



Budget 2017-18

Portfolio Budget Statements 2017-18 Budget Related Paper No. 1.4B

DEFENCE Portfolio

(Department of Veterans' Affairs)

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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The Hon Dan Tehan MP

Minister for Veterans' Affairs

Minister for Defence Personnel

Minister Assisting the Prime Minister for Cyber Security

Minister Assisting the Prime Minister for the Centenary of ANZAC

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President of the Senate
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Speaker
House of Representatives
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Dear Mr President
Dear Mr Speaker

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

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

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

Yours sincerely

DAN TEHAN

A large, stylized handwritten signature in blue ink, appearing to read 'Dan Tehan', written over the printed name.

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the *2017-18 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities 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) 2017-18 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2017-18 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*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework.

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework

- key components of relevant publications

Portfolio Budget Statements (May)

Portfolio based

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August)

Entity based

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



Annual Performance Statement (October following year)

Entity based

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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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 and Veterans Families Counselling Service
- 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 families/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 Hon Dan Tehan MP was sworn in as the Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of Anzac and Minister for Defence Personnel on 18 February 2016 and re-appointed to these roles following the 2016 Federal election. He is also the Minister Assisting the Prime Minister for Cyber Security.

The Department of Veterans' Affairs

The mission of the Department of Veterans' Affairs (DVA) is to support those who serve or have served in the defence of our nation and commemorate their service and sacrifice. DVA is therefore the primary Government service delivery entity 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.

DVA maintains a network of offices for face-to-face service delivery and is increasingly delivering information and services through other channels. DVA has telephone and online channels, including MyAccount and MyService, as well as the Mental Health portal. DVA's services are being digitised with access for certain claims and updates to personal details already available online. In 2015-16, there were 318,000 online transactions, over 4.5 million website views, 30,000+ myGov authentications, and over 50,000 clients now have a MyAccount.

More services will be offered digitally in future.

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.

Legislative Changes to Support Veterans

Changes to veterans legislation will further improve the efficiency and effectiveness of services delivered by DVA. New legislation has been passed, the Veterans' Affairs Legislation Amendment (Digital Readiness and Other Measures) Act 2017, which allows the DVA Secretary to authorise computer programs for automated decision making.

In addition, the implementation of the proposed *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988 (DRCA)* would provide for a complete separation of the legislative framework for defence-related claims and would provide the Minister for Veterans' Affairs with the responsibility for all three of the separate compensation Acts that cover Defence Force members. To enable this veteran-centric reform to occur, it is essential that policy responsibility for all of the relevant legislation sits with the Minister for Veterans' Affairs. The passage of the DRCA would be a positive change as it would bring all compensation and rehabilitation legislation for ADF members and their families within the Veterans' Affairs portfolio, an important step in ensuring that the unique nature of military service continues to be recognised.

Veterans and Veterans Families Counselling Service

The Veterans and Veterans Families Counselling Services (VVCS) provides free and confidential, nation-wide counselling and support for war and service-related mental health conditions. VVCS is the cornerstone of the Government's veteran mental health support response. VVCS delivers services to over 27,000 members of the veteran and ex-service community and their families annually. VVCS provides individual and family counselling, group programs, complex case coordination and suicide prevention training.

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

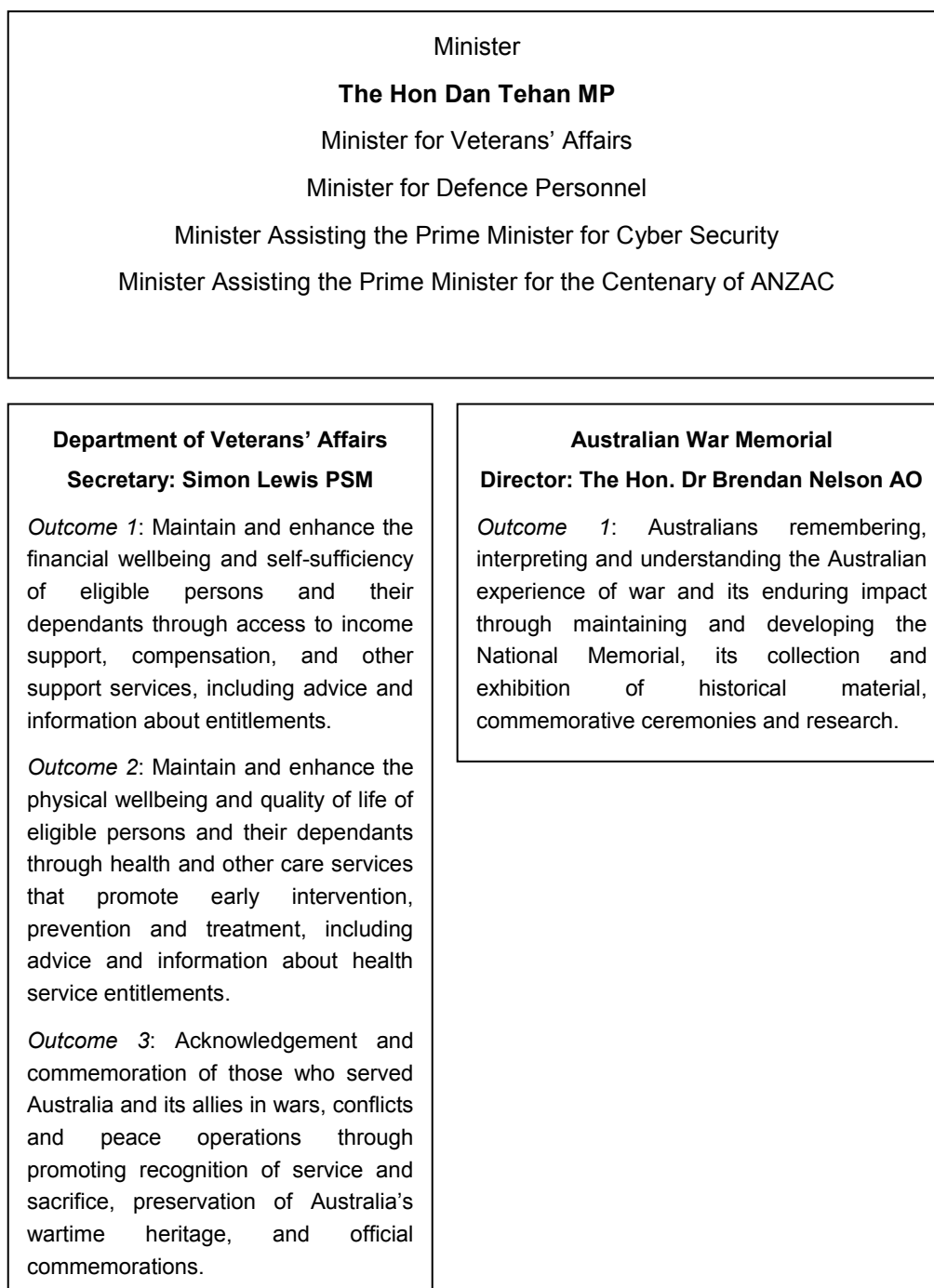
The Specialist Medical Review Council (SMRC) is an independent statutory body established under section 196V of the VEA. It has power, under section 196W of the VEA, to review determinations by the RMA. It does not review individual cases, but rather, examines the evidence upon which the decisions of 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 entity.

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



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DEPARTMENT OF VETERANS' AFFAIRS

ENTITY RESOURCES AND PLANNED PERFORMANCE

DEPARTMENT OF VETERANS' AFFAIRS

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DEPARTMENT OF VETERANS' AFFAIRS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Veterans' Affairs (DVA) exists to serve those who have served this nation, and their families, and has done so for almost a century. To ensure our veterans and their families continue to receive the best possible service and support, the Government is committed to improving access to DVA through ICT modernisation, as well as expanding access to treatment.

The 2017–18 Budget builds on improvements to services, timeliness, responsiveness and connection with veterans and the broader ex-service community, particularly in the priority areas of mental health, effective transition for separating Australian Defence Force (ADF) members, and claims processing. It includes measures that will: enable anyone with one day of service in the full-time ADF to access treatment for all mental health conditions; pilot new approaches to suicide prevention and mental health treatment; progress the Prime Minister's Veterans' Employment Program; provide early access to rehabilitation and financial support; and provide a DVA Repatriation Health Card for All Conditions ('Gold Card') to those who participated in the British Nuclear Test (BNT) program in Australia in the 1950s and 1960s, and Australian veterans who served as part of the British Commonwealth Occupation Force (BCOF).

The Government is committed to ensuring DVA's antiquated ICT systems are modernised in-line with the expectations of the ex-service community. The significant investment provided by the Budget in the first stage of Veteran Centric Reform will see DVA provide easier access to services and to streamline and help early decision making for claims. It will help deliver better support and services for veterans, underpinned by digital access, streamlined processes and modern technology.

In addition, in the 2017–18 Budget the Government is providing funding to help address concerns from the ex-service community, including claims backlogs and the times taken to process claims.

The Government continues to acknowledge and commemorate the service and sacrifice of the men and women who have served Australia and its allies in wars, conflicts and peace operations. The Anzac Centenary and Century of Service programs have provided the overarching commemorative focus since 2014 and will conclude with the commemoration of the 100th anniversary of the Armistice, on Remembrance Day – 11 November 2018.

INCREASED MENTAL HEALTH SUPPORT FOR VETERANS

Mental health remains a high priority for the Government. Evidence has shown that the earlier an individual seeks treatment, the more effective the likely health and other outcomes.

DVA spends around \$191 million a year to provide mental health treatment and services to the veteran community, including online information and support tools, GP services, psychology and social work services, psychiatric services, pharmaceuticals and hospital services. Funding for mental health treatment is demand-driven and not capped.

The Government continues to expand early access to mental health treatment, building on the previous Government decision to provide treatment to current and former permanent ADF members for five mental health conditions. As of 1 March 2018, all current and former members who have served one day in the full-time ADF will have access to treatment for all mental health conditions. Importantly, the mental health condition does not need to be related to their service. This will also include access to the Veterans and Veterans Families Counselling Service (VVCS).

The expansion of conditions that are treated on a non-liability basis will assist in providing better health outcomes for clients and a reduction in the longer term costs of mental health treatment.

VVCS ELIGIBILITY EXPANSION – PARTNERS, FAMILIES AND FORMER PARTNERS

VVCS is the frontline mental health service for the veteran community. It has provided more than 1.6 million counselling sessions to more than 300,000 veterans and family members since the first office opened in Adelaide 35 years ago. It is a vital service that saves lives.

To ensure that future client needs will be met, the Government regularly reviews VVCS eligibility. The Government understands that partners, families and former partners of our veterans are an important part of the ex-service community and that they too are affected by military service. In recognition of this, the eligibility for VVCS will be expanded as part of the 2017–18 Budget.

Any partner, dependant or immediate family member will have access to the services and support provided by VVCS, including counselling and group programs. Former partners of ADF personnel will also be able to access VVCS up to five years after a couple separates or while co-parenting a child under the age of 18.

PILOT NEW APPROACHES TO SUICIDE PREVENTION AND MENTAL HEALTH TREATMENT

Suicide prevention is a high priority for the Government. As the initial step in the Government's response to the National Mental Health Commission's report into suicide prevention services, the 2017–18 Budget provides funding to pilot new approaches to suicide prevention and improve care and support available to veterans.

The pilots will target two different cohorts of veterans – those with severe and complex needs, and those with chronic, but stable, mental and physical health comorbidities. Both pilots will commence implementation in 2017 and conclude by 30 June 2020.

The Mental Health Clinical Management Pilot will assess the benefits of providing intensive case management services to address the client's mental health and social needs following their discharge from a mental health hospital.

A separate pilot project will expand the successful Coordinated Veterans' Care (CVC) program to support veterans with long-term physical and mental health comorbidities as a result of their service.

A robust evaluation framework will be developed to support future consideration for expansion of one or both of these pilots to a larger cohort of eligible veterans.

SUPPORTING VETERANS' EMPLOYMENT

Getting a job is essential to ensuring our veterans make the most successful transition from the ADF. The Government is working with industry to promote the valuable skills former ADF members bring to the civilian workforce, and the benefits of steady employment to their families.

