | 188,244 | *221,499* |
| Suppliers | | **202,427** | 209,686 | *250,336* |
| Insurance claims | | **193,262** | 209,900 | *216,165* |
| Interest payments on lease liabilities | | **12,737** | 7,747 | *7,445* |
| Other | | **11,907** | 12,391 | *2,798* |
| **Total cash used** | | **644,372** | 627,968 | *698,243* |
| **Net cash received/(used) for operating activities** | | **104,914** | 80,317 | *62,745* |
| **INVESTING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Proceeds from sale of land and buildings | | **-** | - | *526* |
| **Total cash received** | | **-** | - | *526* |
| **Cash used** | | | | |
| Purchase of land and buildings | | **105,421** | 270,248 | *155,614* |
| Purchase of leasehold improvements | | **3,109** | 1,838 | - |
| Purchase of investment property | | **9,607** | 10,831 | - |
| Purchase of plant and equipment | | **4,303** | 2,612 | *2,990* |
| Purchase of intangibles | | **19,592** | 17,858 | *16,302* |
| **Total cash used** | | **142,032** | 303,387 | *174,906* |
| **Net cash received/(used) for investing activities** | | **(142,032)** | (303,387) | *(174,380)* |
| **FINANCING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Contributed equity | | **553,828** | 13,242 | *118,540* |
| Restructuring | | **-** | 4,869 | - |
| **Total cash received** | | **553,828** | 18,111 | *118,540* |
| **Cash used** | | | | |
| Return of contributed equity | | **43,025** | 57,449 | *56,476* |
| Restructuring | | **3,435** | - | - |
| Principal payments on lease liabilities | | **4,231** | 9,614 | *8,318* |
| **Total cash used** | | **50,691** | 67,063 | *64,794* |
| **Net cash received/(used) for financing activities** | | **503,137** | (48,952) | *53,746* |
| **Net increase/(decrease) in cash held** | | **466,019** | (272,022) | *(57,889)* |
| Cash and cash equivalents at the beginning of the reporting period | | **1,338,908** | 1,610,930 | *888,174* |
| **Cash and cash equivalents at the end of the reporting period** | D3.1 | **1,804,927** | 1,338,908 | *830,285* |

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 2024**

| | | Actuals | | Budget |
|---|---|---|---|---|
| | | **30 June 2024** | 30 June 2023 | *30 June 2024* |
| | **Note ref** | **$'000** | $'000 | *$'000* |
| **NET COST OF SERVICES** | | | | |
| **Expenses** | | | | |
| Employee benefits | E1.1 | **432,999** | 391,435 | *420,197* |
| Superannuation expense | C3.1 | **9,504,871** | 9,190,137 | *9,308,925* |
| Suppliers | D1 | **153,440** | 122,892 | *144,786* |
| Investment funds | C2.1 B7 | **108,456** | 76,657 | *97,391* |
| Investment funds distributions | C2.1 B7 | **2,019,739** | 1,929,802 | *3,027,258* |
| Depreciation and amortisation | D5.1 | **34,256** | 19,551 | *11,462* |
| Depreciation - right-of-use | D5.2 | **42,800** | 55,119 | *40,794* |
| Non-financial asset write-downs and impairments | D5.1 | **466** | 805 | *4* |
| Impairment of financial assets | D3.3 | **14,383** | 75 | - |
| Grants | | **3,253** | 4,032 | *3,142* |
| Interest on lease liabilities | | **4,054** | 3,811 | *3,053* |
| Other expenses | | **866** | 1,004 | *14,175* |
| **Total expenses** | | **12,319,583** | 11,795,320 | *13,071,187* |
| **Income** | | | | |
| **Non-taxation revenue** | | | | |
| Interest | D3.3 | **57,393** | 32,576 | *27,192* |
| Dividends | D3.3 | **13,632** | 5,100 | *12,755* |
| Investment funds | C2.1 B7 | **942,275** | 779,711 | *1,659,716* |
| Contracts with customers | D2.2 | **7,178** | 7,429 | *3,229* |
| Superannuation contributions | C3.1 | **1,091,564** | 1,079,326 | *974,815* |
| Resources received free of charge | H2 | **4,965** | 4,684 | *4,359* |
| Other revenue | | **6,859** | 1,967 | *10,252* |
| **Total revenues** | | **2,123,866** | 1,910,793 | *2,692,318* |
| **Gains** | | | | |
| Investment funds | C2.1 B7 | **3,259,580** | 1,265,465 | *630,777* |
| Other gains | | **605** | 726 | - |
| **Total gains** | | **3,260,185** | 1,266,191 | *630,777* |
| **Total income** | | **5,384,051** | 3,176,984 | *3,323,095* |
| **Net (cost of)/contribution by services** | | **(6,935,532)** | (8,618,336) | *(9,748,092)* |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| **Items not subject to subsequent reclassification to net cost of services** | | | | |
| Movement in carrying amount of superannuation | C3.1 B6 | **6,213,842** | 7,654,748 | - |
| Changes in asset revaluation reserves | D5.1 | **17,412** | 20,111 | - |
| **Items subject to subsequent reclassification to net cost of services** | | | | |
| Gains/(losses) in carrying amount of Investments in entities and companies | D3.3 B8 | **79,297** | 111,281 | - |
| **Total other comprehensive income/(loss)** | | **6,310,551** | 7,786,140 | - |
| **Total comprehensive income/(loss)** | | **(624,981)** | (832,196) | *(9,748,092)* |

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

**Department of Finance**
**Administered Schedule of Assets and Liabilities**
**as at 30 June 2024**

| | | Actuals | | Budget |
|---|---|---|---|---|
| | | **30 June 2024** | 30 June 2023 | *30 June 2024* |
| | **Note ref** | **$'000** | $'000 | *$'000* |
| **Assets** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | | | | |
| Cash and cash equivalents | D3.1 B9 | **800,963** | 800,882 | - |
| Special account cash held in OPA | D3.1 B9 | **374,419** | 500,686 | *296,715* |
| Trade and other receivables | D3.1 | **1,797** | 3,927 | *4,812* |
| Investment funds | C2.2 B7 | **65,477,471** | 50,615,022 | *50,897,199* |
| Loans | D3.1 | **256,383** | 134,684 | *341,524* |
| Investments in entities and companies | D3.1 B8 | **2,520,941** | 2,000,239 | *2,235,382* |
| Other financial assets | | **76,196** | 70,647 | *36,046* |
| **Total financial assets** | | **69,508,170** | 54,126,087 | *53,811,678* |
| **Non-financial assets** | | | | |
| Leasehold improvements | D5.1 | **46,070** | 51,455 | *28,275* |
| Infrastructure | D5.1 | **110,121** | 95,541 | *91,765* |
| Plant and equipment | D5.1 | **21,980** | 15,821 | *19,274* |
| Intangibles | D5.1 | **168** | 339 | *803* |
| Right-of-use assets | D5.2 | **229,546** | 253,024 | *166,757* |
| Prepayments | | **5,851** | 5,330 | *4,398* |
| **Total non-financial assets** | | **413,736** | 421,510 | *311,272* |
| **Total assets** | | **69,921,906** | 54,547,597 | *54,122,950* |
| **Liabilities** | | | | |
| Trade creditors and accruals | D3.1 | **18,498** | 13,634 | *12,107* |
| Investment funds | C2.2 B7 | **1,033,627** | 588,735 | *929,869* |
| OPA overnight cash payable | D3.1 | **2,544,296** | 2,228,909 | - |
| Employee provisions | E1.2 | **264,489** | 240,038 | *270,324* |
| Superannuation provisions | C3.1 B6 | **170,041,033** | 174,954,490 | *156,714,455* |
| Lease liabilities | D7 | **253,803** | 274,823 | *160,726* |
| Other provisions | D8 | **19,909** | 21,138 | *13,746* |
| Other payables | | **9,202** | 9,474 | *32,179* |
| **Total liabilities** | | **174,184,857** | 178,331,241 | *158,133,406* |
| **Net assets/(liabilities)** | | **(104,262,951)** | (123,783,644) | *(104,010,456)* |

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

**Department of Finance**
**Administered Reconciliation Schedule**
**for the period ended 30 June 2024**

| | Note ref | Actuals 30 June 2024 $'000 | 30 June 2023 $'000 |
|---|---|---|---|
| **Opening assets less liabilities as at 1 July** | | **(123,783,644)** | (132,454,367) |
| | | | |
| **Net cost of services** | | **(6,935,532)** | (8,618,336) |
| **Other comprehensive income/(loss)** | | **6,310,551** | 7,786,140 |
| | | | |
| **Transfers (to)/from the Australian Government** | | | |
| Appropriation transfers from OPA | | | |
| Annual appropriations | F1.1 | **343,357** | 366,932 |
| Administered assets and liabilities appropriations | F1.1 | **448,141** | 1,312 |
| Special appropriations | F2.1 | **9,321,488** | 8,643,391 |
| Contributions from Government to the investment funds | F3.2 | **16,343,897** | 6,062,238 |
| Other | | **538** | 922 |
| | | | |
| Appropriation transfers to OPA | | | |
| Transfers to OPA | | **(1,964,396)** | (1,890,939) |
| 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 | **(989,447,639)** | (981,638,672) |
| Transfers from other Commonwealth entities | H2 | **989,100,288** | 981,957,735 |
| **Closing assets less liabilities** | | **(104,262,951)** | (123,783,644) |

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

**Department of Finance**
**Administered Cash Flow Statement**
**for the period ended 30 June 2024**

| | Actuals | | Budget |
|---|---|---|---|
| | **30 June** | 30 June | *30 June* |
| | **2024** | 2023 | *2024* |
| **Note ref** | **$'000** | $'000 | *$'000* |
| **OPERATING ACTIVITIES** | | | |
| **Cash received** | | | |
| Contracts with customers | **7,509** | 8,314 | *3,229* |
| Superannuation contributions - employers | **1,089,263** | 1,045,357 | *974,815* |
| Superannuation contributions - members | **809,647** | 792,984 | *742,260* |
| Interest and dividends | **1,070,097** | 830,252 | *1,655,919* |
| Realised exchange gains | **6,421** | 47,156 | - |
| Net GST received | **457** | - | |
| Other | **3,689** | 3,962 | *33,072* |
| **Total cash received** | **2,987,083** | 2,728,025 | *3,409,295* |
| **Cash used** | | | |
| Employees | **407,461** | 421,832 | *420,197* |
| Suppliers | **226,126** | 192,595 | *237,818* |
| Investment fund distributions | **2,019,740** | 1,929,802 | *3,027,258* |
| Superannuation payments | **9,082,601** | 8,463,046 | *8,911,275* |
| Realised exchange losses | **490** | - | - |
| Grants | **3,253** | 4,032 | *3,142* |
| Interest payments on lease liabilities | **4,054** | 3,811 | *3,053* |
| Net GST paid | **-** | 414 | - |
| Other | **2,023** | 712 | *7,275* |
| **Total cash used** | **11,745,748** | 11,016,244 | *12,610,018* |
| **Net cash received/(used) for operating activities** | **(8,758,665)** | (8,288,219) | *(9,200,723)* |
| **INVESTING ACTIVITIES** | | | |
| **Cash received** | | | |
| Proceeds from sale of financial investments | **87,219,955** | 58,119,500 | *6,071,546* |
| Net gains from sale of financial instruments | **1,263,644** | 699,814 | - |
| Repayments of advances and loans | **12,555** | 12,446 | *12,555* |
| **Total cash received** | **88,496,154** | 58,831,760 | *6,084,101* |
| **Cash used** | | | |
| Purchase of financial investments | **99,745,436** | 59,723,917 | *6,362,061* |
| Investments in entities and companies | **445,028** | - | *316,424* |
| DHA Loans | **130,000** | 40,000 | - |
| Purchase of leasehold improvements | **22,345** | 16,127 | - |
| Purchase of infrastructure | **564** | 616 | - |
| Purchase of plant and equipment | **9,559** | 7,170 | *14,666* |
| **Total cash used** | **100,352,932** | 59,787,830 | *6,693,151* |
| **Net cash received/(used) for investing activities** | **(11,856,778)** | (956,070) | *(609,050)* |

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

**Department of Finance**
**Administered Cash Flow Statement**
**for the period ended 30 June 2024**

| | | Actuals | | Budget |
|---|---|---|---|---|
| | | **30 June 2024** | 30 June 2023 | *30 June 2024* |
| | **Note ref** | **$'000** | $'000 | *$'000* |
| **FINANCING ACTIVITIES** | | | | |
| **Cash received** | | | | |
| Contributions to investment funds | | **16,343,897** | 6,062,238 | *5,477,500* |
| **Total cash received** | | **16,343,897** | 6,062,238 | *5,477,500* |
| | | | | |
| **Cash used** | | | | |
| Investment funds distributions to Government | | **4,000,000** | 4,000,000 | *4,000,000* |
| Principal payments on lease liabilities | | **40,272** | 50,161 | *50,680* |
| **Total cash used** | | **4,040,272** | 4,050,161 | 4,050,680 |
| **Net cash received/(used) for financing activities** | | **12,303,625** | 2,012,077 | *1,426,820* |
| | | | | |
| **Net increase/(decrease) in cash held** | | **(8,311,818)** | (7,232,212) | *(8,382,953)* |
| | | | | |
| Cash and cash equivalents at the beginning of the reporting period | | **1,301,568** | 1,342,077 | *456,428* |
| | | | | |
| **OPA transfers with other Commonwealth entities** | | | | |
| Transfers to other Commonwealth entities | | **(989,132,252)** | (981,976,988) | - |
| Transfers from other Commonwealth entities | | **989,100,288** | 981,957,735 | - |
| **Total cash from/(to) OPA** | | **(31,964)** | (19,253) | - |
| | | | | |
| **Finance administered transfers** | | | | |
| Appropriation transfers from OPA | | **10,181,992** | 9,101,895 | *9,963,660* |
| Appropriation transfers to OPA | | **(1,964,396)** | (1,890,939) | *(1,740,420)* |
| **Total cash from/(to) OPA** | | **8,217,596** | 7,210,956 | *8,223,240* |
| | | | | |
| **Cash and cash equivalents at the end of the reporting period** | D3.1 | **1,175,382** | 1,301,568 | *296,715* |

The above statement 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 2023-24 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, service delivery, and managing, acquiring and divesting government investments.

**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 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)

All new, revised or amending standards that were 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.

## B. Budgetary variance reporting

The following table provides explanation of the variances between Finance's original budget estimates, as presented in the 2023-24 Portfolio Budget Statements and Finance's actual financial performance and position for the year.

Explanations are provided for major budget variances only. Variances are treated as major when it is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of the performance of Finance.

| Note Reference | Affected line items | Explanation |
|---|---|---|
| B1 Suppliers | Suppliers | Supplier expenses are below Budget due to the deferred expenditure on the delivery of various measures, programs, and some infrastructure investments. |
| B2 General insurance activities | Insurance claims<br>Premium revenue<br>Special account cash held in OPA<br>Outstanding insurance claims<br>Retained earnings | • Insurance claims expenses were higher than Budget due to adverse movements in some new outstanding claims and continuing increases in economic assumptions such as higher inflation forecasts and delays in settling some claims.<br>• Premium revenue was higher than Budget from additional revenue to meet forecasted increases in claims expenses from government entities. |
| B3 Leases | Right-of-use assets<br>Lease liabilities | Following a rental market review of Finance's lease at One Canberra Avenue during 2023-24, this triggered a remeasurement of the discount rate implicit in the lease to more than double which was not factored into the Budget. |
| B4 Finance owned estate and non-financial assets | Non-financial asset write-downs and impairments<br>Land, Buildings, Investment property, Leasehold improvements<br>Trade creditors and accruals<br>Changes in Asset revaluation reserves<br>Retained earnings | Events that have impacted the financial performance associated with the Commonwealth's non-defence domestic property portfolio include:<br>• Land revaluation increments (for most properties) are reported against the asset revaluation reserve. This is offset by:<br>• Revaluation decrements from independent valuations and the componentisation of specialised buildings (mainly Covid-19 Centres for National Resilience and Post Entry Quarantine Facilities), recognised as a reversal of previous asset revaluation reserves and non-financial asset write downs.<br>• Impairments from the independent valuations for most investment property arising from deteriorating market conditions. |
| B5 Revenue from Government<br>Cash and appropriations | Revenue from Government<br>Special account cash held in OPA<br>Cash and cash equivalents<br>Appropriations receivable | • Revenue from Government has increased due to various new measures in the 2023-24 Budget, MYEFO and Machinery of Government changes.<br>• Appropriations receivable are higher than Budget due to deferred Supplier expenditure on these measures and funding for the 'More Efficient and Effective Vehicle Leasing and Fleet Management Arrangement' held in the Procurement OPA special account.<br>• Cash and cash equivalents are higher than Budget due to a large Administered cash receipt, paid into the Departmental bank account. |

| Note Reference | Affected line items | Explanation |
|---|---|---|
| B6 Superannuation | Movement in carrying amount of superannuation<br>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.<br>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.<br>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<br>Investment funds assets and liabilities<br>Investment funds distributions | The net asset balance is higher than Budget due to:<br>• Disbursements from the DisabilityCare Australia Fund were less than estimated;<br>• The establishment of the Housing Australia Future Fund; and<br>• Investment fund returns being higher than the original Budget expectation that assumed each fund would earn the mid-point of the investment mandate benchmark return. |
| B8 Investments in companies | Investments in entities and companies | The fair valuation of investments in various entities in particular the Australian Naval Infrastructure Pty Ltd (ANI), increased arising from the AUKUS alliance and the purchase of a non-controlling interest in CEA Technologies Pty Ltd. |
| B9 Cash and cash equivalents | Cash and cash equivalents<br>Special account cash held in the OPA | Whole of Government OPA balance is not reflected in the Budget. It was budgeted that DHA would have drawn down more from the funding held for loans 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 2024** | | 30 June 2023 | |
|---|---|---|---|---|
| | **Property** | **Liability** | Property | Liability |
| Average discount rate | **4.2%** | **4.2%** | 4.1% | 4.1% |
| Average inflation rate | **2.9%** | **3.7%** | 4.1% | 4.1% |
| Average weighted term to settlement (years) | **2.1** | **3.2** | 2.1 | 2.5 |
| Expense rate | **0.9%** | **0.6%** | 0.6% | 0.7% |
| Risk margin | **18.9%** | **25.1%** | 18.9% | 27.6% |

### 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 2024** | | 30 June 2023 | |
|---|---|---|---|---|---|
| | | **Property** | **Liability** | Property | Liability |
| **Assumption** | **Movement** | **$'000** | **$'000** | $'000 | $'000 |
| Average discount rate | +1% | **6,206** | **43,371** | 8,131 | 24,656 |
| | -1% | **(5,921)** | **(40,942)** | (7,786) | (23,483) |
| Average inflation rate | +1% | **(7,163)** | **(51,387)** | (9,203) | (28,207) |
| | -1% | **7,388** | **53,587** | 9,449 | 29,139 |
| Average weighted term to settlement (years) | +1 year | **3,723** | **5,325** | 1,741 | (1,509) |
| | -1 year | **(4,083)** | **(7,824)** | (2,952) | (2,229) |
| Expense rate | +1% | **(3,043)** | **(13,604)** | (3,963) | (9,952) |
| | -1% | **3,043** | **13,604** | 3,963 | 9,952 |
| Risk margin | +1% | **(2,583)** | **(10,937)** | (3,353) | (7,854) |
| | -1% | **2,583** | **10,937** | 3,353 | 7,854 |

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 2023-24 (2022-23: nil), reflecting the capacity of the Australian Government to cost-effectively self-insure against infrequent large claims.

