



BUDGET

2014 - 15

Portfolio Budget Statements 2014-15
Budget Related Paper No. 1.4B

Defence Portfolio
(Department of Veterans' Affairs)

Budget Initiatives and Explanations Of
Appropriations Specified by Outcomes
and Programmes by agency

ISBN 978-1-877007-96-5



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The document must be attributed as the Portfolio Budget Statements 2014-15.

Printed by CanPrint Communications Pty Ltd



Senator the Hon. Michael Ronaldson

Minister for Veterans' Affairs
Minister Assisting the Prime Minister for the Centenary of ANZAC
Special Minister of State

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President,
Dear Madam Speaker,

I hereby submit Portfolio Budget Statements in support of the 2014-15 Budget for the Department of Veterans' Affairs portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely,


SENATOR THE HON. MICHAEL RONALDSON

Abbreviations and conventions

The following notation may be used:

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\$m	not for publication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

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

Enquiries

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2014-15 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2014-15 (or Appropriation Bill [Parliamentary Departments] No. 1 2014-15 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

DEPARTMENT OF VETERANS' AFFAIRS PORTFOLIO OVERVIEW

MINISTER AND PORTFOLIO RESPONSIBILITIES

The Department of Veterans' Affairs and several other legal entities that are administered by the Minister for Veterans' Affairs are formally part of the Defence Portfolio. The schedule to the annual Appropriation Acts refers to the Veterans' Affairs Portfolio and lists both the Department of Veterans' Affairs and the Australian War Memorial as receiving monies appropriated from the Consolidated Revenue Fund. The other entities in the Veterans' Affairs Portfolio receive their funding under agreements with the Department of Veterans' Affairs, as their administrative staff are employees of the Department. These entities include:

- the Repatriation Commission
- the Military Rehabilitation and Compensation Commission
- the Veterans' Review Board
- the Veterans' Children Education Boards
- the Office of Australian War Graves
- the Repatriation Medical Authority
- the Specialist Medical Review Council

The Veterans' Affairs Portfolio is responsible for carrying out government policy and implementing programs to fulfil Australia's obligations to veterans and war widow/ers, serving and former members of the Australian Defence Force, certain Australian Federal Police officers with overseas service and Australian participants in British nuclear tests in Australia, and their dependants.

The entities within the Veterans' Affairs Portfolio are described in more detail below. Figure 1 on page 7 shows the portfolio structure and outcomes.

THE DEPARTMENT OF VETERANS' AFFAIRS

The Australian Government serves the needs of the veteran and defence force communities through a number of bodies that make up the Veterans' Affairs portfolio.

The Department of Veterans' Affairs (DVA) is the primary service delivery agency responsible for developing and implementing programs that assist the veteran and defence force communities. It provides administrative support to the Repatriation Commission and the Military Rehabilitation and Compensation Commission and is responsible for advising the Commissions on policies and programs for beneficiaries and administering these policies and programs. DVA also administers legislation such as the *Defence Service Homes Act 1918* and the *War Graves Act 1980*, and conducts commemorative programs to acknowledge the service and sacrifice of Australian servicemen and women.

The Department is located in all capital cities and has Veterans' Access Network offices in regional areas. The Department delivers services to veterans and their families living in rural and remote areas through agency arrangements to deliver DVA information and services where the Department has no permanent local presence.

THE REPATRIATION COMMISSION

The Repatriation Commission is responsible under the *Veterans' Entitlements Act 1986* (VEA) for granting pensions, allowances and other benefits, providing treatment and other services and generally administering the VEA.

The functions and powers of the Repatriation Commission are set out in sections 180 and 181 of the VEA.

MILITARY REHABILITATION AND COMPENSATION COMMISSION

The Military Rehabilitation and Compensation Commission (MRCC) is responsible for the administration of benefits and arrangements under the *Military Rehabilitation and Compensation Act 2004* (MRCA). The Commission also determines and manages claims relating to defence service under the *Safety, Rehabilitation and Compensation Act 1988* (SRCA).

The functions of the MRCC are set out in section 362 of the MRCA and Schedule 2 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004* in relation to the SRCA.

Under the direction of these Commissions, DVA provides wide-ranging programs and services that can be broadly grouped into three main areas: care, compensation and commemoration.

THE VETERANS' REVIEW BOARD

The Veterans' Review Board (VRB) is an independent tribunal that reviews certain decisions of the Repatriation Commission and decisions made under the *Military Rehabilitation and Compensation Act 2004* (MRCA). The Board was established by the *Repatriation Legislation Amendment Act 1984* and began operating on 1 January 1985. The *Veterans' Entitlements Act 1986* preserves the continuing role of the VRB, as does the MRCA.

THE VETERANS' CHILDREN EDUCATION BOARDS

The Veterans' Children Education Board in each state is responsible to the Repatriation Commission and the Military Rehabilitation and Compensation Commission for the administration of the Veterans' Children Education Scheme and Military Rehabilitation and Compensation Act Education and Training Scheme in each state and territory.

OFFICE OF AUSTRALIAN WAR GRAVES

The Office of Australian War Graves (OAWG) commemorates Australian service personnel who have died in or as a result of war. The OAWG maintains individual graves and memorials, war cemeteries and Gardens of Remembrance. The OAWG maintains existing national memorials overseas and constructs new memorials as determined by government processes.

THE REPATRIATION MEDICAL AUTHORITY

The Repatriation Medical Authority (RMA) is an independent statutory authority established under section 196A of the *Veterans' Entitlements Act 1986* (VEA). Its role is to determine statements of principles in relation to medical or scientific evidence connecting injuries, diseases or death with the circumstances of a particular veteran's service. Its membership comprises five eminent medical-scientific experts.

THE SPECIALIST MEDICAL REVIEW COUNCIL

The Specialist Medical Review Council (SMRC) is an independent statutory body established under section 196V of the VEA. It has power, under section 196W of the VEA, to review determinations by the RMA. It does not review individual cases, but rather, examines the evidence upon which the decisions of the RMA are based. Members of SMRC are eminent medical practitioners and medical scientists whose names are put forward by their professional colleges.

THE AUSTRALIAN WAR MEMORIAL

The Australian War Memorial (AWM) was established as a body corporate under the *Australian War Memorial Act 1980*. It operates within the Veterans' Affairs Portfolio as a discrete agency.

The AWM is responsible for maintaining and developing the national memorial to Australians who have died in wars or warlike operations. It also develops, maintains and exhibits a national collection of historical material, and conducts and fosters research into Australian military history.

Figure 1: Department of Veterans' Affairs portfolio structure and outcomes



PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2014-15 budget year, by agency.

Table 1: Portfolio Resources 2014-15

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Veterans' Affairs					
Administered appropriations	102.5	6.1	11,869.6	-	11,978.2
Departmental appropriations	296.8	2.6	-	57.3	356.7
Total:	399.3	8.7	11,869.6	57.3	12,334.9
Australian War Memorial					
Departmental appropriations	47.8	12.4	-	11.3	71.5
Total:	47.8	12.4	-	11.3	71.5
Portfolio Total	447.1	21.1	11,869.6	68.6	12,406.4

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Veterans' Affairs

Agency Resources and Planned Performance

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DEPARTMENT OF VETERANS' AFFAIRS

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

For more than 95 years, the Department of Veterans' Affairs (DVA) has supported the men and women who serve or have served in defence of our nation and commemorated their service and sacrifice.

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

The Government has a four-pillared approach for veterans' affairs, which include:

- recognition of the unique nature of military service;
- retention of a stand-alone Department of Veterans' Affairs;
- tackling Mental Health Challenges for veterans and their families; and
- supporting veterans through adequate advocacy and welfare services.

The Department's vision is to be a responsive and flexible organisation, efficiently delivering high quality, connected services to all generations of veterans and the wider veteran community.

Focusing on early intervention, DVA is dedicated to helping clients, particularly contemporary veterans, to access vital support as early as possible to help with rehabilitation and recovery.

The Department recognises that its client base is unique and crosses the age spectrum – from those in their later years of life such as widows of First World War veterans, to infants of contemporary service men and women.

The challenge facing DVA is to continue to be responsive to the needs of all veterans, regardless of their age, and their families, through client-focused service delivery systems.

During this Budget year, 2014-15, DVA will deliver a range of initiatives that respond to this challenge, including:

DVA Budget Statements

- tackling the mental health challenges for veterans and their families;
- implementing aged care reforms alongside the Department of Social Services;
- developing a client-focused service delivery strategy that will provide a cohesive and national approach;
- investing in building a robust evidence base through collaborative research particularly with the Department of Defence;
- investing in the capability of the Department's resources – staff and systems;
- continuing to expand online services available to the veteran community and to providers of services to the veteran community;
- restoring \$1 million of funding per year over the forward estimates of Building Excellence in Support and Training (BEST) funding; and
- delivering a significant commemorative programme across the Anzac Centenary.

The Department's strategic plan, *DVA Towards 2020*, provides a flexible and modern approach to developing and delivering programmes for the veteran community, while also maintaining services for the older veterans.

Addressing the timeliness of processing claims from the veteran community, the Department has developed a four-part action plan. The strategies in this plan are:

- reducing work on hand;
- improving client communication and engagement;
- improving case management practices; and
- reviewing and improving business processes.

DVA will continue to focus on mental health support for the veteran community as a priority. The Government provides around \$166 million a year in funding for a comprehensive service system that stands ready to meet the mental health needs of the veteran and ex-service community, including the drawdown from Afghanistan. This system includes funding for online mental health information and support, GP services, psychologist and social work services, specialist psychiatric services, pharmaceuticals, posttraumatic stress disorder programmes, and in-patient and out-patient hospital treatment.

DVA will provide support for the new Prime Ministerial Advisory Council with a focus on veteran mental health. The new Council will advise the Government on how we can continue to build on our current support and address the mental health needs of the veteran and ex-service community. DVA will also support the implementation of the *Veteran Mental Health Strategy 2013-2023* and the 2013 budget package *Mental health services - expansion*, worth \$26.4 million over four years.

In conjunction with the Department of Defence, DVA will implement the final recommendations accepted by Government in its response to the Review of Military Compensation Arrangements.

In 2014-15, the Anzac Centenary commences. The Department is responsible for managing the coordination and implementation of the Government's multi-faceted Anzac Centenary

Programme. The Centenary has two related themes. First, marking 100 years since Australia's involvement in the First World War. Second, providing the opportunity to honour, better understand and reflect upon the service and sacrifice of our servicemen and women, past and present, in all wars, conflicts, peacekeeping and other deployments in which Australians have been involved. This also includes recognition of the contribution of those on the home front.

The Department will also continue to enhance the way veterans and their dependants communicate with the Department through improved channels and online services, providing clients with more choice and convenience.

Importantly, DVA will continue to engage with the ex-service and veteran community, to ensure services remain client focussed, responsive and connected.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Department of Veterans' Affairs Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Ordinary annual services¹						
Departmental appropriation						
Prior year departmental appropriation ²	11,689	-	-		11,689	-
Departmental appropriation ³	-		296,775		296,775	303,378
s31 Relevant agency receipts ⁴	-		10,881		10,881	10,276
Total	11,689		307,656		319,345	313,654
Administered expenses						
Outcome 1 ⁸	-		40,895		40,895	39,419
Outcome 2 ⁸	-		7,279		7,279	7,415
Outcome 3 ⁸	-		54,336		54,336	52,213
Payments to CAC Act bodies	-		47,808		47,808	40,900
Total	-		150,318		150,318	139,947
Total ordinary annual services	A		457,974		469,663	453,601
Other services⁵						
Administered expenses						
Administered non-operating						
Payments to CAC Act bodies - non-operating	-		12,444		12,444	25,258
Total	-		12,444		12,444	25,258
Departmental non-operating						
Equity injections ⁵	-		2,617		2,617	13,606
Total	-		2,617		2,617	13,606
Administered non-operating						
Equity injections ⁵	-		6,061		6,061	-
Total	-		6,061		6,061	-
Total other services	B		21,122		21,122	38,864
Total available annual appropriations	11,689		479,096		490,785	492,465

Continued on next page

Table 1.1: Department of Veterans' Affairs Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (continued)

Special appropriations

	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special appropriations limited by criteria/entitlement Outcome 1						
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>	-		70		70	70
<i>Veterans' Entitlements Act 1986 (VEA)</i>	-		6,111,121		6,111,121	6,221,374
<i>Defence Service Homes Act 1918</i>	-		1,459		1,459	1,747
<i>Safety, Rehabilitation and Compensation Act 1988</i>	-		143,109		143,109	150,603
<i>Military Rehabilitation and Compensation Act 2004</i>	-		213,999		213,999	214,458
Total Outcome 1	-		6,469,758		6,469,758	6,588,252
Outcome 2						
<i>Veterans' Entitlements Act 1986 (VEA)</i>	-		5,325,138		5,325,138	5,305,957
<i>Safety, Rehabilitation and Compensation Act 1988</i>	-		39,799		39,799	40,183
<i>Military Rehabilitation and Compensation Act 2004</i>	-		34,451		34,451	31,050
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	-		421		421	420
Total Outcome 2	-		5,399,809		5,399,809	5,377,610
Total special appropriations	C	-	11,869,567		11,869,567	11,965,862
Total appropriations excluding Special Accounts		11,689	12,348,663		12,360,352	12,458,327

Continued on next page

Table 1.1: Department of Veterans' Affairs Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (continued)

	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special Accounts						
Opening balance ⁶	1,094		-		1,094	1,875
Appropriation receipts ⁷	-		320		320	120
Non-appropriation receipts to Special Accounts	-		46,370		46,370	43,780
Total Special Accounts	1,094	D	46,690		47,784	45,775
Total resourcing	12,783		12,395,353		12,408,136	12,504,102
A+B+C+D						
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-		60,572		60,572	66,278
Total net resourcing for DVA	12,783		12,334,781		12,347,564	12,437,824

1. Appropriation Bill (No. 1) 2014-15.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$13.5 million in 2014-15 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributed by owners'.
4. Section 31 Relevant Agency receipts – estimate.
5. Appropriation Bill (No. 2) 2014-15.
6. Estimated opening balance for special accounts (less 'Special Public Money' held in a Services for Other Entities and Trust Moneys Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.
7. Appropriation receipts from annual appropriations for 2014-15 included above.
8. Includes reductions to 2013-14 annual estimates subsequent to 2013-14 PBS.

Reader note: All figures are GST exclusive.