The Prime Minister launched the Veterans' Employment Program on 17 November 2016 to bring together heads of industry, peak bodies, veterans groups and Government Ministers to promote the skills and abilities of veterans and encourage employment opportunities in the private sector.

The 2017-18 Budget will support the recently established Industry Advisory Committee, create an Ex-Service Organisation Industry partnership register and develop and manage the Prime Minister's Veterans' Employment Annual Awards. It is planned that the business community will take over responsibility for part of the program, and the associated costs, over the next two years.

It is anticipated that the promotion of the skills and abilities acquired by ADF personnel during their service will lead to greater recognition by industry of the competitive advantages of employing veterans, and improved rates of veteran employment post-ADF service.

EARLY ACCESS TO REHABILITATION AND FINANCIAL SUPPORT

The 2017-18 Budget provides for a package of initiatives to improve rehabilitation outcomes, streamline access to Incapacity Payments for certain veterans who become unemployed, and amend outdated legislation relating to Special and Intermediate Rates of Disability Pensions under the *Veterans' Entitlements Act 1986* (VEA).

The Accelerated Access to Rehabilitation pilot will provide early access to the DVA Rehabilitation Program for current and former ADF members. The pilot will allow a professional assessment and, where appropriate, early commencement of identified rehabilitation activities to minimise the effects of a veteran's injuries and illness while waiting for resolution of their claim for compensation.

The Government will streamline access to Incapacity Payments to provide targeted ongoing support to veterans who are vulnerable to financial and employment insecurity due to the episodic nature of their mental health conditions. The support will include streamlined access to incapacity for work payments should a return to work prove challenging, and provide early rehabilitation assistance when veterans find themselves in and out of employment.

The Government is also amending the work history restrictions for Special and Intermediate Rates of Disability Pensions to better reflect the modern work environment. The work history restrictions currently require clients who are over 65 years of age at date of applying to have been employed by the same employer for 10 years or more. This initiative amends the outdated eligibility criteria to include any employment for a minimum of 10 continuous years.

RETAIN INCOME SUPPORT BONUS FOR DVA CLIENTS

The Government is committed to supporting the children of veterans to continue their education. Accordingly, the Budget retains the Income Support Bonus (ISB) for DVA clients. Eligible children may be paid the ISB if they receive certain education allowances under either the Veterans' Children Education Scheme, or the Military Rehabilitation and Compensation Act Education and Training Scheme.

SUPPORTING BNT AND BCOF VETERANS

The Government has listened to the concerns of the ex-service community and is providing veterans and civilians involved in the BNT program and BCOF veterans with a Gold Card from 1 July 2017.

The Gold Card will be provided under the *Australian Participants in British Nuclear Tests (Treatment) Act 2006* (BNT Act), and will effectively extend non-liability treatment eligibility already available to BNT participants under the BNT Act for cancer testing and cover treatment for all conditions. The Gold Card for BCOF veterans will also be provided under the BNT Act, which will be renamed to recognise its expanded coverage.

The approximately 1,800 surviving participants of the BNT program and approximately 1,100 surviving veterans who served as part of the BCOF will be able to access treatment for any condition under DVA arrangements, whether service-related or not.

TRANSFORMATION – VETERAN CENTRIC REFORM

The Government is making a significant investment in transforming veteran services.

As part of the 2017–18 Budget, the Government is investing in Veteran Centric Reform to provide the veteran community with a greater standard of service through reform of business processes and culture, identification and implementation of government-endorsed best practice service options and targeted ICT redevelopment.

The new ICT systems will leverage the Department of Human Services' ICT capabilities, particularly the improvements driven by the Welfare Payment Infrastructure Transformation program and other relevant government ICT programs.

In addition, the Government is providing funding to mitigate the cyber security risk to the records and systems supporting services to our veterans and their families.

SUPPORTING VETERAN CENTRIC REFORM THROUGH PROACTIVE INTERVENTIONS INITIATIVES

The Government is providing funding to implement a suite of proactive interventions to deliver targeted assistance that will support veterans to lead healthy and productive lives. The suite of proactive interventions includes:

- analysing the services veterans access through the Department, from car bookings through to health and rehabilitation services, to gain more meaningful insights into the needs of our clients
- identifying common themes across client groups and proactively changing support arrangements to meet their needs
- applying behavioural economics approaches across our business to ensure the programs we provide are best practice
- conducting a trial that will see medical treatment provided from the time a claim is submitted, rather than from the date a claim is approved.

ONGOING SUPPORT FOR THE ANZAC CENTENARY – CENTURY OF SERVICE

The Government will continue to acknowledge and commemorate the service and sacrifice of the men and women who served Australia and its allies in wars, conflicts and peace operations. The Anzac Centenary and Century of Service commemorative programs conclude in November 2018.

The centrepiece of the last stage of the Anzac Centenary period will be the commemoration of the 100th anniversary of the Armistice, on Remembrance Day – 11 November 2018, at the Australian National Memorial at Villers-Bretonneux in France.

The centenary of the Armistice provides a focal point for the conclusion of the Anzac Centenary, just as the 2014 centenary of the departure of the first convoy of Australian and New Zealand troops leaving from Albany in Western Australia, with many never seeing Australia again, was a moving starting point.

From key domestic commemorations and events across Australia, and international services around the world, the Anzac Centenary period has been one of the most important periods of commemoration in our nation's history.

The 100th anniversary of the Gallipoli landings on Anzac Day 2015, with unprecedented public and media interest, was the first of a series of moving international commemorations that have included the 100th anniversaries of the Battles of Fromelles, Pozieres, and Bullecourt on the Western Front. Further centenaries of the Battles of Polygon Wood, Beersheba (in Israel), Villers-Bretonneux and Hamel are planned until the end of 2018.

A key milestone in the Anzac Centenary period will be the opening of the Sir John Monash Centre at Villers-Bretonneux in France in April 2018. The new, state of the art interpretive centre will tell the story of Australia's involvement on the Western Front during the First World War. The Centre will be a focal point and complement other museums and memorials on the Australian Remembrance Trail, which highlights significant sites along the Western Front through France and Belgium that help visitors appreciate and interpret Australia's contribution to the Allied war effort.

The changing security environment in Europe and the Middle East has resulted in a greater focus for the Belgian, French, Israeli and Turkish governments on enhanced security measures for public events. Although DVA was funded in the 2016 Budget for improved security measures at the time for countries in which commemorative services are held, additional funds are required to ensure appropriate measures are in place.

The last stage of the Anzac Centenary provides an opportunity for enhancements to social media projects, through the Anzac Portal, to promote community engagement, support online learning and encourage the collection of a community record of Anzac Centenary and Century of Service commemorations as a national legacy.

The Government is also providing local communities and cultural institutions with funding through a targeted community grants program to commemorate the end of the First World War, remember Australian servicemen and women from all conflicts.

The Government will continue to support specified travel arrangements for Victoria Cross (VC) recipients, partners and dependants to attend commemorative events and related activities in the public interest.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Veterans' Affairs resource statement – Budget estimates for 2017-18 as at Budget May 2017

	2016-17 <i>Estimated Actual</i> \$'000	2017-18 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services ^(a)		
Prior year departmental appropriation ^(b)	29,832	22,440
Departmental appropriation	306,494	366,349
s74 Retained Revenue Receipts ^(c)	6,659	6,905
Departmental Capital Budget ^(d)	13,282	13,634
Annual appropriations - other services - non-operating ^(e)		
Equity injections	19,562	9,336
Total departmental annual appropriations	375,829	418,664
Special Accounts ^(f)		
Opening balance	2,171	2,391
Appropriation Receipts ^(g)	120	120
Non-Appropriation receipts	47,000	48,000
Total Special Accounts	49,291	50,511
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	120	120
Total departmental resourcing	425,000	469,055
Administered		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	49,972	50,230
Outcome 2	8,614	9,959
Outcome 3	48,950	53,437
Payments to corporate entities ^(h)	42,699	47,389
Annual appropriations - other services - non-operating ^(e)		
Payments to corporate entities - non-operating ^(h)	7,154	8,980
Total administered annual appropriations	157,389	169,995

Continued on next page

Table 1.1: Department of Veterans' Affairs Resource statement – Budget estimates for 2017-18 as at Budget May 2017 (continued)

	2016-17 <i>Estimated Actual</i> \$'000	2017-18 Estimate \$'000
Special appropriations		
Outcome 1		
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>	12	14
<i>Veterans' Entitlements Act 1986 (VEA)</i>	5,399,126	5,134,325
<i>Compensation (Japanese Internment) Act 2001</i>	25	25
<i>Defence Service Homes Act 1918</i>	909	758
<i>Safety, Rehabilitation and Compensation Act 1988</i>	139,123	140,837
<i>Military Rehabilitation and Compensation Act 2004</i>	336,584	330,071
Total Outcome 1	5,875,779	5,606,030
Outcome 2		
<i>Veterans' Entitlements Act 1986 (VEA)</i>	4,631,628	4,558,516
<i>Safety, Rehabilitation and Compensation Act 1988</i>	45,041	40,714
<i>Military Rehabilitation and Compensation Act 2004</i>	78,680	77,538
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	358	49,008
<i>Public Governance, Performance and Accountability Act 2013 - s77 Repayments</i>	5	5
Total Outcome 2	4,755,712	4,725,781
Total administered special appropriations	10,631,491	10,331,811
<i>less payments to corporate entities from annual/special appropriations</i>	49,853	56,369
Total administered resourcing	10,739,027	10,445,437
Total resourcing for DVA	11,164,027	10,914,492

	2016-17	2017-18
Average staffing level	1,896	1,853

Prepared on a resourcing basis

- (a) Appropriation Bill (No. 1) 2017-18.
- (b) Estimated adjusted balance carried from previous year for annual appropriations.
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2017-18.
- (f) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Appropriation receipts credited into DSHIS special account included in total departmental appropriation.
- (h) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

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Table 1.1: Department of Veterans' Affairs Resource statement – Budget estimates for 2017-18 as at Budget May 2017 (continued)**Third party payments from and on behalf of other entities**

	2016-17 \$'000	2017-18 \$'000
Receipts received from the Department of Defence for the provision of services	7,846	8,282
Payments made to corporate entities within the Portfolio		
Australian War Memorial - Bill 1	42,699	47,389
Australian War Memorial - Bill 2	7,154	8,980
Payments made on behalf of Department of Social Services		
<i>Social Security (Administration) Act 1999</i>	49,910	47,836
Payments made on behalf of Department of Social Services		
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	1,161	1,158
Payments made on behalf of Department of Social Services for the provision of services	156	148
Payments made by the Department of Human Services (DHS) on behalf of DVA		
<i>Veterans' Entitlements Act 1986,</i>	3,492,278	3,422,952
<i>Military Rehabilitation and Compensation Act 2004, and</i>	51,331	60,529
<i>Safety, Rehabilitation and Compensation Act 1988</i>	12,668	12,375
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	358	377
Payments made to DHS for processing payment of health care provider treatment accounts and the provision of IT services.	29,674	27,260

1.3 BUDGET MEASURES

Budget measures in Part 1 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 2017-18 Budget measures
Part 1: Measures announced since the 2016-17 Mid-Year Economic Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
Outcome 1						
Energy Assistance Payment ^(a)	1.1					
Administered expenses		17,397	—	—	—	—
Departmental expenses		—	292	—	—	—
Total		17,397	292	—	—	—
Improved Access to Health Care for Australian Participants of British Nuclear Tests and Veterans of the British Commonwealth Occupation Force	1.1					
Administered expenses		—	282	243	210	180
Total		—	282	243	210	180
Increasing Veterans' Workforce Participation	1.2					
Administered expenses		—	17	285	675	1,125
Total		—	17	285	675	1,125
Mental Health Treatment for Current and Former Members of the Australian Defence Force - expanded access	1.2					
Administered expenses		—	55	479	772	1,052
Total		—	55	479	772	1,052
Working Age Payments Reforms ^(a)	1.3					
Departmental expenses		—	—	361	104	13
Total		—	—	361	104	13