### C1.1 Underwriting result

| | Departmental | |
|---|---|---|
| | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 |
| **Direct premium revenue** | | |
| Premium revenue | **213,847** | 187,077 |
| Premium revenue eliminated on consolidation | **3,623** | 2,664 |
| **Total direct premium revenue** | **217,470** | 189,741 |
| Notional reinsurance expense | **(5,000)** | (5,000) |
| **Net premium revenue** | **212,470** | 184,741 |
| | | |
| **Net incurred claims** | | |
| Insurance claims | **(467,643)** | (334,587) |
| Insurance claims expense eliminated on consolidation | **(3,442)** | - |
| Reinsurance and other recoveries revenue | **2,153** | 2,599 |
| **Total net claims** | **(468,932)** | (331,988) |
| | | |
| Other underwriting expenses | **(9,467)** | (9,952) |
| **Underwriting result** | **(265,929)** | (157,199) |
| Revenue from Government | **30,040** | 21,760 |
| **Operating surplus/(deficit)** | **(235,889)** | (135,439) |

### C1.2 Net claims incurred

| | 30 June 2024 | | | 30 June 2023 | | |
|---|---|---|---|---|---|---|
| | **Current year** | **Prior years** | **Total** | Current year | Prior years | Total |
| | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 |
| **Gross claims incurred** | | | | | | |
| Undiscounted | 346,527 | 18,460 | **364,987** | 238,055 | 141,830 | 379,885 |
| Discount and discount movement | (15,093) | 113,778 | **98,685** | (26,774) | (25,194) | (51,968) |
| **Gross claims incurred discounted** | **331,434** | **132,238** | **463,672** | 211,281 | 116,636 | 327,917 |
| **Reinsurance and other recoveries** | | | | | | |
| Undiscounted | (552) | (1,490) | **(2,042)** | (850) | (1,831) | (2,681) |
| Discount and discount movement | 7 | (118) | **(111)** | 8 | 74 | 82 |
| **Reinsurance and other recoveries discounted** | **(545)** | **(1,608)** | **(2,153)** | (842) | (1,757) | (2,599) |
| **Net claims incurred** | **330,889** | **130,630** | **461,519** | 210,439 | 114,879 | 325,318 |
| Claims handling expense | | | **7,413** | | | 6,670 |
| **Total net claims** | | | **468,932** | | | 331,988 |

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 2024** | 30 June 2023 |
| | **$'000** | $'000 |
| **Reinsurance and other recoveries** | | |
| Reinsurance and other recoveries | **1,533** | 2,840 |
| Discount to present value | **(156)** | (267) |
| **Total reinsurance and other recoveries** | **1,377** | 2,573 |

### C1.4 Outstanding insurance claims liability

| | Departmental | |
|---|---|---|
| | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 |
| Gross claims liability - undiscounted | **1,381,990** | 1,229,394 |
| Discount to present value | **(38,661)** | (116,271) |
| Gross claims liability - discounted | **1,343,329** | 1,113,123 |
| Claims handling expense | **8,716** | 7,657 |
| Gross central estimate | **1,352,045** | 1,120,780 |
| Risk margin | **323,427** | 280,311 |
| **Outstanding insurance claims liability** | **1,675,472** | 1,401,091 |
| Risk margin adopted | **23.9%** | 25.0% |
| Probability of adequacy of the risk margin | **75.0%** | 75.0% |

### Reconciliation of the movement in discounted outstanding claims liability

| | Property | Liability | **30 June 2024 Total** | 30 June 2023 Total |
|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | $'000 |
| Net outstanding claims liability at the beginning of the year | 397,788 | 1,000,730 | **1,398,518** | 1,273,782 |
| Incurred claims | 98,303 | 232,585 | **330,888** | 210,440 |
| Claims payments | (79,418) | (106,522) | **(185,940)** | (200,581) |
| Unwinding of discount | 13,038 | 31,776 | **44,814** | 18,821 |
| Risk margin release | (10,024) | (17,087) | **(27,111)** | (42,616) |
| Changes in assumptions and experience | (113,112) | 226,038 | **112,926** | 138,672 |
| **Net outstanding claims liability at the end of the year** | **306,575** | **1,367,520** | **1,674,095** | 1,398,518 |
| Reinsurance and other recoveries | 497 | 880 | **1,377** | 2,573 |
| **Gross outstanding claims liability at the end of the year** | **307,072** | **1,368,400** | **1,675,472** | 1,401,091 |

### 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 $'000 | 2015 $'000 | 2016 $'000 | 2017 $'000 | 2018 $'000 | 2019 $'000 | 2020 $'000 | 2021 $'000 | 2022 $'000 | 2023 $'000 | 2024 $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Estimate of net ultimate claims costs** | | | | | | | | | | | | |
| At end of accident year | | 102,138 | 91,686 | 86,286 | 93,055 | 117,798 | 219,627 | 150,603 | 198,357 | 198,687 | 283,435 | |
| One year later | | 119,144 | 87,813 | 91,391 | 139,062 | 109,241 | 248,787 | 153,453 | 203,351 | 172,914 | | |
| Two years later | | 218,627 | 96,971 | 89,415 | 159,898 | 110,226 | 287,041 | 142,267 | 410,680 | | | |
| Three years later | | 215,052 | 92,516 | 85,866 | 163,988 | 125,008 | 364,278 | 133,194 | | | | |
| Four years later | | 205,636 | 80,781 | 96,024 | 178,649 | 161,318 | 325,559 | | | | | |
| Five years later | | 196,769 | 79,076 | 106,044 | 175,723 | 144,264 | | | | | | |
| Six years later | | 194,916 | 80,378 | 105,228 | 166,709 | | | | | | | |
| Seven years later | | 196,173 | 87,057 | 89,980 | | | | | | | | |
| Eight years later | | 200,638 | 75,918 | | | | | | | | | |
| Nine years later | | 196,127 | | | | | | | | | | |
| Estimate of net ultimate claims costs | | 196,127 | 75,918 | 89,980 | 166,709 | 144,264 | 325,559 | 133,194 | 410,680 | 172,914 | 283,435 | |
| Cumulative payments | | 193,953 | 68,842 | 78,541 | 157,772 | 74,663 | 195,187 | 74,147 | 83,542 | 39,779 | 19,818 | |
| Net claims liability - undiscounted | 368,148 | 2,174 | 7,076 | 11,439 | 8,937 | 69,601 | 130,372 | 59,047 | 327,138 | 133,135 | 263,617 | 1,380,684 |
| Discount to present value | (509) | (48) | (243) | (95) | (266) | (1,212) | (8,516) | (1,845) | (5,983) | (7,316) | (12,496) | (38,529) |
| Net claims liability - discounted | 367,639 | 2,126 | 6,833 | 11,344 | 8,671 | 68,389 | 121,856 | 57,202 | 321,155 | 125,819 | 251,121 | 1,342,155 |
| Claims handling expense | | | | | | | | | | | | 8,716 |
| **Net central estimate** | | | | | | | | | | | | **1,350,871** |
| Net risk margin | | | | | | | | | | | | 323,224 |
| **Total net outstanding claims liability** | | | | | | | | | | | | **1,674,095** |
| Reinsurance and other recoveries | | | | | | | | | | | | 1,377 |
| **Total gross outstanding claims liability** | | | | | | | | | | | | **1,675,472** |

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.
- **Housing Australia Future Fund (HAFF)** – an investment fund established under the *Housing Australia Future Fund Act 2023* to provide additional funding to support and increase social and affordable housing, as well as other acute housing needs including, but not limited to, the particular needs of Indigenous communities and housing services for women, children and veterans.

### 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, DRF and HAFF 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,* the *Disaster Ready Fund Act 2019* and the *Housing Australia Future Fund Act 2023*. 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. Loan assets are repayable on demand. On 1 July 2023 the loans were restructured into a interest-free revolving credit facility. Prior year figures reflect loan balances with the interest rates 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 2024 Total $'000** | 30 June 2023 Total $'000 |
|---|---|---|
| **Revenue** | | |
| Interest | **546,683** | 297,180 |
| Dividends and distributions | **395,592** | 482,531 |
| **Total revenue** | **942,275** | 779,711 |
| **Gains on financial investments** | **3,259,580** | 1,265,465 |
| **Total income** | **4,201,855** | 2,045,176 |
| **Expenses** | | |
| Supplier expenses | **92,457** | 66,377 |
| Foreign exchange losses | **15,999** | 10,280 |
| **Total expenses** | **108,456** | 76,657 |
| **Net investment funds return** | **4,093,399** | 1,968,519 |
| less investment funds distributions | **2,019,739** | 1,929,802 |
| **Net surplus/(deficit)[1]** | **2,073,660** | 38,717 |
| **Attributable to:** | | |
| DCAF | **(144,653)** | (433,810) |
| MRFF | **1,158,762** | 333,398 |
| ATSILSFF | **132,667** | 35,262 |
| FDF | **326,348** | 105,555 |
| DRF | **204,702** | (1,688) |
| HAFF | **395,834** | - |
| **Net surplus/(deficit)[1]** | **2,073,660** | 38,717 |

[1] Includes investment funds distributions for DCAF $1,007.5 million, MRFF $650.0 million, ATSILSFF $62.2 million, FDF $100.0 million and DRF $200.0 million (2023: DCAF $973.6 million, MRFF $598.0 million, ATSILSFF $58.2 million, FDF $100.0 million and DRF $200.0 million).

## C2.2 Investment funds financial position

| | 30 June 2024 Total $'000 | 30 June 2023 Total $'000 |
|---|---|---|
| **Assets** | | |
| **Financial assets measured at amortised cost** | | |
| Cash and cash equivalents | **12,011,188** | 9,818,756 |
| Other receivables | **609,387** | 175,464 |
| **Total financial assets measured at amortised cost** | **12,620,575** | 9,994,220 |
| | | |
| **Financial assets measured at FVPL** | | |
| Interest bearing securities | **29,660,560** | 22,054,584 |
| MRFFICs | **4,751,504** | 5,464,185 |
| Listed equities and managed investment schemes | **8,031,312** | 4,058,118 |
| Collective investment vehicles | **9,528,025** | 8,467,328 |
| Restricted cash | **338,930** | 356,179 |
| Derivatives | **546,565** | 220,408 |
| **Total financial assets measured at FVPL** | **52,856,896** | 40,620,802 |
| **Total assets** | **65,477,471** | 50,615,022 |
| | | |
| **Liabilities** | | |
| **Financial liabilities measured at amortised cost** | | |
| Trade creditors and accruals | **41,592** | 19,299 |
| Unsettled purchases | **788,771** | 157,210 |
| | | |
| **Total financial liabilities measured at amortised cost** | **830,363** | 176,509 |
| | | |
| **Financial liabilities measured at FVPL** | | |
| Derivatives | **203,264** | 412,226 |
| **Total financial liabilities measured at FVPL** | **203,264** | 412,226 |
| **Total liabilities** | **1,033,627** | 588,735 |
| | | |
| **Net assets** | **64,443,844** | 50,026,287 |
| | | |
| **Attributable to:**[1] | | |
| DCAF | **19,124,760** | 16,925,516 |
| MRFF | **23,075,713** | 21,916,951 |
| ATSILSFF | **2,270,665** | 2,137,998 |
| FDF | **4,923,804** | 4,597,456 |
| DRF | **4,653,068** | 4,448,366 |
| HAFF | **10,395,834** | |
| **Total net assets** | **64,443,844** | 50,026,287 |

[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 $2,293 million (30 June 2023: $2,373 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 2024 | | |
|---|---|---|---|---|---|
| **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 | 4,131,005 | - | 4,056,443 | 4,850,801 |
| Alternatives | USD | 95,836 | - | 136,246 | 187,669 |
| Debt | AUD | 1,514,412 | 227,285 | 1,190,618 | 1,329,366 |
| Debt | EUR | 300,000 | 111,733 | 408,694 | 396,492 |
| Debt | USD | 498,450 | 333,589 | 997,892 | 469,171 |
| Global Infrastructure | AUD | 331,768 | 50,000 | 258,275 | 782,392 |
| Global Infrastructure | EUR | 57,310 | 45,918 | 50,102 | 79,878 |
| Global Infrastructure | USD | 324,588 | 107,727 | 350,743 | 466,082 |
| Private Equity | USD | 156,667 | 61,304 | 158,372 | 192,529 |
| Property | EUR | 65,000 | 44,075 | 59,174 | 64,911 |
| Property | GBP | 78,598 | 93,871 | 53,351 | 52,484 |
| Property | USD | 625,229 | 260,941 | 429,312 | 656,250 |
| **Total** | | | **1,336,443** | **8,149,222** | **9,528,025** |
| **Via MRFF investment companies** | | | | | |
| Alternatives | AUD | 468,265 | 1,793 | 418,059 | 486,201 |
| Alternatives | USD | 268,826 | - | 332,823 | 497,188 |
| Debt | USD | 160,000 | 122,689 | 112,501 | 149,794 |
| Global Infrastructure | AUD | 366,297 | - | 316,574 | 433,782 |
| Global Infrastructure | USD | 14,662 | - | 22,501 | 27,751 |
| Private equity | AUD | 219,054 | 43,924 | 138,716 | 167,496 |
| Private equity | EUR | 110,002 | 95,147 | 35,217 | 40,209 |
| Private equity | USD | 1,416,074 | 486,718 | 1,323,193 | 1,711,812 |
| Property | EUR | 200,100 | 100,591 | 74,404 | 246,017 |
| Property | USD | 117,308 | 105,293 | 55,337 | 55,368 |
| **Total** | | | **956,155** | **2,829,325** | **3,815,618** |

### 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<br>30 June 2024 | Variable interest rate<br>$'000 | Fixed interest rate<br>$'000 | Non-interest bearing<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| Cash and cash equivalents | 12,053,547 | - | - | **12,053,547** |
| Interest bearing securities | 9,158,741 | 20,708,174 | - | **29,866,915** |
| Other financial assets | - | - | 23,557,009 | **23,557,009** |
| **Total investment** | **21,212,288** | **20,708,174** | **23,557,009** | **65,477,471** |
| Swaps (notional amount) - pay | (9,645,552) | (4,538,565) | - | |
| Swaps (notional amount) - receive | 11,340,853 | 2,790,337 | - | |
| | | | | |
| 30 June 2023 | | | | |
| 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 | - | |

*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 2024** | | 30 June 2023 | |
|---|---|---|---|---|
| | **Notional value $'000** | **Fair market value $'000** | Notional value $'000 | Fair market value $'000 |
| **Total interest rate derivatives** | **7,538,013** | **(30,114)** | 5,754,394 | (109,866) |

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 136 basis point (2023: 104 basis point) change in bond yields with all other variables held constant. It is assumed that the 136 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 136 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 |
|---|---|---|---|
| **2024** | **Discount rate** | **+1.36%** | **(337,403)** |
| | | **-1.36%** | **373,226** |
| 2023 | Discount rate | +1.04% | 17,499 |
| | | -1.04% | (1,342) |

*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 2024** | **USD $'000** | **EURO $'000** | **GBP $'000** | **JPY $'000** | **Other $'000** | **Total $'000** |
|---|---|---|---|---|---|---|
| Cash & cash equivalents | 819,255 | 435,647 | 48,122 | 23,566 | 44,314 | **1,370,904** |
| Interest bearing securities | 5,367,131 | 1,674,368 | 551,112 | 1,188,190 | 646,274 | **9,427,075** |
| Listed equities | 3,760,003 | 466,452 | 253,037 | 270,729 | 1,787,174 | **6,537,395** |
| Collective investment vehicles | 4,412,601 | 827,509 | 52,484 | - | - | **5,292,594** |
| Other investments | 245,469 | 3,376 | 11,215 | 100,707 | 6,296 | **367,063** |
| Receivables | 515,021 | 9,433 | 3,994 | 508 | 9,855 | **538,811** |
| Payables | (683,214) | (35,224) | (1,446) | (67,806) | (25) | **(787,715)** |
| **Total physical exposure** | **14,436,266** | **3,381,561** | **918,518** | **1,515,894** | **2,493,888** | **22,746,127** |
| Derivatives | | | | | | |
| Buy foreign currency | 3,586,423 | 738,619 | 110,312 | 691,395 | 2,055,652 | **7,182,401** |
| Sell foreign currency | (11,078,163) | (3,535,332) | (817,776) | (357,308) | (2,578,300) | **(18,366,879)** |
| **Total derivative exposure** | **(7,491,740)** | **(2,796,713)** | **(707,464)** | **334,087** | **(522,648)** | **(11,184,478)** |
| **Net exposure** | **6,944,526** | **584,848** | **211,054** | **1,849,981** | **1,971,240** | **11,561,649** |
| Financial assets exposed to currency risk 30 June 2023 | | | | | | |
| Cash and 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 |

*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 |
|---|---|---|---|
| **2024** | **Exchange rate** | **+8.28%** | **(1,166,457)** |
| | | **-8.28%** | **1,390,477** |
| 2023 | Exchange rate | +8.48% | (867,784) |
| | | -8.48% | 1,043,992 |

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 2024 | $'000 |
|---|---|
| Domestic equities and managed investment schemes | 2,084,026 |
| International equities and managed investment schemes | 6,537,401 |
| **Total equity price risk exposure** | **8,621,427** |

*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 2024 | Notional value $'000 | Fair market value $'000 |
|---|---|---|
| **Total equity derivative** | 2,677,330 | 29,224 |

*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 2024** | **$'000** |
| 20% increase in Australian equities | 603,456 |
| 15% increase in International equities | 1,490,161 |
| **Total** | **2,093,617** |
| | |
| 20% decrease in Australian equities | (597,521) |
| 15% decrease in International equities | (1,418,695) |
| **Total** | **(2,016,216)** |

### 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 2024** | 30 June 2023 |
|---|---|---|
| **Interest bearing securities issued by** | **$'000** | $'000 |
| Commonwealth Bank of Australia | **5,827,545** | 4,533,571 |
| Westpac Banking Corporation | **3,535,772** | 2,076,703 |
| National Australia Bank | **5,947,215** | 4,651,868 |
| Australia and New Zealand Banking Group | **8,675,806** | 6,351,164 |
| **Total** | **23,986,338** | 17,613,306 |

*As at 30 June 2024, the investment funds had an exposure of 37.25 per cent 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 2024** | 30 June 2023 |
|---|---|---|
| | **$'000** | $'000 |
| **Long-term rated securities** | | |
| AAA | **6,139,130** | 6,298,238 |
| AA | **11,708,694** | 10,544,148 |
| A | **4,530,454** | 2,457,013 |
| BBB | **1,282,515** | 899,385 |
| Below investment grade/not rated | **2,137,207** | 1,668,331 |
| **Short-term rated securities** | | |
| A-1+ | **1,482,706** | 9,121,929 |
| A-1 | **12,676,892** | 694,269 |
| A-2 | **1,206,041** | 17,907 |
| **Other** | | |
| US Government Guaranteed | **756,823** | 258,777 |
| **Total debt securities held** | **41,920,462** | 31,959,997 |
| Other non-debt financial assets | **23,557,009** | 18,655,025 |
| **Total financial assets** | **65,477,471** | 50,615,022 |

*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 2024 $'000 | Fair market value 30 June 2024 $'000 | |
|---|---|---|---|
| Buy credit protection | 73,887 | (2,028) | *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 | - | - | |
| **Total** | **73,887** | **(2,028)** | |

## 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 2024** | | | | | | | |
| **Revenues** | 23,931 | 1,067,422 | 211 | - | - | - | **1,091,564** |
| **Expenses** | 2,847,902 | 6,505,659 | 39,380 | 650 | 110,228 | 1,052 | **9,504,871** |
| **OCI** | 1,825,407 | 4,257,764 | 52,552 | 2,252 | 74,815 | 1,052 | **6,213,842** |
| **Liabilities** | 66,211,807 | 101,677,580 | 843,610 | 12,648 | 1,295,388 | - | **170,041,033** |
| | | | | | | | |
| 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 |

The expected employer productivity contributions for 2025 are: $2.2 million for the CSS and $117.3 million for the PSS (2024 actual: $3.3 million for the CSS and $145.1 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.<br><br>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.<br><br>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).<br><br>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.<br><br>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.<br><br>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.<br>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.<br>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.<br>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 | *Federal Circuit and Family Court of Australia Act 2021* | To present | |

### 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 2024 is $27.3 billion (30 June 2023 was $24.6 billion). The assets are diversified in the following sectors:

| | CSS | PSS |
|---|---|---|
| Australian equities | 24% | 24% |
| International equities | 23% | 23% |
| Private capital | 11% | 11% |
| Property and infrastructure | 14% | 14% |
| Corporate bonds | 4% | 4% |
| Alternative strategies | 9% | 9% |
| Cash and sovereign bonds | 15% | 15% |

This includes $551.1 million of Australian Government bonds (30 June 2023: $1.9 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 2023 Long Term Cost Reports (LTCRs).