Continued on next page

Table 1.1: Department of Veterans' Affairs Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (continued)

Third Party Payments from and on behalf of other agencies

	2014-15	2013-14
	\$'000	\$'000
Receipts received from the Department of Defence for the provision of services (disclosed above within Departmental s31)	6,645	6,260
Payments made to CAC Act bodies within the Portfolio		
Australian War Memorial - Bill 1	47,808	40,900
Australian War Memorial - Bill 2	12,444	25,258
Payments made on behalf of Department of Social Services		
<i>Social Security (Administration) Act 1999</i>	56,402	55,786
Payments made on behalf of Department of Social Services		
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	1,248	1,217
Payments made on behalf of Department of Social Services for the provision of services	196	195
Payments made by the Department of Human Services (DHS) on behalf of DVA		
<i>Veterans' Entitlements Act 1986,</i>	4,016,709	3,958,265
<i>Military Rehabilitation and Compensation Act 2004, and</i>	22,367	19,957
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	421	420
Payments made to DHS for processing payment of health care provider treatment accounts and the provision of IT services.	32,982	39,194

1.3 BUDGET MEASURES

Budget measures relating to the Department of Veterans' Affairs are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Veterans' Affairs 2014-15 Budget measures

Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense Measures					
Outcome 1					
Veterans' Incapacity Payments - review by medical specialist after 12 months	1.6				
Administered expenses	-	(805)	(2,930)	(4,908)	(6,232)
Departmental expenses	-	674	640	441	445
Total	-	(131)	(2,290)	(4,467)	(5,787)
Smaller Government - Defence Service Homes Insurance Scheme - independent scoping study	1.4				
Administered expenses	-	-	-	-	-
Departmental expenses	-	200	-	-	-
Total	-	200	-	-	-
Veterans' Disability Pensions - commencement of payments from date of claim	1.1, 1.2				
Administered expenses	-	(5,795)	(11,541)	(11,389)	(11,242)
Departmental expenses	-	-	-	-	-
Total	-	(5,795)	(11,541)	(11,389)	(11,242)
Department of Veterans' Affairs Enhanced Compliance Programme - additional reviews	1.1				
Administered expenses	-	(4,061)	(10,430)	(13,600)	(13,978)
Departmental expenses	-	-	-	-	-
Total	-	(4,061)	(10,430)	(13,600)	(13,978)
Commonwealth Seniors Health Card - annual indexation of income thresholds ¹	1.2				
Administered expenses	-	192	335	491	645
Departmental expenses	-	85	51	67	83
Total	-	277	386	558	728

Continued on next page

Prepared on a Government Finance Statistics (fiscal) basis

Table 1.2: Department of Veterans' Affairs 2014-15 Budget measures (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Cease Indexation of the Clean Energy Supplement ¹	1.1, 1.2					
Administered expenses	1.3, 1.5	-	(2,812)	(5,157)	(7,301)	(9,205)
Departmental expenses	1.6	-	-	-	-	-
Total		-	(2,812)	(5,157)	(7,301)	(9,205)
Housing Help for Seniors - pilot - reversal ¹	1.1					
Administered expenses		-	(1,107)	(2,182)	(3,189)	(3,061)
Departmental expenses		(676)	(420)	(403)	(404)	(47)
Total		(676)	(1,527)	(2,585)	(3,593)	(3,108)
Cessation of the Seniors Supplement - Commonwealth Seniors Health Card holders ¹	1.1					
Administered expenses		-	(25,052)	(23,903)	(22,879)	(21,797)
Departmental expenses		-	117	-	-	-
Total		-	(24,935)	(23,903)	(22,879)	(21,797)
Maintain eligibility thresholds for Australian Government payments for three years ¹	1.1					
Administered expenses		-	-	-	-	(4,890)
Departmental expenses		-	-	-	-	205
Total		-	-	-	-	(4,685)
Reset the Assets Test Deeming Rate Thresholds ¹	1.1					
Administered expenses		-	-	-	-	(4,709)
Departmental expenses		-	-	-	-	77
Total		-	-	-	-	(4,632)
Index Pension and Pension Equivalent Payments by the Consumer Price Index ¹	1.1,1.2					
Administered expenses	1.3	-	-	-	-	(65,050)
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	(65,050)

Continued on next page

Prepared on a Government Finance Statistics (fiscal) basis

Table 1.2: Department of Veterans' Affairs 2014-15 Budget measures (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Commonwealth Seniors Health Card - include untaxed superannuation income in the eligibility assessment ¹	1.1					
Administered expenses		-	(3)	(60)	(90)	(125)
Departmental expenses		-	88	-	-	-
Total		-	85	(60)	(90)	(125)
Building Excellence in Support and Training - additional funding ¹	1.4					
Administered expenses		-	-	-	-	1,000
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	1,000
Total Outcome 1						
Administered		-	(39,443)	(55,868)	(62,865)	(138,644)
Departmental		(676)	744	288	104	763
Total		(676)	(38,699)	(55,580)	(62,761)	(137,881)
Outcome 2						
Dental and Allied Health Provider Fees - defer and align indexation	2.1, 2.5					
Administered expenses		-	(4,429)	(9,433)	(9,035)	(12,830)
Departmental expenses		-	-	-	-	-
Total		-	(4,429)	(9,433)	(9,035)	(12,830)
Aged Care Payroll Tax Supplement - cessation ¹	2.4					
Administered expenses		-	(12,162)	(25,742)	(26,914)	(28,492)
Departmental expenses		-	-	-	-	-
Total		-	(12,162)	(25,742)	(26,914)	(28,492)
Reprioritising the Aged Care Workforce Supplement ¹	2.4					
Administered expenses		(10,816)	14,581	(312)	(10,466)	(12,016)
Departmental expenses		-	(358)	(21)	-	-
Total		(10,816)	14,223	(333)	(10,466)	(12,016)
Personally Controlled Electronic Health Record System - continuation ²	2.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	104	-	-	-
Total		-	104	-	-	-

Continued on next page

Prepared on a Government Finance Statistics (fiscal) basis

Table 1.2: Department of Veterans' Affairs 2014-15 Budget measures (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Full implementation of National Bowel Cancer Screening Programme ²	2.1					
Administered expenses		-	-	37	172	255
Departmental expenses		-	-	-	-	-
Total		-	-	37	172	255
Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds ²	2.1					
Administered expenses		-	(10,191)	(16,029)	(16,832)	(23,519)
Departmental expenses		-	-	-	-	-
Total		-	(10,191)	(16,029)	(16,832)	(23,519)
Pharmaceutical Benefits Scheme - new and amended listings ²	2.3					
Administered expenses		132	2,185	2,445	2,691	3,027
Departmental expenses		-	-	-	-	-
Total		132	2,185	2,445	2,691	3,027
Pharmaceutical Benefits Scheme - price amendments ²	2.3					
Administered expenses		14	52	42	42	42
Departmental expenses		-	-	-	-	-
Total		14	52	42	42	42
Medicare Benefits Schedule - new and amended listings ²	2.1					
Administered expenses		-	768	1,478	1,744	2,210
Departmental expenses		-	-	-	-	-
Total		-	768	1,478	1,744	2,210
Medicare Benefits Schedule - Revised Capital Sensitivity Provisions for Diagnostic Imaging Equipment ²	2.1					
Administered expenses		-	2	4	4	4
Departmental expenses		-	-	-	-	-
Total		-	2	4	4	4

Continued on next page

Prepared on a Government Finance Statistics (fiscal) basis

Table 1.2: Department of Veterans' Affairs 2014-15 Budget measures (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Pharmaceutical Benefits Scheme - increase in co-payments and safety net thresholds ²	2.3					
Administered expenses		-	(1,925)	(4,448)	(4,183)	(4,171)
Departmental expenses		-	-	-	-	-
Total		-	(1,925)	(4,448)	(4,183)	(4,171)
Medicare Benefits Schedule - comprehensive eye examination ²	2.3					
Administered expenses		-	472	1,318	867	718
Departmental expenses		-	-	-	-	-
Total		-	472	1,318	867	718
Repatriation Pharmaceutical Benefits Scheme - new listings and price amendments	2.3					
Administered expenses		8	(44)	(140)	(296)	(445)
Departmental expenses		-	-	-	-	-
Total		8	(44)	(140)	(296)	(445)
Total Outcome 2						
Administered		(10,662)	(10,691)	(50,780)	(62,206)	(75,217)
Departmental		-	(254)	(21)	-	-
Total		(10,662)	(10,945)	(50,801)	(62,206)	(75,217)
Outcome 3						
Western Front Interpretive Centre - Villers-Bretonneux, France - initial funding	3.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	831	-	-	-
Total		-	831	-	-	-
Total Outcome 3						
Administered		-	-	-	-	-
Departmental		-	831	-	-	-
Total		-	831	-	-	-

Continued on next page

Prepared on a Government Finance Statistics (fiscal) basis

Table 1.2: Department of Veterans' Affairs 2014-15 Budget measures (continued)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Efficiency Dividend - a further temporary increase of 0.25 per cent	All					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(723)	(1,403)	(2,084)	(2,095)
Total		-	(723)	(1,403)	(2,084)	(2,095)
Total Expense Measures						
Administered		(10,662)	(50,134)	(106,648)	(125,071)	(213,861)
Departmental		(676)	598	(1,136)	(1,980)	(1,332)
Total		(11,338)	(49,536)	(107,784)	(127,051)	(215,193)
Capital Measures						
Western Front Interpretive Centre - Villers-Bretonneux, France - initial funding	3.1					
Administered Capital		-	6,061	-	-	-
Total		-	6,061	-	-	-
Housing Help for Seniors - pilot - reversal ¹	1.1					
Departmental Capital		(1,522)	-	-	-	-
Total		(1,522)	-	-	-	-
Commonwealth Seniors Health Card - include untaxed superannuation income in the eligibility assessment ¹	1.1					
Departmental Capital		-	548	-	-	-
Total		-	548	-	-	-
Efficiency Dividend - a further temporary increase of 0.25 per cent	All					
Departmental Capital		-	(35)	(69)	(103)	(108)
Total		-	(35)	(69)	(103)	(108)
Total capital measures						
Administered		-	6,061	-	-	-
Departmental		(1,522)	513	(69)	(103)	(108)
Total		(1,522)	6,574	(69)	(103)	(108)

Prepared on a Government Finance Statistics (fiscal) basis

1. The lead agency for this measure is the Department Social Services (DSS). The full measure description and package details appear in BP 2 under the DSS portfolio.
2. The lead agency for this measure is the Department of Health (DoH). The full measure description and package details appear in BP 2 under the DoH portfolio.

Section 2: Outcomes and Planned Performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of Department of Veterans' Affairs in achieving Government outcomes.

OUTCOME 1

Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements.

Outcome 1 Strategy

- Increase awareness and understanding of compensation, rehabilitation and income support schemes among veterans, war widow/ers, serving members, former defence force members, and their families and advocates.
- Assist eligible persons and their dependants to receive their correct entitlements through effective advice and efficient claims determinations and review.
- Integrate rehabilitation as a key consideration in compensation policy and decision making.
- Engage younger veterans and Australian Defence Force members in policy development and review.
- Ensure that the changing needs of eligible veterans, especially those with complex needs or severe disabilities, are addressed.
- Continue access to home loan and insurance services for eligible members of the veteran and defence force communities and undertake a scoping study of the insurance scheme that provides information to assist considerations relating to the future operations and management of the scheme.

- In conjunction with the Department of Defence, continue to implement the recommendations accepted by Government in its response to the Review of Military Compensation Arrangements.
- In addition, the Department will implement a number of cross-portfolio measures (refer Table 1.2).

Outcome 1 Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Maintain and enhance the financial wellbeing and self sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Veterans' Income Support and Allowances		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	2,784,598	2,709,533
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	48,313	47,212
Expenses not requiring appropriation in the Budget year ²	4,950	5,561
Total for Programme 1.1	2,837,861	2,762,306
Programme 1.2: Veterans' Disability Support		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	12,092	13,039
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	1,573,707	1,574,429
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	38,685	38,041
Expenses not requiring appropriation in the Budget year ²	4,088	4,592
Total for Programme 1.2	1,628,572	1,630,101

Continued on next page

Table 2.1: Budgeted Expenses for Outcome 1 (continued)

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Outcome 1:		
Programme 1.3: Assistance to Defence Widow/ers and Dependants		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	1,845,971	1,811,869
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	10,523	10,323
Expenses not requiring appropriation in the Budget year ²	1,116	1,254
Total for Programme 1.3	1,857,610	1,823,446
Programme 1.4: Assistance and Other Compensation for Veterans and Dependants		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	7,398	8,034
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	22,832	20,195
Departmental Expenses		
Special Accounts ³	34,248	36,757
Departmental appropriation ¹	18,338	18,675
Expenses not requiring appropriation in the Budget year ²	1,060	1,190
Total for Programme 1.4	83,876	84,851
Programme 1.5: Veterans' Children Education Scheme		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	15,954	15,634
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	-	-
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	2,515	2,468
Expenses not requiring appropriation in the Budget year ²	309	347
Total for Programme 1.5	18,778	18,449

Continued on next page

Table 2.1: Budgeted Expenses for Outcome 1 (continued)

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Outcome 1:		
Programme 1.6: Military Rehabilitation and Compensation Acts Payments - Income Support and Compensation		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,954	4,168
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	365,045	357,101
Special Accounts	780	215
Departmental Expenses		
Departmental appropriation ¹	30,577	30,761
Expenses not requiring appropriation in the Budget year ²	3,173	3,565
Total for Programme 1.6	403,529	395,810
Programme 1.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Income Support and Compensation		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Expenses not requiring appropriation in the Budget year	77,900	133,800
Departmental Expenses		
Departmental appropriation ¹	-	-
Expenses not requiring appropriation in the Budget year ²	-	-
Total for Programme 1.7	77,900	133,800
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	39,398	40,875
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	6,592,153	6,473,127
Special Accounts	780	215
Expenses not requiring appropriation in the Budget year	77,900	133,800
Departmental Expenses		
Special Accounts	34,248	36,757
Departmental appropriation ¹	148,951	147,480
Expenses not requiring appropriation in the Budget year ²	14,696	16,509
Total Expenses for Outcome 1	6,908,126	6,848,763
	2013-14	2014-15
Average Staffing Level (number)	988	960

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.
2. Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense and Audit Fees.
3. DSHIS expenses (Section 3, Table 3.1.2 and Table 3.2.1c refers).

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

Contributions to Outcome 1

Programme 1.1: Veterans' Income Support and Allowances

Programme 1.1 objective

To deliver means tested income support pensions and other allowances to eligible veterans and dependants under the *Veterans' Entitlements Act 1986* and related legislation, including:

- Service Pension (Age) and Invalidity Service Pension, similar to Age and Disability Support pensions paid by Department of Human Services
- Partner Service Pension paid to eligible partners of veterans
- Income Support Supplement paid to eligible war widow/ers

Other forms of income support paid to eligible veterans, members and former members of the Defence Force or Peacekeeping Force, include:

- Social Security Age Pension paid to eligible disability pensioners and their partners, paid by DVA as an agent of Department of Social Services.
- Defence Force Income Support Allowance

Income support payments provide a regular source of income for eligible veterans, partners, widow/ers, and other eligible people with limited means.

Linked to:

This programme is linked to the Department of Social Services Program 1.6 – Income Support for Seniors, Programme 1.7 – Allowances, Concessions, Programme 2.1 – Housing Assistance and Homelessness Prevention, and Services for Seniors and Department of Human Services Programme 1.1 – Services to the Community – Social Security and Welfare.

Programme 1.1 expenses

As the veteran population continues to age, programme expenses are expected to fall in real terms over the forward years.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Special appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Income support pensions	2,752,487	2,703,397	2,629,824	2,547,316	2,435,514
Other allowances	32,111	6,136	6,502	6,755	7,084
Programme support	48,313	47,212	45,112	43,615	44,857
Expenses not requiring appropriation in the Budget year ¹	4,950	5,561	5,078	4,632	3,879
Total program expenses	2,837,861	2,762,306	2,686,516	2,602,318	2,491,334

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 1.1: Veterans' Income Support and Allowances (continued)
Programme 1.1 deliverables

Process claims and reviews in order to deliver means tested income support pensions, allowances and other services to veterans and their dependants.

This programme has been revised to include claims for qualifying service and the resultant card claims: Commonwealth Seniors Health Card (CSHC); Repatriation Health Card — For all Conditions (Gold Card) and Repatriation Pharmaceutical Benefits Card (Orange Card). While claims for qualifying service may not lead to immediate payment of pension or allowances, entitlement for possible future benefits is established. CSHC holders and those Gold Card holders who are age qualified are entitled to Seniors Supplement (if not already receiving Pension Supplement), whereas the remainder of Gold Card holders and all Orange Card holders receive Veterans Supplement.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
New claims processed	9,303	9,280	8,820	8,560	8,130
Pensioner initiated reviews processed	83,683	80,960	74,580	76,000	70,000
<i>Quantity: Number of income support beneficiaries</i>	220,700	207,400	194,500	182,100	170,500

Programme 1.1 key performance indicators

The following KPIs measure the impact of the Programme:

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Timeliness: Mean time to process new claims (days)</i>	32	32	32	32	32
<i>Timeliness: Mean time to process pensioner initiated reviews (days)</i>	14	14	14	14	14
<i>Price: Cost per income support beneficiary</i>	219	228	232	240	263
<i>Quality: Critical error rate for income support processing</i>	<5%	<5%	<5%	<5%	<5%

Programme 1.2: Veterans' Disability Support

Programme 1.2 objective

To deliver disability pensions, allowances and special purpose assistance to eligible veterans and members of the Defence Force or Peacekeeping Force under the *Veterans' Entitlements Act 1986* and related legislation.

The programme provides compensation to eligible veterans (including Australian merchant mariners) and members of the Defence Force or Peacekeeping Force for the tangible effects of war or defence service. Eligible persons receive disability pensions and ancillary benefits.

Linked to:

Department of Human Services Programme 1.1 – Services to the Community – Social Security and Welfare.