Continued on next page

Table 1.2: Department of Veterans' Affairs 2017-18 Budget measures (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
Outcome 1						
Income Support Bonus - continuation	1.5					
Administered expenses		134	262	256	253	250
Total		134	262	256	253	250
Total Outcome 1						
Administered expenses		17,531	616	1,263	1,910	2,607
Departmental expenses		–	292	361	104	13
Total		17,531	908	1,624	2,014	2,620
Outcome 2						
National Cancer Screening Register - transition arrangements ^(b)	2.1					
Administered expenses		18	(49)	–	–	74
Total		18	(49)	–	–	74
Guaranteeing Medicare: - Medicare Benefits Schedule - indexation ^(b)	2.1					
Administered expenses		–	279	5,553	14,142	22,398
Total		–	279	5,553	14,142	22,398
- Medicare Benefits Schedule - new and amended listings ^(b)	2.1					
Administered expenses		–	17	32	39	47
Total		–	17	32	39	47
Suicide Prevention Pilots	2.1 & 2.2					
Administered expenses		–	1,346	4,321	4,154	–
Total		–	1,346	4,321	4,154	–
Mental Health Treatment for Current and Former Members of the Australian Defence Force - expanded access	2.1, 2.4 & 2.5					
Administered expenses		–	4,013	11,248	12,592	12,366
Departmental expenses		–	496	1,025	747	604
Total		–	4,509	12,273	13,339	12,970

Continued on next page

Table 1.2: Department of Veterans' Affairs 2017-18 Budget measures (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
Outcome 2						
Department of Veterans' Affairs - Improved Health Care Arrangements	2.2					
Administered expenses		(2,491)	(26,694)	(36,787)	(47,866)	(57,154)
Total		(2,491)	(26,694)	(36,787)	(47,866)	(57,154)
Improving Access to Medicines: - cheaper medicines ^(b)	2.3					
Administered expenses		—	(639)	(9,149)	(8,786)	(8,957)
Total		—	(639)	(9,149)	(8,786)	(8,957)
- Pharmaceutical Benefits Scheme - new and amended listings ^(b)	2.1 & 2.3					
Administered expenses		588	4,572	5,675	6,696	7,242
Total		588	4,572	5,675	6,696	7,242
- Pharmaceutical Benefits Scheme - price amendments ^(b)	2.3					
Administered expenses		(134)	(560)	(549)	(513)	(474)
Total		(134)	(560)	(549)	(513)	(474)
- support for community pharmacies ^(b)	2.3					
Administered expenses		—	1,710	1,684	1,453	—
Total		—	1,710	1,684	1,453	—

Continued on next page

Table 1.2: Department of Veterans' Affairs 2017-18 Budget measures (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
Outcome 2						
Unlegislated Budget Repair Measures - not proceeding ^(b)	2.3					
Administered expenses		–	3,536	3,765	3,761	3,756
Total		–	3,536	3,765	3,761	3,756
Repatriation Pharmaceutical Benefits Scheme - new listings and price amendments	2.3					
Administered expenses		–	154	139	133	127
Total		–	154	139	133	127
Improved Access to Health Care for Australian Participants of British Nuclear Tests and Veterans of the British Commonwealth Occupation Force	2.4 & 2.5					
Administered expenses		–	71,531	64,640	57,597	50,464
Departmental expenses		–	1,152	28	28	29
Total		–	72,683	64,668	57,625	50,493
Veterans and Veterans' Families Counselling Service - expansion	2.5					
Administered expenses		–	1,947	2,053	2,243	2,279
Total		–	1,947	2,053	2,243	2,279
Increasing Veterans' Workforce Participation	2.6					
Administered expenses		–	301	1,598	2,479	2,608
Total		–	301	1,598	2,479	2,608
Total Outcome 2						
Administered expenses		(2,019)	61,464	54,223	48,124	34,776
Departmental expenses		–	1,648	1,053	775	633
Total		(2,019)	63,112	55,276	48,899	35,409

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Table 1.2: Department of Veterans' Affairs 2017-18 Budget measures (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
Outcome 3						
ANZAC Centenary Program - additional funding	3.2					
Administered expenses		–	11,220	8,282	–	–
Departmental expenses		–	52	70	–	–
Total		–	11,272	8,352	–	–
Total Outcome 3						
Administered expenses		–	11,220	8,282	–	–
Departmental expenses		–	52	70	–	–
Total		–	11,272	8,352	–	–
All Outcomes						
Department of Veterans' Affairs - improving claims processing	All					
Departmental expenses		–	13,476	–	–	–
Total		–	13,476	–	–	–
Supporting Veterans' Employment Opportunities	All					
Departmental expenses		–	1,201	526	114	98
Total		–	1,201	526	114	98
Veteran Centric Reform	All					
Administered expenses		–	5,502	6,282	–	–
Departmental expenses		–	66,699	8,757	4,178	4,230
Total		–	72,201	15,039	4,178	4,230

Continued on next page

Table 1.2: Department of Veterans' Affairs 2017-18 Budget measures (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
All Outcomes						
Public Service Modernisation Fund - transformation and innovation stream ^(c)	All					
Departmental expenses		—	—	—	—	—
Total Outcome All						
Administered expenses		—	5,502	6,282	—	—
Departmental expenses		—	81,376	9,283	4,292	4,328
Total		—	86,878	15,565	4,292	4,328
Total expense measures						
Administered		15,512	78,802	70,050	50,034	37,383
Departmental		—	83,368	10,767	5,171	4,974
Total		15,512	162,170	80,817	55,205	42,357
Capital Measures						
Improved Access to Health Care for Australian Participants of British Nuclear Tests and Veterans of the British Commonwealth Occupation Force	1.1, 2.4 & 2.5					
Departmental Capital		—	1,944	—	—	—
Total		—	1,944	—	—	—
Energy Assistance Payment ^(a)	1.1					
Departmental Capital		—	288	—	—	—
Total		—	288	—	—	—
Mental Health Treatment for Current and Former Members of the Australian Defence Force - expanded access	2.1, 2.4 & 2.5					
Departmental Capital		—	675	387	—	—
Total		—	675	387	—	—

Continued on next page

Table 1.2: Department of Veterans' Affairs 2017-18 Budget measures (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Capital Measures						
Working Age Payments Reforms ^(a)	All					
Departmental Capital		–	–	630	171	–
Total		–	–	630	171	–
Veteran Centric Reform	All					
Departmental Capital		–	1,352	969	26	–
Total		–	1,352	969	26	–
Supporting Veterans' Employment Opportunities	All					
Departmental Capital		–	778	–	–	–
Total		–	778	–	–	–
Public Service Modernisation Fund - transformation and innovation stream ^(c)	All					
Departmental Capital		–	–	–	–	–
Total Capital Measures						
Departmental		–	5,037	1,986	197	–
Total		–	5,037	1,986	197	–

Prepared on a Government Finance Statistics (fiscal) basis.

- (a) The lead entity for this measure is the Department of Social Services (DSS). The full measure description and package details appear in BP2 under the DSS Portfolio.
- (b) The lead entity for this measure is the Department of Health (DoH). The full measure description and package details appear in BP2 under the DoH Portfolio.
- (c) The financial impact of the Modernisation Fund Budget Measure for DVA (in \$'000) is an increase in expense funds of \$4,269 in 2017-18. There is also an increase in capital funds of \$743 in 2017-18.

1.4 CHANGES TO THE OUTCOME AND PROGRAM STRUCTURE

Since the 2016-17 Budget, Outcome 3 programs have been restructured so that the functions within each program are more clearly defined.

The previous structure consisted of:

- Program 3.1: War Graves and Commemorations; and
- Program 3.2: Gallipoli-related Activities

The new structure consists of

- Program 3.1: War Graves; and
- Program 3.2: Commemorative Activities

Figure 2: Transition Table: Outcome 3

2016-17 Portfolio Budget Statements	2017-18 Portfolio Budget Statements
Program 3.1: War Graves and Commemorations	Program 3.1: War Graves
Appropriation Bill No. 1 & 3 War graves care & maintenance OAWG refurbishment, reconstruction & relocation Compensation and legal expenses Veterans' commemorative activities Special Account Expenses Australians at War Services for Other Entities and Trust Moneys Anzac Centenary Public Fund	Appropriation Bill No. 1 & 3 War graves care & maintenance OAWG refurbishment, reconstruction & relocation Compensation and legal expenses Special Account Expenses Services for Other Entities and Trust Moneys
Program 3.2: Gallipoli-related Activities	Program 3.2: Commemorative Activities
Appropriation Bill No. 1 & 3 Gallipoli related-activities	Appropriation Bill No. 1 & 3 Veterans' commemorative activities Gallipoli related-activities Special Account Expenses Australians at War Anzac Centenary Public Fund

Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Department of Veterans' Affairs can be found at:

<http://www.dva.gov.au/about-dva/publications/corporate/corporate-plan>

The most recent annual performance statement can be found at:

http://www.dva.gov.au/sites/default/files/files/about%20dva/annual_report/2015-2016/perfstat.pdf

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of

Linked programs

Department of Human Services
<ul style="list-style-type: none"> • Program 1.1 – Services to the Community – Social Security and Welfare
Department of Social Services
<ul style="list-style-type: none"> • Program 1.6 – Income Support for Seniors • Program 1.7 – Allowances and Concessions for Seniors
Contribution to Outcome 1 made by linked programs Outcome 1 contributes to the linked programs above by the provision of services and payments on behalf of entities listed

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Veterans' Income Support and Allowances					
Administered Expenses					
Special Appropriations	2,321,941	2,164,222	2,103,418	2,077,876	2,047,567
Administered total	2,321,941	2,164,222	2,103,418	2,077,876	2,047,567
Departmental Expenses					
Departmental appropriation ¹	89,792	106,562	81,753	79,652	80,060
Expenses not requiring appropriation in the Budget year ²	11,349	11,102	10,604	9,871	9,648
Departmental total	101,141	117,664	92,357	89,523	89,708
Total expenses for program 1.1	2,423,082	2,281,886	2,195,775	2,167,399	2,137,275
Program 1.2: Veterans' Disability Support					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	18,080	17,640	19,766	19,705	20,130
Special Appropriations	1,520,790	1,519,168	1,527,026	1,543,693	1,571,295
Administered total	1,538,870	1,536,808	1,546,792	1,563,398	1,591,425
Departmental Expenses					
Departmental appropriation ¹	41,694	49,480	37,960	36,985	37,176
Expenses not requiring appropriation in the Budget year ²	3,658	3,578	3,418	3,180	3,109
Departmental total	45,352	53,058	41,378	40,165	40,285
Total expenses for program 1.2	1,584,222	1,589,866	1,588,170	1,603,563	1,631,710
Program 1.3: Assistance to Defence Widow/ers and Dependants					
Administered Expenses					
Special Appropriations	1,559,435	1,444,602	1,338,781	1,219,984	1,169,616
Administered total	1,559,435	1,444,602	1,338,781	1,219,984	1,169,616
Departmental Expenses					
Departmental appropriation ¹	14,390	17,077	13,102	12,765	12,831
Expenses not requiring appropriation in the Budget year ²	1,527	1,494	1,427	1,327	1,298
Departmental total	15,917	18,571	14,529	14,092	14,129
Total expenses for program 1.3	1,575,352	1,463,173	1,353,310	1,234,076	1,183,745

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Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1:					
Program 1.4: Assistance and Other Compensation for Veterans and Dependents					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	8,102	8,116	8,092	8,682	8,882
Special Appropriations	13,686	11,532	9,603	7,861	6,273
Administered total	21,788	19,648	17,695	16,543	15,155
Departmental Expenses					
Departmental appropriation ¹	14,799	17,562	13,473	13,127	13,195
Expenses not requiring appropriation in the Budget year ²	1,033	1,010	964	897	878
Special Accounts ³	37,577	35,583	36,083	36,583	37,083
Departmental total	53,409	54,155	50,520	50,607	51,156
Total expenses for program 1.4	75,197	73,803	68,215	67,150	66,311
Program 1.5: Veterans' Children Education Scheme					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	15,542	16,073	16,022	14,795	15,360
Administered total	15,542	16,073	16,022	14,795	15,360
Departmental Expenses					
Departmental appropriation ¹	4,996	5,928	4,548	4,432	4,454
Expenses not requiring appropriation in the Budget year ²	608	595	568	528	517
Departmental total	5,604	6,523	5,116	4,960	4,971
Total expenses for program 1.5	21,146	22,596	21,138	19,755	20,331
Program 1.6: Military Rehabilitation and Compensation Acts Payments - Income Support and Compensation					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	8,441	8,438	8,894	9,529	9,899
Special Appropriations	476,825	472,134	462,012	461,599	470,918
Special Accounts	258	605	360	60	152
Administered total	485,524	481,177	471,266	471,188	480,969
Departmental Expenses					
Departmental appropriation ¹	30,037	35,647	27,347	26,645	26,782
Expenses not requiring appropriation in the Budget year ²	1,868	1,827	1,745	1,624	1,587
Departmental total	31,905	37,474	29,092	28,269	28,369
Total expenses for program 1.6	517,429	518,651	500,358	499,457	509,338