Membership data as at 30 June 2023 has been rolled forward to 30 June 2024 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 2024.

The fair value of scheme assets as at 30 June 2024 (CSS and PSS only) were estimated using the unaudited net scheme assets available to pay benefits at 15 June 2024 rolled forward to 30 June 2024 with cash flow items provided by the CSC.

*Other Schemes (G-GPS, JPS and FCFC DDS)*

Membership data as at 31 May 2024 has been rolled forward to 30 June 2024. 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 (%) | 4.50 | 4.70 | 4.70 |
| Salary growth rate to June 2025 (%) | 3.80 | 3.80 | 3.50 |
| Salary growth rate to June 2026 (%) | 3.40 | 3.40 | 3.40 |
| Salary growth rate to June 2027 and thereafter (%) | 3.50 | 3.50 | 3.70 |
| Pension increase rate to June 2025 (%) | 2.75 | 2.75 | 3.50 |
| Pension increase rate to June 2026 (%) | 2.75 | 2.75 | 3.40 |
| Pension increase rate to June 2027 and thereafter (%) | 2.50 | 2.50 | 3.70 |
| Maturity profile (years) | 10.5 (CSS 1976)<br>6.5 (CSS 1922) | 16.6 (PSS 1990) | 12.1 (PCSS)<br>9.3 (G-GPS)<br>12.6 (JPS)<br>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 bargaining package of pay and conditions final offer published on 23 November 2023. 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.<br><br>The assumed rate for future salary increases has been determined having regard to the average expected long-term outlook for national wage inflation.<br><br>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. |

### 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% | (3,169,712) | (8,944,115) | (121,899) |
| | - 0.5% | 3,449,581 | 10,054,953 | 134,307 |
| Salary growth rate | + 0.5% | 12,391 | 1,380,849 | 129,989 |
| | - 0.5% | (13,066) | (1,317,012) | (119,126) |
| Pension increase rate | + 0.5% | 3,014,022 | 8,108,741 | n/a |
| | - 0.5% | (2,796,179) | (7,370,885) | 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 2024 | | | | 30 June 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | **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 | 70,660,910 | 126,639,510 | 2,241,871 | **199,542,291** | 72,623,412 | 128,215,246 | 2,346,421 | 203,185,079 |
| Current service cost | 24,108 | 2,051,040 | 55,126 | **2,130,274** | 34,311 | 2,266,344 | 54,398 | 2,355,053 |
| Interest expense | 2,869,015 | 5,494,926 | 96,184 | **8,460,125** | 2,674,041 | 4,940,285 | 89,409 | 7,703,735 |
| Contribution from scheme participants | 11,356 | 485,076 | - | **496,432** | 14,764 | 494,366 | - | 509,130 |
| Productivity contribution | 3,338 | 145,141 | - | **148,479** | 4,462 | 149,303 | - | 153,765 |
| Actuarial losses/(gains) in liabilities arising from: | | | | | | | | |
| Changes in demographic assumptions | (16,374) | 380,934 | - | **364,560** | - | - | - | - |
| Changes in financial assumptions | (2,037,989) | (5,646,617) | (144,902) | **(7,829,508)** | (2,441,627) | (9,547,554) | (152,998) | (12,142,179) |
| Liability experience | 275,553 | 2,054,328 | 14,231 | **2,344,112** | 2,106,476 | 3,443,283 | 10,985 | 5,560,744 |
| Benefits paid | (4,540,015) | (3,670,952) | (110,864) | **(8,321,831)** | (4,354,152) | (3,299,240) | (106,344) | (7,759,736) |
| Taxes, premiums and expenses paid | (660) | (21,816) | - | **(22,476)** | (777) | (22,523) | - | (23,300) |
| **Closing value of the defined benefit obligation** | **67,249,242** | **127,911,570** | **2,151,646** | **197,312,458** | 70,660,910 | 126,639,510 | 2,241,871 | 199,542,291 |
| | | | | | | | | |
| **Reconciliation of the fair value of plan assets** | | | | | | | | |
| Value at beginning of the year | 1,196,508 | 23,391,293 | - | **24,587,801** | 1,380,297 | 20,804,957 | - | 22,185,254 |
| Interest income | 45,221 | 1,040,307 | - | **1,085,528** | 47,178 | 821,473 | - | 868,651 |
| Actual return on Scheme assets less interest income | 46,597 | 1,046,409 | - | **1,093,006** | 63,006 | 1,010,307 | - | 1,073,313 |
| Contribution from scheme participants | 11,356 | 485,076 | - | **496,432** | 14,764 | 494,366 | - | 509,130 |
| Productivity contribution | 3,338 | 145,141 | - | **148,479** | 4,462 | 149,303 | - | 153,765 |
| Net appropriation from the CRF | 4,275,090 | 3,818,532 | 110,864 | **8,204,486** | 4,041,730 | 3,432,650 | 106,344 | 7,580,724 |
| Benefits paid | (4,540,015) | (3,670,952) | (110,864) | **(8,321,831)** | (4,354,152) | (3,299,240) | (106,344) | (7,759,736) |
| Taxes, premiums and expenses paid | (660) | (21,816) | - | **(22,476)** | (777) | (22,523) | - | (23,300) |
| **Closing fair value of plan assets** | **1,037,435** | **26,233,990** | **-** | **27,271,425** | 1,196,508 | 23,391,293 | - | 24,587,801 |
| | | | | | | | | |
| **Closing value of the net defined benefit liability** | **66,211,807** | **101,677,580** | **2,151,646** | **170,041,033** | 69,464,402 | 103,248,217 | 2,241,871 | 174,954,490 |

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 2024 $'000** | 30 June 2023 $'000 | **30 June 2024 $'000** | 30 June 2023 $'000 |
| Communication and information technology | **77,961** | 72,155 | **32,492** | 27,893 |
| Consultants and contractors | **31,441** | 36,024 | **525** | 354 |
| Domestic property portfolio expenses | **61,060** | 62,394 | **-** | - |
| General supplier expenses | **17,857** | 16,993 | **37,919** | 25,059 |
| Office expenses | **194** | 133 | **51,742** | 41,607 |
| Superannuation administration costs | **746** | 290 | **8,527** | 8,575 |
| Master media agency services | **11,013** | 10,895 | **-** | - |
| Property operating expenses | **4,186** | 4,430 | **19,618** | 18,050 |
| Training | **2,951** | 2,704 | **805** | 722 |
| Travel | **2,074** | 1,350 | **1,812** | 632 |
| **Total supplier expenses** | **209,483** | 207,368 | **153,440** | 122,892 |

## D2 Own source revenue

### D2.1 Rental Income

| | Departmental | | Administered | |
|---|---|---|---|---|
| | **30 June 2024 $'000** | 30 June 2023 $'000 | **30 June 2024 $'000** | 30 June 2023 $'000 |
| *Operating lease* | | | | |
| Investment properties | **59,367** | 60,919 | **-** | - |
| Lease income | **16,917** | 16,220 | **-** | - |
| Subleasing right-of-use assets | **435** | 434 | **-** | - |
| **Total rental income** | **76,719** | 77,573 | **-** | - |

### Lease income commitment receivables (including GST):

| | Departmental | | Administered | |
|---|---|---|---|---|
| | **30 June 2024 $'000** | 30 June 2023 $'000 | **30 June 2024 $'000** | 30 June 2023 $'000 |
| Domestic property portfolio rent receivable | **467,663** | 523,711 | **-** | - |
| **Total commitments receivable** | **467,663** | 523,711 | **-** | - |
| | | | | |
| **By maturity:** | | | | |
| Within one year | **73,000** | 70,744 | **-** | - |
| One to two years | **71,386** | 72,074 | **-** | - |
| Two to three years | **66,125** | 69,105 | **-** | - |
| Three to four years | **64,304** | 63,913 | **-** | - |
| Four to five years | **64,944** | 62,134 | **-** | - |
| More than five years | **127,904** | 185,741 | **-** | - |
| **Total commitments receivables** | **467,663** | 523,711 | **-** | - |

### 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:

*Delivery of government technology services*
Information and communications technology services revenue includes subscription services for GovCMS and GovTeams which provides web content management and collaboration services for government entities. In addition, it includes revenue associated with PDMS which is a subscription service to support ministerial level correspondence, briefing and submissions; parliamentary questions on notice; senate estimates briefings and questions on notice; executive level communications; and general communication and media enquiries. These services are consumption based that are payable in advance, with performance obligations satisfied over time.

Other revenue included here are fees from government entities for the use of the Intra-government Communications Network (ICON). Government entities are charged 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.

*Procurement*

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, stationery 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 is generally due within 30 to 90 days from delivery.

*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.

*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.

*Ministerial and Parliamentary Services*
Revenues substantially comprise of the 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.

### Disaggregation of revenue from contracts with customers

| | Departmental | | Administered | |
|---|---|---|---|---|
| | **30 June 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Program | | | | |
| Delivery of government technology services | **31,165** | 29,406 | **-** | 2,029 |
| Procurement | **36,905** | 29,061 | **-** | - |
| Service Delivery Office | **31,868** | 34,798 | **-** | - |
| Property and construction | **3,552** | 1,427 | **-** | - |
| Ministerial and Parliamentary Services | **-** | - | **7,178** | 5,400 |
| Other | **3,522** | 3,251 | **-** | - |
| **Total contracts with customers** | **107,012** | 97,943 | **7,178** | 7,429 |

[1] In 2023-24, there was a program restructure, and this has resulted in a different disaggregation of revenue from contracts with customers. The 2022-23 figures have been adjusted to reflect the new program structure.

## 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 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 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **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[1] | | **15,473** | 5,024 | **963** | 882 |
| Special account cash held by Finance | F3.1 | **12,787** | 10,058 | **-** | - |
| Special account cash held in OPA | F3.1 | **1,776,667** | 1,323,826 | **374,419** | 500,686 |
| Trade and other receivables | | | | | |
| Contract assets from contracts with customers | | **10,243** | 6,513 | **99** | 56 |
| Contract receivables | | **19,004** | 13,133 | **1,356** | 3,062 |
| Other | | **1,472** | 1,628 | **342** | 809 |
| Investment funds | C2.2 | **-** | - | **12,620,575** | 9,994,220 |
| Loans | | | | | |
| State and territory government loans | | **-** | - | **86,383** | 94,684 |
| DHA loans | | **-** | - | **170,000** | 40,000 |
| **Total financial assets measured at amortised cost** | | **1,835,646** | 1,360,182 | **14,054,137** | 11,434,399 |
| *Financial assets designated at FVOCI* | | | | | |
| Investments in entities and companies | | **-** | - | **2,520,941** | 2,000,239 |
| **Total financial assets designated at FVOCI** | | **-** | - | **2,520,941** | 2,000,239 |
| *Financial assets measured at FVPL* | | | | | |
| Investment funds | C2.2 | **-** | - | **52,856,896** | 40,620,802 |
| **Total financial assets measured at FVPL** | | **-** | - | **52,856,896** | 40,620,802 |
| **Total financial assets** | | **1,835,646** | 1,360,182 | **69,431,974** | 54,055,440 |
| **Financial Liabilities** | | | | | |
| *Financial liabilities measured at amortised cost* | | | | | |
| Trade creditors and accruals | | **60,155** | 46,286 | **18,498** | 13,634 |
| Investment funds | C2.2 | **-** | - | **830,363** | 176,509 |
| OPA overnight cash payable | H2 | **-** | - | **2,544,296** | 2,228,909 |
| **Total financial liabilities measured at amortised cost** | | **60,155** | 46,286 | **3,393,157** | 2,419,052 |
| *Financial liabilities measured at FVPL* | | | | | |
| Investment funds | C2.2 | **-** | - | **203,264** | 412,226 |
| **Total financial liabilities measured at FVPL** | | **-** | - | **203,264** | 412,226 |
| **Total financial liabilities** | | **60,155** | 46,286 | **3,596,421** | 2,831,278 |

[1] Departmental operating cash balance in 2023-24 contains Administered cash of $10.1 million which was transferred to Administered in 2024-25 and subsequently to the OPA as Finance was not able to retain these funds.

### 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 2024 $'000** | 30 June 2023 $'000 |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Investments in entities and companies | 3 | NET | Cost approach | **1,774,182** | 1,596,781 |
| Investments in entities and companies | 3 | WACC | Income approach | **746,759** | 403,458 |
| | | | | | |
| *Investment funds* | | | | | |
| Interest bearing securities | 1 | NET | Market approach | **25,342** | 16,328 |
| Other investments | 1 | NET | Market approach | **9,045,775** | 5,498,213 |
| Derivative assets | 1 | NET | Market approach | **30,337** | 31,678 |
| Interest bearing securities | 2 | N/A | Price Index[1] | **29,483,202** | 21,975,343 |
| Other investments | 2 | N/A | Market approach | **147** | - |
| Derivative assets | 2 | N/A | Market approach | **516,093** | 188,730 |
| Interest bearing securities | 3 | NET | Market approach | **358,371** | 105,908 |
| Other investments | 3 | NET | Market approach | **13,356,556** | 12,581,344 |
| Derivative assets | 3 | NET | Market approach | **135** | - |
| **Total financial assets** | | | | **55,336,899** | 42,397,783 |
| | | | | | |
| **Financial liabilities** | | | | | |
| Investment funds - derivative liabilities | 1 | NET | Market approach | **29,717** | 76,581 |
| Investment funds - derivative liabilities | 2 | NET | Market approach | **173,547** | 335,645 |
| **Total financial liabilities** | | | | **203,264** | 412,226 |

[1] Price Index values based on observable market data relating to prices, industry accepted pricing models and broker/dealer quotes.
[2] For financial assets, State and territory government loans has been removed from the table above as compared to Finance's 2022-23 financial statements as these are financial assets measured at amortised cost.

**Key judgements, estimates and summary of investment entities**

*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 entities and companies*
Investments includes a shareholding in a private company and Commonwealth Entities and Companies (CECs).

- CEA Technologies Pty Ltd (CEA), on 28 July 2023, the Commonwealth purchase a non-controlling (49.01 per cent) shareholding in CEA which manufactures defence radar systems. The Commonwealth also acquired convertible notes (as a concessional loan) that will convert to shares on 28 January 2025 and will increase the Commonwealth's shareholding to 71.84 per cent. An option to purchase over the remaining shareholding in CEA at a future date allows the Commonwealth to pay a fixed amount and move to 100 per cent ownership of CEA.

  The value of the Commonwealth's shareholding in CEA has been measured using the estimated future cash flows of the company sourced from the 2024-29 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.

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 the CECs reported by Finance:

- 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 (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 redeveloped the Osborne South Shipyard, and established access arrangements with naval shipbuilding prime contractors as infrastructure was completed. ANI will support the nuclear-powered submarine program through the development of infrastructure and facilities in Osborne. The value of ANI has been measured using 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. The Government has selected ASC and BAE Systems to build Australia's SSN-AUKUS. ASC and BAE Systems will initially form a collaborative arrangement, which will lead to the establishment of a long-term incorporated Joint Venture within Australia to deliver Australia's SSN-AUKUS submarines. The Government has also selected ASC for the sustainment of nuclear-powered submarines, commencing with the Virginia class and followed by the SSN-AUKUS. ASC continues to sustain and 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 2024-29 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 2024** | 30 June 2023 |
| | **$'000** | $'000 |
| **Opening balance of investments in entities and companies** | **2,000,239** | 1,888,958 |
| Equity injections | 445,027 | - |
| Total gains/(losses) recognised in other comprehensive income | 79,296 | 111,281 |
| Total gains/(losses) recognised in profit and loss | (3,621) | - |
| **Closing balance of investments in entities and companies** | **2,520,941** | 2,000,239 |
| | | |
| **Opening balance of investment funds - financial assets at FVPL** | **12,687,252** | 11,974,829 |
| Purchase | 1,816,888 | 2,937,477 |
| Sales | (1,655,140) | (2,557,519) |
| Transfers into level 3 | 5,372 | 742 |
| Total gains/(losses) recognised in net cost of services | 862,336 | 349,022 |
| Transfers out of level 3 | (1,646) | (17,299) |
| **Closing balance of investment funds - financial assets at FVPL** | **13,715,062** | 12,687,252 |

### D3.3 Net gains or losses on financial assets

| | | Departmental | | Administered | |
|---|---|---|---|---|---|
| | | **30 June 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **Note ref** | **$'000** | $'000 | **$'000** | $'000 |
| **Financial assets at amortised cost** | | | | | |
| Interest | | | | | |
| OPA deposits | | **-** | - | **32,161** | 21,428 |
| State and territory government loans | | **-** | - | **14,972** | 10,715 |
| DHA loans | | **-** | - | **5,174** | 433 |
| Other | | **-** | - | **5,086** | - |
| Impairment of financial assets | | **(1)** | (1) | **(14,383)** | (75) |
| **Net gains/(losses) on financial assets at amortised cost** | | **(1)** | (1) | **43,010** | 32,501 |
| | | | | | |
| **Financial assets at FVOCI** | | | | | |
| Dividends | | **-** | - | **13,632** | 5,100 |
| Gains/(losses) on investments in entities and companies | D3.2 | **-** | - | **79,297** | 111,281 |
| **Net gains/(losses) on financial assets at FVOCI** | | **-** | - | **92,929** | 116,381 |
| | | | | | |
| **Financial assets measured as FVPL** | | | | | |
| Investment funds | | | | | |
| Interest | C2.1 | **-** | - | **546,683** | 297,180 |
| Dividends and distributions | C2.1 | **-** | - | **395,592** | 482,531 |
| Gains/(losses) on financial investments | C2.1 | **-** | - | **3,259,580** | 1,265,465 |
| Foreign exchange losses | C2.1 | **-** | - | **(15,999)** | (10,280) |
| **Net gains/(losses) on financial assets at FVPL** | | **-** | - | **4,185,856** | 2,034,896 |
| **Net gains/(losses) on financial assets** | | **(1)** | (1) | **4,321,795** | 2,183,778 |

## 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 2024** | **Risk variable** | **%** | **$'000** | **$'000** |
| Overnight cash deposits with the RBA | **Deposit rate** | **+1.36%** | **10,926** | **-** |
| | | **-1.36%** | **(10,893)** | **-** |
| Investments in entities and companies | **Discount rate** | **+1.36%** | **-** | **(112,262)** |
| | | **-1.36%** | **-** | **177,860** |
| 30 June 2023 | | | | |
| Overnight cash deposits with the RBA | Deposit rate | +1.04% | 8,322 | - |
| | | -1.04% | (8,318) | - |
| Investments in entities and companies[1] | Discount rate | +1.04% | - | (34,396) |
| | | -1.04% | - | 46,863 |

[1] The previously reported sensitivity analysis figures have been updated from ($22.700m) to ($34.396m) and $31.800m to $46.863m for an error in the sensitivity analysis calculation.