Programme 1.2 expenses

Numbers of disability pensioners are expected to reduce by approximately 5% per year over the forward years.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Annual Administered Expenses:					
Appropriation Bill 1					
Medical examinations, fares and expenses	11,302	12,247	13,169	14,159	14,587
Repayments of maintenance deductions	71	71	71	71	71
Vehicle Assistance Scheme	719	721	722	722	740
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Disability pensions	1,571,080	1,572,055	1,563,657	1,559,296	1,539,125
Loss of earnings	503	527	555	582	597
Recreation transport allowance	2,124	1,847	1,608	1,402	1,437
Programme support	38,685	38,041	36,959	35,833	36,324
Expenses not requiring appropriation in the Budget year ¹	4,088	4,592	4,193	3,824	3,202
Total programme expenses	1,628,572	1,630,101	1,620,934	1,615,889	1,596,083

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 1.2: Veterans' Disability Support (continued)
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Programme 1.2 deliverables

Deliver disability pensions to veterans under the <i>Veterans' Entitlements Act 1986</i> and related legislation:

- | |
|--|
| <ul style="list-style-type: none"> • Process new disability pension claims • Process applications for assessments of disability pension rates • Process Loss of Earnings and Recreation Allowance • Process and pay repayments of medical transport and maintenance deductions • Deliver Vehicle Assistance Scheme. |
|--|

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
<i>Quantity</i> : Number of disability pensioners	100,700	96,200	92,100	88,400	85,200

Programme 1.2 key performance indicators

- | |
|---|
| <ul style="list-style-type: none"> • The following KPIs measure the impact of the Programme: |
|---|

	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Timeliness Target</i> : Mean number of days to process a primary claim	75	75	75	75	75
<i>Timeliness Target</i> : Mean number of days to prepare s.31 review	40	40	40	40	40
<i>Price</i> : Average cost per disability pensioner	384	395	401	405	426
<i>Quality</i> : Critical errors	<5%	<5%	<5%	<5%	<5%

Programme 1.3: Assistance to Defence Widow/ers and Dependants

Programme 1.3 objective

Deliver war widow/ers and Defence pensions, allowances and special purpose assistance to the dependants of veterans under the *Veterans' Entitlements Act 1986* and related legislation including the payment of war widow/ers claims for compensation.

Linked to:

Department of Human Services Programme 1.1 – Services to the Community – Social Security and Welfare.

Programme 1.3 expenses

Numbers of War and Defence widow/ers are expected to show an increasing rate of decline over the forward years. Expenses are expected to reduce as the War and Defence widow/ers population reduces in size.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
War & Defence Widow/ers pension	1,845,971	1,811,869	1,744,259	1,651,407	1,539,065
Programme support	10,523	10,323	10,038	9,726	9,857
Expenses not requiring appropriation in the Budget year ¹	1,116	1,254	1,145	1,044	874
Total programme expenses	1,857,610	1,823,446	1,755,442	1,662,177	1,549,796

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 1.3: Assistance to Defence Widow/ers and Dependants (continued)
Programme 1.3 deliverables

Process claims and pay pensions, allowances and other support to war and Defence widow/ers under the *Veterans' Entitlements Act 1986* and related legislation.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
<i>Quantity</i> : Number of war and Defence widow/ers pensioners	81,300	75,600	69,700	64,000	58,300

Programme 1.3 key performance indicators

The following KPIs measure the impact of the Programme:

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Timeliness</i> : Mean number of days to process a primary claim	75	75	75	75	75
<i>Timeliness</i> : Mean number of days to prepare s.31 review	40	40	40	40	40
<i>Price</i> : Cost per war widow/ers pensioner \$/beneficiary	129	137	144	152	169
<i>Quality</i> : Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%

Programme 1.4: Assistance and Other Compensation for Veterans and Dependants

Programme 1.4 objective

To deliver other allowances and assistance to eligible veterans and dependants under the *Veterans' Entitlements Act 1986* and related legislation including home support loans, funeral benefits, prisoner of war ex gratia payments and payments on behalf of Commonwealth and allied countries. The Department also provides assistance to the Ex-Service Organisations (ESO) community through Building Excellence in Support and Training (BEST) grants and funding the Training and Information Program (TIP).

Linked to:

Department of Human Services Programme 1.1 – Services to the Community – Social Security and Welfare.

Programme 1.4 expenses

This programme is projected to move broadly in line with the forecast of the total veteran population. Benchmark interest rates for Defence home loans will vary depending on movement in interest rates.

Forward year Defence home loans projections are based on:

- 6.44% as the anticipated benchmark interest rate
- portfolio balances reduce by an average 1.56% per month
- home support loans continuing to be granted at the rate of 8 per month
- balances of home support loans are at a stable level.

**Programme 1.4: Assistance and Other Compensation for Veterans and Dependants
(continued)**

Programme 1.4 expenses	2013-14	2014-15	2015-16	2016-17	2017-18
(\$'000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Legal Expenses	1,848	1,597	1,590	1,620	1,653
Defective Administration	350	250	250	250	250
Payments to ESOs (BEST & TIP)	4,014	5,002	5,008	5,103	5,115
Veterans' Access to Community Information	1,108	1,107	1,103	1,123	1,147
Act of Grace	78	78	78	80	82
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Funeral benefits	12,430	11,674	10,965	10,299	9,673
POW (J)	25	25	25	25	25
POW (E)	7,628	6,102	4,881	3,905	3,124
Compensation payments for BCAL veterans	932	865	792	728	671
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>					
PNG pensions	70	70	70	70	70
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
<i>Defence Service Homes Act 1918</i>					
Interest subsidy	1,747	1,459	1,225	1,035	845
Special Account expenses:					
DSHIS	34,248	36,757	39,452	42,343	45,447
Programme support	18,338	18,675	18,204	17,882	17,765
Expenses not requiring appropriation in the Budget year ¹	1,060	1,190	1,087	991	830
Total programme expenses	83,876	84,851	84,730	85,454	86,697

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 1.4: Assistance and Other Compensation for Veterans and Dependants (continued)

Programme 1.4 deliverables

- Process funeral benefit claims
- Process claims for and maintain housing loans
- Provide grants funding to eligible ESOs for provision of services to support the veteran community
- Provide ESO representatives with essential skills for pension and compensation claims and welfare work

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
Funeral Benefits expenditure \$'000	12,430	11,674	10,965	10,299	9,673

Programme 1.4 key performance indicators

- The following KPIs measure the impact of the Programme:

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Funeral Benefits					
<i>Timeliness:</i> Mean time to process funeral benefits claims (days)	10	10	10	10	10
<i>Quality:</i> Critical errors	< 5%	< 5%	< 5%	< 5%	<5%
Defence Home Loans					
<i>Timeliness:</i> Mean time to process subsidy	18	18	18	18	18
<i>Quality:</i> Critical errors	< 5%	< 5%	< 5%	< 5%	<5%

Programme 1.5: Veterans' Children Education Scheme

Programme 1.5 objective

Provide financial assistance to eligible students under the *Veterans' Entitlements Act 1986* Veterans' Children Education Scheme (VCES) and the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme (MRCAETS) to assist with their education needs.

Linked to:

Department of Human Services Programme 1.1 – Services to the Community – Social Security and Welfare.

Programme 1.5 expenses

Numbers of students in each category fluctuate throughout the course of the academic year. Overall, numbers are expected to decline over the forward years.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Annual administered expenses: <i>Appropriation Bill 1</i>					
Veterans' Children Education Scheme	15,954	15,634	15,443	15,660	16,237
Programme support	2,515	2,468	2,400	2,319	2,350
Expenses not requiring appropriation in the Budget year ¹	309	347	317	289	242
Total programme expenses	18,778	18,449	18,160	18,268	18,829

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

DVA Budget Statements

Programme 1.5 deliverables					
Process new claims under VCES and MRCAETS. Deliver financial assistance and allowances to eligible students					
Deliverables	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Quantity</i> : Number of primary students receiving assistance	672	628	587	549	513
<i>Quantity</i> : Number of secondary students receiving assistance	991	926	866	810	757
<i>Quantity</i> : Number of tertiary students receiving assistance	961	898	840	785	734

Programme 1.5 key performance indicators					
The following KPI measures the impact of the Programme:					
Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Quality</i> : Critical errors	< 5%	< 5%	< 5%	< 5%	< 5%

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

Programme 1.6 objective

To provide compensation to current and former members of the Australian Defence Force and their dependants under the *Safety, Rehabilitation and Compensation Act 1988* and the *Military Rehabilitation and Compensation Act 2004* and related legislation.

Programme 1.6 expenses

Future budget results are anticipated to reflect a shift from SRCA-related payments to MRCA-related payments. SRCA payments are in line with the pre July 2004 liabilities as they stabilise.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
\$('000)					
Annual administered expenses:					
Appropriation Bill 1					
Other income support and compensation-related payments - SRCA	2,832	2,843	2,722	2,723	2,790
Other income support and compensation-related payments - MRCA	1,122	1,325	1,458	1,604	1,645
Special Appropriations:					
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Permanent impairment	40,184	37,085	34,304	31,700	32,492
Benefits for eligible dependants	20,970	20,331	19,326	18,318	18,867
Incapacity payments	82,499	78,830	70,012	64,319	61,765
Medical examinations	3,812	3,797	3,394	3,398	3,404
Death payments	2,782	2,721	2,590	2,464	2,542
Other income support and compensation-related payments	340	340	339	339	348
<i>Military Rehabilitation and Compensation Act 2004</i>					
Permanent impairment	119,778	124,168	135,076	146,795	150,422
Benefits for eligible dependants	7,875	8,273	8,614	8,879	9,163
Income maintenance payments	77,678	72,102	80,780	90,677	93,098
Medical examinations	9,090	9,417	8,811	9,102	9,232
Other income support and compensation-related payments	37	37	37	37	38
Special Account Expenses:					
Military death claim compensation	780	215	270	235	581
Programme support	30,577	30,761	30,076	29,072	29,420
Expenses not requiring appropriation in the Budget year ¹	3,173	3,565	3,255	2,969	2,486
Total programme expenses	403,529	395,810	401,064	412,631	418,293

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 1.6: Military Rehabilitation and Compensation Acts Payments - Income Support and Compensation (continued)

Programme 1.6 deliverables

- Provide incapacity payments, non-economic loss lump sums/pensions for injuries resulting in permanent disability and payments to dependants of deceased employees under the MRCA and SRCA.
- Administer individual merit reviews for MRCA and SRCA decisions.

Deliverables	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Quantity: Number of incapacity payees under the SRCA	2,290	2,230	2,170	2,110	2,050
Quantity: Number of claims resulting in lump sum payments made under SRCA	1,126	1,090	1,156	1,023	991
Quantity: Number of incapacity payees under the MRCA	2,900	3,770	4,902	6,372	8,284
Quantity: Number of claims resulting in lump sum payments made under MRCA	1,166	1,440	1,779	2,197	2,714

Programme 1.6 key performance indicators

- The following KPIs measure the impact of the Programme:

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Quality</i> : Critical errors under SRCA	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Timeliness Target</i> : Mean number of days to determine a liability under the SRCA	120	120	120	120	120
<i>Quality</i> : Critical errors under MRCA	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Timeliness Target</i> : Mean number of days to determine a liability under the MRCA	120	120	120	120	120

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

Programme 1.7 objective

To provide an updated actuarial assessment of the movement in the liability for income support and compensation under the rehabilitation and compensation Acts.

Programme 1.7 expenses

The movement in the liability provision for SRCA and MRCA is adjusted based on an annual actuarial assessment from the Australian Government Actuary.

The figures below represent the estimated net movement based on the actuarial report.

	2013-14 Revised Budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Administered Expenses:					
Appropriation Bill 1					
Expenses not requiring appropriation in the Budget year ¹	77,900	133,800	139,400	156,700	156,700
Total programme expenses	77,900	133,800	139,400	156,700	156,700

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

OUTCOME 2

Outcome 2: Maintain and enhance the physical wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.

Outcome 2 Strategy

- Ensure continued access to high-quality health care and rehabilitation services, in partnership with public and private providers.
- Focus on tackling the mental health challenges of veterans and their families.
- Continue implementing the Strengthening Veteran Mental Health 2013 budget measures to improve access to mental health services, strengthen mental health support for veterans, and improve claims processing.
- Promote rehabilitation as a priority for veterans and former members.
- Maintain and develop services targeted to the needs of an ageing veteran population to support a level of independence.
- Continue research to support the health and wellbeing of members and their families.
- In addition, the Department will implement a number of cross-portfolio measures (refer Table 1.2).

Outcome 2 Expense Statement

Table 2.2 provides an overview of the total expenses for Outcome 2, by programme.

Table 2.2: Budgeted Expenses for Outcome 2

Outcome 2: Maintain and enhance the physical wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 2.1: General Medical Consultations and Services		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	902,116	879,218
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	23,665	23,435
Expenses not requiring appropriation in the Budget year ²	2,428	2,713
Total for Programme 2.1	928,209	905,366
Programme 2.2: Veterans' Hospital Services		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	1,647,650	1,612,246
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	11,424	11,318
Expenses not requiring appropriation in the Budget year ²	1,475	1,648
Total for Programme 2.2	1,660,549	1,625,212
Programme 2.3: Veterans' Pharmaceuticals Benefits		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	406,200	389,835
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	1,561	1,547
Expenses not requiring appropriation in the Budget year ²	145	162
Total for Programme 2.3	407,906	391,544

Continued on next page

Table 2.2: Budgeted Expenses for Outcome 2 (continued)

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Outcome 2:		
Programme 2.4: Veterans' Community Care and Support		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,668	2,629
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	1,612,056	1,757,774
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	26,831	26,220
Expenses not requiring appropriation in the Budget year ²	3,240	3,620
Total for Programme 2.4	1,644,795	1,790,243
Programme 2.5: Veterans' Counselling and Other Health Services		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	4,288	4,650
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	634,833	648,061
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	44,167	42,630
Expenses not requiring appropriation in the Budget year ²	3,464	3,871
Total for Programme 2.5	686,752	699,212
Programme 2.6: Military Rehabilitation and Compensation Acts - Health and Other Care Services		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	71,223	74,240
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	19,835	19,645
Expenses not requiring appropriation in the Budget year ²	2,141	2,393
Total for Programme 2.6	93,199	96,278

Continued on next page

Table 2.2: Budgeted Expenses for Outcome 2 (continued)

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Outcome 2:		
Programme 2.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Health and Other Care Services		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Other services (Appropriation Bill No. 2)	-	-
Expenses not requiring appropriation in the Budget year	32,600	57,400
Departmental Expenses		
Departmental appropriation ¹	-	-
Expenses not requiring appropriation in the Budget year ²	-	-
Total for Programme 2.7	32,600	57,400
Outcome 2 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,956	7,279
Other services (Appropriation Bill No. 2)	-	-
Special Appropriations	5,274,078	5,361,374
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year	32,600	57,400
Departmental Expenses		
Departmental appropriation ¹	127,483	124,795
Expenses not requiring appropriation in the Budget year ²	12,893	14,407
Total expenses for Outcome 2	5,454,010	5,565,255
	2013-14	2014-15
Average Staffing Level (number)³	778	756

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.
2. Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense and Audit Fees.
3. ASL figures do not include 62 VVCS counsellors paid from Administered funds.

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

Contributions to Outcome 2

Programme 2.1: General Medical Consultations and Services

Programme 2.1 objective

Provide access to general and specialist medical and dental services to entitled DVA beneficiaries.

Linked to:

This programme is linked to the Department of Human Services' Programme 1.2 – Services to the Community – Health and the Department of Health's Programme 8.1 – Workforce and Rural Distribution.

Programme 2.1 expenses

Overall expenditure for general and specialist medical consultations and dental consultations is expected to decline. This is attributed to the continuing decrease in the treatment population and the impact of Budget measures.

The majority of payments to medical providers are made through arrangements with the Department of Human Services (DHS) on behalf of DVA.

Expenditure and utilisation of services are demand driven depending on the health care needs of entitled beneficiaries.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
LMO consultations	158,234	156,057	153,547	150,674	149,159
Specialist consultations	157,200	148,640	144,081	144,143	139,755
Medical services	482,259	471,947	462,019	450,283	443,769
Dental	104,423	102,574	100,456	100,258	99,571
Programme support	23,665	23,435	23,075	22,674	22,739
Expenses not requiring appropriation in the Budget year ¹	2,428	2,713	2,502	2,310	1,927
Total programme expenses	928,209	905,366	885,680	870,342	856,920

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 2.1: General Medical Consultations and Services (continued)
Programme 2.1 deliverables

- Ensure entitled beneficiaries have access to general and specialist medical and dental services by maintaining servicing arrangements with these practitioner groups.
- Ensure a geographically diverse range of providers participate in the arrangements for provision of general and specialist medical and dental services to entitled beneficiaries.
- Ensure a comprehensive range of general and specialist medical and dental services are available to entitled beneficiaries in order to meet their health care needs.
- Facilitate effective payment of medical practitioners under the Department of Veterans' Affairs arrangements.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
Treatment Population	215,900	204,000	192,900	182,500	172,900

Programme 2.1 key performance indicators

- Ensure arrangements are in place for the access to and delivery of general and specialist medical services for all DVA beneficiaries.
- Maintain a schedule of general and specialist medical services to meet the health care needs of entitled beneficiaries and maintain consistency with trends in the delivery of health care services.

	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Key Performance Indicators					
Price: Unit cost per cardholder	110	115	120	124	132

Programme 2.2: Veterans' Hospital Services

Programme 2.2 objective

Provide access to hospital services for entitled beneficiaries through arrangements with hospitals in both the private and public sectors.