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Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 1:					
Program 1.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Income Support and Compensation					
Administered Expenses					
Expenses not requiring appropriation in the Budget year	265,500	287,000	294,300	302,100	313,700
Administered total	265,500	287,000	294,300	302,100	313,700
Total expenses for program 1.7	265,500	287,000	294,300	302,100	313,700
Outcome 1 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	50,165	50,267	52,774	52,711	54,271
Special Appropriations	5,892,677	5,611,658	5,440,840	5,311,013	5,265,669
Special Accounts	258	605	360	60	152
Expenses not requiring appropriation in the Budget year	265,500	287,000	294,300	302,100	313,700
Administered total	6,208,600	5,949,530	5,788,274	5,665,884	5,633,792
Departmental Expenses					
Departmental appropriation ¹	195,708	232,256	178,183	173,606	174,498
Expenses not requiring appropriation in the Budget year ²	20,043	19,606	18,726	17,427	17,037
Special Accounts ³	37,577	35,583	36,083	36,583	37,083
Departmental total	253,328	287,445	232,992	227,616	228,618
Total Expenses for Outcome 1	6,461,928	6,236,975	6,021,266	5,893,500	5,862,410

	2016-17	2017-18
Average Staffing Level (number)	1,167	1,139

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (\$74)'.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and Australian Taxation Office data matching services.
3. DSHIS expenses.

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

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

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Income support pensions	2,317,557	2,159,894	2,099,142	2,073,656	2,043,397
Other allowances	4,384	4,328	4,276	4,220	4,170
Program support	89,792	106,562	81,753	79,652	80,060
Expenses not requiring appropriation in the Budget year	11,349	11,102	10,604	9,871	9,648
Total program expenses	2,423,082	2,281,886	2,195,775	2,167,399	2,137,275

Program 1.2: Veterans' Disability Support

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Annual Administered Expenses:					
Appropriation Bill No. 1 & 3					
Medical examinations, fares and expenses	17,142	16,771	18,940	18,951	19,426
Vehicle Assistance Scheme	938	869	826	754	704
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Disability pensions	1,518,739	1,517,245	1,525,215	1,541,885	1,569,409
Loss of earnings	425	413	392	402	419
Recreation transport allowance	1,626	1,510	1,419	1,406	1,467
Program support	41,694	49,480	37,960	36,985	37,176
Expenses not requiring appropriation in the Budget year	3,658	3,578	3,418	3,180	3,109
Total program expenses	1,584,222	1,589,866	1,588,170	1,603,563	1,631,710

Program 1.3: Assistance to Defence Widow/ers and Dependants

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
War & Defence Widows pension	1,559,435	1,444,602	1,338,781	1,219,984	1,169,616
Program support	14,390	17,077	13,102	12,765	12,831
Expenses not requiring appropriation in the Budget year	1,527	1,494	1,427	1,327	1,298
Total program expenses	1,575,352	1,463,173	1,353,310	1,234,076	1,183,745

Program 1.4: Assistance and Other Compensation for Veterans and Dependants

	2016-17	2017-18	2018-19	2019-20	2020-21
	Estimated	Budget	Forward	Forward	Forward
\$('000)	actual		estimate	estimate	estimate
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Compensation and Legal Expenses	1,609	1,630	1,620	1,755	1,796
Defective Administration	249	247	246	255	260
Payments to ESOs (BEST & TIP)	5,068	5,045	5,034	5,420	5,544
Veterans' Access to Community Information	1,115	1,131	1,127	1,185	1,212
Act of Grace	61	63	65	67	70
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Funeral benefits	8,280	7,123	5,992	4,887	3,808
POW (E)	3,875	3,085	2,456	1,955	1,557
Compensation payments for BCAL veterans	585	527	478	436	400
<i>Compensation (Japanese Internment) Act 2001</i>					
POW (J)	25	25	25	25	25
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i>					
PNG pensions	12	14	14	15	15
<i>Defence Service Homes Act 1918</i>					
Interest subsidy	909	758	638	543	468
Special Account expenses:					
DSHIS	37,577	35,583	36,083	36,583	37,083
Program support	14,799	17,562	13,473	13,127	13,195
Expenses not requiring appropriation in the Budget year	1,033	1,010	964	897	878
Total program expenses	75,197	73,803	68,215	67,150	66,311

Program 1.5: Veterans' Children Education Scheme

	2016-17	2017-18	2018-19	2019-20	2020-21
	Estimated	Budget	Forward	Forward	Forward
\$('000)	actual		estimate	estimate	estimate
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Veterans' Children Education Scheme	15,542	16,073	16,022	14,795	15,360
Program support	4,996	5,928	4,548	4,432	4,454
Expenses not requiring appropriation in the Budget year	608	595	568	528	517
Total program expenses	21,146	22,596	21,138	19,755	20,331

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Other income support and compensation-related payments - SRCA	3,726	3,973	4,222	4,507	4,702
Other income support and compensation-related payments - MRCA	4,715	4,465	4,672	5,022	5,197
Special Appropriations:					
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Permanent impairment	48,767	45,756	39,116	37,015	35,706
Benefits for eligible dependants	16,404	15,647	14,684	13,685	14,302
Incapacity payments	67,435	67,601	68,257	68,683	72,298
Medical examinations	4,291	4,179	3,972	3,870	3,559
Death payments	2,319	2,378	2,365	2,468	2,578
Other income support and compensation-related payments	332	5,841	6,619	347	362
<i>Military Rehabilitation and Compensation Act 2004</i>					
Permanent impairment	192,344	179,581	161,358	154,754	147,998
Benefits for eligible dependants	12,900	11,003	10,638	9,705	9,653
Income maintenance payments	118,930	126,308	140,745	156,527	169,313
Medical examinations	12,722	13,367	13,764	14,022	14,602
Other income support and compensation-related payments	381	473	494	523	547
Special Account Expenses:					
Military death claim compensation	258	605	360	60	152
Program support	30,037	35,647	27,347	26,645	26,782
Expenses not requiring appropriation in the Budget year	1,868	1,827	1,745	1,624	1,587
Total program expenses	517,429	518,651	500,358	499,457	509,338

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Administered Expenses:					
Expenses not requiring appropriation in the Budget year	265,500	287,000	294,300	302,100	313,700
Total program expenses	265,500	287,000	294,300	302,100	313,700

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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.			
Program 1.1 – To deliver means tested income support pensions and other allowances to eligible veterans and dependants under the <i>Veterans' Entitlements Act 1986</i> and related legislation. As an agent of Department of Social Services pay other forms of income support to eligible veterans, members and former members of the Defence Force and Peacekeeping Force. Income support payments provide a regular source of income for eligible veterans, partners, widow/ers, and other eligible people with limited means.			
Delivery	Deliver means tested income support pensions and other allowances to veterans under the <i>Veterans' Entitlement Act 1986</i> and related legislation, by: <ul style="list-style-type: none">• Processing new claims for income support pensions to eligible veterans and dependants;• Processing claims for Commonwealth Seniors Health Card and the DVA Health Card – For Pharmaceutical Only (Orange Card);• Processing claims to determine qualifying service;• Processing aged care means test assessments; and• Processing departmental and pensioner-initiated reviews.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<i>Timeliness:</i> Mean time to process new claims (days)	32	30
	<i>Timeliness:</i> Mean time to process pensioner initiated reviews (days)	14	16
	<i>Price:</i> Cost per income support client	\$269	\$292
	<i>Quality:</i> Critical error rate for income support processing	<5%	3%
	<i>Measurement:</i> The number of days within which 50% of cases will be processed (days)	New claims: 30	13
		Pensioner initiated reviews: 10	6
	<i>Quality:</i> Correctness rate	>95%	97%
2017-18	<i>Measurement:</i> The number of days within which 50% of cases will be processed (days) <i>Quality:</i> Correctness rate	New claims: 30 Pensioner initiated reviews: 10 >95%	
2018-19 and forward estimates	<i>Measurement:</i> The number of days within which 50% of cases will be processed (days) <i>Quality:</i> Correctness rate	New claims: 30 Pensioner initiated reviews: 10 >95%	
Purposes (b)	Provide income support to eligible persons and their dependants		

Program 1.2 – 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 program 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.

Delivery	Deliver disability pensions and related allowances to veterans under the <i>Veterans' Entitlements Act 1986</i> and related legislation by: <ul style="list-style-type: none"> • Processing new claims for the disability pension; • Processing applications for assessments of disability pension rates; • Processing applications for Loss of Earnings and Recreation Allowance; • Processing repayments of medical transport and maintenance deductions; and • Processing applications for Vehicle Assistance.
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Performance information

Year	Performance criteria (a)	Targets	Forecasts
2016-17	<i>Timeliness:</i> Mean number of days to process a primary claim (days)	75	72
	<i>Timeliness:</i> Mean number of days to prepare s. 31 review (days)	40	30
	<i>Price:</i> Average cost per disability pensioner	\$449	\$473
	<i>Quality:</i> Critical errors	<5%	3%
	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	100	67
	<i>Quality:</i> Correctness rate	>95%	97%
2017-18	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	100	
	<i>Quality:</i> Correctness rate	>95%	
2018-19 and forward estimates	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	100	
	<i>Quality:</i> Correctness rate	>95%	
Purposes (b)	Provide compensation to eligible persons		

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Program 1.3 – Deliver war widow/ers and Defence pensions, allowances and special purpose assistance to the dependants of veterans under the <i>Veterans' Entitlements Act 1986</i> and related legislation including the payment of war widow/ers claims for compensation.			
Delivery	Deliver pensions, allowances and other support to war and Defence widow/ers under the <i>Veterans' Entitlements Act 1986</i> and related legislation, by processing new claims for the war widow/ers and other dependants' pension.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<i>Timeliness:</i> Mean number of days to process a primary claim	75	50
	<i>Timeliness:</i> Mean number of days to prepare an S.31 review	40	18
	<i>Price:</i> Cost per war widow/ers pensioner client	\$164	\$171
	<i>Quality:</i> Critical errors	<5%	<5%
	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	30	30
	<i>Quality:</i> Correctness rate	>95%	>95%
2017-18	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	30	
	<i>Quality:</i> Correctness rate	>95%	
2018-19 and forward estimates	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	30	
	<i>Quality:</i> Correctness rate	>95%	
Purposes (b)	Provide compensation to eligible dependants		

Program 1.4 – To deliver other allowances and assistance to eligible veterans and dependants under the <i>Veterans’ Entitlements Act 1986</i> 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).			
Delivery	To deliver other allowances and assistance to eligible veterans and dependants under the <i>Veterans’ Entitlements Act 1986</i> and related legislation, by: <ul style="list-style-type: none">• Processing funeral benefit claims;• Processing claims for and maintain housing loans;• Providing grants funding to eligible ESOs for provision of services to support the veteran community; and• Providing ESO representatives with essential skills for pension and compensation claims and welfare work.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Funeral Benefits <i>Timeliness:</i> Mean time to process funeral benefits claims (days) <i>Quality:</i> Critical errors Defence Home Loans <i>Timeliness:</i> Mean time to process subsidy (days) <i>Quality:</i> Critical errors	10 <5% 18 <5%	6 2% 4 0%
	Funeral Benefits <i>Measurement:</i> The number of days within which 50% of claims will be processed (days) <i>Quality:</i> Correctness rate Defence Home Loans <i>Measurement:</i> The number of days within which 50% of claims will be finalised (days) <i>Quality:</i> Correctness rate	10 >95% 18 >95%	1 98% 2 100%
2017-18	Funeral Benefits <i>Measurement:</i> The number of days within which 50% of claims will be processed (days) <i>Quality:</i> Correctness rate Defence Home Loans <i>Measurement:</i> The number of days within which 50% of claims will be finalised (days) <i>Quality:</i> Correctness rate	10 >95% 18 >95%	
2018-19 and forward estimates	Funeral Benefits <i>Measurement:</i> The number of days within which 50% of claims will be processed (days) <i>Quality:</i> Correctness rate Defence Home Loans <i>Measurement:</i> The number of days within which 50% of claims will be finalised (days) <i>Quality:</i> Correctness rate	10 >95% 18 >95%	
Purposes (b)	Provide allowances and assistance to eligible persons and their dependents		