### 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 and investments in entities and companies as they are more vulnerable to adverse business and economic conditions but currently have the capacity to meet financial commitments; 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 | 2024 and 2023 |
|---|---|
| Buildings on freehold land | 3 to 100 years |
| Leasehold improvements | Lesser of useful life or lease term |
| Intangibles | 3 to 16 years (2023: 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. 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. Some buildings are componentised into various depreciable assets where each component may have different useful lives.

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 the last one 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, 2] | Leasehold improve-ments | Invest-ment property | Plant and equip-ment | Intang-ibles | Total |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2023** | | | | | | | |
| 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 1 July 2023** | **190,094** | **1,716,238** | **28,696** | **6,704** | **16,255** | **98,905** | **2,056,892** |
| Additions | | 65,282 | 3,109 | | 4,302 | 19,592 | **92,285** |
| Revaluations recognised in OCI | 58,301 | (118,339) | - | - | - | - | **(60,038)** |
| Impairments recognised in NCOS | - | (9) | - | - | (200) | (955) | **(1,164)** |
| Revaluations recognised in NCOS | - | (164,970) | - | (897) | - | - | **(165,867)** |
| Depreciation and amortisation | - | (36,005) | (2,768) | - | (3,462) | (12,518) | **(54,753)** |
| *Disposals* | | | | | | | |
| Transfers to agencies | - | - | - | (106) | - | - | **(106)** |
| Write-downs | - | - | - | - | (26) | (53) | **(79)** |
| **Total as at 30 June 2024** | **248,395** | **1,462,197** | **29,037** | **5,701** | **16,869** | **104,971** | **1,867,170** |
| **Represented by** | | | | | | | |
| Gross book value | 248,395 | 1,462,197 | 31,818 | 5,701 | 20,294 | 236,972 | **2,005,377** |
| Accumulated depreciation, amortisation and impairment | - | - | (2,781) | - | (3,425) | (132,001) | **(138,207)** |
| **Total as at 30 June 2024** | **248,395** | **1,462,197** | **29,037** | **5,701** | **16,869** | **104,971** | **1,867,170** |

| Owned assets under operating leases | | | | | | | |
|---|---|---|---|---|---|---|---|
| **As at 1 July 2023** | | | | | | | |
| **Total as at 1 July 2023** | **304,845** | **333,851** | **-** | **770,846** | **-** | **-** | **1,409,542** |
| Additions | | 47,648 | | 9,607 | | | **57,255** |
| Revaluations recognised in OCI | (7,210) | (21,934) | - | - | - | - | **(29,144)** |
| Revaluations recognised in NCOS | - | (30,577) | - | (53,742) | - | - | **(84,319)** |
| Depreciation | - | (12,393) | - | - | - | - | **(12,393)** |
| **Total as at 30 June 2024** | **297,635** | **316,595** | **-** | **726,711** | **-** | **-** | **1,340,941** |
| **Represented by** | | | | | | | |
| Gross book value | 297,635 | 316,595 | - | 726,711 | - | - | **1,340,941** |
| **Total as at 30 June 2024** | **297,635** | **316,595** | **-** | **726,711** | **-** | **-** | **1,340,941** |

| Total owned assets | | | | | | | |
|---|---|---|---|---|---|---|---|
| **As at 30 June 2024** | **546,030** | **1,778,792** | **29,037** | **732,412** | **16,869** | **104,971** | **3,208,111** |
| As at 30 June 2023 | 494,939 | 2,050,089 | 28,696 | 777,550 | 16,255 | 98,905 | 3,466,434 |

[1] The construction cost of the Centres of National Resilience (CNRs) in Melbourne, Brisbane and Perth was $1.3 billion. 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. The Brisbane land is in the process of being transferred to Finance and has a carrying value of $66.4m. The Perth land will be transferred once the site is subdivided and registered.

[2] Finance is currently constructing the National Security Office Precinct with minor parts of the constructed asset being held at tenant agencies as Assets Under Construction. These assets will be equity transferred to Finance as the development progresses.

### Capital commitments payable (GST inclusive)

| Departmental | 30 June 2024 | | | 30 June 2023 | | |
|---|---|---|---|---|---|---|
| | **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 | **104,157** | **21,106** | **125,263** | 200,675 | 44,421 | 245,096 |
| Intangible assets development | **4,070** | **700** | **4,770** | 11,260 | 792 | 12,052 |
| Infrastructure, plant & equipment | **1,542** | | **1,542** | - | - | - |
| **Total capital commitments** | **109,769** | **21,806** | **131,575** | 211,935 | 45,213 | 257,148 |

| Administered | **Leasehold improve-ments $'000** | **Infrastruct-ure[1] $'000** | **Plant and equipment $'000** | **Intangibles $'000** | **Total $'000** |
|---|---|---|---|---|---|
| **As at 1 July 2023** | | | | | |
| Gross book value | 52,455 | 95,541 | 16,271 | 743 | **165,010** |
| Accumulated depreciation, amortisation and impairment | (1,000) | - | (450) | (404) | **(1,854)** |
| **Total as at 1 July 2023** | **51,455** | **95,541** | **15,821** | **339** | **163,156** |
| Additions | 22,345 | 564 | 9,559 | | **32,468** |
| Revaluations recognised in OCI[1] | - | - | (36) | - | **(36)** |
| Revaluations recognised in NCOS | - | 17,448 | - | - | **17,448** |
| Depreciation and amortisation | (27,430) | (3,432) | (3,264) | (130) | **(34,256)** |
| Disposals | (300) | - | (100) | (41) | **(441)** |
| **Total as at 30 June 2024** | **46,070** | **110,121** | **21,980** | **168** | **178,339** |
| **Represented by** | | | | | |
| Gross book value | 73,868 | 110,121 | 25,689 | 455 | **210,133** |
| Accumulated depreciation, amortisation and impairment | (27,798) | - | (3,709) | (287) | **(31,794)** |
| **Total as at 30 June 2024** | **46,070** | **110,121** | **21,980** | **168** | **178,339** |

[1] Gross book value of Plant and Equipment at 1 July 2023 of $4.2 million was moved into Infrastructure due to an assignment error. There is nil impact on the total asset value.

### Capital commitments payable (GST inclusive)

| Administered | 30 June 2024 | | | 30 June 2023 | | |
|---|---|---|---|---|---|---|
| | **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 | **3,508** | **-** | **3,508** | - | - | - |
| Infrastructure, plant and equipment | **5,923** | **-** | **5,923** | 463 | - | 463 |
| **Total capital commitments** | **9,431** | **-** | **9,431** | 463 | - | 463 |

### D5.2 Right-of-use assets

Departmental

| | Buildings $'000 | Plant and equipment $'000 | Motor vehicles $'000 | Total $'000 |
|---|---|---|---|---|
| **As at 1 July 2023** | | | | |
| Gross book value | 471,700 | 3,484 | 282 | 475,466 |
| Accumulated depreciation | (70,802) | (2,309) | (273) | (73,384) |
| **Total as at 1 July 2023** | **400,898** | **1,175** | **9** | **402,082** |
| Additions | | | 26 | **26** |
| Depreciation | (13,363) | (609) | (33) | **(14,005)** |
| Other movements[1] | (123,094) | - | - | **(123,094)** |
| **Carrying amount as at 30 June 2024** | **264,441** | **566** | **2** | **265,009** |
| **Represented by** | | | | |
| Gross book value | 348,606 | 3,484 | 308 | **352,398** |
| Accumulated depreciation | (84,165) | (2,918) | (306) | **(87,389)** |
| **Total as at 30 June 2024** | **264,441** | **566** | **2** | **265,009** |

[1] A market rent review of Finance's lease at One Canberra Avenue during 2023-24 triggered a remeasurement of the discount rate implicit in the lease from 1.7 per cent to 4.2 per cent.

Administered

| | Buildings $'000 | Plant and equipment $'000 | Motor vehicles $'000 | Total $'000 |
|---|---|---|---|---|
| **As at 1 July 2023** | | | | |
| Gross book value | 421,736 | 6,960 | 7,616 | **436,312** |
| Accumulated depreciation | (171,163) | (5,234) | (6,891) | **(183,288)** |
| **Total as at 1 July 2023** | **250,573** | **1,726** | **725** | **253,024** |
| Additions | 14,113 | 102 | 3,027 | **17,242** |
| Disposals | - | - | - | **-** |
| Depreciation | (40,818) | (934) | (1,048) | **(42,800)** |
| Other movements | 1,630 | - | 450 | **2,080** |
| **Carrying amount as at 30 June 2024** | **225,498** | **894** | **3,154** | **229,546** |
| **Represented by** | | | | |
| Gross book value | 437,460 | 7,062 | 11,093 | **455,615** |
| Accumulated depreciation | (211,962) | (6,168) | (7,939) | **(226,069)** |
| **Total as at 30 June 2024** | **225,498** | **894** | **3,154** | **229,546** |

### 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 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| **Non-financial assets** | **Level** | **Inputs used** | **Valuation technique** | **$'000** | $'000 | **$'000** | $'000 |
| Land | 2 | AMT | Market approach | **546,030** | 494,939 | - | - |
| Buildings | 2 | AMT | Income approach | **329,209** | 356,376 | - | - |
| Buildings | 3 | RCN, CEB | Cost approach | **1,449,583** | 1,693,713 | - | - |
| Leasehold improvements | 3 | RCN, CEB | Cost approach | **29,037** | 28,696 | **46,070** | 51,455 |
| Infrastructure | 3 | RCN, CEB | Cost approach | - | - | **110,121** | 91,366 |
| Investment property | 2 | AMT | Market approach | **93,732** | 89,594 | - | - |
| Investment property | 2 | AMT | Income approach | **638,680** | 687,956 | - | - |
| Plant and equipment | 2 | AMT | Market approach | **10,585** | 10,378 | **8,009** | 2,138 |
| Plant and equipment | 3 | RCN, CEB | Cost approach | **6,284** | 5,877 | **13,971** | 17,858 |
| **Total fair value 30 June 2024** | | | | **3,103,140** | 3,367,529 | **178,171** | 162,817 |

#### 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 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Contract liabilities from contracts with customers | **30,588** | 27,718 | **-** | - |
| Other | **2** | 100 | **-** | - |
| **Total unearned revenue** | **30,590** | 27,818 | **-** | - |

## D7 Lease liabilities

| | Departmental | | Administered | |
|---|---|---|---|---|
| | **30 June 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Lease liabilities | **316,778** | 444,077 | **253,803** | 274,823 |
| **Total lease liabilities** | **316,778** | 444,077 | **253,803** | 274,823 |
| | | | | |
| **Maturity analysis - contractual undiscounted cash flows** | | | | |
| Within 1 year | **17,133** | **17,310** | **42,088** | 40,236 |
| Between 1 to 5 years | **91,564** | **83,201** | **148,651** | 120,929 |
| More than 5 years | **402,257** | **518,975** | **81,013** | 128,863 |
| **Total leases** | **510,954** | 619,486 | **271,752** | 290,028 |

## 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 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Remediation costs | **1,670** | 2,397 | **12,809** | 13,727 |
| Act of Grace | **-** | - | **5,778** | 6,028 |
| Same-Sex Relationships Act | **-** | - | **1,322** | 1,383 |
| **Total other provisions** | **1,670** | 2,397 | **19,909** | 21,138 |
| | | | | |
| **Movements of other provisions** | | | | |
| **Opening balance** | **2,397** | 3,310 | **21,138** | 14,942 |
| Additional provisions made | **-** | 904 | **420** | 7,323 |
| Amounts used | **(727)** | (1,817) | **(1,535)** | (231) |
| Amounts reversed | **-** | - | **(114)** | (896) |
| **Closing balance** | **1,670** | 2,397 | **19,909** | 21,138 |

### 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.

The human resources; work health safety support and advice; and education and cultural transformation for MOP(S) Act staff was relinquished to the Parliamentary Workplace Support Service (PWSS) during 2023-24. There were both Departmental and Administered components associated with this restructure with only Departmental assets and liabilities transferred to PWSS.

Digital Identity function was assumed from the Digital Transformation Agency (DTA) on 1 July 2023.

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).

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.

| | Departmental | |
|---|---|---|
| | **DTA** | PMC |
| | **30 June** | 30 June |
| | **2024** | 2023 |
| | **$'000** | $'000 |
| **FUNCTIONS ASSUMED[1]** | | |
| Appropriation Receivable | **749** | 3,098 |
| Appropriation Receivable - DCB | **-** | 4,869 |
| Intangibles - computer software | **-** | 4,266 |
| **Total assets recognised** | **749** | 12,233 |
| **Liabilities recognised** | | |
| Employee Provisions | **749** | 3,098 |
| **Total liabilities recognised** | **749** | 3,098 |
| **Net assets/(liabilities) recognised** | - | 9,135 |
| | | |
| **Income assumed** | | |
| Recognised by the receiving entity | **15,120** | 8,480 |
| Recognised by the losing entity | **-** | - |
| **Total income for the assumed function** | **15,120** | 8,480 |
| **Expenses assumed** | | |
| Recognised by the receiving entity | **17,564** | 7,007 |
| Recognised by the losing entity | **29** | 1,504 |
| **Total expenses for the assumed function** | **17,593** | 8,511 |

| | Departmental |
|---|---|
| | **PWSS** |
| | **30 June** |
| | **2024** |
| | **$'000** |
| **FUNCTIONS RELINQUISHED** | |
| **Assets relinquished** | |
| Appropriation Receivable - DCB | 3,435 |
| **Total assets relinquished** | 3,435 |
| | |
| **Net assets/(liabilities) relinquished** | 3,435 |

[1] In respect of functions assumed, the net book values of assets and liabilities were transferred to Finance for no consideration.

# 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 2024 $'000** | 30 June 2023 $'000 | **30 June 2024 $'000** | 30 June 2023 $'000 |
| Wages and salaries | **172,014** | 146,023 | **320,481** | 285,969 |
| Superannuation expense | | | | |
| Defined contribution plans | **21,838** | 17,326 | **47,107** | 40,858 |
| Defined benefit plans | **10,935** | 10,545 | **3,639** | 3,592 |
| Leave and other entitlements | **23,052** | 22,599 | **22,238** | 28,914 |
| Post-employment benefits | **-** | - | **17,590** | (18,952) |
| Separation and redundancies | **851** | 774 | **2,430** | 31,534 |
| Other employee expenses | **451** | 210 | **19,514** | 19,520 |
| **Total employee benefit expenses** | **229,141** | 197,477 | **432,999** | 391,435 |

## E1.2 Employee provisions

| | Departmental | | Administered | |
|---|---|---|---|---|
| | **30 June 2024 $'000** | 30 June 2023 $'000 | **30 June 2024 $'000** | 30 June 2023 $'000 |
| Leave | **78,307** | 74,656 | **42,122** | 35,261 |
| Separation and redundancies | **-** | - | **30,723** | 19,428 |
| Post-employment benefits | **-** | - | **191,644** | 185,349 |
| **Total employee provisions** | **78,307** | 74,656 | **264,489** | 240,038 |

## 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 Special Minister of State and the members of Finance's Executive Board consist of the Secretary and Deputy Secretaries.

| | Departmental | |
|---|---|---|
| | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 |
| *Short-term employee benefits* | | |
| Salary | **2,416** | 2,256 |
| Annual leave | **233** | 213 |
| Other benefits | **-** | - |
| Short-term employee benefits | **2,649** | 2,469 |
| *Post-employment benefits* | | |
| Superannuation | **339** | 322 |
| Post-employment benefits | **339** | 322 |
| *Other long-term benefits* | | |
| Long service leave | **77** | 232 |
| Other long-term benefits | **77** | 232 |
| Termination benefits | **-** | - |
| **Total key management personnel remuneration[1]** | **3,065** | 3,023 |
| Number of key management personnel included in the table above[2] | **11** | 11 |

[1] The above table excludes the remuneration and other benefits of the Finance Minister and the Special Minister of State whose remuneration and other benefits are set by the Remuneration Tribunal.
[2] Represents the total number of persons who occupied 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 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Ordinary annual services** | | | | |
| Annual Appropriation[1] | | | | |
| Ordinary annual services | **379,785** | 332,255 | **410,029** | 335,274 |
| Capital budget | **11,306** | 9,679 | **5,460** | 5,395 |
| Section 74 receipts of PGPA Act | **57,499** | 49,226 | **1,100** | 3,171 |
| Section 75 transfers of PGPA Act[2] | **(44)** | 10,754 | **(1,285)** | (106) |
| **Total** | **448,546** | 401,914 | **415,304** | 343,734 |
| Appropriation applied[3] | **(421,244)** | (396,302) | **(343,357)** | (367,690) |
| Variance[4] | **27,302** | 5,612 | **71,947** | (23,956) |
| **Other services** | | | | |
| Annual appropriation | | | | |
| Equity injection[5] | **547,830** | 6,525 | **-** | - |
| Assets and liabilities | **-** | - | **449,238** | 2,592 |
| **Total** | **547,830** | 6,525 | **449,238** | 2,592 |
| Appropriation applied | **(541,121)** | (5,927) | **(448,141)** | (1,312) |
| Variance[4] | **6,709** | 598 | **1,097** | 1,280 |

[1] The above amounts are inclusive of section 51 withholding of appropriations. For 2023-24 Administered, this withholding of appropriation is due to changes in estimates for Superannuation, Act of Grace payments and to support the transfer of functions in 2024-25 ($4.9m). For 2022-23 Departmental capital budget of $1.2m was withheld to be reappropriated as ordinary annual services and an additional amount ($0.8m) was withheld in ordinary annual services appropriation for changes in estimates arising from the October 2022 PBS. See footnote 1 and in sub note a, c and d in note F1.2 Unspent annual appropriations for details of the appropriation and amounts withheld.

[2] In 2023-24, Departmental funding was received from the Digital Transformation Agency (DTA) following a MoG of $15.0m and Departmental funding was given to the Parliamentary Workplace Support Service (PWSS) following a MoG of $15.1m (there was also Administered funding transferred to PWSS of $1.3m).

[3]Appropriation applied includes cash payments made from current and prior year appropriations. CSC has spent Administered monies from the CRF on behalf of Finance. The money spent has been included in the table above.

[4] The variances between total annual appropriations and appropriation applied is largely driven by the timing of cash payments and s51 withholding of appropriations.

[5] The above amounts are inclusive of section 51 withholding of appropriations. For 2023-24 Departmental, the withholding of appropriation is due to the reappropriation of 2023-24 equity injection to ordinary annual services in 2024-25 ($2.6m). See footnote 1 and sub note b in note F1.2 Unspent annual appropriations for details of the appropriation.

**Restatement of Prior Period Error**

The previously reported figures in F1.1 Annual appropriation disclosure in Finance's 2022-23 financial statements has been restated due to prior period errors. The details of what was originally reported in Finance's 2022-23 financial statements and the restated amounts are detailed below.