Linked to:

This programme is linked to the Department of Human Services' Programme 1.2 – Services to the Community – Health.

Programme 2.2 expenses

Costs for hospital services are remaining fairly stable as the ageing population accesses more services, and as fees for hospital services increase in line with changes in contract rates for the provision of hospital services. The increasing costs incurred in this programme are offset by the decreasing treatment population.

Expenditure and utilisation of services are demand driven depending on the health care needs of entitled beneficiaries.

	2013-14	2014-15	2015-16	2016-17	2017-18
\$('000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Special Appropriations: <i>Veterans' Entitlements Act 1986</i> (VEA)					
Public hospitals	768,511	745,596	745,665	759,484	776,036
Private hospitals	874,770	862,495	848,724	835,993	838,276
Psych	1	1	1	1	1
Nursing homes (POW)	4,368	4,154	3,943	3,747	3,614
Programme support	11,424	11,318	11,145	10,905	10,938
Expenses not requiring appropriation in the Budget year ¹	1,475	1,648	1,520	1,403	1,171
Total programme expenses	1,660,549	1,625,212	1,610,998	1,611,533	1,630,036

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 2.2: Veterans' Hospital Services (continued)
Programme 2.2 deliverables

- Ensure access to hospital services for entitled beneficiaries through arrangements in both the private and public sectors.
- Ensure a comprehensive range of hospital services are made available to entitled beneficiaries in order to meet health care needs.
- Facilitate effective payment of hospital providers under the Department of Veterans' Affairs arrangements.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
Treatment Population	215,900	204,000	192,900	182,500	172,900

Programme 2.2 key performance indicators

- Ensure that arrangements are in place for the access to and delivery of private and public hospital services under the VEA and related legislation.

	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Key Performance Indicators					
Price: Unit cost per cardholder	53	55	58	60	63

Programme 2.3: Veterans' Pharmaceuticals Benefits

Programme 2.3 objective

The Repatriation Pharmaceutical Benefits Scheme (RPBS) will provide entitled beneficiaries access to a comprehensive array of pharmaceuticals and wound dressings for the treatment of their health care needs.

Linked to:

This programme is linked to the Department of Human Services' Programme 1.2 – Services to the Community – Health.

Programme 2.3 expenses

Expenditure in pharmaceuticals is expected to decline as a result of a reduction in the treatment population and the number of items dispensed under the RPBS. In addition to this, the reduction of prices on certain medicines listed on the PBS through the price disclosure arrangements has a flow on effect for DVA.

Payments to pharmacy providers are made through arrangements with the Department of Human Services (DHS) on behalf of DVA.

Expenditure and utilisation of services are demand driven depending on the health care needs of entitled beneficiaries.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Pharmaceutical services	406,200	389,835	368,316	376,295	390,299
Programme support	1,561	1,547	1,521	1,498	1,504
Expenses not requiring appropriation in the Budget year ¹	145	162	149	138	115
Total programme expenses	407,906	391,544	369,986	377,931	391,918

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 2.3 deliverables

- Ensure entitled beneficiaries have access to a comprehensive range of pharmaceuticals and wound dressings that meet their health care needs.
- Facilitate arrangements with pharmaceutical sponsors for the listing of the range of items appropriate to the entitled beneficiary population.
- Facilitate effective payment of approved pharmacies for supplying items under the RPBS.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
Treatment Population	215,900	204,000	192,900	182,500	172,900

Programme 2.3: Veterans' Pharmaceuticals Benefits (continued)
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Programme 2.3 key performance indicators

- | |
|---|
| <ul style="list-style-type: none"> • Ensure arrangements are in place for the access to and delivery of pharmacy services under the VEA and related legislation. • Maintain a comprehensive Repatriation Pharmaceutical Benefits Schedule that meets the health care needs of entitled beneficiaries and maintains consistency with trends in the delivery of health care services. |
|---|

	2013-14	2014-15	2015-16	2016-17	2017-18
Key Performance Indicators	Revised budget	Budget target	Forward year 1	Forward year 2	Forward year 3
<i>Price: Unit cost per cardholder</i>	7	8	8	8	9

Programme 2.4: Veterans' Community Care and Support

Programme 2.4 objective

The programme's primary objective is to effectively manage community support and residential care programmes, including development and review of policy and operational guidelines and procedures, and assessment of programme effectiveness.

Veteran community care and support programmes include the Veterans' Home Care programme and the Community Nursing programme.

The programme also provides the Australian Government subsidy for entitled veterans and war widow/ers living in residential care facilities.

The objectives of the Veterans' Home Care and Community Nursing programmes are to support veterans to remain independent in their homes, and improve their quality of life and health. The veteran community is ageing and increasingly requires higher levels of service. The provision of these services helps to delay entry into residential aged care and maximises independence.

The Australian Government provides subsidies and supplements for veterans who are no longer able to live independently and who enter residential aged care.

Linked to:

This programme is linked to the Department of Human Services' Programme 1.1 – Services to the Community – Social Security and Welfare, Programme 1.2 – Services to the Community - Health, the Department of Social Services's Programme 3.4 – Residential and Flexible Care and the Department of Treasury's Programme 1.10 – National Partnership Payments to the States.

Programme 2.4 expenses

Expenditure for Residential Care and Community Nursing is expected to increase across the out years. A reduction in clients will be offset by increased demand due to veterans' age and frailty. An increase in the need for respite care is predicted, primarily given that carers themselves are ageing and will need increased support.

The Treasury administered expenditure for the Home and Community Care Services for Veterans' Specific Purpose Payment as part of the COAG Project Agreements with the States. These payments are disclosed in the Department of Treasury's Portfolio Budget Statements 2014-15 under Programme 1.10 – National Partnership Payments to the States. The programme terminates on 30 June 2014.

Programme 2.4: Veterans' Community Care and Support (continued)					
Programme 2.4 expenses	2013-14	2014-15	2015-16	2016-17	2017-18
\$('000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Grants-In-Aid	145	145	145	145	145
Community Care Grants	631	630	627	638	647
Joint Venture Grants	1,111	1,110	1,106	1,126	1,142
JV Day Clubs	390	381	368	375	401
JV Home Maintenance	391	363	361	367	374
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Residential care	1,370,548	1,481,535	1,575,394	1,679,919	1,801,518
Community nursing	137,979	152,880	164,188	178,277	194,872
Veterans' Home Care	91,435	100,725	100,286	102,260	106,811
In-home respite	11,047	21,565	21,427	21,738	22,598
Carer and volunteer support	1,047	1,069	1,067	1,062	1,057
Programme support	26,831	26,220	26,150	25,643	25,718
Expenses not requiring appropriation in the Budget year ¹	3,240	3,620	3,338	3,082	2,571
Total programme expenses	1,644,795	1,790,243	1,894,457	2,014,632	2,157,854

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 2.4 deliverables

Veterans' Home Care (VHC)

- The VHC programme supports veterans and war widow/ers in their own homes to improve their quality of life, independence and health, in particular, maintaining independent functioning within the home environment. The veteran community is ageing and increasingly requiring higher levels of services from the VHC programme to remain in their own homes. The provision of these services helps to delay entry to residential aged care and maximises independence for veterans and war widow/ers.
- The Department contracts with 174 organisations across Australia to assess veterans and war widow/ers for VHC services and to deliver those services. It is estimated that around 63,500 veterans and war widow/ers will receive VHC services in 2014-15, with the average annual cost of services (including in-home respite care) being approximately \$1,500 per client.
- To ensure services are of high quality, a contract and quality management framework, together with post-payment monitoring, is in place for both Community Nursing and VHC.

Community Nursing

- The Community Nursing programme assists veterans and war widow/ers to avoid early admission to hospital and/or residential care by providing access to high quality community nursing services. The activities of this programme include the provision of clinical nursing and personal care services by DVA contracted community nursing providers.
- The Department contracts with around 191 organisations across Australia to provide community nursing services to approximately 28,000 eligible veterans and war widow/ers.

Residential care

- Approximately \$1.5 billion is expected to be provided by the Department as the Australian Government subsidy for entitled veterans and war widow/ers being in residential aged care facilities in 2014-15. This supports approximately 27,000 entitled veterans in residential care.

Programme 2.4: Veterans' Community Care and Support (continued)

Programme 2.4 key performance indicators

Community Nursing and Veterans' Home Care

- Provision of clinical nursing and home care services to eligible veterans and war widow/ers according to their assessed need.

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Price: Unit cost per cardholder	124	129	136	141	149

Programme 2.5: Veterans' Counselling and Other Health Services

Programme 2.5 objective

To provide a wide range of mental and allied health care services, including counselling and referral services for veterans, war widow/ers, serving members, former defence force members and their families.

Linked to:

This programme is linked to the Department of Human Services' Programme 1.1 – Services to the Community – Social Security and Welfare and Programme 1.2 – Services to the Community – Health.

Programme 2.5 expenses

Expenditure under allied health care and transport is expected to increase as an ageing veteran population access a greater variety of health care services. Expenditure and utilisation of services are demand driven, depending on the health care needs of entitled beneficiaries.

Payments to allied health providers for services provided to entitled beneficiaries are made through arrangements with Department of Human Services on behalf of DVA.

The increase in travel for treatment costs is attributable to increased ageing of the treatment population, resulting in increased treatment utilisation.

Variation in expenses over the forward years for aids and appliances is expected due to:

- new contractual arrangements for the supply of aids and appliances, and
- an ageing treatment population driving increasing quantum and complexity of aids and appliances.

Programme 2.5: Veterans' Counselling and Other Health Services (continued)					
Programme 2.5 expenses	2013-14	2014-15	2015-16	2016-17	2017-18
\$('000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Annual Administered Expenses:					
Appropriation Bill 1					
Counselling support & children's assistance	1,157	1,519	1,517	1,248	876
Legal expenses	55	55	55	56	57
Veterans' employment & training	571	572	573	588	604
Health & medical research	2,505	2,504	2,495	2,541	2,589
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Travel for treatment	180,964	183,921	184,710	186,713	192,490
Subsistence	6,811	6,892	6,996	7,095	7,373
Veterans and veterans' families counselling services	29,452	30,499	31,291	32,653	34,276
Non-institutional care - services	171,708	178,606	190,178	193,603	196,501
Non-institutional care - products	62,354	59,607	56,778	54,631	53,102
Rehabilitation appliances	173,500	178,500	182,479	186,182	190,416
Health treatment for BCAL veterans	9,624	9,615	9,587	9,768	10,147
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>					
Nuclear test health care payments	420	421	420	418	427
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Health care and rehabilitation for certain AFP personnel with overseas service	-	-	-	-	-
Special Account Expenses:					
<i>Special Account Name</i>	-	-	-	-	-
Programme support	44,167	42,630	41,604	41,098	41,159
Expenses not requiring appropriation in the Budget year ¹	3,464	3,871	3,570	3,295	2,750
Total programme expenses	686,752	699,212	712,253	719,889	732,767

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 2.5: Veterans' Counselling and Other Health Services (continued)
Programme 2.5 deliverables

- Ensure arrangements are in place to assist veterans to reach treatment locations through a variety of systems and transport modes. This includes reimbursing travel costs privately incurred (including financial assistance towards the costs for meals and accommodation), arranging taxi/hire car and air travel, and purchasing ambulance services from public and private sector providers.
- Ensure arrangements are in place to provide an extensive range of rehabilitation aids which assist independent living and which are provided through a comprehensive system of prescribers and contracted suppliers.
- Maintain arrangements with allied health providers in both the public and private sectors for the delivery of a comprehensive range of allied health services to entitled beneficiaries in order to meet their health care needs.
- Ensure effective payment arrangements are in place for allied health providers.
- Provide access to counselling services through the VVCS including use of outreach counsellors and through relevant providers in the public and private health sectors:
 - intake and referral services
 - counselling services
 - after-hours counselling, and
 - group programme intervention.

Deliverables	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Health Treatment Card Holder Population	215,900	204,000	192,900	182,500	172,900
Travel for Treatment:					
Number of processed claims for reimbursement	156,235	170,300	185,600	202,000	200,200
Number of DVA arranged person trips	1,025,000	1,140,000	1,260,000	1,400,000	1,500,000
Veteran Counselling:					
Number of unique clients receiving intake referral services	12,500	12,985	13,139	13,370	13,370
Number of unique clients in receipt of counselling	10,800	11,485	11,839	12,070	12,070
Number of counselling sessions delivered	63,000	66,310	67,234	68,620	68,620
Number of calls received by the After Hours Counselling service	6,700	7,115	7,412	7,481	7,481
Number of unique clients receiving group programme intervention	3,200	3,315	3,362	3,431	3,431

Programme 2.5: Veterans' Counselling and Other Health Services (continued)
Programme 2.5 key performance indicators

The following KPIs measure the impact of the Programme:

- Veterans' claims for travel costs are reimbursed within 28 days.
- Veterans have access to ambulance services at the Repatriation Commission's expense in all states and territories.
- Level of veteran satisfaction is determined from six attitudinal questions contained in the satisfaction surveys completed by clients.
- Percentage of unique clients presenting for service who receive attention within two weeks of intake.

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Price:</i> Unit cost per cardholder	205	209	216	225	238
<i>Travel for Treatment:</i>					
Target percentage of claims for reimbursement processed within the Service Charter timeframe (28 days)	100%	100%	100%	100%	100%
Degree of complaints about arranged travel relative to the quantity of bookings	0.05%	0.05%	0.05%	0.05%	0.05%
<i>Rehabilitation Appliances:</i>					
<i>Cost:</i> Attributed across treatment population	664	718	778	843	843
Number of broad categories of aids and appliances available to the veteran community listed in the RAP Schedule	251	251	251	251	251
Percentage of aids and appliances listed may be prescribed by General Practitioners, Registered Nurses and Occupational Therapists	95%	95%	95%	100%	100%
<i>Veteran Counselling:</i>					
Percentage of unique clients presenting for service who receive attention by a Outreach contracted Counsellor within two weeks of intake.	63%	64%	65%	65%	65%
Centre based Counselling. Percentage of unique clients presenting for service who receive attention by a Centre based Counsellor within two weeks of intake.	73%	73%	74%	75%	75%
Level of veteran satisfaction.	High	High	High	High	High

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

Programme 2.6 objective

To arrange for the provision of rehabilitation, medical and other related services under the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) and the *Military Rehabilitation and Compensation Act 2004* (MRCA) and related legislation. This includes payment for medical treatment, rehabilitation services, attendant care and household services.

Linked to:

This programme is linked to the Department of Human Services' Programme 1.1 – Services to the Community – Social Security and Welfare.

Programme 2.6 expenses

Future budget results are anticipated to reflect a shift from SRCA-related payments to MRCA-related payments, in line with the extent of claims made against each Act.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
\$(‘000)					
Special Appropriations:					
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Medical services	20,576	20,264	20,238	20,214	20,678
Rehabilitation services	6,450	6,369	6,276	6,184	6,307
Other services	13,147	13,156	13,151	13,142	13,324
<i>Military Rehabilitation and Compensation Act 2004</i>					
Medical services	21,815	24,449	28,112	32,327	32,973
Rehabilitation services	7,712	7,971	8,823	9,765	9,961
Other services	1,523	2,031	2,410	2,858	2,915
Programme support	19,835	19,645	19,344	18,991	18,451
Expenses not requiring appropriation in the Budget year ¹	2,141	2,393	2,207	2,037	1,700
Total programme expenses	93,199	96,278	100,561	105,518	106,309

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 2.6: Military Rehabilitation and Compensation Acts - Health and Other Care Services (continued)

Programme 2.6 deliverables

Under the SRCA & MRCA, the Department will administer a range of benefits for Defence-related claims, including payment for rehabilitation services, medical treatment, attendant care and household services.

Deliverables	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Quantity</i> : Number of SRCA rehabilitation assessments	764	724	686	650	650
<i>Quantity</i> : Number of SRCA medical and treatment accounts paid	100,928	96,891	93,015	89,400	89,400
<i>Quantity</i> : Number of MRCA rehabilitation assessments	773	873	986	1,100	1,100
<i>Quantity</i> : Number of MRCA medical and treatment accounts paid	25,317	30,284	36,220	42,500	42,500

Programme 2.6 key performance measure

The following KPIs measure the impact of the Programme:

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
<i>Quality</i> : Error rates SRCA rehabilitation assessments	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality</i> : Error rates SRCA accounts	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality</i> : Error rates MRCA rehabilitation assessments	< 5%	< 5%	< 5%	< 5%	< 5%
<i>Quality</i> : Error rate of MRCA accounts paid incorrectly	< 5%	< 5%	< 5%	< 5%	< 5%

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

Programme 2.7 objective

To provide an updated actuarial assessment of the movement in the liability for health and other care services under the rehabilitation and compensation Acts.