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Program 1.5 – To deliver financial assistance to eligible students under the <i>Veterans’ Entitlements Act 1986</i> Veterans’ Children Education Scheme (VCES) and the <i>Military Rehabilitation and Compensation Act 2004</i> Education and Training Scheme (MRCAETS) to assist with their education needs.			
Delivery	Deliver financial assistance and allowances to eligible students, by: <ul style="list-style-type: none">Processing new claims under VCES and MRCAETS.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<i>Quality:</i> Critical errors	<5%	3%
	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	28	10
	<i>Quality:</i> Correctness rate	>95%	98%
	<i>Quality: (Client satisfaction):</i> Percentage of responses to the annual Education Schemes Satisfaction Survey indicating that clients thought the support provided helped the student reach their academic potential	>75%	>75%
	<i>Quality (Achieving the Schemes’ Outcomes):</i> Percentage of the Education Schemes’ clients progressing through each level of their education or career training.	>85%	99%
2017-18	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	28	
	<i>Quality:</i> Correctness rate	>95%	
	<i>Quality: (Client satisfaction):</i> Percentage of responses to the annual Education Schemes Satisfaction Survey indicating that clients thought the support provided helped the student reach their academic potential	>75%	
	<i>Quality (Achieving the Schemes’ Outcomes):</i> Percentage of the Education Schemes’ clients progressing through each level of their education or career training.	>85%	
2018-19 and forward estimates	<i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)	28	
	<i>Quality:</i> Correctness rate	>95%	
	<i>Quality: (Client satisfaction):</i> Percentage of responses to the annual Education Schemes Satisfaction Survey indicating that clients thought the support provided helped the student reach their academic potential	>75%	
	<i>Quality (Achieving the Schemes’ Outcomes):</i> Percentage of the Education Schemes’ clients progressing through each level of their education or career training.	>85%	
Purposes (b)	Provide financial assistance to eligible students		

Program 1.6 – To provide compensation to current and former members of the Australian Defence Force and their dependants under the <i>Safety, Rehabilitation and Compensation Act 1988</i> and the <i>Military Rehabilitation and Compensation Act 2004</i> and related legislation.			
Delivery	<p>Deliver income support and compensation to veterans eligible under the <i>Safety, Rehabilitation and Compensation Act 1988</i> and the <i>Military Rehabilitation and Compensation Act 2004</i> and related legislation, by:</p> <ul style="list-style-type: none">• Processing new claims to determine liability;• Processing incapacity payments for injuries resulting in permanent disability;• Processing non-economic loss lump sums or pensions for injuries resulting in permanent disability; and• Processing payments to the dependants of deceased veterans under the MRCA and SRCA. <p><i>Abbreviation: PI used for Permanent Impairment</i></p>		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<p><i>Quality:</i> Critical errors under SRCA</p> <p><i>Timeliness:</i> Mean number of days to determine a liability under SRCA (days)</p> <p><i>Quality:</i> Critical errors under MRCA</p> <p><i>Timeliness:</i> Mean number of days to determine a liability under MRCA (days)</p> <p><i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)</p> <p><i>Quality:</i> Correctness rate</p>	<p><5%</p> <p>120</p> <p><5%</p> <p>120</p> <p>Liability & PI: 100</p> <p>Incapacity: 50</p> <p>>95%</p>	<p>Liability & PI: <5%</p> <p>Incapacity: 10%</p> <p>112</p> <p>Liability & PI: <5%</p> <p>Incapacity: 10%</p> <p>110</p> <p>SRCA Liability: 80</p> <p>MRCA Liability: 95</p> <p>SRCA PI: 146</p> <p>MRCA PI: 156</p> <p>Incapacity: 50</p> <p>Liability & PI: >95%</p> <p>Incapacity: 90%</p>
2017-18	<p><i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)</p> <p><i>Quality:</i> Correctness rate</p>	<p>Liability & PI: 100</p> <p>Incapacity: 50</p> <p>>95%</p>	
2018-19 and forward estimates	<p><i>Measurement:</i> The number of days within which 50% of claims will be finalised (days)</p> <p><i>Quality:</i> Correctness rate</p>	<p>Liability & PI: 100</p> <p>Incapacity: 50</p> <p>>95%</p>	
Purposes (b)	Provide compensation to eligible persons and their dependents		

2.2 BUDGETED EXPENSES AND PERFORMANCE 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.

Linked programs

Department of Health
<ul style="list-style-type: none">• Program 4.3 – Pharmaceutical Benefits• Program 2.3 – Health Workforce• Program 6.3 – Residential and Flexible Care
Department of Human Services
<ul style="list-style-type: none">• Program 1.1 – Services to the Community – Social Security and Welfare• Program 1.2 – Services to the Community - Health
Contribution to Outcome 2 made by linked programs DVA works closely with other Commonwealth entities to ensure that health and community programs for veterans align with the mainstream health system, and to realise effective delivery of health and community services to the veteran community.

Budgeted expenses for Outcome 2

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

Table 2.2.1: Budgeted expenses for Outcome 2

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 2.1: General Medical Consultations and Services					
Administered Expenses					
Special Appropriations	800,293	773,530	759,475	743,522	732,610
Administered total	800,293	773,530	759,475	743,522	732,610
Departmental Expenses					
Departmental appropriation ¹	8,169	9,842	7,523	7,318	7,345
Expenses not requiring appropriation in the Budget year ²	50	51	52	48	47
Departmental total	8,219	9,893	7,575	7,366	7,392
Total expenses for program 2.1	808,512	783,423	767,050	750,888	740,002
Program 2.2: Veterans' Hospital Services					
Administered Expenses					
Special Appropriations	1,440,443	1,478,556	1,440,892	1,379,873	1,339,185
Administered total	1,440,443	1,478,556	1,440,892	1,379,873	1,339,185
Departmental Expenses					
Departmental appropriation ¹	6,504	7,835	5,989	5,825	5,847
Expenses not requiring appropriation in the Budget year ²	42	43	43	40	39
Departmental total	6,546	7,878	6,032	5,865	5,886
Total expenses for program 2.2	1,446,989	1,486,434	1,446,924	1,385,738	1,345,071
Program 2.3: Veterans' Pharmaceuticals Benefits					
Administered Expenses					
Special Appropriations	335,921	329,650	313,548	304,068	295,607
Administered total	335,921	329,650	313,548	304,068	295,607
Departmental Expenses					
Departmental appropriation ¹	1,854	2,233	1,707	1,660	1,667
Expenses not requiring appropriation in the Budget year ²	11	12	11	11	10
Departmental total	1,865	2,245	1,718	1,671	1,677
Total expenses for program 2.3	337,786	331,895	315,266	305,739	297,284

Continued on next page

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 2:					
Program 2.4: Veterans' Community Care and Support					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	2,270	2,311	2,301	2,507	2,554
Special Appropriations	1,386,879	1,360,379	1,310,361	1,267,679	1,262,149
Administered total	1,389,149	1,362,690	1,312,662	1,270,186	1,264,703
Departmental Expenses					
Departmental appropriation ¹	19,449	23,429	17,912	17,419	17,485
Expenses not requiring appropriation in the Budget year ²	1,682	1,718	1,726	1,623	1,590
Departmental total	21,131	25,147	19,638	19,042	19,075
Total expenses for program 2.4	1,410,280	1,387,837	1,332,300	1,289,228	1,283,778
Program 2.5: Veterans' Counselling and Other Health Services					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	6,344	7,648	6,297	5,427	4,529
Special Appropriations	608,054	681,825	684,578	684,462	683,923
Administered total	614,398	689,473	690,875	689,889	688,452
Departmental Expenses					
Departmental appropriation ¹	33,776	40,689	31,107	30,251	30,365
Expenses not requiring appropriation in the Budget year ²	1,910	1,951	1,959	1,843	1,804
Departmental total	35,686	42,640	33,066	32,094	32,169
Total expenses for program 2.5	650,084	732,113	723,941	721,983	720,621
Program 2.6: Military Rehabilitation and Compensation Acts - Health and Other Care Services					
Administered Expenses					
Special Appropriations	123,721	118,253	112,697	110,680	110,922
Administered total	123,721	118,253	112,697	110,680	110,922
Departmental Expenses					
Departmental appropriation ¹	15,270	18,395	14,063	13,676	13,728
Expenses not requiring appropriation in the Budget year ²	489	499	501	471	461
Departmental total	15,759	18,894	14,564	14,147	14,189
Total expenses for program 2.6	139,480	137,147	127,261	124,827	125,111

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 2:					
Program 2.7: Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision - Health and Other Care Services					
Administered Expenses					
Expenses not requiring appropriation in the Budget year	96,400	108,000	110,800	113,900	117,700
Administered total	96,400	108,000	110,800	113,900	117,700
Total expenses for program 2.7	96,400	108,000	110,800	113,900	117,700
Outcome 2 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	8,614	9,959	8,598	7,934	7,083
Special Appropriations	4,695,311	4,742,193	4,621,551	4,490,284	4,424,396
Expenses not requiring appropriation in the Budget year	96,400	108,000	110,800	113,900	117,700
Administered total	4,800,325	4,860,152	4,740,949	4,612,118	4,549,179
Departmental Expenses					
Departmental appropriation ¹	85,022	102,423	78,301	76,149	76,437
Expenses not requiring appropriation in the Budget year ²	4,184	4,274	4,292	4,036	3,951
Departmental total	89,206	106,697	82,593	80,185	80,388
Total expenses for Outcome 2	4,889,531	4,966,849	4,823,542	4,692,303	4,629,567
	2016-17	2017-18			
Average Staffing Level (number)	583	571			

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and Australian Taxation Office data matching services.