Departmental - 30 June 2023

| | Original Balance $'000 | Restated Balance $'000 | Difference $'000 | Reason for adjustment |
|---|---|---|---|---|
| **Ordinary annual services** | | | | |
| Annual Appropriation | | | | |
| Ordinary annual services | 332,255 | 332,255 | - | |
| Capital budget | 9,679 | 9,679 | - | |
| Section 51 Quarantine | (2,027) | - | 2,027 | Removed line item from table |
| Section 74 receipts of PGPA Act | 49,226 | 49,226 | - | |
| Section 75 transfers of PGPA Act | 10,754 | 10,754 | - | |
| **Total** | 399,887 | 401,914 | 2,027 | |
| Appropriation applied | (398,449) | (396,302) | 2,147 | Added operating cash balance movement |
| Variance | 1,438 | 5,612 | 4,174 | |

Administered - 30 June 2023

| | Original Balance $'000 | Restated Balance $'000 | Difference $'000 | Reason for adjustment |
|---|---|---|---|---|
| **Ordinary annual services** | | | | |
| Annual Appropriation | | | | |
| Ordinary annual services | 335,274 | 335,274 | - | |
| Capital budget | 5,395 | 5,395 | - | |
| Section 74 receipts of PGPA Act | 2,156 | 3,171 | 1,015 | Omitted some s74 receipts |
| Section 75 transfers of PGPA Act | (106) | (106) | - | |
| **Total** | 342,719 | 343,734 | 1,015 | |
| Appropriation applied | (366,932) | (367,690) | (758) | Added operating cash balance movement |
| Variance | (24,213) | (23,956) | 257 | |
| | | | | |
| **Other services** | | | | |
| Annual appropriation | | | | |
| Assets and liabilities | 2,365 | 2,592 | 227 | Repealed appropriation included in error |
| **Total** | 2,365 | 2,592 | 227 | |
| Appropriation applied | (1,312) | (1,312) | - | |
| Variance | 1,053 | 1,280 | 227 | |

### F1.2 Unspent annual appropriations ('recoverable GST exclusive')

| | Departmental[1] | | Administered[1] | |
|---|---|---|---|---|
| | **30 June 2024 $'000** | 30 June 2023 $'000 | **30 June 2024 $'000** | 30 June 2023 $'000 |
| Appropriation Act (No. 1) 2023-2024[a] | **62,611** | - | **89,730** | - |
| Appropriation Act (No. 1) 2023-2024 - Capital | **4,369** | - | **5,460** | - |
| Appropriation Act (No. 2) 2023-2024[b] | **7,564** | - | **33,366** | - |
| Appropriation Act (No. 3) 2023-2024 | **4,310** | - | **2,392** | - |
| Appropriation Act (No. 4) 2023-2024 | **63** | - | **-** | - |
| Appropriation Act (No. 5) 2023-2024 | **887** | - | **-** | - |
| Appropriation Act (No. 1) 2022-2023 | **-** | 14,758 | **-** | - |
| Appropriation Act (No. 3) 2022-2023 | **-** | 1,193 | **-** | 8,041 |
| Supply Act (No. 1) 2022-2023 | **-** | - | **-** | 3,765 |
| Supply Act (No. 1) 2022-2023 - Capital | **-** | 21 | **-** | 2,248 |
| Supply Act (No. 2) 2022-2023 | **-** | - | **271** | 563 |
| Supply Act (No. 3) 2022-2023[c, 2] | **12,057** | 34,809 | **523** | 5,803 |
| Supply Act (No. 3) 2022-2023 - Capital[d] | **1,209** | 6,958 | **3,130** | 3,147 |
| Supply Act (No. 4) 2022-2023 | **-** | 918 | **1,512** | 1,512 |
| Appropriation Act (No. 1) 2021-2022[e] | **-** | - | **6,661** | 6,661 |
| Appropriation Act (No. 1) 2021-2022 - Capital | **-** | - | **-** | 5,170 |
| Appropriation Act (No. 2) 2021-2022[3] | **-** | - | **1,227** | 33,205 |
| Appropriation Act (No. 4) 2021-2022[f] | **200,000** | 200,000 | **-** | - |
| Supply Act (No. 1) 2020-2021[g] | **-** | - | **-** | 6,313 |
| Supply Act (No. 2) 2020-2021[h] | **-** | - | **-** | 307 |
| Operating Cash Balance[4] | **5,372** | 5,024 | **963** | 882 |
| **Total unspent appropriations** | **298,442** | 263,681 | **145,235** | 77,617 |

[1] The balances above include amounts that are subjected to PGPA Act section 51 withholding which are considered to be legally available appropriations.

[a] Administered: Appropriation Act (No.1) 2023-2024: $4.9m

[b] Departmental: Appropriation Act (No. 2) 2023-2024: $2.6m

[c] Departmental: Supply Act (No. 3) 2022-2023: $0.8m (2022-23: $0.8m)

[d] Departmental: Supply Act (No. 3) 2022-2023 – Capital: $1.2m (2022-23: $1.2m)

[e] Administered: Appropriation Act (No. 1) 2021-2022: $6.7m. (2022-23: $6.7m). The appropriation will lapse on 1 July 2024.

[f] Departmental: Appropriation Act (No. 4) 2021-2022: $200.0m (2022-23: $200.0m). The appropriation will lapse on 1 July 2024.

[g] Administered: Supply Act (No. 1) 2020-2021: Nil. (2022-23: $6.3m). The appropriation lapsed on 1 July 2023.

[h] Administered: Supply Act (No. 2) 2020-2021: Nil. (2022-23: $0.3m). The appropriation lapsed on 1 July 2023.

[2] Finance's 2022-23 financial statements included operating cash balance, Departmental $5.0m and Administered $0.9m and this is now separately identified in the table.

[3] The appropriation will lapse on 1 July 2024.

[4] 2023-24 Departmental operating cash balance is different from note D3.1 Categories of financial instruments due to $10.1m of Administered funds deposited into the Departmental Bank Account at year-end which was transferred to Administered in 2024-25 and subsequently to the OPA as Finance was not able to retain these funds.

**Restatement of Prior Period Error**

The previously reported figures in F1.2 Unspent annual appropriation disclosure for 2022-23 were restated, as per AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. For Finance's 2022-23 Financial Statements, the section 51 withholding amounts were omitted in error from the unspent annual appropriation disclosure. There has also been a change in the disclosure so that operating cash balance is reported as a separate line item in 2023-24. The below tables detail the restated amounts and what was originally reported in Finance's 2022-23 financial statements.

Departmental - 30 June 2023

| | Original Balance $'000 | Restated Balance $'000 | Difference $'000 | Reason for adjustment |
|---|---|---|---|---|
| Appropriation Act (No. 1) 2022-2023 | 14,758 | 14,758 | - | |
| Appropriation Act (No. 3) 2022-2023 | 1,193 | 1,193 | - | |
| Supply Act (No. 1) 2022-2023 - Capital | 21 | 21 | - | |
| Supply Act (No. 3) 2022-2023[1] | 39,015 | 34,809 | (4,206) | Omitted s51 withholding and separate operating cash to new line item |
| Supply Act (No. 3) 2022-2023 - Capital | 5,749 | 6,958 | 1,209 | Omitted s51 withholding |
| Supply Act (No. 4) 2022-2023 | 918 | 918 | - | |
| Appropriation Act (No. 4) 2021-2022 | - | 200,000 | 200,000 | Omitted s51 withholding |
| Operating Cash Balance | - | 5,024 | 5,024 | New line item |
| **Total unspent appropriation** | 61,654 | 263,681 | 202,027 | |

[1] For this adjustment, it is made up of two items, omitted s51 withholding ($0.9m) and included operating cash balance which has now been separated into a new line ($5.0m).

Administered - 30 June 2023

| | Original Balance $'000 | Restated Balance $'000 | Difference $'000 | Reason for adjustment |
|---|---|---|---|---|
| Appropriation Act (No. 3) 2022-2023 | 8,041 | 8,041 | - | |
| Supply Act (No. 1) 2022-2023 | 3,765 | 3,765 | - | |
| Supply Act (No. 1) 2022-2023 - Capital | 2,248 | 2,248 | - | |
| Supply Act (No. 2) 2022-2023 | 563 | 563 | - | |
| Supply Act (No. 3) 2022-2023[1] | 6,684 | 5,803 | (881) | Separate operating cash to new item line |
| Supply Act (No. 3) 2022-2023 - Capital | 3,147 | 3,147 | - | |
| Supply Act (No. 4) 2022-2023 | 1,512 | 1,512 | - | |
| Appropriation Act (No. 1) 2021-2022 | - | 6,661 | 6,661 | Omitted s51 withholding |
| Appropriation Act (No. 1) 2021-2022 - Capital | 5,170 | 5,170 | - | |
| Appropriation Act (No. 2) 2021-2022 | 33,205 | 33,205 | - | |
| Supply Act (No. 1) 2020-2021 | - | 6,313 | 6,313 | Omitted s51 withholding |
| Supply Act (No. 2) 2020-2021 | - | 307 | 307 | Omitted s51 withholding |
| Operating Cash Balance | - | 882 | 882 | New item line |
| **Total unspent appropriation** | 64,335 | 77,617 | 13,282 | |

[1] For this adjustment, it is made up of one item, it included operating cash balance which has now been separated to a new line item ($0.9m). There is also a rounding difference as compared to the new operating cash balance line item.

## F2 Special appropriations

### F2.1 Special appropriations ('recoverable GST exclusive')

| | Appropriations applied | |
|---|---|---|
| | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 |
| **Administered** | | |
| *Commonwealth of Australia Constitution Act s 66 (Parliamentary Business Resources Regulations 2017 s 55)*[1] | **(5,479)** | (5,331) |
| *Governance of Australian Government Superannuation Schemes Act 2011* | **(182)** | (132) |
| *Governor-General Act 1974* | **(1,108)** | (1,201) |
| *Judges' Pensions Act 1968* | **(62,708)** | (59,547) |
| *Medibank Private Sale Act 2006* | **(1)** | - |
| *Parliamentary Business Resources Act 2017* | **(292,700)** | (255,573) |
| *Parliamentary Contributory Superannuation Act 1948* | **(47,060)** | (45,596) |
| *Parliamentary Superannuation Act 2004* | **(8,907)** | (8,577) |
| *Same-Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Act 2008* | **(73)** | (69) |
| *Superannuation Act 1922* | **(43,886)** | (46,419) |
| *Superannuation Act 1976*[2] | **(4,964,642)** | (4,757,109) |
| *Superannuation Act 1990*[2] | **(3,963,210)** | (3,553,175) |
| **Total special appropriations applied** | **(9,389,956)** | (8,732,729) |

[1] For the 2023-24 reporting period this appropriation was limited to $5.7 million.

[2] 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*<br>*Commonwealth of Australia Constitution Act s 66 (Parliamentary Business Resources Regulations 2017 s 55)*<br>*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*
- *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*
- *AIDC Sale Act 1997*
- *Federal Circuit and Family Court of Australia Act 2021*
- *Loans Securities Act 1919*
- *Parliamentary Retiring Allowances (Increases) Act 1967*
- *Public Accounts and Audit Committee Act 1951*
- *Public Governance, Performance and Accountability Act 2013*
- *Transferred Officers' Allowances Act 1948*
- *Superannuation Legislation (Consequential Amendments and Transitional Provisions) Act 2011*

### 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 2024** | 30 June 2023 |
| | **Relationship** | **$'000** | $'000 |
| **Attorney-General's Department** | | | |
| Total receipts | | - | - |
| Total payments | Solicitors-General pension payments | **(299)** | (288) |

## 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 2024 | Comcover $'000 | Property $'000 | CPCSA $'000 | SDOSA $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance brought forward** | 1,119,185 | 155,269 | 32,489 | 26,941 | **1,333,884** |
| Appropriations credited | 30,040 | 171,688 | 440,767 | 3,487 | **645,982** |
| Other receipts | 275,627 | 271,216 | 477,578 | 47,896 | **1,072,317** |
| Payments made | (263,567) | (450,329) | (481,565) | (67,268) | **(1,262,729)** |
| **Balance carried forward** | **1,161,285** | **147,844** | **469,269** | **11,056** | **1,789,454** |
| **Balance represented by** | | | | | |
| Cash held by Finance | 4,563 | 3,552 | 245 | 4,427 | **12,787** |
| Cash held in OPA | 1,156,722 | 144,292 | 469,024 | 6,629 | **1,776,667** |
| **Special account balance** | **1,161,285** | **147,844** | **469,269** | **11,056** | **1,789,454** |
| | | | | | |
| 30 June 2023 | | | | | |
| 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 |

*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 2024 | DCAF $'000 | MRFF $'000 | ATSILSFF $'000 | FDF $'000 | DRF $'000 | HAFF $'000 | DHA $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance brought forward** | **-** | **-** | **-** | **-** | **-** | **-** | **500,686** | **500,686** |
| Contributions from Government | **6,343,897** | **-** | **-** | **-** | **-** | **10,000,000** | **-** | **16,343,897** |
| Investments realised | **17,991,934** | **44,760,037** | **760,370** | **1,494,566** | **1,558,955** | **20,103,331** | **-** | **86,669,193** |
| Other receipts | **818,579** | **359,132** | **97,627** | **214,714** | **212,312** | **200,716** | **3,869** | **1,906,949** |
| Investment funds return to Government | **(4,000,000)** | **-** | **-** | **-** | **-** | **-** | **-** | **(4,000,000)** |
| Purchase of investments | **(20,130,009)** | **(44,410,815)** | **(794,972)** | **(1,607,693)** | **(1,569,656)** | **(30,302,746)** | **-** | **(98,815,891)** |
| Investment funds distributions | **(1,007,491)** | **(650,000)** | **(62,248)** | **(100,000)** | **(200,000)** | **-** | **-** | **(2,019,739)** |
| Loans | **-** | **-** | **-** | **-** | **-** | **-** | **(130,000)** | **(130,000)** |
| Other payments | **(16,910)** | **(58,354)** | **(777)** | **(1,587)** | **(1,611)** | **(1,301)** | **(136)** | **(80,676)** |
| **Balance carried forward** | **-** | **-** | **-** | **-** | **-** | **-** | **374,419** | **374,419** |
| **Balance represented by** | | | | | | | | |
| Cash held in the OPA | **-** | **-** | **-** | **-** | **-** | **-** | **374,419** | **374,419** |

| 30 June 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 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 |

*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*.

*Housing Australia Future Fund (HAFF) Special Account*
Establishing instrument: *Housing Australia Future Fund Act 2023, s 12.* Purpose: To provide additional funding to support and increase social and affordable housing, as well as other acute housing needs including, but not limited to, the particular needs of Indigenous communities and housing services for women, children and veterans. 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 HAFF were made under the *Housing Australia Future Fund 2023 s 39*.

*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 s 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

There are no subsequent events after the reporting period.

# 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 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Assets expected to be recovered in:** | | | | |
| **No more than 12 months** | | | | |
| Cash and cash equivalents | **28,260** | 15,082 | **800,963** | 800,882 |
| Special account cash held in OPA | **1,776,667** | 1,323,826 | **374,419** | 500,686 |
| Trade and other receivables | **30,719** | 21,274 | **1,797** | 3,927 |
| Other departmental undrawn | **88,443** | 56,630 | **-** | - |
| Reinsurance and other recoveries | **744** | 1,208 | **-** | - |
| Lease incentive assets | **133** | 133 | **-** | - |
| Investment funds | **-** | - | **35,070,920** | 24,556,860 |
| Loans | **-** | - | **8,732** | 8,301 |
| Other financial assets | **10,570** | 8,391 | **76,196** | 70,647 |
| Right-of-use assets | **2** | 7 | **1,836** | 3,270 |
| Prepayments | **9,681** | 8,309 | **5,389** | 4,934 |
| **Total no more than 12 months** | **1,945,219** | 1,434,860 | **36,340,252** | 25,949,507 |
| | | | | |
| **More than 12 months** | | | | |
| Reinsurance and other recoveries | **633** | 1,365 | **-** | - |
| Lease incentive assets | **253** | 386 | **-** | - |
| Investment funds | **-** | - | **30,406,551** | 26,058,162 |
| Loans | **-** | - | **247,651** | 126,383 |
| Investments in entities and companies | **-** | - | **2,520,941** | 2,000,239 |
| Land | **546,030** | 494,939 | **-** | - |
| Buildings | **1,778,792** | 2,050,089 | **-** | - |
| Leasehold improvements | **29,037** | 28,696 | **46,070** | 51,455 |
| Investment property | **732,412** | 777,550 | **-** | - |
| Infrastructure | **-** | - | **110,121** | 95,541 |
| Plant and equipment | **16,869** | 16,255 | **21,980** | 15,821 |
| Intangibles | **104,971** | 98,905 | **168** | 339 |
| Right-of-use assets | **265,007** | 402,075 | **227,710** | 249,754 |
| Prepayments | **683** | 483 | **462** | 396 |
| **Total more than 12 months** | **3,474,687** | 3,870,743 | **33,581,654** | 28,598,090 |
| **Total assets** | **5,419,906** | 5,305,603 | **69,921,906** | 54,547,597 |

| | Departmental | | Administered | |
|---|---|---|---|---|
| | **30 June 2024** | 30 June 2023 | **30 June 2024** | 30 June 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Liabilities expected to be settled in:** | | | | |
| **No more than 12 months** | | | | |
| Trade creditors and accruals | **60,155** | 46,286 | **18,498** | 13,634 |
| Unearned revenue | **30,590** | 27,818 | **-** | - |
| Return of equity - special accounts | **56,077** | 38,948 | **-** | - |
| Outstanding insurance claims | **308,082** | 354,019 | **-** | - |
| Investment funds | **-** | - | **1,033,627** | 588,735 |
| OPA overnight cash payable | **-** | - | **2,544,296** | 2,228,909 |
| Employee provisions | **19,136** | 17,823 | **26,207** | 18,651 |
| Superannuation provisions | **-** | - | **8,822,701** | 8,323,625 |
| Lease liabilities | **4,043** | 9,971 | **38,556** | 38,578 |
| Other provisions | **890** | 1,196 | **3,979** | 4,299 |
| Other payables | **12,283** | 7,772 | **9,202** | 9,474 |
| **Total no more than 12 months** | **491,256** | 503,833 | **12,497,066** | 11,225,905 |
| **More than 12 months** | | | | |
| Outstanding insurance claims | **1,367,390** | 1,047,072 | **-** | - |
| Employee provisions | **59,171** | 56,833 | **238,282** | 221,387 |
| Superannuation provisions | **-** | - | **161,218,332** | 166,630,865 |
| Lease liabilities | **312,735** | 434,106 | **215,247** | 236,245 |
| Other provisions | **780** | 1,201 | **15,930** | 16,839 |
| **More than 12 months** | **1,740,076** | 1,539,212 | **161,687,791** | 167,105,336 |
| **Total liabilities** | **2,231,332** | 2,043,045 | **174,184,857** | 178,331,241 |

## 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.

### Resources received free of charge

Resources received free of charge 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. Resources received free of charge are recorded as either revenue or gains depending on their nature. Resources received free of charged relate to Australian National Audit Office audit fees for Finance's financial statements and WoAG financial statements (2023-24: $1.6 million).

Resources received free of charge include rent for office space in the Ministerial Wing of Parliament House (2023-24: $5.0 million).