Programme 2.7 expenses

The movement in the liability provision for SRCA and MRCA is adjusted based on annual actuarial assessment from the Australian Government Actuary.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Administered Expenses					
Expenses not requiring appropriation in the Budget year ¹	32,600	57,400	59,600	61,800	61,800
Total programme expenses	32,600	57,400	59,600	61,800	61,800

- Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

OUTCOME 3

Outcome 3: Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.

Outcome 3 Strategy

- Promote community involvement in commemorations programmes, in conjunction with other government agencies and ex-service and community organisations.
- Support community awareness and preservation of Australia's wartime and service heritage and veterans' experiences.
- Commemorate eligible war dead and deceased veterans by maintaining individual graves, war cemeteries and Gardens of Remembrance.
- Maintain existing national memorials overseas and construct new memorials as determined by government processes.
- Manage Anzac Day services at Gallipoli, Turkey and Villers-Bretonneux, France, and support Anzac Day services at a number of other overseas locations, including Malaysia, Papua New Guinea and Thailand.

Outcome 3 Expense Statement

Table 2.3 provides an overview of the total expenses for Outcome 3 by programme.

Table 2.3: Budgeted Expenses and Resources for Outcome 3

Outcome 3: Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 3.1: War Graves and Commemorations		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	48,832	47,720
Other services (Appropriation Bill No. 2 & 4)	-	-
Special Appropriations	-	-
Special Accounts	61	24,086
Departmental Expenses		
Departmental appropriation ¹	21,139	20,640
Expenses not requiring appropriation in the Budget year ²	2,116	2,363
Total for Programme 3.1	72,148	94,809
Programme 3.2: Gallipoli-related Activities		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,381	6,616
Other services (Appropriation Bill No. 2 & 4)	-	-
Special Appropriations	-	-
Special Accounts	-	-
Departmental Expenses		
Departmental appropriation ¹	1,284	1,274
Expenses not requiring appropriation in the Budget year ²	171	191
Total for Programme 3.2	4,836	8,081
Outcome 3 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	52,213	54,336
Other services (Appropriation Bill No. 2 & 4)	-	-
Special Appropriations	-	-
Special Accounts	61	24,086
Departmental Expenses		
Departmental appropriation ¹	22,423	21,914
Expenses not requiring appropriation in the Budget year ²	2,287	2,554
Total expenses for Outcome 3	76,984	102,890
	2013-14	2014-15
Average Staffing Level (number)	158	154

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bills No. 1)' and 'Revenue from independent sources (s31)'.
2. Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense and Audit Fees.

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

Contributions to Outcome 3

Programme 3.1: War Graves and Commemorations

Programme 3.1 objective

Acknowledge and commemorate the service and sacrifice of the men and women who served Australia and its allies in wars, conflicts and peace operations.

Programme 3.1 expenses

Public interest in commemorative activities and war graves matters continues to rise because of significant wartime anniversaries, the ageing veteran population and ongoing Australian Defence Force deployment overseas.

There is continuing interest in funding under the commemorations programme, *Saluting Their Service*, and an increased demand for community awareness, education and online resources.

The Office of Australian War Graves (OAWG) constructs and maintains national memorials overseas. Projects in progress include the Australian Remembrance Trail in France and Belgium, the Australian Memorial in New Zealand, and the Australian contribution to the Vietnam Veterans' Education Centre in the United States. OAWG has been providing official commemoration since 1922. As the average age of these commemorations grows, significant future works have been identified to maintain them at approved standards.

A number of significant anniversaries will occur this year. In addition to the centenary of the start of the First World War (2014) and the centenary of the Gallipoli landings (2015), other important anniversaries include the centenary of the first AIF convoy departing from Albany (2014), the 70th anniversary of VE day (2015) and the 70th anniversary of the Borneo campaign (2015).

The Department conducts an annual Anzac Day dawn service at Villers-Bretonneux in France and supports Anzac Day services at a number of other overseas locations, including Malaysia, Papua New Guinea and Thailand.

The Department has been tasked as the lead agency for preparing and managing the Australian Government's arrangements for the Anzac Centenary 2014-18, including the Centenary of the First World War and the Centenary of the Gallipoli campaign in 2015.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Annual administered expenses:					
Appropriation Bill 1 ¹					
War graves care & maintenance	21,680	17,147	13,073	13,429	13,644
OAWG refurbishment, reconstruction & relocation	1,006	1,009	1,010	1,035	1,061
Legal expenses	5	5	5	5	5
Veterans' commemorative activities	26,141	29,559	9,922	7,986	7,591
Special Account Expenses:					
Australians at War	1	1	1	1	1
Services for Other Entity and Trust Moneys	60	60	60	60	20
Anzac Centenary Public Fund	-	24,025	22,425	19,600	8,500
Programme support	21,139	20,640	17,816	17,348	17,566
Expenses not requiring appropriation in the Budget year ²	2,116	2,363	1,929	1,768	1,469
Total programme expenses	72,148	94,809	66,241	61,232	49,857

1. Refer to the Movement of Funds Table 3.1.1

2. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 3.1: War Graves and Commemorations (continued)

Programme 3.1 deliverables

- Develop and implement commemorative initiatives and provide support and funding under the commemorations programme, *Saluting Their Service*.
- Promote community involvement in commemorations programmes, in conjunction with other government agencies and ex-service and community organisations.
- Support community awareness and preservation of Australia's wartime and service heritage and veterans' experiences.
- Lead and manage the Anzac Centenary 2014-18, including the Centenary of the First World War and the Centenary of the Gallipoli Campaign in 2015.
- Commemorate eligible war dead and deceased veterans by maintaining war graves and war cemeteries in Australia, Papua New Guinea, Solomon Islands and Norfolk Island, South Africa, Korea, Japan, Malaysia and Singapore.
- Process claims for, and provide new, official post-war commemorations.
- Provide Australian commemorative information on cemeteries and memorials.
- Maintain existing Australian Government memorials overseas and construct new memorials as determined by government processes.
- Manage the "Graves of the Bravest" programme for recipients of the Victoria Cross, George Cross and Cross of Valour.

Deliverables	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Maintain Commemorations:					
War Cemeteries	75	75	75	75	75
Gardens of Remembrance	10	10	10	10	10
Memorials to the Missing	5	5	5	5	5
War Graves in Australia and PNG	21,012	21,012	21,012	21,012	21,012
Overseas Graves (non world wars)	1,043	1,043	1,043	1,043	1,043
Post War Commemorations	310,104	313,970	317,581	320,937	324,038
Provide new Post War Commemorations	4,205	4,121	3,866	3,611	3,101
Manage national memorials overseas	36	36	37	37	37
Implement War Graves related projects	3	3	2	1	-
Community awareness and education resources	392,801	483,000	531,000	584,000	531,000
Grants applications processed	190	874	570	570	510
Domestic commemorative events	1	2	3	3	3
International commemorative events (excludes Gallipoli, includes Villers-Bretonneux)	3	2	4	4	3

Programme 3.1: War Graves and Commemorations (continued)

Programme 3.1 key performance targets	
Deliverables (as shown in previous table)	Key Performance Indicators
Maintain facilities and individual commemorations in Australia, PNG, South Africa, Korea, Japan, Malaysia & Singapore: War Cemeteries Gardens of Remembrance Memorials to the Missing War Graves in Australia & PNG Overseas graves (non world wars) Post War commemorations ¹	The Maintenance of war cemeteries, memorials and graves is undertaken in accordance with Commonwealth War Graves Commission (CWGC) published standards. Performance is measured through CWGC inspections and veteran and community feedback.
Provide new Post War Commemorations	Commemorations are provided within published timeframes to meet Australian standards of production/ construction.
Manage national memorials overseas	Memorial presentation meets veteran and community approval and local requirements. Access and equity standards are met and, where applicable, information provided is both accurate and presented in a variety of formats.
Implement War Graves related projects	Project implementation meets the budget and timing agreed and announced by Government.
Community awareness & education resources	High level of community and veteran satisfaction with quality and access bility of resources.
Grants applications approved	Grant applications are processed within timelines. High level of community and veteran satisfaction with grant outcomes.
Domestic commemorative events	High level of community and veteran satisfaction with commemorative events.

1. Individual commemorations provided in cemeteries, crematoria and Gardens of Remembrance to eligible veterans whose death is determined to be related to their service in conflict or on peacekeeping.

Programme 3.2: Gallipoli-related Activities

Programme 3.2 objective

Coordinate and manage the delivery of annual commemorative and related activities at Gallipoli.

Programme 3.2 expenses

The Department is the lead government agency responsible for the planning and conduct of annual Anzac Day commemorations at Gallipoli.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Annual administered expenses:					
Appropriation Bill 1					
Gallipoli-related activities ¹	3,381	6,616	3,083	3,160	3,239
Programme support	1,284	1,274	1,158	1,094	1,109
Expenses not requiring appropriation in the Budget year ²	171	191	156	143	119
Total programme expenses	4,836	8,081	4,397	4,397	4,467

1. Refer to the Movement of Funds table 3.1.1.
2. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Resources Received Free of Charge.

Programme 3.2 deliverables

Planning for and conduct of annual Anzac Day services and management of related reviews and research.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables \$('000)					
Conduct annual Anzac Day services at Anzac Cove and Lone Pine, Gallipoli	3,113	6,616	3,083	3,160	3,239
Manage Gallipoli related works	268	-	-	-	-

Programme 3.2 key performance targets

Deliver commemorative and associated activities at Gallipoli.

	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Key Performance Indicators					
Quality: Level of community engagement and satisfaction	High	High	High	High	High
Quality: Media interest	Positive	Positive	Positive	Positive	Positive

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the approved movement of administered funds between years.

Table 3.1.1: Movement of Administered Funds between years

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Outcome 3:					
Programme 3.1 War Graves and Commemorations - Albany Convoy Commemorative Event ¹	(1,429)	1,429	-	-	-
Programme 3.1 War Graves and Commemorations - Anzac Centenary Local Grants Program ²	(13,750)	13,750	-	-	-
Programme 3.1 War Graves and Commemorations - Contribution to the Vietnam Veterans' Education Centre, Washington ³	(217)	50	50	117	-
Australian War Memorial Travelling Exhibition ⁴	(8,400)	8,400	-	-	-
Total Movement of Administered Funds	(23,796)	23,629	50	117	-

Figures displayed as a negative (-) represent a decrease in funds; a positive reflects an increase in funds.

1. Movement of funds for \$1.4 million in unspent administered funding to provide for extended timeframes in relation to the Albany Convoy commemorative event.
2. Movement of funds for \$13.8 million in unspent Anzac Centenary Local Grants Programme administered funding to.
3. Movement of funds for \$0.217 million in unspent administered funding to provide for extended deadlines for the development of Vietnam Veterans Education Centre.
4. Movement of funds for \$8.4 million in unspent administered funding to provide for extended timeframes in relation to the Australian War Memorial Travelling Exhibition.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Department of Veterans' Affairs.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2014-15 2013-14	Receipts 2014-15 2013-14	Payments 2014-15 2013-14	Adjustments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Military Death Claim	1	293	380	215	-	458
Compensation Special Account (A)		533	540	780	-	293
Defence Service Homes Insurance Account (D)	1	1,094	46,690	46,731	-	1,053
		1,875	43,900	44,681	-	1,094
Australians at War Special Account (A)	3	229	5	1	-	233
		225	5	1	-	229
Anzac Centenary Public Fund Special Account (A)	3	28	24,000	24,025	-	3
		1	27	-	-	28
Services for Other Entities and Trust Moneys Special Account (A)	3	227	62	60	-	229
		75	212	60	-	227
Total Special Accounts						
2014-15 Budget estimate		1,871	71,137	71,032	-	1,976
<i>Total Special Accounts</i>						
<i>2013-14 estimate actual</i>		2,709	44,684	45,522	-	1,871

(A) = Special Public Money, Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

The 2014-15 Australian Government Indigenous Statement is not applicable because Department of Veterans' Affairs has no indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

There are differences between agency resourcing and the financial statements. These differences are caused by the accounting treatment for the departmental capital budget (DCB) that was implemented under net cost of services through Operation Sunlight. Additionally the Department has received funding where expenses have been incurred within the 2013-14 financial year and the related appropriation will be received in the 2014-15 financial year.

3.2.2 Analysis of Budgeted Financial Statements

The Strategic Financial Plan and the Capital Management Plan provide the framework for Department of Veterans' Affairs (DVA) planning and response to future budgets and financial sustainability.

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

Departmental (amalgamated)

The budgeted DVA and DSHIS financial statements form the basis of the financial statements that will appear in the organisation's 2013-14 Annual Report, and input into the whole-of-government accounts. The budgeted financial statements are prepared on an accrual basis in accordance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS) and the Finance Ministers Orders (FMOs).

Departmental (DVA excluding DSHIS)

Budgeted departmental income statement

The Department (excluding DSHIS) is budgeting for a breakeven operating result before depreciation and amortisation expense in 2014-15 and the forward estimates. Total revenue for the 2014-15 financial year is \$295.6 million which represents an decrease of \$4.9 million from the 2013-14 financial year. It comprises of \$283.0 million of revenue from government, \$11.8 million of own-source income and resources received free of charge of \$0.8 million.

Budgeted departmental balance sheet

The Department's (excluding DSHIS) net asset (equity) position for the 2014-15 financial year is projected to be \$47.0 million, and represents a decrease of \$16.5 million from the 2013-14 position \$63.5 million.

Budgeted total assets of \$136.5 million in 2014-15 represent a decrease of \$17.7 million from 2013-14 of \$154.2 million. This mainly comprises of a decrease in appropriation receivables of \$1.4 million and a decrease in non-financial assets of \$16.5 million.

DVA Budget Statements

Budgeted liabilities of \$89.6 million in 2014-15 represent a decrease of \$1.2 million from 2013-14 of \$90.8 million and are primarily a result of a decrease in employee provisions of \$1.4 million.

Departmental (DSHIS)

Budgeted departmental income statement

DSHIS is budgeting for an operating surplus of \$3.5 million before depreciation and amortisation expense in 2014-15. Revenue for 2014-15 is expected to be \$40.6 million and consists of \$40.3 million of own-source income and \$0.3 million of revenue from government, an increase of \$3.8 million from 2013-14 of \$36.8 million. This increase is primarily driven by the sale of goods and services (premium revenue) which is expected to increase from \$32.4 million in 2013-14 to \$35.8 million in the 2014-15 financial year.

Budgeted departmental balance sheet

DSHIS's net asset position for 2014-15 is projected to be \$29.3 million, and increase over the forward years.

Budgeted liabilities for 2014-15 are expected to be \$35.9 million and reduce over the forward years.

Administered statements

Budgeted revenue and expenses

The Department will administer \$12.2 billion of administered funding in the 2014-15 financial year.

Budgeted assets and liabilities

Total administered assets are expected to remain stable at \$1.4 billion. Total administered liabilities are expected to increase by \$0.2 billion to \$5.6 billion in 2014-15 from the 2013-14 estimated actual of \$5.4 billion, represented by an increase in personal benefits of \$0.1 billion.