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

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

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$(‘000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
LMO consultations	152,654	148,018	143,918	139,120	134,156
Specialist consultations	137,276	135,003	134,607	131,668	129,266
Medical services	423,087	407,976	402,131	397,307	395,898
Dental	87,276	82,533	78,819	75,427	73,290
Program support	8,169	9,842	7,523	7,318	7,345
Expenses not requiring appropriation in the Budget year	50	51	52	48	47
Total program expenses	808,512	783,423	767,050	750,888	740,002

Program 2.2: Veterans' Hospital Services

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$(‘000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Public hospitals	618,136	697,430	684,883	652,676	630,554
Private hospitals	817,373	776,275	751,235	722,488	703,983
Nursing homes (POW)	4,934	4,851	4,774	4,709	4,648
Program support	6,504	7,835	5,989	5,825	5,847
Expenses not requiring appropriation in the Budget year	42	43	43	40	39
Total program expenses	1,446,989	1,486,434	1,446,924	1,385,738	1,345,071

Program 2.3: Veterans' Pharmaceuticals Benefits

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$(‘000)					
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Pharmaceutical services	335,921	329,650	313,548	304,068	295,607
Program support	1,854	2,233	1,707	1,660	1,667
Expenses not requiring appropriation in the Budget year	11	12	11	11	10
Total program expenses	337,786	331,895	315,266	305,739	297,284

Program 2.4: Veterans' Community Care and Support

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Grants-In-Aid	145	145	145	145	145
Community Care Grants	633	640	637	714	728
Joint Venture Grants	1,119	1,130	1,125	1,221	1,245
JV Day Clubs	373	396	394	427	436
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Residential care	1,135,835	1,105,654	1,055,671	1,009,164	998,390
Community nursing	137,639	138,135	138,992	141,134	144,991
Veterans' Home Care	97,895	101,130	100,271	101,947	103,071
In-home respite	14,077	14,036	14,009	13,995	14,204
Carer and volunteer support	1,428	1,419	1,413	1,434	1,488
<i>Public Governance, Performance and Accountability Act 2013 (PGPA)</i>					
Section 77 Repayments	5	5	5	5	5
Program support	19,449	23,429	17,912	17,419	17,485
Expenses not requiring appropriation in the Budget year	1,682	1,718	1,726	1,623	1,590
Total program expenses	1,410,280	1,387,837	1,332,300	1,289,228	1,283,778

Program 2.5: Veterans' Counselling and Other Health Services

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Annual Administered Expenses:					
Appropriation Bill No. 1 & 3					
Counselling support & children's assistance	2,928	4,247	2,861	1,870	899
Compensation and legal expenses	56	57	57	61	63
Veterans' employment & training	835	786	783	704	719
Health & medical research	2,525	2,558	2,596	2,792	2,848
Special Appropriations:					
<i>Veterans' Entitlements Act 1986 (VEA)</i>					
Travel for treatment	178,068	182,662	187,398	190,501	196,089
Subsistence	6,518	6,565	6,635	6,782	7,158
Veterans and veterans families counselling services	33,343	37,552	38,989	40,160	41,055
Non-institutional care - services	172,127	173,140	173,487	172,140	171,239
Non-institutional care - products	55,323	52,348	49,466	47,878	47,196
Rehabilitation appliances	154,349	172,613	175,919	178,734	177,171
Health treatment for BCAL veterans	7,968	7,937	7,921	8,072	8,502
<i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>					
Nuclear test health care payments	358	49,008	44,763	40,195	35,513
Program support	33,776	40,689	31,107	30,251	30,365
Expenses not requiring appropriation in the Budget year	1,910	1,951	1,959	1,843	1,804
Total program expenses	650,084	732,113	723,941	721,983	720,621

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Special Appropriations:					
<i>Safety, Rehabilitation and Compensation Act 1988</i>					
Medical services	28,016	23,957	22,261	20,661	19,674
Rehabilitation services	7,264	7,429	7,297	7,142	6,870
Other services	9,761	9,328	8,417	8,072	7,933
<i>Military Rehabilitation and Compensation Act 2004</i>					
Medical services	57,486	54,930	52,834	51,105	50,719
Rehabilitation services	18,363	19,738	19,031	20,788	22,682
Other services	2,831	2,871	2,857	2,912	3,044
Program support	15,270	18,395	14,063	13,676	13,728
Expenses not requiring appropriation in the Budget year	489	499	501	471	461
Total program expenses	139,480	137,147	127,261	124,827	125,111

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$('000)					
Administered Expenses					
Expenses not requiring appropriation in the Budget year	96,400	108,000	110,800	113,900	117,700
Total program expenses	96,400	108,000	110,800	113,900	117,700

Table 2.2.3: Performance criteria for Outcome 2

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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.			
Program 2.1 – Provide access to general and specialist medical and dental services to DVA clients.			
Delivery	<ul style="list-style-type: none"> Ensure clients 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 clients. Ensure a comprehensive range of general and specialist medical and dental services are available to clients in order to meet their health care needs. Facilitate effective payment of medical practitioners under the Department of Veterans' Affairs arrangements. 		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<i>Price:</i> Unit cost per cardholder	\$98	\$60
	<p>Ensure arrangements are in place for the access to and delivery of quality general and specialist medical and dental services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. <p>Maintain a schedule of general and specialist medical and dental services to meet the health care needs of DVA Health Card holders and maintain consistency with trends in the delivery of health care services.</p> <ul style="list-style-type: none"> Number of listed services assessed versus the number of approved unlisted services. 	<p>>99%</p> <p>>97%</p>	<p>>99%</p> <p>99%</p>
2017-18	<p>Ensure arrangements are in place for the access to and delivery of quality general and specialist medical and dental services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. <p>Maintain a schedule of general and specialist medical and dental services to meet the health care needs of DVA Health Card holders and maintain consistency with trends in the delivery of health care services.</p> <ul style="list-style-type: none"> Number of listed services assessed versus the number of approved unlisted services. 	<p>>99%</p> <p>>97%</p>	
2018-19 and forward estimates	<p>Ensure arrangements are in place for the access to and delivery of quality general and specialist medical and dental services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. <p>Maintain a schedule of general and specialist medical and dental services to meet the health care needs of DVA Health Card holders and maintain consistency with trends in the delivery of health care services.</p>	>99%	

	trends in the delivery of health care services. <ul style="list-style-type: none"> Number of listed services assessed versus the number of approved unlisted services. 	>97%
Purposes (b)	Providing eligible persons and their dependants access to health care services that promote early intervention, prevention and treatment, including advice and information about entitlements	

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Program 2.2 – Provide access to hospital services for clients through arrangements with hospitals in both the private and public sectors.			
Delivery	<ul style="list-style-type: none">• Ensure access to hospital services for clients through arrangements in both the private and public sectors.• Ensure a comprehensive range of hospital services are made available to clients in order to meet health care needs.• Facilitate effective payment of hospital providers under the Department of Veterans' Affairs arrangements.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Price: Unit cost per cardholder	\$61	\$42
	Ensure arrangements are in place for the access to and delivery of quality private and public hospital services for DVA Health Card holders. <ul style="list-style-type: none">• Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality.	>99%	>99%
2017-18	Ensure arrangements are in place for the access to and delivery of quality private and public hospital services for DVA Health Card holders. <ul style="list-style-type: none">• Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality.	>99%	
2018-19 and forward estimates	Ensure arrangements are in place for the access to and delivery of quality private and public hospital services for DVA Health Card holders. <ul style="list-style-type: none">• Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality.	>99%	
Purposes (b)	Providing eligible persons and their dependants access to health care services that promote early intervention, prevention and treatment, including advice and information about entitlements		

Program 2.3 – The Repatriation Pharmaceutical Benefits Scheme (RPBS) will provide clients access to a comprehensive array of pharmaceuticals and wound dressings for the treatment of their health care needs.			
Delivery	<ul style="list-style-type: none">• Ensure clients 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 client population.• Facilitate effective payment of approved pharmacies for supplying items under the RPBS.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<i>Price:</i> Unit cost per cardholder	\$5	\$19
	Ensure arrangements are in place for the access to and delivery of quality pharmaceutical services for DVA Health Card holders. <ul style="list-style-type: none">• Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality.	>99%	>99%
2017-18	Ensure arrangements are in place for the access to and delivery of quality pharmaceutical services for DVA Health Card holders. <ul style="list-style-type: none">• Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality.	>99%	
2018-19 and forward estimates	Ensure arrangements are in place for the access to and delivery of quality pharmaceutical services for DVA Health Card holders. <ul style="list-style-type: none">• Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality.	>99%	
Purposes (b)	Providing eligible persons and their dependants access to health care services that promote early intervention, prevention and treatment, including advice and information about entitlements		

Program 2.4 – The program's primary objective is to effectively manage community support and residential care programs, including development and review of policy and operational guidelines and procedures, and assessment of program effectiveness.

Veteran community care and support programs include the Veterans' Home Care program and the Community Nursing program.

The program 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 programs 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.

Delivery	<p>Veterans' Home Care (VHC)</p> <ul style="list-style-type: none"> The Department contracts with 162 organisations across Australia to assess veterans and war widow/ers for VHC services and to deliver those services to approximately 51,000 veterans and war widow/ers. 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. <p>Community Nursing</p> <ul style="list-style-type: none"> The Department has agreements with around 240 organisations across Australia to provide community nursing services to approximately 23,000 eligible veterans and war widow/ers. <p>Residential Care</p> <ul style="list-style-type: none"> The Department funds Australian Government subsidies and supplements for approximately 20,000 entitled veterans and war widow/ers residing in residential aged care. <p>Carer and Volunteer Support</p> <ul style="list-style-type: none"> The Department contracts Community Support Advisers to provide services through the program, focusing on day clubs for frail aged care veterans, health promotion, men's health peer education and other community, recreational and social health initiatives.
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Performance information

Year	Performance criteria (a)	Targets	Forecasts
2016-17	Price: Unit cost per cardholder	\$144	\$84
	<p>Ensure arrangements are in place for the access to and delivery of quality community care services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. 	>99%	>99%
2017-18	<p>Ensure arrangements are in place for the access to and delivery of quality community care services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. 	>99%	
2018-19 and forward estimates	<p>Ensure arrangements are in place for the access to and delivery of quality community care services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. 	>99%	
Purposes (b)	Providing eligible persons and their dependants access to health care services that promote early intervention, prevention and treatment, including advice and information about entitlements		

Program 2.5 – 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.

Delivery	<ul style="list-style-type: none"> • 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 for the delivery of a comprehensive range of allied health services to clients 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: <ul style="list-style-type: none"> – intake and referral services – counselling services – after-hours counselling, and – group programme intervention.
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Performance information

Year	Performance criteria (a)	Targets	Forecasts
2016-17	<p><i>Price:</i> Unit cost per cardholder</p> <p>Travel for Treatment</p> <p>Target percentage of claims for reimbursement processed within the Service Charter timeframe (28 days)</p> <p>Degree of complaints about arranged travel relative to the quantity of bookings</p> <p>Rehabilitation Appliances</p> <p><i>Cost:</i> Attributed across treatment population</p> <p>Number of broad categories of aids and appliances available to the veteran community listed in the RAP Schedule</p> <p>Percentage of aids and appliances listed may be prescribed by General Practitioners, Registered Nurses and Occupational Therapists</p> <p>Veteran Counselling</p> <p>Percentage of unique clients presenting for service who receive attention by an Outreach contracted Counsellor within two weeks of intake</p> <p>Centre based Counselling. Percentage of unique clients presenting for service who receive attention by a Centre based Counsellor within two weeks of intake</p> <p>Level of veteran satisfaction</p>	<p>\$142</p> <p>100%</p> <p><0.05%</p> <p>\$778</p> <p>251</p> <p>>95%</p> <p>>65%</p> <p>>80%</p> <p>High</p>	<p>\$197</p> <p>99%</p> <p>0.02%</p> <p>\$775</p> <p>268</p> <p>97%</p> <p>69%</p> <p>80%</p> <p>High</p>
	<p>Access to Services</p> <p>Ensure arrangements are in place for the access and delivery of quality mental and allied health services for DVA Health Card holders.</p> <ul style="list-style-type: none"> • Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. <p>Maintain a schedule of services to meet the health care</p>	<p>>99%</p>	<p>>99%</p>

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	<p>needs of DVA Health Card holders and maintain consistency with trends in the delivery of health care services.</p> <ul style="list-style-type: none"> Number of listed services accessed versus the number of approved unlisted services <p>Travel</p> <p>Target percentage of claims for reimbursement processed within the Service Charter timeframe (28 days)</p> <p>Degree of complaints about arranged travel relative to the quantity of bookings</p> <p>Veterans and Veterans Families Counselling Service (VVCS)</p> <p>Percentage of clients in receipt of an episode of care, who access a VVCS clinician (centre based or outreach) within two weeks of intake and assessment occurring</p> <p>Client satisfaction</p> <p>Veterans Vocational Rehabilitation Scheme</p> <p>Clients with successful return to work</p>	<p>>97%</p> <p>100%</p> <p><0.05%</p> <p>>65%</p> <p>>80%</p> <p>>50%</p>	<p>99%</p> <p>99%</p> <p>0.02%</p> <p>72%</p> <p>94%</p> <p>>50%</p>
2017-18	<p>Access to Services</p> <p>Ensure arrangements are in place for the access and delivery of quality mental and allied health services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. <p>Maintain a schedule of services to meet the health care needs of DVA Health Card holders and maintain consistency with trends in the delivery of health care services.</p> <ul style="list-style-type: none"> Number of listed services accessed versus the number of approved unlisted services <p>Travel</p> <p>Target percentage of claims for reimbursement processed within the Service Charter timeframe (28 days)</p> <p>Degree of complaints about arranged travel relative to the quantity of bookings</p> <p>Veterans and Veterans Families Counselling Service (VVCS)</p> <p>Percentage of clients in receipt of an episode of care, who access a VVCS clinician (centre based or outreach) within two weeks of intake and assessment occurring</p> <p>Client satisfaction</p> <p>Veterans Vocational Rehabilitation Scheme</p> <p>Clients with successful return to work</p>	<p>>99%</p> <p>>97%</p> <p>100%</p> <p><0.05%</p> <p>>65%</p> <p>>80%</p> <p>>50%</p>	
2018-19 and forward estimates	<p>Access to Services</p> <p>Ensure arrangements are in place for the access and delivery of quality mental and allied health services for DVA Health Card holders.</p> <ul style="list-style-type: none"> Number of clients accessing services versus the number who have registered a complaint in relation to un-met access and/or quality. <p>Maintain a schedule of services to meet the health care needs of DVA Health Card holders and maintain consistency with trends in the delivery of health care</p>	<p>>99%</p>	