### 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 (NCE) 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 | ICON | Intra-government Communications Network |
| AASB | Australian Accounting Standards Board | Investment funds | Administered Investment Funds managed by the Future Fund Board of Guardians |
| AMT | Adjusted Market Transactions | JPS | Judges' Pensions Scheme |
| ANI | Australian Naval Infrastructure Pty Ltd | KMP | Key Management Personnel |
| ASC | ASC Pty Ltd | JPY | Japanese Yen |
| ATSILSFF | Aboriginal and Torres Strait Islander Land and Sea Future Fund | LTCRs | 2023 Long Term Cost Reports |
| AUD | Australian Dollar | m | Millions |
| AUKUS | Australia, United Kingdom and the United States security partnership | MoG | Machinery of Government |
| CEB | Consumed Economic Benefits | MOP(S) Act | *Members of Parliament (Staff) Act 1984* |
| CECs | Commonwealth Entities and Companies | MRFF | Medical Research Future Fund |
| CRF | Consolidated Revenue Fund | MRFFICs | Medical Research Future Fund Investment Companies |
| CPCSA | Coordinated Procurement Contracting Special Account | NCEs | Non-Corporate Commonwealth Entities |
| CPI | Consumer Price Index | NCOS | Net Cost of Services |
| CSC | Commonwealth Superannuation Corporation | NET | Net Assets |
| CSS | Commonwealth Superannuation Scheme | OCI | Other Comprehensive Income |
| DCAF | DisabilityCare Australia Fund | OPA | Official Public Account |
| DCB | Departmental Capital Budget | PBR Act | *Parliamentary Business Resources Act 2017* |
| DHA | Defence Housing Australia | PBS | Portfolio Budget Statements |
| DRF | Disaster Ready Fund | PDMS | Parliamentary Document Management System |
| EUR | Euro | PGPA Act | *Public Governance, Performance and Accountability Act 2013* |
| FCFCDDS | Federal Circuit Court and Family Court of Australia Death and Disability Scheme | PCSS | Parliamentary Contributory Superannuation Scheme |
| FDF | Future Drought Fund | PSS | Public Sector Superannuation Scheme |
| FFMA | Future Fund Management Agency | PSSap | Public Sector Superannuation Accumulation Plan |
| FRR | *PGPA (Financial Reporting) Rule 2015* | RBA | Reserve Bank of Australia |
| FVOCI | Fair Value through Other Comprehensive Income | RCN | Replacement Cost of New Assets |
| FVPL | Fair Value through Profit or Loss | SDO | Service Delivery Office |
| GBE | Government Business Enterprise | SDOSA | Service Delivery Office Special Account |
| GBP | British Pound | The Board | Future Fund Board of Guardians |
| G-GPS | Governor-General Pension Scheme | USD | United States Dollar |
| GST | Goods and Services Tax | WACC | Weighted Average Cost of Capital |
| IBNR | Incurred But Not Reported | WoAG | Whole of Australian Government |
| IBNER | Incurred But Not Enough Reported | | |

# Appendices

# Appendix A:
# Entity resource statement and expenses by outcome

**Table A1:** Entity Resource Statement, 2023–24

| | Actual Available appropriation - current year $'000 (a) | Payments made $'000 (b) | Balance remaining $'000 (a)-(b) |
|---|---|---|---|
| **Departmental** | | | |
| Annual appropriations – ordinary annual services [a, c] | 512,058 | 421,244 | 90,814 |
| Annual appropriations – other services – non-operating [b] | 748,748 | 541,121 | 207,627 |
| **Total departmental annual appropriations** | **1,260,806** | **962,365** | **298,441** |
| Special accounts | 3,052,183 | 1,262,729 | 1,789,454 |
| **Total special accounts** | **3,052,183** | **1,262,729** | **1,789,454** |
| *less* departmental appropriations drawn from annual/special appropriations and credited to special accounts | 645,982 | 645,982 | – |
| **Total departmental resourcing (A)** | **3,667,007** | **1,579,112** | **2,087,895** |
| **Administered** | | | |
| Annual appropriations – ordinary annual services [a, c] | 457,334 | 343,357 | 113,977 |
| Annual appropriations – other services – non-operating [b] | 484,517 | 448,141 | 36,376 |
| **Total administered annual appropriations** | **941,851** | **791,498** | **150,353** |
| Administered special appropriations [d] | | 9,389,956 | |
| **Total administered special appropriations** | | **9,389,956** | |
| Special Accounts | 105,420,725 | 105,046,306 | 374,419 |
| **Total special accounts** | **105,420,725** | **105,046,306** | **374,419** |
| **Total administered resourcing (B)** | **106,362,576** | **115,227,760** | |
| **Total resourcing and payments for Department of Finance (A + B)** | **110,029,583** | **116,806,872** | |

a. Supply Act (No. 1) 2023–2024 and Appropriation Act (No. 3) 2023–2024. Includes prior-year departmental appropriation and section 74 external revenue.

b. Appropriation Act (No. 2) 2023–2024, Appropriation Act (No. 4) 2023–2024.

c. Departmental and Administered capital budgets are not separately identified in Appropriation Bill (No.1, 3) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

d. Actual available appropriation for 2022–23 does not include special appropriations. Special appropriations are limited by criteria or entitlement.

Further details of the department's resourcing is provided in the financial statements at Note F: Funding.

**Table A2:** Expenses for Outcome 1, 2023–24

| **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] 2023–24 $'000 (a) | Actual Expenses 2023–24 $'000 (b) | Variation 2023–24 $'000 (a)-(b) |
|---|---|---|---|
| **Program 1.1: Budget and Financial Management** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Budget advice | 74,297 | 68,299 | 5,998 |
| Financial reporting | 32,323 | 32,349 | (26) |
| Expenses not requiring appropriation in the budget year [c] | 7,151 | 6,490 | 661 |
| **Total for Program 1.1** | **113,771** | **107,138** | **6,633** |
| **Outcome 1 totals by appropriation type** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Expenses not requiring appropriation in the budget year [c] | 106,620 | 100,648 | 5,972 |
| **Total expenses for Outcome 1** | **7,151** | **6,490** | **661** |
| | **2023–24** | **2023–24** | |
| **Average staffing level (number)** | 482 | 451 | |

a. Full-year budget, including any subsequent adjustments made in the 2023–24 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 resources received free of charge.

**Table A3:** Expenses for Outcome 2, 2023–24

| **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, and managing, acquiring and divesting government investments. | **Budget [a] 2023–24 $'000 (a)** | **Actual Expenses 2023–24 $'000 (b)** | **Variation 2023–24 $'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 | 45 | 44 | 1 |
| Grant in Aid – Chifley Research Centre | 288 | 277 | 11 |
| Grant in Aid – Green Institute | 103 | 99 | 4 |
| Grant in Aid – Menzies Research Centre | 288 | 277 | 11 |
| Grant in Aid – Page Research Centre | 139 | 134 | 5 |
| Grant in Aid – Royal Humane Society of Australasia | 34 | 32 | 2 |
| Grant in Aid – RSPCA Australia Inc | 45 | 44 | 1 |
| Special accounts | | | |
| DHA Borrowings Special Account | 232 | 128 | 104 |
| Expenses not requiring appropriation in the budget year [c] | 7,446 | 14,276 | (6,830) |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Financial framework | 34,606 | 31,582 | 3,024 |
| Government shareholder oversight | 27,030 | 20,033 | 6,997 |
| Special financial claims | 3,757 | 5,867 | (2,110) |
| Regulatory reform | 18,010 | 13,591 | 4,419 |
| Data and Digital | 26,165 | 19,972 | 6,193 |
| Expenses not requiring appropriation in the budget year [c] | 1,389 | 3,013 | (1,624) |
| **Total for Program 2.1** | **119,577** | **109,369** | **10,208** |
| **Program 2.2: Transforming Government** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Office of the National Data Commissioner | 17,500 | 16,628 | 872 |
| Expenses not requiring appropriation in the budget year [c] | 246 | 1,161 | (915) |
| **Total for Program 2.2** | **17,746** | **17,789** | **(43)** |

| **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, and managing, acquiring and divesting government investments. | **Budget [a] 2023–24 $'000 (a)** | **Actual Expenses 2023–24 $'000 (b)** | **Variation 2023–24 $'000 (a)-(b)** |
|---|---|---|---|
| **Program 2.3: Property and Construction** | | | |
| **Departmental expenses** | | | |
| Special accounts | | | |
| Property Special Account [d] | 158,008 | 395,813 | (237,805) |
| **Total for Program 2.3** | **158,008** | **395,813** | **(237,805)** |
| **Program 2.4: Insurance and Risk Management** | | | |
| **Departmental expenses** | | | |
| Special accounts | | | |
| Comcover Special Account | 233,530 | 482,111 | (248,581) |
| **Total for Program 2.4** | **233,530** | **482,111** | **(248,581)** |
| **Program 2.5: Procurement** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Procurement framework | 16,943 | 14,769 | 2,174 |
| Special accounts | | | |
| Coordinated Procurement Contracting Special Account | 47,785 | 35,184 | 12,601 |
| Expenses not requiring appropriation in the budget year [c] | 689 | 791 | (102) |
| **Total for Program 2.5** | **65,417** | **50,744** | **14,673** |
| **Program 2.6: Delivery of Government Technology Services** | | | |
| **Administered expenses** | | | |
| Expenses not requiring appropriation in the budget year [c] | 3,311 | 3,433 | (122) |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Technology services | 38,176 | 35,969 | 2,207 |
| Expenses not requiring appropriation in the budget year [c] | 2,622 | 2,383 | 239 |
| **Total for Program 2.6** | **44,109** | **41,785** | **2,324** |

| **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, and managing, acquiring and divesting government investments. | Budget [a] 2023–24 $'000 (a) | Actual Expenses 2023–24 $'000 (b) | Variation 2023–24 $'000 (a)-(b) |
|---|---|---|---|
| **Program 2.7: Service Delivery Office** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Shared services transformation program office | 6,193 | 4,571 | 1,622 |
| Special accounts | | | |
| SDO Special Account | 34,429 | 42,487 | (8,058) |
| Expenses not requiring appropriation in the budget year [c] | 48 | 181 | (133) |
| **Total for Program 2.7** | **40,670** | **47,239** | **(6,569)** |
| **Program 2.8: Public Sector Superannuation** | | | |
| **Administered expenses** | | | |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) | | | |
| Act of Grace | 1,249 | 550 | 699 |
| Compensation and legal expenses | 500 | 195 | 305 |
| Superannuation administration costs | 8,518 | 8,527 | (9) |
| Special appropriations | | | |
| *Federal Circuit Court of Australia Act 1999* | 1,052 | 1,052 | – |
| *Governance of Australian Government Superannuation Schemes Act 2011* | 1,000 | 182 | 818 |
| *Governor-General Act 1974* | 650 | 650 | – |
| *Judges' Pensions Act 1968* | 110,228 | 110,228 | – |
| *Parliamentary Contributory Superannuation Act 1948* | 39,380 | 39,380 | – |
| *Parliamentary Superannuation Act 2004* | 8,925 | 8,907 | 18 |
| *Same-Sex Relationships (Equal Treatment in Commonwealth Laws General Law Reform) Act 2008* | 59 | 12 | 47 |
| *Superannuation Act 1922* | 13,642 | 13,642 | – |
| *Superannuation Act 1976* | 2,834,260 | 2,834,260 | – |
| *Superannuation Act 1990* | 6,505,659 | 6,505,659 | – |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Public Sector Superannuation | 3,906 | 3,557 | 349 |
| Expenses not requiring appropriation in the budget year [c] | 508 | 533 | (25) |
| **Total for Program 2.8** | **9,529,536** | **9,527,334** | **2,202** |

| **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, and managing, acquiring and divesting government investments. | Budget [a] 2023–24 $'000 (a) | Actual Expenses 2023–24 $'000 (b) | Variation 2023–24 $'000 (a)-(b) |
|---|---|---|---|
| **Program 2.9: Australian Government Investment Funds** | | | |
| **Administered expenses** | | | |
| Special Accounts | | | |
| DisabilityCare Australia Fund Special Account | 2,032,012 | 1,027,900 | 1,004,112 |
| Housing Australia Future Fund | 22,407 | 2,192 | |
| Medical Research Future Fund Special Account | 723,616 | 731,122 | (7,506) |
| Aboriginal and Torres Strait Islander Land and Sea Future Fund Special Account | 63,930 | 63,171 | 759 |
| Future Drought Fund | 103,646 | 101,794 | 1,852 |
| Disaster Ready Fund | 203,475 | 202,016 | 1,459 |
| **Total for Program 2.9** | **3,149,086** | **2,128,195** | **1,000,676** |
| **Program 2.10: Nuclear Powered Submarine Program Advice** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | | | |
| Nuclear Powered Submarine commercial advice | 5,858 | 2,767 | 3,091 |
| Expenses not requiring appropriation in the budget year [c] | – | 308 | (308) |
| **Total for Program 2.10** | **5,858** | **3,075** | **2,783** |
| **Outcome 2 totals by appropriation type** | | | |
| **Administered expenses** | | | |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) | 11,209 | 10,179 | 1,030 |
| Special appropriations | 9,514,855 | 9,513,972 | 883 |
| Special accounts | 3,149,318 | 2,128,323 | 1,020,995 |
| Expenses not requiring appropriation in the budget year [c] | 10,757 | 17,709 | |
| **Departmental expenses** | | | |
| Departmental appropriation [b] | 198,146 | 169,306 | 28,840 |
| Special accounts | 473,752 | 955,595 | (481,843) |
| Expenses not requiring appropriation in the budget year [c] | 5,502 | 8,370 | (2,868) |
| **Total Expenses for Outcome 2** | **13,363,539** | **12,803,454** | **567,037** |
| | **2023–24** | **2023–24** | |
| **Average staffing level (number)[e]** | 1,022 | 1,008 | |

**Table A4**: Expenses for Outcome 3, 2023–24

| **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] 2023–24 $'000 (a)** | **Actual Expenses 2023–24 $'000 (b)** | **Variation 2023–24 $'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 | 356,218 | 346,905 | 9,313 |
| Australian Political Exchange Program | 941 | 971 | (30) |
| Australian Political Parties for Democracy Program | 2,200 | – | 2,200 |
| Special Appropriations | | | |
| *Commonwealth of Australia Constitution Act (s 66)* | 5,605 | 5,479 | 126 |
| *Parliamentary Business Resources Act 2017* | 236,402 | 259,683 | (23,281) |
| Expenses not requiring appropriation in the budget year [b] | 15,159 | 36,362 | (21,203) |
| **Departmental expenses** | | | |
| Departmental appropriation [c] | | | |
| Services to Senators, Members & their staff | 22,028 | 19,433 | 3,265 |
| Expenses not requiring appropriation in the budget year [b] | 1,722 | 6,064 | (4,342) |
| **Total for Program 3.1** | **640,275** | **674,907** | **(33,952)** |
| **Outcome 3 totals by appropriation type** | | | |
| **Administered expenses** | | | |
| Ordinary annual services (Appropriation Act Nos. 1 and 3) | 359,359 | 347,876 | 11,483 |
| Special appropriations | 242,007 | 265,162 | (23,155) |
| Expenses not requiring appropriation in the budget year [b] | 15,159 | 36,362 | (21,203) |
| **Departmental expenses** | | | |
| Departmental appropriation [c] | 22,028 | 19,443 | 2,585 |
| Expenses not requiring appropriation in the budget year [b] | 1,722 | 6,064 | (4,342) |
| **Total Expenses for Outcome 3** | **640,275** | **674,907** | **(34,632)** |
| | **2023–24** | **2023–24** | |
| **Average staffing level (number)** | 93 | 326 | |

a. Full-year budget, including any subsequent adjustments made in the 2023–24 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: Workforce statistics

**Table B1:** Employee numbers by employment type, classification and gender at 30 June 2024

| | 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 | 3 | 1 | – | – | – | – | – | – | – | 3 | 1 | – | **4** |
| SES2 | 8 | 5 | – | 1 | – | – | – | – | – | 9 | 5 | – | **14** |
| SES1 | 28 | 30 | – | – | – | – | – | – | – | 28 | 30 | – | **58** |
| EL2 | 104 | 148 | – | – | – | – | – | – | – | 104 | 148 | – | **252** |
| EL1 | 246 | 381 | 1 | 7 | 12 | – | – | – | – | 253 | 393 | 1 | **647** |
| APS6 | 154 | 213 | 1 | 3 | 10 | – | – | – | – | 157 | 223 | 1 | **381** |
| APS5 | 106 | 137 | 1 | 4 | – | – | 1 | – | – | 111 | 137 | 1 | **249** |
| APS4 | 59 | 105 | – | 11 | 6 | – | 12 | 4 | – | 82 | 115 | – | **197** |
| APS3 | 36 | 33 | 1 | 2 | 5 | 1 | – | 1 | – | 38 | 39 | 2 | **79** |
| APS2 | 12 | 22 | – | – | – | – | 244 | 49 | – | 256 | 71 | – | **327** |
| APS1 | 17 | 11 | – | – | – | – | 1 | 2 | – | 18 | 13 | – | **31** |
| **TOTAL** | **773** | **1,086** | **4** | **28** | **33** | **1** | **258** | **56** | **–** | **1,059** | **1,175** | **5** | **2,239** |

**Table B2:** Employee 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 | – | – | – | – | – | – | – | 2 | 2 | – | **4** |
| SES2 | 17 | 6 | – | 1 | – | – | – | – | – | 18 | 6 | – | **24** |
| SES1 | 32 | 36 | – | 1 | – | – | – | – | – | 33 | 36 | – | **69** |
| EL2 | 105 | 145 | – | 1 | 1 | – | – | – | – | 106 | 146 | – | **252** |
| EL1 | 230 | 287 | 1 | 5 | 6 | – | – | – | – | 235 | 293 | 1 | **529** |
| APS6 | 123 | 176 | – | 4 | 6 | – | – | – | – | 127 | 182 | – | **309** |
| APS5 | 94 | 112 | – | 2 | 7 | – | – | 1 | – | 96 | 120 | – | **216** |
| APS4 | 41 | 71 | – | 6 | 11 | – | 4 | 4 | – | 51 | 86 | – | **137** |
| APS3 | 43 | 36 | 1 | 4 | 6 | – | – | – | – | 47 | 42 | 1 | **90** |
| APS2 | 6 | 9 | – | 2 | 3 | – | 199 | 37 | – | 207 | 49 | – | **256** |
| APS1 | 14 | 17 | – | – | 1 | – | 1 | 6 | – | 15 | 24 | – | **39** |
| **TOTAL** | **707** | **897** | **2** | **26** | **41** | **–** | **204** | **48** | **–** | **937** | **986** | **2** | **1,925** |

**Table B3:** Employee numbers by attendance type and classification at 30 June 2024

| | Ongoing | | | Non-ongoing | | | | |
|---|---|---|---|---|---|---|---|---|
| Classification | Full-time | Part-time | Total ongoing | Full-time | Part-time | Casual | Total non-ongoing | Grand total |
| SES3 | 4 | – | 4 | – | – | – | – | **4** |
| SES2 | 13 | – | 13 | 1 | – | – | 1 | **14** |
| SES1 | 58 | – | 58 | – | – | – | – | **58** |
| EL2 | 238 | 14 | 252 | – | – | – | – | **252** |
| EL1 | 547 | 81 | 628 | 16 | 3 | – | 19 | **647** |
| APS6 | 335 | 33 | 368 | 8 | 5 | – | 13 | **381** |
| APS5 | 217 | 27 | 244 | 3 | 1 | 1 | 5 | **249** |
| APS4 | 145 | 19 | 164 | 13 | 4 | 16 | 33 | **197** |
| APS3 | 64 | 6 | 70 | 5 | 3 | 1 | 9 | **79** |
| APS2 | 24 | 10 | 34 | – | – | 293 | 293 | **327** |
| APS1 | 27 | 1 | 28 | – | – | 3 | 3 | **31** |
| **TOTAL** | **1,672** | **191** | **1,863** | **46** | **16** | **314** | **376** | **2,239** |