3.2.3 Budgeted financial statements tables

**Table 3.2.1a: Departmental Comprehensive Income Statement (amalgamated)
(Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSE					
Employee benefits	192,161	189,221	181,381	178,469	181,209
Supplier expenses	114,265	113,061	111,882	108,497	108,470
Depreciation and amortisation	29,071	32,665	29,641	27,120	22,530
Insurance claims	27,484	29,467	31,596	33,880	36,330
Total expenses	362,981	364,414	354,500	347,966	348,539
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	42,631	46,702	50,755	51,358	56,134
Other revenue	4,300	4,440	4,587	4,741	4,903
Total own-source revenue	46,931	51,142	55,342	56,099	61,037
Gains					
Resources received free of charge	805	805	805	805	805
Total gains	805	805	805	805	805
Total own-source income	47,736	51,947	56,147	56,904	61,842
Net cost of services	315,245	312,467	298,353	291,062	286,697
Revenue from Government	288,581	283,306	273,577	270,387	272,436
Surplus (Deficit) attributable to the Australian Government	(26,664)	(29,161)	(24,776)	(20,675)	(14,261)

Prepared on Australian Accounting Standards basis

Continued on next page

**Table 3.2.1a: Departmental Comprehensive Income statement (amalgamated)
(Showing Net Cost of Services) for the period ended 30 June (continued)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OTHER COMPREHENSIVE INCOME					
Changes in assets revaluation reserve	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(26,664)	(29,161)	(24,776)	(20,675)	(14,261)

Note: Impact of Net Cash Appropriation Arrangements

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(26,664)	(29,161)	(24,776)	(20,675)	(14,261)
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	29,071	32,665	29,641	27,120	22,530
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	2,407	3,504	4,865	6,445	8,269

Prepared on Australian Accounting Standards basis

1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

**Table 3.2.2a: Budgeted Departmental Balance Sheet (amalgamated)
as at 30 June**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,321	3,448	2,778	2,598	2,864
Trade and other receivables	11,906	12,906	12,906	12,906	12,906
Appropriation receivables	8,368	6,986	5,199	4,225	4,730
Investments	49,930	51,730	54,730	59,130	65,130
Total financial assets	73,525	75,070	75,613	78,859	85,630
Non-financial assets					
Land and buildings	20,423	17,153	15,813	13,969	14,228
Infrastructure, plant and equipment	11,746	5,168	2,708	4,041	8,956
Intangibles - Computer Software	101,541	94,810	83,085	69,849	56,181
Other non-financial assets	9,231	9,231	9,231	9,231	9,231
Total non-financial assets	142,941	126,362	110,837	97,090	88,596
Total assets	216,466	201,432	186,450	175,949	174,226
LIABILITIES					
Payables					
Supplier payables	14,041	14,183	15,130	16,353	17,182
Other payables	25,464	25,464	25,464	25,464	25,464
Total Payables	39,505	39,647	40,594	41,817	42,646
Provisions					
Employee provisions	68,554	67,198	63,818	61,447	61,351
Other provisions	19,060	18,315	16,426	14,375	12,144
Total provisions	87,614	85,513	80,244	75,822	73,495
Total liabilities	127,119	125,160	120,838	117,639	116,141
Net assets	89,347	76,272	65,612	58,310	58,085
Equity					
Contributed equity	187,961	204,047	218,163	231,536	245,572
Asset revaluation reserve	9,091	9,091	9,091	9,091	9,091
Retained surplus					
(accumulated deficit)	(107,705)	(136,866)	(161,642)	(182,317)	(196,578)
Total equity	89,347	76,272	65,612	58,310	58,085

Prepared on Australian Accounting Standards basis

Table 3.2.3a: Budgeted Departmental Statement of Cash Flows (amalgamated) for the period ended 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	293,443	284,688	275,365	271,361	271,743
Sale of goods and services	51,322	54,381	58,875	59,946	65,220
Net GST received	13,336	13,336	13,336	13,336	13,336
Other	2,734	2,870	3,014	3,165	3,323
Total cash received	360,835	355,275	350,590	347,808	353,622
Cash used					
Employees	194,813	190,604	186,263	182,283	181,034
Suppliers	113,823	110,917	107,362	103,655	105,435
Net GST paid	13,336	13,336	13,336	13,336	13,336
Other	35,876	38,491	41,299	44,314	47,551
Total cash used	357,848	353,348	348,260	343,588	347,356
Net cash from or (used by) operating activities	2,987	1,927	2,330	4,220	6,266
INVESTING ACTIVITIES					
Cash received					
Investments	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	30,350	16,086	14,116	13,373	14,036
Purchase of financial instruments	-	-	-	-	-
Investments	3,000	1,800	3,000	4,400	6,000
Total cash used	33,350	17,886	17,116	17,773	20,036
Net cash from or (used by) investing activities	(33,350)	(17,886)	(17,116)	(17,773)	(20,036)
FINANCING ACTIVITIES					
Cash received					
Equity Injections	26,140	16,086	14,116	13,373	14,036
Total cash received	26,140	16,086	14,116	13,373	14,036
Net cash from or (used by) financing activities	26,140	16,086	14,116	13,373	14,036
Net increase or (decrease) in cash held	(1,457)	127	(670)	(180)	266
Cash and cash equivalents at the beginning of the reporting period	4,778	3,321	3,448	2,778	2,598
Cash and cash equivalents at the end of the reporting period	3,321	3,448	2,778	2,598	2,864

Prepared on Australian Accounting Standards basis

Table 3.2.1b: Departmental Comprehensive Income Statement (DVA excluding DSHIS) (showing net cost of services) for the period ended 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSE					
Employee benefits	188,363	185,138	176,992	173,751	176,137
Supplier expenses	112,074	110,429	109,190	105,527	105,200
Depreciation and amortisation	28,996	32,590	29,566	27,045	22,455
Total expenses	329,433	328,157	315,748	306,323	303,792
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	11,226	11,831	11,975	8,261	8,271
Total own-source revenue	11,226	11,831	11,975	8,261	8,271
Gains					
Resources received free of charge	750	750	750	750	750
Total gains	750	750	750	750	750
Total own-source income	11,976	12,581	12,725	9,011	9,021
Net cost of (contribution by) services	317,457	315,576	303,023	297,312	294,771
Revenue from Government	288,461	282,986	273,457	270,267	272,316
Surplus (Deficit) attributable to the Australian Government	(28,996)	(32,590)	(29,566)	(27,045)	(22,455)

Prepared on Australian Accounting Standards basis

Continued on next page

Table 3.2.1b: Departmental Comprehensive Income Statement (DVA excluding DSHIS) (showing net cost of services) for the period ended 30 June (continued)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OTHER COMPREHENSIVE INCOME					
Changes in assets revaluation reserve	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(28,996)	(32,590)	(29,566)	(27,045)	(22,455)

Note: Impact of Net Cash Appropriation Arrangements

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(28,996)	(32,590)	(29,566)	(27,045)	(22,455)
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	28,996	32,590	29,566	27,045	22,455
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	-	-	-	-	-

Prepared on Australian Accounting Standards basis

1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Table 3.2.2b: Budgeted Departmental Balance Sheet (DVA excluding DSHIS) as at 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,227	2,395	1,749	1,575	1,803
Trade and other receivables	3,240	3,240	3,240	3,240	3,240
Appropriation receivables	8,368	6,986	5,199	4,225	4,730
Investments	-	-	-	-	-
Total financial assets	13,835	12,621	10,188	9,040	9,773
Non-financial assets					
Land and buildings	20,423	17,153	15,813	13,969	14,228
Infrastructure, plant and equipment	11,746	5,168	2,708	4,041	8,956
Intangibles - Computer Software	101,011	94,355	82,705	69,544	55,951
Other non-financial assets	7,231	7,231	7,231	7,231	7,231
Total non-financial assets	140,411	123,907	108,457	94,785	86,366
Total assets	154,246	136,528	118,645	103,825	96,139
LIABILITIES					
Payables					
Supplier payables	10,375	10,517	11,464	12,687	13,516
Other payables	5,964	5,964	5,964	5,964	5,964
Total payables	16,339	16,481	17,428	18,651	19,480
Provisions					
Employee provisions	68,554	67,198	63,818	61,447	61,351
Other provisions	5,880	5,880	5,880	5,880	5,880
Total provisions	74,434	73,078	69,698	67,327	67,231
Total liabilities	90,773	89,559	87,126	85,978	86,711
Net assets	63,473	46,969	31,519	17,847	9,428
Equity					
Contributed equity	187,961	204,047	218,163	231,536	245,572
Asset revaluation reserve	9,091	9,091	9,091	9,091	9,091
Retained surplus (accumulated deficit)	(133,579)	(166,169)	(195,735)	(222,780)	(245,235)
Total equity	63,473	46,969	31,519	17,847	9,428

Prepared on Australian Accounting Standards basis

Table 3.2.3b: Budgeted Departmental Statement of Cash Flows (DVA excluding DSHIS) for the period ended 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	293,323	284,368	275,245	271,241	271,623
Sale of goods and services	11,226	11,831	11,975	8,261	8,271
Net GST received	13,336	13,336	13,336	13,336	13,336
Total cash received	317,885	309,535	300,556	292,838	293,230
Cash used					
Employees	191,015	186,521	181,873	177,564	175,961
Suppliers	112,766	109,510	105,993	102,112	103,705
Net GST paid	13,336	13,336	13,336	13,336	13,336
Total cash used	317,117	309,367	301,202	293,012	293,002
Net cash from (used by) operating activities	768	168	(646)	(174)	228
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	30,350	16,086	14,116	13,373	14,036
Total cash used	30,350	16,086	14,116	13,373	14,036
Net cash from (used by) investing activities	(30,350)	(16,086)	(14,116)	(13,373)	(14,036)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	26,140	16,086	14,116	13,373	14,036
Total cash received	26,140	16,086	14,116	13,373	14,036
Net cash from (used by) financing activities	26,140	16,086	14,116	13,373	14,036
Net increase (decrease) in cash held	(676)	168	(646)	(174)	228
Cash and cash equivalents at the beginning of the reporting period	2,903	2,227	2,395	1,749	1,575
Cash and cash equivalents at the end of the reporting period	2,227	2,395	1,749	1,575	1,803

Prepared on Australian Accounting Standards basis

Table 3.2.1c: Departmental Comprehensive Income Statement (DSHS) (showing net cost of services) for the period ended 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES					
Employee benefits	3,798	4,083	4,389	4,718	5,072
Supplier expenses	3,141	3,582	3,642	3,920	4,220
Depreciation and amortisation	75	75	75	75	75
Insurance claims	27,484	29,467	31,596	33,880	36,330
Total expenses	34,498	37,207	39,702	42,593	45,697
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	32,355	35,821	39,730	44,047	48,813
Other	4,300	4,440	4,587	4,741	4,903
Total own-source revenue	36,655	40,261	44,317	48,788	53,716
Gains					
Resources received free of charge	55	55	55	55	55
Total gains	55	55	55	55	55
Total own-source income	36,710	40,316	44,372	48,843	53,771
Net cost of (contribution by) services	(2,212)	(3,109)	(4,670)	(6,250)	(8,074)
Revenue from Government	120	320	120	120	120
Surplus (Deficit) attributable to the Australian Government	2,332	3,429	4,790	6,370	8,194
Total comprehensive income (loss) attributable to the Australian Government	2,332	3,429	4,790	6,370	8,194

Prepared on Australian Accounting Standards basis

Continued on next page

Table 3.2.1c: Departmental Comprehensive Income Statement (DSHIS) (showing net cost of services) for the period ended 30 June (continued)

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss)					
less depreciation/amortisation expenses previously funded through revenue appropriations	2,332	3,429	4,790	6,370	8,194
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	75	75	75	75	75
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	2,407	3,504	4,865	6,445	8,269

Prepared on Australian Accounting Standards basis

1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

**Table 3.2.2c: Budgeted Departmental Balance Sheet (DSHIS)
as at 30 June**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,094	1,053	1,029	1,023	1,061
Trade and other receivables	9,000	10,000	10,000	10,000	10,000
Appropriation receivables	-	-	-	-	-
Investments	49,930	51,730	54,730	59,130	65,130
Total financial assets	60,024	62,783	65,759	70,153	76,191
Non-financial assets					
Intangibles - Computer Software	530	455	380	305	230
Other non-financial assets	2,000	2,000	2,000	2,000	2,000
Total non-financial assets	2,530	2,455	2,380	2,305	2,230
Total assets	62,554	65,238	68,139	72,458	78,421
LIABILITIES					
Payables					
Supplier payables	4,000	4,000	4,000	4,000	4,000
Other payables	19,500	19,500	19,500	19,500	19,500
Total payables	23,500	23,500	23,500	23,500	23,500
Provisions					
Other provisions	13,180	12,435	10,546	8,495	6,264
Total provisions	13,180	12,435	10,546	8,495	6,264
Total liabilities	36,680	35,935	34,046	31,995	29,764
Net assets	25,874	29,303	34,093	40,463	48,657
Equity					
Retained surplus (accumulated deficit)	25,874	29,303	34,093	40,463	48,657
Total equity	25,874	29,303	34,093	40,463	48,657

Prepared on Australian Accounting Standards basis

**Table 3.2.3c: Budgeted Departmental Statement of Cash Flows (DSHIS)
for the period ended 30 June**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	120	320	120	120	120
Sales of goods and services	41,046	43,500	47,850	52,635	57,899
Other	2,734	2,870	3,014	3,165	3,323
Total cash received	43,900	46,690	50,984	55,920	61,342
Cash used					
Employees	3,798	4,083	4,390	4,719	5,073
Suppliers	2,007	2,357	2,319	2,493	2,680
Other	35,876	38,491	41,299	44,314	47,551
Total cash used	41,681	44,931	48,008	51,526	55,304
Net cash from (used by) operating activities	2,219	1,759	2,976	4,394	6,038
INVESTING ACTIVITIES					
Cash received					
Investments realised	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Investments	3,000	1,800	3,000	4,400	6,000
Total cash used	3,000	1,800	3,000	4,400	6,000
Net cash from (used by) investing activities	(3,000)	(1,800)	(3,000)	(4,400)	(6,000)
Net increase (decrease) in cash held	(781)	(41)	(24)	(6)	38
Cash and cash equivalents at the beginning of the reporting period	1,875	1,094	1,053	1,029	1,023
Cash and cash equivalents at the end of the reporting period	1,094	1,053	1,029	1,023	1,061

Prepared on Australian Accounting Standards basis

**Table 3.2.4: Departmental Statement of Changes in Equity – Summary of Movement
(Budget year 2014-15)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2014				
Balance carried forward from previous period	(107,705)	9,091	187,961	89,347
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	(107,705)	9,091	187,961	89,347
Comprehensive income				
Surplus (deficit) for the period	(29,161)	-	-	(29,161)
Total comprehensive income	(29,161)	-	-	(29,161)
Transactions with owners				
Contribution by owners				
Equity injection - Appropriation	-	-	2,617	2,617
Departmental Capital Budget	-	-	13,469	13,469
Sub-total transactions with owners	-	-	16,086	16,086
Estimated closing balance as at 30 June 2015	(136,866)	9,091	204,047	76,272

Prepared on Australian Accounting Standards basis

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (Departmental Capital Budget)	14,056	13,469	13,356	13,373	14,036
Equity injections - Bill 2	12,084	2,617	760	-	-
Total new capital appropriations	26,140	16,086	14,116	13,373	14,036
Provided for:					
Purchase of non-financial assets	26,140	16,086	14,116	13,373	14,036
Total items	26,140	16,086	14,116	13,373	14,036
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	12,084	2,617	760	-	-
Funded by capital appropriations - Departmental Capital Budget ²	14,056	13,469	13,356	13,373	14,036
Funded internally from Departmental resources ³	4,210	-	-	-	-
TOTAL	30,350	16,086	14,116	13,373	14,036
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	30,350	16,086	14,116	13,373	14,036
Total cash used to acquire assets	30,350	16,086	14,116	13,373	14,036

Prepared on Australian Accounting Standards basis

1. Includes both current and prior Bill 2/4 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets.
3. Includes the following sources of funding:
 - current and prior year Bill 1/3 appropriations (excluding amounts from the DCB).
 - section 31 relevant agency receipts

Table 3.2.6: Statement of Asset Movements (2014-15)

	Land	Buildings	Other infrastructure, plant and equipment	Intangibles - Computer Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014					
Gross book value	1,352	38,819	36,769	193,142	270,082
Accumulated depreciation/ amortisation and impairment	-	(19,748)	(25,023)	(91,601)	(136,372)
Opening net book balance	1,352	19,071	11,746	101,541	133,710
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase or internally developed:					
Appropriation equity ¹	-	-	-	2,617	2,617
Appropriation ordinary annual services ²	-	2,201	2,500	8,768	13,469
Total additions	-	2,201	2,500	11,385	16,086
Other movements					
Depreciation/amortisation expense	-	(5,471)	(9,078)	(18,116)	(32,665)
Total other movements	-	(5,471)	(9,078)	(18,116)	(32,665)
As at 30 June 2015					
Gross book value	1,352	41,020	39,269	204,527	286,168
Accumulated depreciation/ amortisation and impairment	-	(25,219)	(34,101)	(109,717)	(169,037)
Closing net book balance	1,352	15,801	5,168	94,810	117,131

Prepared on Australian Accounting Standards basis

1. "Appropriation equity" refers to equity injections provided through Appropriation Bills (No.2) 2014-15.
2. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bills (No. 1) 2014-15 for DCBs or other operational expenses.