	<p>services.</p> <ul style="list-style-type: none"> Number of listed services accessed versus the number of approved unlisted services. <p>Travel</p> <p>Target percentage of claims for reimbursement processed within the Service Charter timeframe (28 days)</p> <p>Degree of complaints about arranged travel relative to the quantity of bookings</p> <p>Veterans and Veterans Families Counselling Service (VVCS)</p> <p>Percentage of clients in receipt of an episode of care, who access a VVCS clinician (centre based or outreach) within two weeks of intake and assessment occurring</p> <p>Client satisfaction</p> <p>Veterans Vocational Rehabilitation Scheme</p> <p>Clients with successful return to work</p>	<p>>97%</p> <p>100%</p> <p><0.05%</p> <p>>65%</p> <p>>80%</p> <p>>50%</p>
Purposes (b)	<p>Providing eligible persons and their dependants access to health care services that promote early intervention, prevention and treatment, including advice and information about entitlements</p>	

Program 2.6 – To arrange for the provision of rehabilitation, medical and other related services under the <i>Safety, Rehabilitation and Compensation Act 1988</i> (SRCA) and the <i>Military Rehabilitation and Compensation Act 2004</i> (MRCA) and related legislation. This includes payment for medical treatment, rehabilitation services, attendant care and household services.			
Delivery	<ul style="list-style-type: none">Rehabilitation program goals measured for effectiveness using agreed outcome aspirations against actual results achieved.Veterans who claim incapacity payments for the first time because of an inability to work due to accepted conditions are assessed for rehabilitation.Clients who are identified for a rehabilitation assessment are referred to an approved service provider within 30 days.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Error rates SRCA rehabilitation assessments Error rates SRCA accounts paid incorrectly Error rates MRCA rehabilitation assessments Error rates MRCA accounts paid incorrectly	<5% <5% <5% <5%	<5% 3% <5% 2%
	<i>Timeliness:</i> The percentage of rehabilitation assessments that were made within 30 days of referral for assessment	90%	Not Met *
	<i>Quality/Quantity:</i> Percentage of new incapacity payees who have undergone a rehabilitation assessment within 30 days of the incapacity payment determination	90%	Not Met *
	<i>Quality/Quantity:</i> Percentage of clients where rehabilitation goals were met or exceeded	90%	Not Met *
2017-18	<i>Timeliness:</i> The percentage of rehabilitation assessments that were made within 30 days of referral for assessment	90%	
	<i>Quality/Quantity:</i> Percentage of new incapacity payees who have undergone a rehabilitation assessment within 30 days of the incapacity payment determination	90%	
	<i>Quality/Quantity:</i> Percentage of clients where rehabilitation goals were met or exceeded	90%	
2018-19 and forward estimates	<i>Timeliness:</i> The percentage of rehabilitation assessments that were made within 30 days of referral for assessment	90%	
	<i>Quality/Quantity:</i> Percentage of new incapacity payees who have undergone a rehabilitation assessment within 30 days of the incapacity payment determination	90%	
	<i>Quality/Quantity:</i> Percentage of clients where rehabilitation goals were met or exceeded	90%	
Purposes (b)	Ensuring continued access to high quality care, including mental health services and meaningful and appropriate rehabilitation support		

* PPIs 2.6.5, 2.6.6 and 2.6.7 are new performance measures introduced in the 2016-17 Portfolio Budget Statement. Data quality issues, in part due to DVA's ageing ICT systems, have made accurate reporting on the rehabilitation PPIs difficult during 2016-17. Data quality is expected to improve with the introduction of ICT enhancements from 28 May 2017.

2.3 BUDGETED EXPENSES AND PERFORMANCE 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.

Budgeted expenses for Outcome 3

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

Table 2.3.1: Budgeted expenses for Outcome 3

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 3.1: War Graves¹					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	18,253	23,473	18,440	19,127	19,953
Special Accounts	64	64	64	64	64
Administered total	18,317	23,537	18,504	19,191	20,017
Departmental Expenses					
Departmental appropriation ²	17,215	20,404	15,641	15,261	15,348
Expenses not requiring appropriation in the Budget year ³	1,815	1,773	1,687	1,565	1,530
Departmental total	19,030	22,177	17,328	16,826	16,878
Total expenses for program 3.1	37,347	45,714	35,832	36,017	36,895
Program 3.2: Commemorative Activities¹					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	30,697	29,964	22,846	11,030	11,355
Special Accounts	16,346	8,800	6,502	3,037	-
Administered total	47,043	38,764	29,348	14,067	11,355
Departmental Expenses					
Departmental appropriation ²	16,253	19,316	14,838	14,409	14,491
Expenses not requiring appropriation in the Budget year ³	1,714	1,674	1,594	1,478	1,443
Departmental total	17,967	20,990	16,432	15,887	15,934
Total expenses for program 3.2	65,010	59,754	45,780	29,954	27,289

Continued on next page

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1 & 3)	48,950	53,437	41,286	30,157	31,308
Special Accounts	16,410	8,864	6,566	3,101	64
Administered total	65,360	62,301	47,852	33,258	31,372
Departmental Expenses					
Departmental appropriation ²	33,468	39,720	30,479	29,670	29,839
Expenses not requiring appropriation in the Budget year ³	3,529	3,447	3,281	3,043	2,973
Departmental total	36,997	43,167	33,760	32,713	32,812
Total expenses for Outcome 3	102,357	105,468	81,612	65,971	64,184
Movement of administered funds between years					
	2016-17	2017-18	2018-19	2019-20	2020-21
Outcome 3					
Program 3.1 War Graves - Refurbishment of War Graves and Memorials	(1,117)	1,117	-	-	-
Total movement of administered funds	(1,117)	1,117	-	-	-
Average Staffing Level (number)					
	2016-17 146	2017-18 143			

1. Program 3.1 and Program 3.2 have been restructured so that functions within each program are more clearly defined. Refer to Section 1.4 for further detail.
2. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bills No. 1)' and 'Revenue from independent sources (s74)'.
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and Australian Taxation Office data matching services.

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

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

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

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$(‘000)					
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
War graves care & maintenance	17,225	22,237	17,406	17,985	18,761
OAWG refurbishment, reconstruction & relocation	1,023	1,231	1,029	1,137	1,187
Compensation and legal expenses	5	5	5	5	5
Special Account Expenses:					
Services for Other Entities and Trust Moneys	64	64	64	64	64
Program support	17,215	20,404	15,641	15,261	15,348
Expenses not requiring appropriation in the Budget year	1,815	1,773	1,687	1,565	1,530
Total program expenses	37,347	45,714	35,832	36,017	36,895

Program 3.2: Commemorative Activities

	2016-17 Estimated actual	2017-18 Budget	2018-19 Forward estimate	2019-20 Forward estimate	2020-21 Forward estimate
\$(‘000)					
Annual administered expenses:					
Appropriation Bill No. 1 & 3					
Veterans' commemorative activities	27,133	26,335	19,707	7,559	7,733
Gallipoli-related activities	3,564	3,629	3,139	3,471	3,622
Special Account Expenses:					
Australians at War ¹	296	-	-	-	-
Anzac Centenary Public Fund	16,050	8,800	6,502	3,037	-
Program support	16,253	19,316	14,838	14,409	14,491
Expenses not requiring appropriation in the Budget year	1,714	1,674	1,594	1,478	1,443
Total program expenses	65,010	59,754	45,780	29,954	27,289

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

Table 2.3.3: Performance criteria for Outcome 3

Table 2.3.3 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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.			
Program 3.1 – Acknowledge and commemorate the service and sacrifice of the men and women who served Australia and its allies in wars, conflicts and peace operations.			
Delivery	<ul style="list-style-type: none">• Maintain, construct and refurbish war graves and post war commemorations within war cemeteries, gardens of remembrance, cemeteries and crematoria in Australia and Papua New Guinea; process claims for and provide official post war commemorations; and provide and maintain national memorials overseas.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	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	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	Achieved
	Provide new Post War Commemorations	Commemorations are provided within published timeframes to meet Australian standards of production/construction	Achieved
	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	Achieved
	Implement War Graves related projects	Project implementation meets the budget and timing agreed and announced by Government	Achieved
	Maintenance is undertaken in accordance with CWGC published standards. Performance is measured through periodic inspections.	100% of inspected graves comply	85%

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2017-18	Maintenance is undertaken in accordance with CWGC published standards. Performance is measured through periodic inspections.	100% of inspected graves comply
2018-19 and forward estimates	Maintenance is undertaken in accordance with CWGC published standards. Performance is measured through periodic inspections.	100% of inspected graves comply
Purposes (b)	Commemorate eligible war dead and deceased veterans by providing and maintaining official commemorations, maintaining existing national memorials overseas and constructing new overseas memorials as determined by Government	

Program 3.2 – Acknowledge and commemorate the service and sacrifice of the men and women who served Australia and its allies in wars, conflicts and peace operations.			
Delivery	<ul style="list-style-type: none">• Provide support and funding for commemorative programs and community initiatives and promote community awareness and preservation of Australia's wartime and service heritage and veterans' experiences.• Planning for and conduct of annual Anzac Day services at Gallipoli, Turkey and Villers-Bretonneux, France.• Lead and manage the Anzac Centenary and the Century of Service 2014-18 through the development and delivery of national and international commemorative services.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Level of community engagement and satisfaction Media interest Community awareness and education resources Grants applications approved Domestic commemorative events	High Positive High level of community and veteran satisfaction with quality and accessibility of resources Grant applications are processed within timelines. High level of community and veteran satisfaction with grant outcomes High level of community and veteran satisfaction with commemorative events	High Positive Achieved Achieved Achieved
	Events are delivered safely, on schedule and within budget. Government is satisfied with quality.	The number of safety incidents reported is less than 1% of those attendance.100% of events are delivered on time and with less than a 5% variation in actual expenditure compared to budget The Minister of Veterans' Affairs confirms the Government's satisfaction with the quality of each event	Achieved Achieved
2017-18	Events are delivered safely, on schedule and within budget. Government is satisfied with quality.	The number of safety incidents reported is less than 1% of those attendance 100% of events are delivered on time and with less than a 5% variation in actual expenditure compared to budget The Minister of Veterans' Affairs confirms the Government's satisfaction with the quality of each event	
2018-19 and forward estimates	Events are delivered safely, on schedule and within budget. Government is satisfied with quality.	The number of safety incidents reported is less than 1% of those attendance 100% of events are delivered on time and with less than a 5% variation in actual expenditure compared to budget The Minister of Veterans' Affairs confirms the Government's satisfaction with the quality of each event	
Purposes (b)	Commemorate service and sacrifice through solemn and dignified commemorative services		

Section 3: Budgeted financial statements

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences in entity resourcing and financial statements

There are differences between entity 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 2016-17 financial year and the related appropriation will be received in the 2017-18 financial year.

3.1.2 Analysis of budgeted financial statements

The Strategic Financial Plan and the Capital Management Plan provide the framework for 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 2016-17 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).

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 2017-18 and the forward estimates. Total revenue for the 2017-18 financial year is \$375.1 million which represents an increase of \$60.1 million from the 2016-17 financial year. It comprises of \$366.2 million of revenue from government and \$8.9 million of own-source.