**Table B4:** Employee 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 | – | 4 | – | – | – | – | **4** |
| SES2 | 23 | – | 23 | 1 | – | – | 1 | **24** |
| SES1 | 66 | 2 | 68 | – | 1 | – | 1 | **69** |
| EL2 | 237 | 13 | 250 | 1 | 1 | – | 2 | **252** |
| EL1 | 444 | 74 | 518 | 7 | 4 | – | 11 | **529** |
| APS6 | 268 | 31 | 299 | 6 | 8 | – | 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 | – | 10 | **90** |
| APS2 | 11 | 4 | 15 | 5 | – | 236 | 241 | **256** |
| APS1 | 31 | – | 31 | – | 1 | 7 | 8 | **39** |
| **TOTAL** | **1,452** | **154** | **1,606** | **47** | **20** | **252** | **319** | **1,925** |

**Table B5:** Employee numbers by employment type and attendance type at 30 June 2024

| Employment type | Full time | Part time | Casuals | Total |
|---|---|---|---|---|
| Ongoing | 1,672 | 191 | – | **1,863** |
| Non-ongoing | 46 | 16 | 314 | **376** |
| **TOTAL** | **1,718** | **207** | **314** | **2,239** |

Table B6: Employee numbers by employment type and attendance type at 30 June 2023

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

**Table B7:** Employee numbers by employment type, location and gender at 30 June 2024

| | 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 | 751 | 26 | 154 | 931 | 1,046 | 31 | 33 | 1,110 | 4 | 1 | – | 5 | **2,046** |
| NSW | 5 | – | 34 | 39 | 7 | – | 5 | 12 | – | – | – | – | **51** |
| NT | – | – | 1 | 1 | 2 | – | – | 2 | – | – | – | – | **3** |
| QLD | 3 | 1 | 19 | 23 | 7 | 1 | 3 | 11 | – | – | – | – | **34** |
| SA | 1 | – | 9 | 10 | 3 | – | 3 | 6 | – | – | – | – | **16** |
| TAS | 2 | 1 | 2 | 5 | – | – | – | 0 | – | – | – | – | **5** |
| VIC | 8 | – | 29 | 37 | 12 | 1 | 8 | 21 | – | – | – | – | **58** |
| WA | 3 | – | 10 | 13 | 9 | – | 4 | 13 | – | – | – | – | **26** |
| **TOTAL** | **773** | **28** | **258** | **1,059** | **1,086** | **33** | **56** | **1,175** | **4** | **1** | **–** | **5** | **2,239** |

**Table B8:** Employee 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 | – | – | 2 | **1,772** |
| NSW | 5 | – | 29 | 34 | 7 | 1 | 5 | 13 | – | – | – | – | **47** |
| NT | – | – | 1 | 1 | 2 | – | - | 2 | – | – | – | – | **3** |
| QLD | 3 | 1 | 11 | 15 | 5 | – | 2 | 7 | – | – | – | – | **22** |
| SA | 2 | – | 9 | 11 | 4 | – | 3 | 7 | – | – | – | – | **18** |
| TAS | 2 | – | 2 | 4 | – | – | – | – | – | – | – | – | **4** |
| VIC | 6 | 1 | 21 | 28 | 4 | 1 | 6 | 11 | – | – | – | – | **39** |
| WA | 2 | 1 | 9 | 12 | 4 | 1 | 3 | 8 | – | – | – | – | **20** |
| **TOTAL** | **707** | **26** | **204** | **937** | **897** | **41** | **48** | **986** | **2** | **–** | **–** | **2** | **1,925** |

**Table B9:** Employee numbers by employment type and location at 30 June 2024 and 30 June 2023

| | Ongoing | | Non-ongoing | | Casual | | Total | |
|---|---|---|---|---|---|---|---|---|
| Location | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| ACT | 1,560 | 1,801 | 61 | 58 | 151 | 187 | 1,772 | **2,046** |
| NSW | 12 | 12 | 1 | – | 34 | 39 | 47 | **51** |
| NT | 2 | 2 | – | – | 1 | 1 | 3 | **3** |
| QLD | 8 | 10 | 1 | 2 | 13 | 22 | 22 | **34** |
| SA | 6 | 4 | – | – | 12 | 12 | 18 | **16** |
| TAS | 2 | 2 | – | 1 | 2 | 2 | 4 | **5** |
| VIC | 10 | 20 | 2 | 1 | 27 | 37 | 39 | **58** |
| WA | 6 | 12 | 2 | – | 12 | 14 | 20 | **26** |
| **TOTAL** | **1,606** | **1,863** | **67** | **62** | **252** | **314** | **1,925** | **2,239** |

**Table B10:** Ongoing and non-ongoing Aboriginal and Torres Strait Islander employees at 30 June 2024 and 30 June 2023

| | 2023 | 2024 |
|---|---|---|
| Employment type | Total | Total |
| Ongoing | 41 | **43** |
| Non-ongoing | 1 | **–** |

**Table B11:** Proportion of employees with disability at 30 June 2024 and 30 June 2023

| | 2023 | 2024 |
|---|---|---|
| Employment type | Total | Total |
| Ongoing | 5.0% | **5.4%** |

**Table B12:** Proportion of women in the ongoing workforce at 30 June 2024 and 30 June 2023

| | 2023 | 2024 |
|---|---|---|
| Employment type | Total | Total |
| Ongoing | 55.9% | **58.3%** |

**Table B13:** Proportion of women in the ongoing SES workforce at 30 June 2024 and 30 June 2023

| | 2023 | 2024 |
|---|---|---|
| Employment type | Total | Total |
| Ongoing | 46.3% | **48.9%** |

# Appendix C: Information on recoverable payments

We are responsible for administering:

- the Parliamentary Contribution Superannuation Scheme (PCSS)
- the Judges' Pensions Scheme, and
- the Governors-General Pension Scheme.

Legislation for these schemes requires that we report recoverable payments that arise from inadvertent overpayment of pension benefits (see Table C1).

Overpayments are most often a consequence of us 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, and
- 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 we are 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, 2022–23 and 2023–24

| | 2022–23 | | | 2023–24 | | |
|---|---|---|---|---|---|---|
| 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 | 23 | 49 | 79 |
| Other payments | 27 | 35 | 37 | 37 | 10 | 10 |
| **TOTAL** | **52** | **96** | **78** | **60** | **59** | **90** |
| *Judges' Pensions Act 1968* | | | | | | |
| Death payments | 3 | 23 | 25 | 6 | 57 | 229 |
| Other payments | – | – | – | – | – | – |
| **TOTAL** | **3** | **23** | **25** | **6** | **57** | **229** |
| *Governor-General Act 1974* | | | | | | |
| Death payments | – | –* | 13 | 0 | 0 | 0 |
| Other payments | – | – | – | 2 | 6 | 6 |
| **TOTAL** | **–** | **–** | **13** | **2** | **6** | **6** |

**Note**: Totals may not add due to rounding.

* 2022–23 Governor-General Act 1974 amount paid $'000 figure reported has been amended from 1 to zero to correct previously reported amount.

# Appendix D: Climate disclosure

Commonwealth Climate Disclosure is the Government's policy for Commonwealth entities to publicly disclose their exposure to climate-related risks and opportunities, as well as their actions to manage them. This is our first annual report which includes climate disclosure in accordance with the criteria in the Commonwealth Climate Disclosure (CCD) Pilot Guidance[28].

## Climate risk governance and accountability

We are using existing governance and risk management policies, procedures and tools to manage our climate-related risks and opportunities (see Corporate governance). We are committed to climate action including playing our part in achieving the Government's APS Net Zero emissions by 2030 commitment and disclosing our progress through climate disclosures in our annual reports.

We have a robust Enterprise Risk Management Framework in place which is established in accordance with the requirements of the Commonwealth Risk Management Policy and the PGPA Act. The Enterprise Risk Management Framework has been endorsed by our secretary as the Accountable Authority under the PGPA Act.

### Roles and responsibilities

Our secretary is supported by our chief risk officer and PRC to oversee the Enterprise Risk Management Framework and manage risks across the department. The PRC has oversight of our strategic, enterprise and operational risks and provides advice to the executive board and the secretary on our systems to manage risk, as informed by quarterly reports. This role has been expanded to include oversight of climate-related risks and opportunities.

Our executives have a key role in risk management. Our executives monitor and manage their operational risks and provide stewardship over our strategic and enterprise risks. Risks are escalated in line with our Enterprise Risk Management Framework. Our chief risk officer co-chairs the PRC and supports a positive risk culture.

At an operational level, the enterprise risk team supports the executives and PRC to monitor risk performance across the department. They also prepare quarterly risk reports for the committee meetings. The enterprise risk team is responsible for building risk capability, including climate risk, within the department. To achieve this, the team has established a risk champion network consisting of representatives from all business areas across the department.

Our PRC has endorsed the establishment of a working group to undertake an organisation-wide climate risk and opportunity assessment (see Climate risk management). Membership of the working group will be drawn from multiple business areas across the department, including members of our risk champion network.

28 https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-pilot

### Climate maturity

We have in-house climate expertise within the Climate Action in Government Operations Branch. We are also building the capability of our risk champions in climate risk and opportunity management (see Climate risk management). Moving forward, we will monitor the appropriateness of our internal capability and report any risks associated with skills gaps through our existing risk management processes.

As we develop our climate maturity and progress towards our 2030 net zero emissions target, we will continue to monitor and adapt the systems we have in place, where necessary. This includes considering whether we need further investment in climate capability and how trade-offs are managed in relation to decisions made on climaterelated risks and opportunities against policy constraints.

## Climate risk management

This reporting year, we commenced our organisation-wide climate risk and opportunity assessment in accordance with our obligations under The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026[29].

Our focus has been on the first step of the Climate Risk and Opportunity Management Program[30]. Our progress includes:

- commenced work to further define our enterprise risks, including climate-related risk, and
- identified the executive sponsor as our chief risk officer and received PRC endorsement for a working group to undertake the climate risk and opportunity assessment.

Next, our focus will be on building capability of our working group with all representatives completing the first 2 of the relevant modules on APS Academy and delivering a series of workshops on risk identification and action planning.

We are committed to enhancing our existing risk systems and processes to embed climate-related risks and opportunities. Our journey commenced in 2023–24 and the maturity of our established systems are expected to evolve as we continue to undertake the remaining steps of Climate Risk and Opportunity Management Program.

### Emissions Reduction Plan

We are committed to reducing our emissions to net zero by 2030 and reporting on our planned activities and initiatives to achieve this. Work on our first Emissions Reduction Plan was completed and published in August 2024.

29 https://www.dcceew.gov.au/sites/default/files/documents/climate-risk-management.pdf
30 https://www.dcceew.gov.au/climate-change/policy/adaptation/climate-risk-opportunity-management-program

## Climate-related metrics and targets

In 2023–24, we continued to implement initiatives in areas including office energy use, transport, resource efficiency and waste management.

### Office energy, resource efficiency and waste management initiatives

Where possible, we minimise our consumption of office energy by using automated light switching and power management features of ICT equipment. We provide several recycling streams (such as comingled, cardboard and paper) and organic waste bins in all our tenancies. Since its inception, our organic waste initiative has diverted over 29.05 tonnes of general waste from landfill. The organic waste is collected by a wormfarming company to be recycled into organic fertiliser.

Our printing system is designed to purge pending print jobs that are not completed within a set timeframe. Print jobs totalling 264,381 pages were automatically purged in 2023–24, reducing the Carbon Dioxide Equivalent (CO2 e) emissions by 2,071 kilograms.

Across our tenancies, we use a mix of different types of flow restrictions and waterefficient dual flush toilets to minimise our water use.

### COMCAR

In 2023–24, we continued to deliver on our strategy of providing an environmentally responsible fleet. As of 30 June 2024, we had 50 diesel powered sedans, 45 petrol/hybrid powered sedans, 17 diesel powered people movers/vans, and 58 zero emission electric vehicles (EVs) in our fleet.

During 2023–24, COMCAR commenced using a 99.6kW solar system at the Sydney depot. We are exploring opportunities to use solar at its other sites in 2024–25.

### 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 the Net Zero in Government Operations Strategy[31], non-corporate Commonwealth entities, corporate Commonwealth entities and Commonwealth companies are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2023–24 period. Results are presented based on Carbon Dioxide Equivalent (CO2e) emissions. Greenhouse gas emissions have been calculated in line with the APS Net Zero Emissions Reporting Framework[32], consistent with the whole-of-Australian government approach. Not all data sources were available at the time of the report and amendments to data may be required in future reports.

31 https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030

32 https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-emission-reporting/australian-public-service-net-zero-emissions-reporting-framework

**Table D1:** Environmental performance summary for 2022–23 and 2023–24

| Indicator | 2022–23 | 2023–24 |
|---|---|---|
| **Office energy use** [a,b,c,d,e,f,g,h,i] | | |
| Total office tenant light and power energy consumption (kWh) | 2,124,220 | 2,155,734 |
| Total office tenant light and power energy consumption (MJ) | 7,647,192 | 7,760,643 |
| Office tenant light and power energy use per full-time equivalent (MJ/FTE) | 4,761 | 4,203 |
| Office tenant light and power use per square metre (MJ/m2) | 255 | 234 |
| Base/central building energy consumption (MJ) | 88,964,845 | 81,163,979 |
| Base/central building energy consumption per square metre (MJ/m2) | 377 | 371 |
| Greenhouse emissions attributed to office tenant light and power and base/central building energy use (tonnes CO2-e) | 17,958 | 18,999 |
| GreenPower purchased (kWh) | 6,781,433 | 3,974,010 |
| **Non-office energy use** [a] | | |
| Greenhouse emissions attributed to non-office energy use (computer centres, other properties and uses) (tonnes CO2-e) | 538.2 | 538.1 |
| **Vehicle fleet** [a,j,k,l,m,n] | | |
| Total number of fleet vehicles | 184 | 231 |
| Total fuel purchased (kilolitres) | 164,999 | 133,248 |
| Total distance travelled (kilometres) | 2,132,454 | 1,815,528 |
| Average fuel consumption of fleet vehicles (litres/100 kilometres) | 7.74 | 8.85 |
| Total direct greenhouse emissions of fleet (tonnes CO2-e) | 536 | 452 |
| **Greenhouse emissions** [a,c,f,h,i] | | |
| Total greenhouse emissions (tonnes CO2-e) | 18,494 | 19,021 |
| Total greenhouse emissions per full-time equivalent (tonnes CO2-e/FTE) | 11.52 | 10.30 |
| **Air travel** [a,k,o] | | |
| Total number of flights (Commercial domestic and international) | 3,063 | 4,005 |
| Total distance travelled (kilometres) (Commercial domestic and international) | 3,606,289 | 4,812,645 |
| Total greenhouse emissions attributed to commercial domestic air travel (tonnes CO2-e) | 380 | 409 |

| Indicator | 2022–23 | 2023–24 |
|---|---|---|
| **Potable Water Consumption** [b,e,p] | | |
| Total potable water use (kilolitres) Finance tenancies | 12,187 | 10,118 |
| Potable water use per full-time equivalent (kilolitres/FTE) Finance tenancies | 7.59 | 5.48 |
| Potable water use per square metre (kilolitres/m2) Finance tenancies | 0.48 | 0.40 |
| Potable water use (kilolitres) Finance Owned Estate | 48,286 | 63,130 |
| Potable water use per square metre (kilolitres/m2) Finance Owned Estate | 0.24 | 0.27 |
| **Resource Efficiency and Waste** [h,q] | | |
| Total office paper purchased per full-time equivalent (A4 reams/FTE) | 2.02 | 2.0 |
| Percentage of office paper purchased with recycled content (%) | 74.9% | 58.4% |
| Office paper recycled (tonnes) | 13.00 | 11.90 |
| Total waste produced (tonnes) | 127.43 | 144.98 |
| Total waste produced per full-time equivalent (kilograms/FTE) | 79.34 | 78.51 |
| Percentage of waste diverted from landfill (%) | 41.6% | 45.1% |

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

a. In 2022–23 The APS Net Zero 2030 policy standardised reporting, with CO2-e emissions recorded in kilograms. In 2023–24, CO2-e emissions are recorded in tonnes

b. Our leased estate property footprint includes COMCAR depots and Commonwealth Parliamentary Offices. Where we have had a sub-tenant, that sub-tenant's energy usage was excluded from the figures above.

c. Emissions reported under Ministerial and Parliamentary Services include those from Commonwealth Parliament Offices, however Electorate Offices fall outside of the APS Net Zero Emissions Reporting Framework and are not included in emissions reporting.

d. A portion of Ministerial and Parliamentary Services' electricity data was estimated based on office space used, due to shared office arrangements.

e. We are the landlord for 16 properties (Finance Owned Estate) and responsible for certain base building energy and water usage. In 2023–24 the portfolio changed, with 1 property added to reporting.

f. A portion of emissions from electricity and solid waste for the Independent Parliamentary Expenses Authority, the Australian Public Service Commission and the Australian Law Reform Commission are included in the emissions reporting of the Department of Finance.

g. We no longer directly purchase GreenPower for its ACT tenancies. GreenPower is calculated by applying, on a pro-rata basis, the combined Renewable Power Percentage (RPP) and Jurisdictional Renewable Power Percentage (JRPP) for the ACT, which in 2023-24 is 92.85 per cent (RPP – 18.72% and JRPP – 74.13 per cent).

h. Emissions from solid waste have been included in reporting for 2023–24. Due to the billing cycles not aligning with the end of the financial year, some solid waste data was not available during the initial collection process. Adjustments to the data may be required in future reports.

i. Emissions from hire cars have been included in reporting for 2023–24, sourced from third party providers and may be incomplete. The quality of data is expected to improve over time as emissions reporting matures.

j. The Finance fleet consists of 231 vehicles (62 fully electric), including the COMCAR fleet.

k. In Table D1: Environmental performance summary for 2022–23 and 2023–24, the fleet and flight performance indicators in 2022–23 were calculated over a 15-month period to account for the standardisation of environmental reporting from Fringe Benefits Tax year of 1 April to 31 March to financial year of 1 July to 30 June.

l. Emissions from electricity consumed by electric and plug-in hybrid vehicles is reported through electricity directly purchased by the Finance Leased Estate. Emissions associated with electricity consumption from public charging stations has not been reported for 2023–24.

m. Average Fuel Consumption for Fleet Vehicle (litres/100 kilometres) is using only combustion and hybrid vehicles. EVs are excluded from the data when calculating consumption.

n. Total Distance Travelled (kilometres) includes odometer readings for all fleet vehicles, including EV CO2-e emissions are reported for Commercial domestic flights only.

o. Our travel service provider collects air travel data from aircrafts' Global Data Systems to determine actual distances flown.

p. 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.