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government for the period ended 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	5,901	6,887	6,886	7,012	7,049
Personal benefits	6,676,180	6,612,926	6,474,110	6,322,873	6,083,385
Payments to CAC Act bodies	40,900	47,808	39,382	38,937	39,100
Other	5,393,217	5,508,378	5,552,167	5,682,964	5,861,585
Total expenses administered on behalf of government	12,116,198	12,175,999	12,072,545	12,051,786	11,991,119
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other sources of non-taxation revenue	9,471	9,471	9,471	9,471	9,471
Total non-taxation revenue	9,471	9,471	9,471	9,471	9,471
Total own-source revenues administered on behalf of Government	9,471	9,471	9,471	9,471	9,471
Net Cost of (contribution by) services	12,106,727	12,166,528	12,063,074	12,042,315	11,981,648
Surplus (Deficit)	(12,106,727)	(12,166,528)	(12,063,074)	(12,042,315)	(11,981,648)

Prepared on Australian Accounting Standards basis

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government as at 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	78,801	78,801	78,801	78,801	78,801
Other receivables	87,164	87,164	87,164	87,164	87,164
Investments	1,262,674	1,264,993	1,262,000	1,259,503	1,257,947
Total financial assets	1,428,639	1,430,958	1,427,965	1,425,468	1,423,912
Non-financial assets					
Other	-	6,061	6,061	6,061	6,061
Total non-financial assets	-	6,061	6,061	6,061	6,061
Total assets administered on behalf of government	1,428,639	1,437,019	1,434,026	1,431,529	1,429,973
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions and payables					
Other provisions and payables	1,831,556	1,904,553	1,993,981	2,085,490	2,176,700
Personal benefits	3,547,791	3,696,298	3,864,178	4,031,329	4,182,297
Other payables and accrued expenses	40,403	40,403	40,403	40,403	40,403
Total provisions and payables	5,419,750	5,641,254	5,898,562	6,157,222	6,399,400
Total liabilities administered on behalf of the government	5,419,750	5,641,254	5,898,562	6,157,222	6,399,400

Prepared on Australian Accounting Standards basis

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows
for the period ended 30 June**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
GST input credit received	43,512	43,512	43,512	43,512	43,512
Other	9,471	9,471	9,471	9,471	9,471
Total cash received	52,983	52,983	52,983	52,983	52,983
Cash used					
Personal benefits	6,583,362	6,464,419	6,306,230	6,155,722	5,932,417
Other	5,415,297	5,436,364	5,463,738	5,592,473	5,770,375
Grant payments	6,826	5,904	5,887	5,994	7,049
GST payments to suppliers	43,512	43,512	43,512	43,512	43,512
Payments to CAC Act bodies	40,900	47,808	39,382	38,937	39,100
Total cash used	12,089,897	11,998,007	11,858,749	11,836,638	11,792,453
Net cash used by operating activities	(12,036,914)	(11,945,024)	(11,805,766)	(11,783,655)	(11,739,470)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and Intangibles	-	6,061	-	-	-
Payments to CAC Act Bodies	25,258	12,444	7,193	7,203	7,559
Total cash used	25,258	18,505	7,193	7,203	7,559
Net cash used by investing Activities	(25,258)	(18,505)	(7,193)	(7,203)	(7,559)
FINANCING ACTIVITIES					
Cash received					
Capital injections	-	6,061	-	-	-
Total cash received	-	6,061	-	-	-
Net cash received from financing activities	-	6,061	-	-	-
Net increase/decrease in cash held	(12,062,172)	(11,957,468)	(11,812,959)	(11,790,858)	(11,747,029)
Cash and cash equivalents at beginning of reporting period	78,801	78,801	78,801	78,801	78,801
Cash from Official Public Account	12,071,641	11,967,684	11,823,846	11,802,324	11,758,980
Cash to Official Public Account	(9,469)	(10,216)	(10,887)	(11,466)	(11,951)
Cash and cash equivalents at end of reporting period	78,801	78,801	78,801	78,801	78,801

Prepared on Australian Accounting Standards basis

Table 3.2.5: Administered Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	6,061	-	-	-
Total new capital appropriations	-	6,061	-	-	-
Provided for:					
Purchase of non-financial assets	-	6,061	-	-	-
Total items	-	6,061	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	6,061	-	-	-
TOTAL	-	6,061	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	6,061	-	-	-
Total cash used to acquire assets	-	6,061	-	-	-

Australian War Memorial

Agency Resources and Planned Performance

AUSTRALIAN WAR MEMORIAL

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AUSTRALIAN WAR MEMORIAL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

During 2014-15, the Memorial will contribute significantly to its planned outcome by delivering the priorities and strategies detailed in the *Corporate Plan 2014-2017*.

Preparation for the Centenary of the First World War 2014-2018 will continue and implementation of a number of programmes commenced. On behalf of Government the Memorial will be developing the Anzac Centenary Travelling Exhibition and delivering an Anzac Centenary merchandising programme. The Memorial will deliver the First World War galleries redevelopment by the end of 2014 with a formal opening planned for early 2015.

Other key centenary projects will focus on commemorations such as the enhanced Anzac Day 2015 National Ceremony, a performance on 26 April 2015 following Anzac Day, the Commemorative Crosses programme which engages school children on an international scale and enhancements to the Commemorative Area including a Roll of Honour soundscape and lighting projections. School children across the nation will be involved in the sound recordings of the Roll of Honour soundscape. Anzac Connections will improve online access to the National Collection and encourage collaboration and community engagement. The History Channel documentary series, the Gallipoli conference, and the publication and exhibition programme will disseminate information and engage with the broader Australian and international community. First World War publications include *ANZAC Treasures: the Gallipoli collections of the Australian War Memorial and Australians at the Great War, 1914-1918*.

The travelling exhibition programme will see six exhibitions tour during the year, including: *Shaun Gladwell: Afghanistan; Nurses: Zululand to Afghanistan; Ben Quilty: After Afghanistan; Remember me: the lost diggers of Vignacourt; Reality in Flames: modern Australian art and the Second World War; and A Camera at Gallipoli* (working title).

The History Channel documentary series showing the Memorial behind the scenes and a Memorial Centenary merchandising programme will also promote the Memorial and our activities across Australia and internationally.

AWM Budget Statements

The writing of the *Official History of Peacekeeping and Post-Cold War Conflicts* will continue in 2014-15. This major project ensures that the Memorial continues its important role of recording Australia's military history.

The Memorial will continue to provide dignified and fitting ceremonies, not only for Anzac Day and Remembrance Day, but for other commemorative days. The Last Post ceremony will be conducted on a daily basis and will be streamed live via the Memorial's website.

Education programmes will continue to be a focus and the Memorial will deliver a range of high quality, engaging, curriculum-related school education programmes as well as increased online resources for teachers and students.

The Web Strategic Plan will be reviewed and updated and will include a strategy for the coordinated delivery of internet and social media components to internal and external users.

Major collection conservation programmes will continue with a focus on meeting the requirements of the First World War projects. The Collection Development Plan will be reviewed to identify gaps in the Collection, determine an approach for collecting for new conflicts, develop themes for ongoing collection development and ensure acquisitions and donations are managed effectively and efficiently. Implementation of a Treloar Site Development Plan to increase Collection storage at the Mitchell precinct will be commenced.

The Memorial will also be developing and implementing an Enterprise Architecture Strategy to improve business processes across all Memorial operations, increase flexibility for staff to achieve business goals, and to provide better services and facilities for visitors.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Australian War Memorial Resource Statement
Budget estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed + at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Opening balance/Reserves at bank	74,496	-	74,496	68,373
REVENUE FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	8,400	39,408	47,808	40,900
Total ordinary annual services	8,400	39,408	47,808	40,900
Other services²				
Non-operating	-	12,444	12,444	25,258
Total other services	-	12,444	12,444	25,258
Total annual appropriations	8,400	51,852	60,252	66,158
FUNDS FROM OTHER SOURCES				
Interest	-	2,470	2,470	2,833
Royalties	-	150	150	25
Sale of goods and services	-	3,255	3,255	3,255
Other	-	5,389	5,389	4,456
Total	-	11,264	11,264	10,569
Total net resourcing for agency	82,896	63,116	146,012	145,100

All figures are GST exclusive.

The Australian War Memorial (AWM) is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Veterans' Affairs which are then paid them to the AWM and are considered 'departmental' for all purposes.

1. Appropriation Bill (No. 1) 2014-15.

2. Appropriation Bill (No. 2) 2014-15.

The movement of funds between years relates to the planned expenditure for the Anzac Centenary Travelling Exhibition.

1.3 BUDGET MEASURES

Budget measures relating to the Australian War Memorial are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2014-15 Budget measures
Part 1: Measures announced since the 2013-14 MYEFO

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures						
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.1-1.8					
Departmental expenses		-	(101)	(202)	(300)	(301)
Total		-	(101)	(202)	(300)	(301)
Total expense measures						
Departmental		-	(101)	(202)	(300)	(301)
Total		-	(101)	(202)	(300)	(301)
Capital measures (if applicable)						
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.2-1.3					
Departmental capital			(19)	(37)	(55)	(58)
Total			(19)	(37)	(55)	(58)
Total capital measures						
Departmental			(19)	(37)	(55)	(58)
Total			(19)	(37)	(55)	(58)

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Australian War Memorial in achieving Government outcomes.

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

Outcome 1 Strategy

The outcome will be achieved through the maintenance and development of the National Memorial, a national collection of historical material and through commemorative ceremonies, exhibitions, research, interpretation and dissemination.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1: Budgeted Expenses for Outcome 1

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Outcome 1: Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the National Memorial, its collection and exhibition of historical material, commemorative ceremonies and research.		
Programme 1.1: Australian War Memorial		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	40,900	47,808
Revenues from other independent sources	10,869	11,564
Expenses not requiring appropriation in the Budget year	9,703	10,125
Total for Programme 1.1	61,472	69,497
Total expenses for Outcome 1	61,472	69,497
	2013-14	2014-15
Average Staffing Level (number)	329	333

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

Contributions to Outcome 1

Programme 1.1: Australian War Memorial

Programme 1.1 objective

To maintain and develop the National Memorial and a national collection of historical material and through commemorative ceremonies, exhibitions, research, interpretation and dissemination.

Linked to the following Programme components:

Programme component 1.1: Commemorative Ceremonies
 Programme component 1.2: National Memorial and Grounds
 Programme component 1.3: National Collection
 Programme component 1.4: Exhibitions
 Programme component 1.5: Interpretive Services
 Programme component 1.6: Promotion and Community Services
 Programme component 1.7: Research and Information Dissemination
 Programme component 1.8: Visitor Services.

Programme Expenses 1.1

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	61,472	69,497	59,313	58,338	57,967
Total programme expenses	61,472	69,497	59,313	58,338	57,967

Programme 1.1: Australian War Memorial (continued)					
Programme Components					
	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
1.1 - Commemorative Ceremonies					
Annual departmental expenses:					
Departmental item	572	561	542	533	529
Total component expenses	572	561	542	533	529
1.2 - National Memorial & Grounds					
Annual departmental expenses:					
Departmental item	6,590	6,474	6,244	6,141	6,103
Total component expenses	6,590	6,474	6,244	6,141	6,103
1.3 - National Collection					
Annual departmental expenses:					
Departmental item	30,704	30,165	29,098	28,616	28,437
Total component expenses	30,704	30,165	29,098	28,616	28,437
1.4 - Exhibitions					
Annual departmental expenses:					
Departmental item	8,256	17,219	8,884	8,743	8,683
Total component expenses	8,256	17,219	8,884	8,743	8,683
1.5 - Interpretive Services					
Annual departmental expenses:					
Departmental item	4,371	4,293	4,142	4,073	4,047
Total component expenses	4,371	4,293	4,142	4,073	4,047
1.6 - Promotion & Community Services					
Annual departmental expenses:					
Departmental item	3,363	3,303	3,186	3,134	3,114
Total component expenses	3,363	3,303	3,186	3,134	3,114
1.7 - Research & Information Dissemination					
Annual departmental expenses:					
Departmental item	4,635	4,553	4,392	4,320	4,293
Total component expenses	4,635	4,553	4,392	4,320	4,293
1.8 - Visitor Services					
Annual departmental expenses:					
Departmental item	2,981	2,929	2,825	2,778	2,761
Total component expenses	2,981	2,929	2,825	2,778	2,761
Total programme expenses	61,472	69,497	59,313	58,338	57,967

CONTRIBUTIONS TO OUTCOME 1

Programme Component 1.1: Commemorative Ceremonies

Programme component 1.1 objective

Major national ceremonies, particularly Anzac Day and Remembrance Day, and other commemorative ceremonies are conducted and promoted in an engaging, dignified and appropriate manner. This Programme component assists Australians to remember the Australian experience of war and its enduring impact on Australian society.

Programme component 1.1 deliverables

The Australian War Memorial will deliver:

- Three major commemorative ceremonies – the Anzac Day Dawn Service, Anzac Day National ceremony and Remembrance Day ceremony.
- At least 10 other commemorative ceremonies.
- At least two ceremonies per week for the School Wreath-laying Program.
- The Last Post ceremony on a daily basis.

Programme component 1.1 key performance indicators

Attendance at and participation in a commemorative ceremony is an explicit act of remembrance. Therefore, the KPI for measuring the effectiveness of this Programme is the total attendance figure at commemorative ceremonies.

Programme component 1.2: National Memorial and Grounds

Programme component 1.2 objective

The Memorial building and grounds are conserved and developed as a dignified, moving and impressive national memorial to Australians who served and died at war. This Programme component assists Australians to remember the Australian experience of war and its enduring impact on Australian society.

Programme component 1.2 deliverables

The Australian War Memorial will deliver:

- The Memorial heritage building, commemorative area and surrounding grounds maintained and presented to the highest standards
- Access to the Memorial and visitor facilities of the highest standard
- Building works that comply with relevant standards, codes and regulations
- Management and conservation of heritage elements using the Australia ICOMOS Burra Charter
- Timely completion of works to minimise impact on visitors.

Programme component 1.2 key performance indicators

Attending the National Memorial is an explicit act of remembrance. Therefore, the KPI for this Programme component is the total attendance figure at the Australian War Memorial in Canberra.

Programme component 1.3: National Collection

Programme component 1.3 objective

An outstanding national collection of historical material with provenance that is related to Australia's military history, and which is developed, managed, preserved and interpreted to make it accessible. This Programme component assists Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society.

Programme component 1.3 deliverables

The Australian War Memorial will deliver:

- An outstanding national collection of historical material with provenance that is related to Australia's military history.

Programme component 1.3 key performance indicators

The existence of an outstanding national collection provides the necessary foundation for other Programme components to be able to occur (namely Programme components 1.2, 1.4 and 1.7). The KPIs for the effectiveness of this Programme component are:

- The number of new items acquired, in accordance with the Collection Development Plan
- The number of items disposed of, in accordance with the Collection Development Plan
- The number of collection items for which documentation has been enhanced or corrected
- At least 80% of the collection in storage meets conservation standards for environmental conditions
- Number of collection items that can be accessed via the Memorial's website.

Programme Component 1.4: Exhibitions

Programme component 1.4 objective

Development and maintenance of outstanding permanent, temporary and travelling exhibitions. This Programme component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

Programme component 1.4 deliverables

The Australian War Memorial will deliver:

- Permanent exhibitions developed and maintained to the highest standards
- Travelling exhibitions exhibited at different venues across Australia
- A minimum of two exhibitions displayed per year in the Special Exhibitions Gallery.

Programme component 1.4 key performance indicators

Attending a Memorial exhibition is a deliberate act to find out more about the Australian experience of war. The KPIs for this Programme component are:

- The total attendance figure at Memorial exhibitions and travelling exhibitions
- Qualitative or quantitative evidence about increases in visitors' understanding
- Qualitative or quantitative evidence of affective or attitudinal change.

Programme Component 1.5: Interpretive Services

Programme component 1.5 objective

Understanding of the Australian experience of war is enhanced through the provision of interactive interpretation, including the delivery of innovative on-site, outreach and online education and public programmes as well as special events. This Programme component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

Programme component 1.5 deliverables

The Australian War Memorial will deliver:

- a range of public programmes and events for visitors to the Memorial
- a series of quality, engaging curriculum-related school education programmes for on-site education groups
- Memorial Boxes for schools in all Australian states and territories to borrow during the year
- a range of quality, engaging, curriculum-related online school education resources for teachers and students.

Programme component 1.5 key performance indicators

Attending a Memorial Programme or event is a deliberate act to find out more about the Australian experience of war. The KPIs for this Programme component are:

- The total attendance figure at Memorial programmes
- Qualitative or quantitative evidence about increases in participants' understanding
- Qualitative or quantitative evidence of affective or attitudinal change.

Programme Component 1.6: Promotion and Community Services

Programme component 1.6 objective

Promotion of the Memorial as an outstanding national institution and assistance to the community to understand the Memorial's roles, activities, programmes, relevance and future. Through the provision of high-quality promotion and community services, the Programme provides a necessary foundation for other programmes to function effectively. In this way, this Programme assists Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society.

Programme component 1.6 deliverables

The Australian War Memorial will deliver:

- An engaging website with accurate information
- High quality service to the media to encourage suitable coverage in all forms of media
- High quality marketing and promotional activities as appropriate.