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

**Table D2:** Finance leased estate – Greenhouse gas emissions inventory locationbased method 2023–24

| Emission Source | Scope 1 t CO2e | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 1,183.655 | 94.441 | 1,278.096 |
| Natural Gas | 0.000 | – | 0.000 | 0.000 |
| Solid Waste* | – | – | 127.360 | 127.360 |
| Refrigerants*† | 0.000 | – | – | 0.000 |
| Fleet and Other Vehicles | 17.831 | – | 4.482 | 23.313 |
| Domestic Commercial Flights | – | – | 408.735 | 408.735 |
| Domestic Hire Car* | – | – | 7.834 | 7.834 |
| Domestic Travel Accommodation* | – | – | 261.185 | 261.185 |
| Other Energy | 0.000 | – | 0.000 | 0.000 |
| **TOTAL t CO2-e** | **17.831** | **1,183.655** | **904.036** | **2,105.522** |

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

* Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023–24 emissions reporting.

**Table D2a:** Finance leased estate – Electricity greenhouse gas emissions

| Emission Source | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2e | Percentage of electricity use |
|---|---|---|---|---|
| Electricity (Location Based Approach) | 1,183.655 | 94.441 | 1,278.096 | 100.00% |
| Market based electricity emissions | 101.288 | 12.505 | 113.792 | 7.15% |
| Total renewable electricity | | | | 92.85% |
| *Mandatory Renewables*[1] | | | | 18.72% |
| *Voluntary Renewables*[2] | | | | 74.13% |

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

[1] Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

[2] Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

**Table D3:** Finance owned estate – Greenhouse gas emissions inventory location-based method 2023–24

| Emission Source | Scope 1 t CO2e | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 13,819.615 | 1,625.091 | 15,444.706 |
| Natural Gas | 1,259.986 | – | 192.753 | 1,452.740 |
| Solid Waste* | – | – | 112.241 | 112.241 |
| Refrigerants*† | 0.000 | – | – | 0.000 |
| Fleet and Other Vehicles | 0.000 | – | 0.000 | 0.000 |
| Domestic Commercial Flights | – | – | 0.000 | 0.000 |
| Domestic Hire Car* | – | – | 0.000 | 0.000 |
| Domestic Travel Accommodation* | – | – | 0.000 | 0.000 |
| Other Energy | 9.952 | – | 2.714 | 12.666 |
| **TOTAL t CO2-e** | **1,269.938** | **13,819.615** | **1,932.799** | **17,022.352** |

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

* Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023–24 emissions reporting.

**Table D3a:** Finance owned estate – Electricity greenhouse gas emissions

| Emission Source | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2e | Percentage of electricity use |
|---|---|---|---|---|
| Electricity (Location Based Approach) | 13,819.615 | 1,625.091 | 15,444.706 | 100.00% |
| Market based electricity emissions | 10,751.607 | 1,327.359 | 12,078.966 | 62.43% |
| Total renewable electricity | | | | 37.57% |
| *Mandatory Renewables*[1] | | | | 18.72% |
| *Voluntary Renewables*[2] | | | | 18.85% |

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

[1] Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

[2] Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

**Table D4:** Finance (COMCAR) – Greenhouse gas emissions inventory location-based method 2023–24

| Emission Source | Scope 1 t $CO_2e$ | Scope 2 t $CO_2e$ | Scope 3 t $CO_2e$ | Total t $CO_2$-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 256.954 | 31.259 | 288.213 |
| Natural Gas | 0.000 | – | 0.000 | 0.000 |
| Solid Waste* | – | – | 1.675 | 1.675 |
| Refrigerants*† | 0.000 | – | – | 0.000 |
| Fleet and Other Vehicles | 344.214 | – | 85.192 | 429.405 |
| Domestic Commercial Flights | – | – | 0.000 | 0.000 |
| Domestic Hire Car* | – | – | 0.000 | 0.000 |
| Domestic Travel Accommodation* | – | – | 0.000 | 0.000 |
| Other Energy | 0.000 | – | 0.000 | 0.000 |
| **TOTAL t $CO_2$-e** | **344.214** | **256.954** | **118.125** | **719.293** |

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

* Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023–24 emissions reporting.

**Table D4a:** Finance (COMCAR) – Electricity greenhouse gas emissions

| Emission Source | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2e | Percentage of electricity use |
|---|---|---|---|---|
| Electricity (Location Based Approach) | 256.954 | 31.259 | 288.213 | 100.00% |
| Market based electricity emissions | 167.837 | 20.721 | 188.558 | 53.85% |
| Total renewable electricity | | | | 46.15% |
| *Mandatory Renewables*[1] | | | | 18.72% |
| *Voluntary Renewables*[2] | | | | 27.43% |

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

[1] Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

[2] Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

**Table D5:** Finance (Data Centres) – Greenhouse gas emissions inventory location-based method 2023–24

| Emission Source | Scope 1 t $CO_2e$ | Scope 2 t $CO_2e$ | Scope 3 t $CO_2e$ | Total t $CO_2$-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 498.323 | 39.760 | 538.083 |
| Natural Gas | 0.000 | – | 0.000 | 0.000 |
| Solid Waste* | – | – | 0.000 | 0.000 |
| Refrigerants*† | 0.000 | – | – | 0.000 |
| Fleet and Other Vehicles | 0.000 | – | 0.000 | 0.000 |
| Domestic Commercial Flights | – | – | 0.000 | 0.000 |
| Domestic Hire Car* | – | – | 0.000 | 0.000 |
| Domestic Travel Accommodation* | – | – | 0.000 | 0.000 |
| Other Energy | 0.000 | – | 0.000 | 0.000 |
| **TOTAL t $CO_2$-e** | **0.000** | **498.323** | **39.760** | **538.083** |

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

* Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023–24 emissions reporting.

**Table D5a:** Finance (Data Centres) – Electricity greenhouse gas emissions

| Emission Source | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2e | Percentage of electricity use |
|---|---|---|---|---|
| Electricity (Location Based Approach) | 961.016 | 76.677 | 1,037.693 | 100.00% |
| Market based electricity emissions | 0.000 | 0.000 | 0.000 | 7.15% |
| Total renewable electricity | | | | 92.85% |
| *Mandatory Renewables*[1] | | | | 18.72% |
| *Voluntary Renewables*[2] | | | | 74.13% |

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

[1] Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

[2] Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

**Table D6:** Finance (Ministerial and Parliamentary Services) – Greenhouse gas emissions inventory location-based method 2023–24

| Emission Source | Scope 1 t CO2e | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 10.782 | 1.274 | 12.056 |
| Natural Gas | 0.000 | – | 0.000 | 0.000 |
| Solid Waste* | – | – | 0.000 | 0.000 |
| Refrigerants*† | 0.000 | – | – | 0.000 |
| Fleet and Other Vehicles | 0.000 | – | 0.000 | 0.000 |
| Domestic Commercial Flights | – | – | 0.000 | 0.000 |
| Domestic Hire Car* | – | – | 0.000 | 0.000 |
| Domestic Travel Accommodation* | – | – | 0.000 | 0.000 |
| Other Energy | 0.000 | – | 0.000 | 0.000 |
| **TOTAL t CO2-e** | **0.000** | **10.782** | **1.274** | **12.056** |

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

* Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023–24 emissions reporting.

**Table D6a:** Finance (Ministerial and Parliamentary Services) – Electricity greenhouse gas emissions

| Emission Source | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2e | Percentage of electricity use |
|---|---|---|---|---|
| Electricity (Location Based Approach) | 10.782 | 1.274 | 12.056 | 100.00% |
| Market based electricity emissions | 0.000 | 0.000 | 0.000 | 81.28% |
| Total renewable electricity | | | | 18.72% |
| *Mandatory Renewables*[1] | | | | 18.72% |
| *Voluntary Renewables*[2] | | | | 0.00% |

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

[1] Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

[2] Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

## Corrections to 2022–23 emissions reporting – COMCAR depots

Due to billing cycles not aligning with the end of the financial year, some electricity data for COMCAR premises in Brisbane were not available during the initial collection process in 2022–23. Adjustments to the data were required in the Emissions Inventory for COMCAR (2022–23).

**Table D7:** Ministerial and Parliamentary Services (COMCAR) – Greenhouse gas emissions inventory – location-based method 2022–23

| Emission Source | Scope 1 t CO2e | Scope 2 t CO2e | Scope 3 t CO2e | Total t CO2-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 278,928 | 32,616 | 311,544 |
| Natural Gas | – | – | – | – |
| Fleet Vehicles | – | – | – | – |
| Domestic Flights | – | – | – | – |
| Other Energy | – | – | – | – |
| **TOTAL t CO2-e** | **–** | **278,928** | **31,616** | **311,544** |

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

**Table D8:** Ministerial and Parliamentary Services (COMCAR) – Greenhouse gas emissions inventory – location-based method 2022–23

| Emission Source | Scope 1 t $CO_2e$ | Scope 2 t $CO_2e$ | Scope 3 t $CO_2e$ | Total t $CO_2$-e |
|---|---|---|---|---|
| Electricity (Location Based Approach) | – | 205,991 | 27,264 | 233,255 |
| Natural Gas | – | – | – | – |
| Fleet Vehicles | – | – | – | – |
| Domestic Flights | – | – | – | – |
| Other Energy | – | – | – | – |
| **TOTAL t $CO_2$-e** | **–** | **205,991** | **27,264** | **233,255** |

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

# Aids to access

# Abbreviations and acronyms

| | |
|---|---|
| **ACCC** | Australian Competition and Consumer Commission |
| **ACT** | Australian Capital Territory |
| **AGS** | Australian Government Solicitor |
| **ANAO** | Australian National Audit Office |
| **AO** | Order of Australia |
| **ANI** | Australian Naval Infrastructure Pty Ltd |
| **APS** | Australian Public Service |
| **ARC** | Audit and Risk Committee |
| **ASC** | ASC Pty Ltd |
| **ATO** | Australian Taxation Office |
| **AUSTRAC** | Australian Transaction Reports and Analysis Centre |
| **CBMS** | Central Budget Management System |
| **CCT** | Central Control Team |
| **CFS** | Consolidated Financial Statements |
| **CO2-e** | Carbon dioxide equivalent |
| **CPA** | Certified Public Accountant |
| **CPI** | Consumer price index |
| **CPO** | Commonwealth Parliamentary Office |
| **CSS** | Commonwealth Superannuation Scheme |
| **EL** | Executive level |
| **EV** | Electric vehicle |
| **FOI Act** | *Freedom of Information Act 1982* |
| **FRSC** | Financial Reporting Subcommittee |
| **FY** | Financial year |
| **GBE** | Government business enterprise |
| **GJ** | Gigajoule |
| **GST** | Goods and services tax |
| **ICT** | Information and communications technology |
| **ID** | Identification |
| **JCPAA** | Joint Committee of Public Accounts and Audit |
| **KA** | Key activity |
| **KMP** | Key management personnel |
| **KPIs** | Key performance indicators |
| **kWh** | Kilowatt hour |
| **LGBTQI+** | Lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual, and more |
| **MAS Panel** | Management Advisory Services Panel |

| | |
|---|---|
| **MJ** | Mega joule |
| **MOP(S) Act** | *Members of Parliament (Staff) Act 1984* |
| **NAIDOC** | National Aborigines and Islanders Day Observance Committee |
| **NGER** | National Greenhouse and Energy Reporting Scheme |
| **NPS** | Nuclear-powered submarine |
| **NSW** | New South Wales |
| **NT** | Northern Territory |
| **PBS** | Portfolio Budget Statements |
| **PCSS** | Parliamentary Contribution Superannuation Scheme |
| **PDMS** | Parliamentary Document Management System |
| **PEMS** | Parliamentary Expenses Management System |
| **PGPA Act** | *Public Governance, Performance and Accountability Act 2013* |
| **PGPA Rule** | *Public Governance, Performance and Accountability Rule 2014* |
| **PIC** | Projects and Investment Committee |
| **PRC** | Performance and Risk Committee |
| **PRSC** | Performance Reporting Subcommittee |
| **PS Act** | *Public Service Act 1999* |
| **PSM** | Public Service Medal |
| **PSS** | Public Sector Superannuation |
| **PSSap** | Public Sector Superannuation accumulation plan |
| **PWSS** | Parliamentary Workplace Support Service |
| **QLD** | Queensland |
| **RAP** | Reconciliation Action Plan |
| **RMG** | Resource management guide |
| **SA** | South Australia |
| **SDO** | Service Delivery Office |
| **SES** | Senior executive service |
| **SIV** | Special investment vehicle |
| **SME** | Small-to-medium enterprises |
| **TAS** | Tasmania |
| **VIC** | Victoria |
| **WA** | Western Australia |
| **WHS** | Work health and safety |
| **WHS Act** | *Work Health and Safety Act 2011* |
| **WoAG** | Whole-of-Australian-government |

# List of requirements

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| **17AD(g)** | **Letter of transmittal** | | |
| 17AI | Letter of transmittal | 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) | Contents | Table of contents (print only). | Mandatory |
| 17AJ(b) | Index | Alphabetical index (print only). | Mandatory |
| 17AJ(c) | Abbreviations and acronyms | Glossary of abbreviations and acronyms. | Mandatory |
| 17AJ(d) | List of requirements | List of requirements. | Mandatory |
| 17AJ(e) | Inside Cover | Details of contact officer. | Mandatory |
| 17AJ(f) | Inside Cover | Entity's website address. | Mandatory |
| 17AJ(g) | Inside Cover | Electronic address of report. | Mandatory |
| **17AD(a)** | **Review by accountable authority** | | |
| 17AD(a) | Secretary's review | A review by the accountable authority of the entity. | Mandatory |
| **17AD(b)** | **Overview of the entity** | | |
| 17AE(1)(a)(i) | Role and core functions | A description of the role and functions of the entity. | Mandatory |
| 17AE(1)(a)(ii) | Organisational structure | A description of the organisational structure of the entity. | Mandatory |
| 17AE(1)(a)(iii) | Role and core functions | A description of the outcomes and programs administered by the entity. | Mandatory |
| 17AE(1)(a)(iv) | Purpose | A description of the purposes of the entity as included in corporate plan. | Mandatory |
| 17AE(1)(aa)(i) | Organisational structure | Name of the accountable authority or each member of the accountable authority. | Mandatory |
| 17AE(1)(aa)(ii) | Organisational structure | Position title of the accountable authority or each member of the accountable authority. | Mandatory |
| 17AE(1)(aa)(iii) | Organisational structure | Period as the accountable authority or member of the accountable authority within the reporting period. | Mandatory |
| 17AE(1)(b) | Portfolio overview | An outline of the structure of the portfolio of the entity. | Portfolio departments – mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| 17AE(2) | Not applicable | 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 | Annual performance statements | 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) | Overview of financial performance | A discussion and analysis of the entity's financial performance. | Mandatory |
| 17AF(1)(b) | Appendix A: Entity resource statement and expenses by outcome | A table summarising the total resources and total payments of the entity. | Mandatory |
| 17AF(2) | Not appliable | 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) | Fraud prevention and control | Information on compliance with section 10 (fraud systems). | Mandatory |
| 17AG(2)(b)(i) | Letter of transmittal | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared. | Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| 17AG(2)(b)(ii) | Letter of transmittal | 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) | Letter of transmittal | 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) | Corporate governance | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance. | Mandatory |
| 17AG(2)(d) – (e) | Compliance with finance law | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance. | If applicable, mandatory |
| | *Audit Committee* | | |
| 17AG(2A)(a) | Audit and Risk Committee | A direct electronic address of the charter determining the functions of the entity's audit committee. | Mandatory |
| 17AG(2A)(b) | Audit and Risk Committee | The name of each member of the entity's audit committee. | Mandatory |
| 17AG(2A)(c) | Audit and Risk Committee | The qualifications, knowledge, skills, or experience of each member of the entity's audit committee. | Mandatory |
| 17AG(2A)(d) | Audit and Risk Committee | Information about the attendance of each member of the entity's audit committee at committee meetings. | Mandatory |
| 17AG(2A)(e) | Audit and Risk Committee | The remuneration of each member of the entity's audit committee. | Mandatory |
| | *External Scrutiny* | | |
| 17AG(3) | External scrutiny | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny. | Mandatory |
| 17AG(3)(a) | Not applicable | 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) | Not applicable | Information on any reports on operations of the entity by the AuditorGeneral (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman. | If applicable, mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| 17AG(3)(c) | Not applicable | Information on any capability reviews on the entity that were released during the period. | If applicable, mandatory |
| | *Management of Human Resources* | | |
| 17AG(4)(a) | Part 4: Human Resource Management | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives. | Mandatory |
| 17AG(4)(aa) | Appendix B: Workforce statistics | Statistics on the entity's employees on an ongoing and nonongoing basis, including the following:<br>• statistics on fulltime employees<br>• statistics on parttime employees<br>• statistics on gender<br>• statistics on staff location. | Mandatory |
| 17AG(4)(b) | Appendix B: Workforce statistics | Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following:<br>• statistics on staffing classification level<br>• statistics on fulltime employees<br>• statistics on parttime employees<br>• statistics on gender<br>• statistics on staff location<br>• statistics on employees who identify as Indigenous. | Mandatory |
| 17AG(4)(c) | Employment arrangements | 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) | Employment arrangements | Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c). | Mandatory |
| 17AG(4)(c)(ii) | Employment arrangements | The salary ranges available for APS employees by classification level. | Mandatory |
| 17AG(4)(c)(iii) | Non-salary benefits | A description of nonsalary benefits provided to employees. | Mandatory |
| 17AG(4)(d)(i) | Not applicable | Information on the number of employees at each classification level who received performance pay. | If applicable, mandatory |
| 17AG(4)(d)(ii) | Not applicable | Information on aggregate amounts of performance pay at each classification level. | If applicable, mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| 17AG(4)(d)(iii) | Not applicable | Information on the average amount of performance payment, and range of such payments, at each classification level. | If applicable, mandatory |
| 17AG(4)(d)(iv) | Not applicable | Information on aggregate amount of performance payments. | If applicable, mandatory |
| | *Assets Management* | | |
| 17AG(5) | Asset management | 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) | Performance against the Commonwealth Procurement Rules | An assessment of entity performance against the *Commonwealth Procurement Rules.* | Mandatory |
| | *Reportable consultancy contracts* | | |
| 17AG(7)(a) | Consultancies | 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) | Consultancies | 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 |
| 17AG(7)(c) | Consultancies | 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) | Consultancies | 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 |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| | *Reportable non-consultancy contracts* | | |
| 17AG(7A)(a) | Non-consultancies | 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) | Non-consultancies | 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 | Consultancies Non-consultancies | Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy contracts. | Mandatory |
| | *Australian National Audit Office Access Clauses* | | |
| 17AG(8) | Not applicable | 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 AuditorGeneral 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 |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| | *Exempt contracts* | | |
| 17AG(9) | Not applicable | 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) | Small-to-medium enterprises and Indigenous business | 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) | Small-to-medium enterprises and Indigenous business | An outline of the ways in which the procurement practices of the entity support small and medium enterprises. | Mandatory |
| 17AG(10)(c) | Small-to-medium enterprises and Indigenous business | 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) | Financial statements | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act. | Mandatory |
| | *Executive Remuneration* | | |
| 17AD(da) | Executive remuneration | Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule. | Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---|---|---|---|
| **17AD(f)** | **Other Mandatory Information** | | |
| 17AH(1)(a)(i) | Not applicable | 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) | Advertising and market research | If the entity did not conduct advertising campaigns, a statement to that effect. | If applicable, mandatory |
| 17AH(1)(b) | Grants | 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) | Disability reporting | Outline of mechanisms of disability reporting, including reference to website for further information. | Mandatory |
| 17AH(1)(d) | Freedom of information | 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) | Not applicable | Correction of material errors in previous annual report | If applicable, mandatory |
| 17AH(2) | Appendix C: Information on recoverable payments<br><br>Appendix D: Climate disclosure | Information required by other legislation | Mandatory |

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