Programme component 1.6 key performance indicators

Effective promotion of the Memorial provides the necessary foundation for other Programme components to function effectively (namely Programme components 1.1, 1.2, 1.3, 1.4, 1.5 and 1.7). The KPIs for the effectiveness of this Programme component are:

- Number of visits to the Memorial's website
- Number of people to make their first visit to the Memorial.
- Number of positive media items including television, radio, online and print media.

Programme Component 1.7: Research and Information Dissemination

Programme component 1.7 objective

The stimulation of an interest in and understanding of Australia's military history by the production of and dissemination in print, broadcast and online media of articles, papers and presentations, conferences, publications and encouraging the conduct of historical research and dissemination of knowledge and understanding of Australia's military history. This Programme component assists Australians to interpret and understand the Australian experience of war and its enduring impact on Australian society.

Programme component 1.7 deliverables

The Australian War Memorial will deliver:

1. Support for research about Australian military history including:
 - a. The *Official History of Peacekeeping, Humanitarian and Post Cold-War Conflicts*
 - b. The Summer Scholars program
 - c. A range of internal research projects
2. A publishing Programme including:
 - a. Curatorial monographs
 - b. Military history publications
 - c. *Wartime* magazine
 - d. Exhibition and education publications
3. Access to collection items and military history information including:
 - a. Reading room facilities
 - b. An authoritative research enquiry service
 - c. An annual conference
 - d. Online research facilities
 - e. A shop that provides quality military history books and exhibition publications

Programme component 1.7 key performance indicators

Conducting individual research at the Memorial's Research Centre, viewing online research facilities, making research enquiries, attending conferences or lectures, reading material produced by Memorial curators or historians are all deliberate actions to interpret and understand the Australian experience of war and its enduring impact on Australian society. The KPIs for the effectiveness of the Programme component are:

1. Number of visitors to the Research Centre's Reading Room
2. Number of items retrieved for and accessed by Reading Room clients
3. Number of page views accessing the Memorial's online research facilities
4. Number of research enquiries answered by Memorial staff
5. Total attendance at the annual conference
6. Number of lectures and conference papers given by Memorial staff
7. Number of books and articles written by Memorial staff
8. Sales figures for *Wartime* and other publications produced by the Memorial

Programme Component 1.8: Visitor Services

Programme component 1.8 objective

Visitors to both the Memorial and its outreach programmes are provided with a standard of service that enhances their experience and encourages them to re-use services and promote them to others. Through the provision of high-quality visitor services, this Programme component provides a necessary foundation for other Programme components to function effectively. In this way, this Programme component assists Australians to understand the Australian experience of war and its enduring impact on Australian society.

Programme component 1.8 deliverables

The Australian War Memorial will deliver:

- Front-of-house staff trained to deliver high level customer service and voluntary guides trained to an introductory level of military history and to deliver high level customer service.
- High quality and suitable public facilities such as restrooms, cafe, and way-finding signs.
- Opportunities for visitor feedback such as Service Charter, Visitors' Book and evaluation services.

Programme component 1.8 key performance indicators

The provision of high-quality visitor services provides the necessary foundation for other Programme components to function effectively (namely Programme components 1.1, 1.2, 1.4, 1.5 and 1.7). The KPIs for the effectiveness of this Programme component are:

- At least 90% of surveyed visitors state that their visit has met or exceeded their expectations.
- At least 80% of surveyed visitors state that the Memorial has maintained or improved its standard of service since their last visit.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

The Australian War Memorial does not manage administered funds, however the Memorial's appropriation is treated as administered funds by Department of Veterans' Affairs.

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years, which relates to the planned expenditure for the Anzac Centenary Travelling Exhibition.

Table 3.1.1: Movement of Administered Funds Between Years¹

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Outcome 1:					
Programme 1.1 Australian War Memorial	(8,400)	8,400			
			-	-	-
Total Movement of Administered Funds	(8,400)	8,400	-	-	-

¹ Figures displayed as a negative (-) represent a decrease in funds and a positive reflect an increase in funds.

3.1.2 Special Accounts

The Australian War Memorial does not operate Special Accounts.

3.1.3 Australian Government Indigenous Expenditure

The Australian War Memorial reports the following Australian Government Indigenous expenditure.

	Appropriations				Other \$'000	Total \$'000	Programme
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
Australian War Memorial							
Outcome 1							
Departmental 2014-15	116	-	-	116	-	116	AWM
<i>Departmental 2013-14</i>	<i>103</i>	-	-	<i>103</i>	-	<i>103</i>	<i>AWM</i>
Total outcome 2014-15	116	-	-	116	-	116	
<i>Total outcome 2013-14</i>	<i>103</i>	-	-	<i>103</i>	-	<i>103</i>	
Total AGIE 2014-15	116	-	-	116	-	116	
Total AGIE 2013-14	103	-	-	103	-	103	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

The Memorial reports no significant difference between agency resourcing and financial statements.

3.2.2 Analysis of Budgeted Financial Statements

The Memorial is forecasting a surplus in the Budget year of \$0.2 million before heritage and cultural assets depreciation expense.

A deficit of \$10 million is forecast in the Budget year after the application of heritage and cultural assets depreciation, also reflected in forward year estimates.

The Collection Development and Acquisition Budget (CDAB) is treated as an equity injection, and funds both the on-going preservation of the Memorial's collection, plus acquisition of heritage and cultural assets.

Total revenue in 2014–15 is estimated to be \$59 million, with the increase from 2013–14 estimated revenue attributable to a movement of 2013–14 funding into 2014–15 for the development of the ANZAC Centenary Travelling Exhibition.

The total equity of \$1.265 billion in 2014–15 is an increase of \$2 million from the 2013–14 estimate, represented by an increase in equity injections to fund capital expenditure, offset by the operating deficit for the year.

The Memorial's primary asset, the National Collection, is projected to remain relatively stable in value.

Investments on hand represent accumulated capital reserves, plus carried forward independently sourced revenue, set aside for specific commitments, planned for future years.

The Memorial's primary liability continues to be employee provisions which, during 2014–15, are projected to be \$9.1 million, as a result of accruing leave entitlements.

3.2.3 Budgeted Financial Statements Tables

Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES					
Employee benefits	25,448	25,898	24,861	24,018	24,129
Supplier expenses	16,460	23,019	13,492	13,606	13,413
Depreciation and amortisation ¹	19,564	20,580	20,960	20,714	20,425
Total expenses	61,472	69,497	59,313	58,338	57,967
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,255	3,255	3,255	3,255	3,255
Interest	2,833	2,470	2,296	2,352	2,404
Royalties	25	150	150	150	150
Other	4,756	5,689	4,044	3,944	3,944
Total own-source revenue	10,869	11,564	9,745	9,701	9,753
Net cost of (contribution by) services	50,603	57,933	49,568	48,637	48,214
Revenue from Government	40,900	47,808	39,382	38,937	39,099
Surplus (Deficit) attributable to the Australian Government¹	(9,703)	(10,125)	(10,186)	(9,700)	(9,115)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	16,901	-	-	-	-
Total other comprehensive income	16,901	-	-	-	-
Total comprehensive income (loss)	7,198	(10,125)	(10,186)	(9,700)	(9,115)
Total comprehensive income (loss) attributable to the Australian Government¹	7,198	(10,125)	(10,186)	(9,700)	(9,115)

Prepared on Australian Accounting Standards basis

Continued on next page

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
for the period ended 30 June (continued)****Note: Impact of Net Cash Appropriation Arrangements**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
Total Comprehensive Income (loss) less heritage and cultural depreciation expenses previously funded through revenue appropriations	17,413	223	245	181	201
plus heritage and cultural depreciation expenses previously funded through revenue appropriations ¹	10,215	10,348	10,431	9,881	9,316
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	7,198	(10,125)	(10,186)	(9,700)	(9,115)

¹ From 2009-10, the Government replaced Bill 1 revenue appropriations for the heritage and cultural depreciation expenses of designated Collection Institutions, with a separate capital budget (the Collection Development Acquisition Budget, or CDAB) provided through Bill 2 equity appropriations. For information regarding CDABs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,496	1,202	1,726	1,490	1,850
Trade and other receivables	829	876	876	876	876
Investments accounted for under the equity method	73,000	61,000	62,000	64,000	65,000
Other	1,255	1,255	1,255	1,255	1,255
Total financial assets	76,580	64,333	65,857	67,621	68,981
Non-financial assets					
Land and buildings	138,863	139,456	138,264	136,996	137,805
Property, plant and equipment	1,052,096	1,066,748	1,063,912	1,061,621	1,058,608
Intangibles	4,923	4,241	3,752	3,050	2,338
Inventories	687	687	687	687	687
Other	298	298	298	298	298
Total non-financial assets	1,196,867	1,211,430	1,206,913	1,202,652	1,199,736
Total assets	1,273,447	1,275,763	1,272,770	1,270,273	1,268,717
LIABILITIES					
Payables					
Suppliers	1,608	1,608	1,608	1,608	1,608
Other	29	29	29	29	29
Total payables	1,637	1,637	1,637	1,637	1,637
Provisions					
Employee provisions	9,136	9,133	9,133	9,133	9,133
Total provisions	9,136	9,133	9,133	9,133	9,133
Total liabilities	10,773	10,770	10,770	10,770	10,770
Net assets	1,262,674	1,264,993	1,262,000	1,259,503	1,257,947

Prepared on Australian Accounting Standards basis

Table continued on next page

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June) (continued)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	83,708	96,152	103,345	110,548	118,107
Reserves	616,056	616,056	616,056	616,056	616,056
Retained surplus (accumulated deficit)	562,910	552,785	542,599	532,899	523,784
Total Equity	1,262,674	1,264,993	1,262,000	1,259,503	1,257,947

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2014					
Balance carried forward from					
previous period	562,910	616,056	-	83,708	1,262,674
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	562,910	616,056	-	83,708	1,262,674
Comprehensive income					
Other comprehensive income					
Surplus (deficit) for the period	(10,125)	-	-	-	(10,125)
Total comprehensive income	(10,125)	-	-	-	(10,125)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	12,444	12,444
Sub-total transactions with owners	-	-	-	12,444	12,444
Estimated closing balance					
as at 30 June 2015	552,785	616,056	-	96,152	1,264,993
Closing balance attributable to the					
Australian Government	552,785	616,056	-	96,152	1,264,993

Prepared on Australian Accounting Standards basis

Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	40,854	47,761	39,382	38,937	39,099
Goods and services	3,255	3,255	3,255	3,255	3,255
Interest	2,833	2,470	2,296	2,352	2,404
Other	4,481	5,539	3,894	3,794	3,794
Total cash received	51,423	59,025	48,827	48,338	48,552
Cash used					
Employees	25,448	25,901	24,861	24,018	24,129
Suppliers	16,460	23,019	13,492	13,606	13,413
Total cash used	41,908	48,920	38,353	37,624	37,542
Net cash from (used by) operating activities	9,515	10,105	10,474	10,714	11,010
INVESTING ACTIVITIES					
Cash received					
Investments	81,500	76,500	66,000	66,000	69,000
Total cash received	81,500	76,500	66,000	66,000	69,000
Cash used					
Purchase of property, plant and equipment	28,650	34,843	16,143	16,153	17,209
Investments	88,500	64,500	67,000	68,000	70,000
Total cash used	117,150	99,343	83,143	84,153	87,209
Net cash from (used by) investing activities	(35,650)	(22,843)	(17,143)	(18,153)	(18,209)

Prepared on Australian Accounting Standards basis

Table continued on next page

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June) (continued)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	25,258	12,444	7,193	7,203	7,559
Total cash received	25,258	12,444	7,193	7,203	7,559
Net cash from (used by) financing activities	25,258	12,444	7,193	7,203	7,559
Net increase (decrease) in cash held	(877)	(294)	524	(236)	360
Cash and cash equivalents at the beginning of the reporting period	2,373	1,496	1,202	1,726	1,490
Cash and cash equivalents at the end of the reporting period	1,496	1,202	1,726	1,490	1,850

Prepared on Australian Accounting Standards basis

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	25,258	12,444	7,193	7,203	7,559
Total capital appropriations	25,258	12,444	7,193	7,203	7,559
Represented by:					
Purchase of non-financial assets	25,258	12,444	7,193	7,203	7,559
Total represented by	25,258	12,444	7,193	7,203	7,559
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^{1,3}	14,196	23,506	7,193	7,203	7,559
Funded internally from departmental resources ¹	14,754	11,637	9,250	9,250	9,950
TOTAL	28,950	35,143	16,443	16,453	17,509
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	28,950	35,143	16,443	16,453	17,509
less Gifted assets	(300)	(300)	(300)	(300)	(300)
Total cash used to acquire assets	28,650	34,843	16,143	16,153	17,209

¹ Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations

² Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB).
- donations and contributions
- gifts
- internally developed assets

³ A movement of capital expenditure for the redevelopment of the First World War Galleries, has been approved by the Minister for Finance

Prepared on Australian Accounting Standards basis

Table 3.2.6: Statement of Asset Movements (2014-15)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural assets	Intangibles Computer Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014						
Gross book value	9,700	131,617	43,712	1,095,494	10,946	1,291,469
Accumulated depreciation/amortisation and impairment	-	(2,454)	(11,519)	(75,591)	(6,023)	(95,587)
Opening net book balance	9,700	129,163	32,193	1,019,903	4,923	1,195,882
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase						
Appropriation - equity ¹	-	-	16,252	7,254	-	23,506
Appropriation - ordinary annual services ²	2,000	3,480	4,220	1,537	100	11,337
Assets received as gifts/donations	-	-	-	300	-	300
Total additions	2,000	3,480	20,472	9,091	100	35,143
Other movements						
Depreciation/amortisation expense	-	(4,887)	(4,563)	(10,348)	(782)	(20,580)
Total other movements	-	(4,887)	(4,563)	(10,348)	(782)	(20,580)
As at 30 June 2015						
Gross book value	11,700	135,097	64,184	1,104,585	11,046	1,326,612
Accumulated depreciation/amortisation and impairment	-	(7,341)	(16,082)	(85,939)	(6,805)	(116,167)
Closing net book balance	11,700	127,756	48,102	1,018,646	4,241	1,210,445

Prepared on Australian Accounting Standards basis

**Estimated operating expenditure in income statement for
heritage and cultural assets**

Operations and Maintenance	336
Preservation and Conservation	17,687
Total operating expenditure on heritage and cultural assets	18,023

¹ "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2014-15, including CDABs.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2014-15 for depreciation / amortisation expenses, DCBs or other operational expenses.

3.2.4 Notes to the Financial Statements

Note 1 – Revenue from government

Revenue from government does not include Heritage and Cultural capital appropriations.

Note 2 – Other Revenue

Other revenue includes sponsorship and donation funds received.

Note 3 – Depreciation and Amortisation

Depreciation expense includes collection depreciation as per the Memorial's depreciation policy.

Note 4 – Investments

The Memorial's investments comprise short-term term deposits held with banks with a variety of maturity dates.

Note 5 – Assets are categorised as follows

	Revised Budget 2013-14 \$'000	Budget 2014-15 \$'000	Forward Estimate 2015-16 \$'000	Forward Estimate 2016-17 \$'000	Forward Estimate 2017-18 \$'000
Written down value					
Land and buildings	138,863	139,456	138,264	136,996	137,805
Infrastructure, plant and equipment	4,621	5,560	5,859	5,799	5,357
Exhibitions	27,572	42,542	42,345	42,492	41,378
Computer software	4,923	4,241	3,752	3,050	2,338
Heritage and cultural assets	1,019,903	1,018,646	1,015,708	1,013,330	1,011,873
Total	1,195,882	1,210,445	1,205,928	1,201,667	1,198,751

Note 6 - Intangibles

This class of assets consists of purchased software.

GLOSSARY

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

Effectiveness indicators	Indicators to assess the degree of success in achieving outcomes. As outcomes are generally long-term in nature, effectiveness indicators often relate to intermediate outcomes (shorter term impacts) below the planned outcomes specified.
Efficiency indicators	Measures the adequacy of an agency's management of its programs and, where applicable, administered items. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items, such as salary payments, as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.
Intermediate outcomes	More specific medium-term impacts (eg trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. See Outcomes.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of programs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between users' expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received for the provision of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund

Glossary

(CRF) that are supported by standing appropriations (*Financial Management and Accountability Act 1997*, ss. 20 and 21). Special accounts allow money in the CRF to be acknowledged as set aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special accounts can only be established by a written determination of the Finance Minister (s. 20 FMA Act) or through an Act of Parliament (referred to in s. 21 of the FMA Act).

Special Appropriations
(including Standing
Appropriations)

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

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