Budgeted departmental balance sheet

The Department's (excluding DSHIS) net asset (equity) position for the 2017-18 financial year is projected to be \$32.7 million, and represents a decrease of \$3.6 million from the 2016-17 position of \$36.3 million.

DVA Budget Statements

Budgeted total assets of \$119.1 million in 2017-18 represents a decrease of \$12.1 million from 2016-17 of \$131.2 million. This mainly comprises of a decrease in appropriation receivable of \$10.8 million and a decrease in intangibles of \$2.6 million.

Budgeted liabilities of \$86.4 million in 2017-18 represent a decrease of \$8.5 million from 2016-17 of \$94.9 million and are primarily a result of a decrease in suppliers payable of \$3.3 million and a decrease in employee provisions of \$2.8 million.

Departmental (DSHIS)

Budgeted departmental income statement

DSHIS is budgeting for an operating surplus of \$2.5 million before depreciation and amortisation expense in 2017-18. Revenue for 2017-18 is expected to be \$39.6 million and consists of \$39.5 million of own-source income and \$0.1 million of revenue from government, a decrease of \$0.6 million from 2016-17 of \$40.2 million. This decrease is primarily driven by the sale of goods and services (premium revenue) which is expected to decrease from \$35.7 million in 2016-17 to \$35.0 million in the 2017-18 financial year.

Budgeted departmental balance sheet

DSHIS's net asset position for 2017-18 is projected to be \$38.5 million, and increase over the forward years.

Budgeted liabilities for 2017-18 are expected to be \$46.4 million and reduce over the forward years.

Administered statements

Budgeted revenue and expenses

The Department will administer \$10.9 billion of administered funding in the 2017-18 financial year.

Budgeted assets and liabilities

Total administered assets are expected to remain stable at \$1.5 billion. Total administered liabilities are expected to increase by \$0.4 billion to \$11.1 billion in 2017-18 from the 2016-17 estimated actual of \$10.7 billion, represented by an increase in personal benefits of \$0.2 billion and an increase in other provisions and payables of \$0.2 billion.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1a: Departmental comprehensive income statement (amalgamated)
(Showing Net Cost of Services) (for the period ended 30 June)**

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
EXPENSE					
Employee benefits	193,152	187,902	174,573	171,864	172,429
Supplier expenses	128,263	193,212	119,420	114,591	115,375
Depreciation and amortisation	27,061	26,632	25,604	23,811	23,266
Insurance claims	31,044	29,500	30,000	30,500	31,000
Other expenses	263	315	-	-	-
Total expenses	379,783	437,561	349,597	340,766	342,070
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	42,394	41,905	37,347	38,514	39,709
Resources received free of charge	827	827	827	827	827
Other revenue	4,300	4,400	4,500	4,600	4,700
Total revenue	47,521	47,132	42,674	43,941	45,236
Gains					
Total own-source income	47,521	47,132	42,674	43,941	45,236
Net cost of services	332,262	390,429	306,923	296,825	296,834
Revenue from Government	306,494	366,349	284,371	276,566	277,620
Surplus (Deficit) before income tax	(25,768)	(24,080)	(22,552)	(20,259)	(19,214)

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Table 3.1a: Departmental comprehensive income statement (amalgamated) (Showing Net Cost of Services) (for the period ended 30 June) (continued)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
Income tax expense (competitive neutrality)	-	-	-	-	-
Surplus (Deficit) after income tax	(25,768)	(24,080)	(22,552)	(20,259)	(19,214)
OTHER COMPREHENSIVE INCOME					
Changes in assets revaluation reserve	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(25,768)	(24,080)	(22,552)	(20,259)	(19,214)
Note: Reconciliation of operating result attributable to the agency					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total Comprehensive Income (loss) Attributable to the Australian Government	(25,768)	(24,080)	(22,552)	(20,259)	(19,214)
Plus non-appropriated expenses:					
Depreciation and amortisation expenses	27,061	26,632	25,604	23,811	23,266
Total Comprehensive Income (loss) Attributable to the agency	1,293	2,552	3,052	3,552	4,052

Prepared on Australian Accounting Standards basis

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

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS					
Financial assets					
Cash and equivalents	4,467	5,673	5,987	7,659	8,630
Trade and other receivables	14,703	14,400	13,477	13,477	13,485
Appropriation receivables	17,973	7,200	3,301	2,000	1,500
Investments	61,655	66,655	72,655	77,655	83,655
Total financial assets	98,798	93,928	95,420	100,791	107,270
Non-financial assets					
Land and buildings	28,288	28,582	34,935	40,536	37,309
Infrastructure, plant and equipment	1,604	2,781	3,885	4,786	5,388
Intangibles	73,383	70,723	53,275	36,789	29,845
Other non-financial assets	6,436	6,467	6,499	6,531	6,566
Total non-financial assets	109,711	108,553	98,594	88,642	79,108
Total assets	208,509	202,481	194,014	189,433	186,378
LIABILITIES					
Payables					
Supplier payables	22,314	19,061	17,326	15,982	14,791
Other payables	24,186	23,206	22,136	23,116	23,443
Total payables	46,500	42,267	39,462	39,098	38,234
Provisions					
Employee provisions	68,181	65,364	63,328	63,018	63,558
Other provisions	21,518	23,652	26,964	29,490	32,276
Total provisions	89,699	89,016	90,292	92,508	95,834
Total liabilities	136,199	131,283	129,754	131,606	134,068
Net assets	72,310	71,198	64,260	57,827	52,310
Equity					
Contributed equity	250,694	273,662	289,276	303,102	316,795
Asset revaluation reserve	9,789	9,789	9,789	9,789	9,789
Retained surplus (accumulated deficit)	(188,173)	(212,253)	(234,805)	(255,064)	(274,274)
Total equity	72,310	71,198	64,260	57,827	52,310

Prepared on Australian Accounting Standards basis

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

Table 3.3a: Budgeted departmental statement of cash flows (amalgamated) (for the period ended 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	313,286	382,436	290,684	280,377	280,730
Sale of goods and services	50,340	51,995	47,511	47,763	48,958
Net GST received	11,695	9,910	10,320	10,348	10,449
Other	4,000	4,000	4,000	4,000	4,000
Total cash received	379,321	448,341	352,515	342,488	344,137
Cash used					
Employees	193,532	190,481	176,408	170,688	171,068
Suppliers	139,874	207,447	130,853	125,590	125,913
Other	47,509	44,207	38,940	39,538	40,185
Total cash used	380,915	442,135	346,201	335,816	337,166
Net cash from or (used by) operating activities	(1,594)	6,206	6,314	6,672	6,971
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,350	-	-	-	-
Total cash received	1,350	-	-	-	-
Cash used					
Purchase of property, plant and equipment, and intangibles	37,843	25,443	15,613	13,826	13,693
Purchase of investments	3,000	5,000	6,000	5,000	6,000
Total cash used	40,843	30,443	21,613	18,826	19,693
Net cash from or (used by) investing activities	(39,493)	(30,443)	(21,613)	(18,826)	(19,693)
FINANCING ACTIVITIES					
Cash received					
Equity Injections	37,843	25,443	15,613	13,826	13,693
Total cash received	37,843	25,443	15,613	13,826	13,693
Net cash from or (used by) financing activities	37,843	25,443	15,613	13,826	13,693
Net increase or (decrease) in cash held	(3,244)	1,206	314	1,672	971
Cash and cash equivalents at the beginning of the reporting period	7,711	4,467	5,673	5,987	7,659
Cash and cash equivalents at the end of the reporting period	4,467	5,673	5,987	7,659	8,630

Prepared on Australian Accounting Standards basis

Table 3.1b: Departmental comprehensive income statement (DVA excluding DSHIS) (showing net cost of services) (for the period ended 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
EXPENSE					
Employee benefits	189,002	183,702	170,323	167,564	168,079
Supplier expenses	125,703	191,152	117,410	112,631	113,465
Depreciation and amortisation	26,986	26,557	25,529	23,736	23,191
Other expenses	263	315	-	-	-
Total expenses	341,954	401,726	313,262	303,931	304,735
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	7,824	8,170	2,712	2,979	3,274
Resources received free of charge	770	770	770	770	770
Total own-source revenue	8,594	8,940	3,482	3,749	4,044
Gains					
Total own-source income	8,594	8,940	3,482	3,749	4,044
Net cost of (contribution by) services	333,360	392,786	309,780	300,182	300,691
Revenue from Government	306,374	366,229	284,251	276,446	277,500
Surplus (Deficit) before income tax	(26,986)	(26,557)	(25,529)	(23,736)	(23,191)

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Table 3.1b: Departmental comprehensive income statement (DVA excluding DSHIS) (showing net cost of services) (for the period ended 30 June) (continued)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
Income tax (competitive neutrality)	-	-	-	-	-
Surplus (Deficit) after income tax	(26,986)	(26,557)	(25,529)	(23,736)	(23,191)
OTHER COMPREHENSIVE INCOME					
Changes in assets revaluation reserve	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(26,986)	(26,557)	(25,529)	(23,736)	(23,191)

Note: Reconciliation of operating result attributable to agency

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total Comprehensive Income (loss) Attributable to the Australian Government	(26,986)	(26,557)	(25,529)	(23,736)	(23,191)
Plus non-appropriated expenses:					
Depreciation and amortisation expenses	26,986	26,557	25,529	23,736	23,191
Total Comprehensive Income (loss) Attributable to the agency	-	-	-	-	-

Prepared on Australian Accounting Standards basis

Table 3.2b: Budgeted departmental balance sheet (DVA excluding DSHIS) (as at 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,076	2,162	2,106	2,108	2,159
Trade and other receivables	3,729	3,426	2,503	2,503	2,511
Appropriation receivables	17,973	7,200	3,301	2,000	1,500
Investments	-	-	-	-	-
Total financial assets	23,778	12,788	7,910	6,611	6,170
Non-financial assets					
Land and buildings	28,288	28,582	34,935	40,536	37,309
Infrastructure, plant and equipment	1,604	2,781	3,885	4,786	5,388
Intangibles	73,078	70,493	53,120	36,709	29,840
Other non-financial assets	4,436	4,467	4,499	4,531	4,566
Total non-financial assets	107,406	106,323	96,439	86,562	77,103
Total assets	131,184	119,111	104,349	93,173	83,273
LIABILITIES					
Payables					
Supplier payables	19,340	16,087	14,352	13,008	11,817
Other payables	4,686	3,706	2,636	3,616	3,943
Total payables	24,026	19,793	16,988	16,624	15,760
Provisions					
Employees provisions	68,181	65,364	63,328	63,018	63,558
Other provisions	2,690	1,256	1,250	658	576
Total provisions	70,871	66,620	64,578	63,676	64,134
Total liabilities	94,897	86,413	81,566	80,300	79,894
Net assets	36,287	32,698	22,783	12,873	3,379
Equity					
Contributed equity	250,694	273,662	289,276	303,102	316,795
Asset revaluation reserve	9,789	9,789	9,789	9,789	9,789
Retained surplus (accumulated deficit)	(224,196)	(250,753)	(276,282)	(300,018)	(323,205)
Total equity	36,287	32,698	22,783	12,873	3,379

Prepared on Australian Accounting Standards basis

**Table 3.3b: Budgeted departmental statement of cash flows (DVA excluding DSHIS)
(for the period ended 30 June)**

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	313,166	382,316	290,564	280,257	280,610
Sale of goods and services	8,505	9,260	3,876	3,228	3,523
Net GST received	11,695	9,910	10,320	10,348	10,449
Other	-	-	-	-	-
Total cash received	333,366	401,486	304,760	293,833	294,582
Cash used					
Employees	189,732	186,581	172,408	166,588	166,868
Suppliers	139,039	206,612	130,018	124,755	125,078
Other	9,409	8,207	2,390	2,488	2,585
Total cash used	338,180	401,400	304,816	293,831	294,531
Net cash from (used by) operating activities	(4,814)	86	(56)	2	51
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,350	-	-	-	-
Total cash received	1,350	-	-	-	-
Cash used					
Purchase of property, plant and equipment, and intangibles	37,843	25,443	15,613	13,826	13,693
Total cash used	37,843	25,443	15,613	13,826	13,693
Net cash from (used by) investing activities	(36,493)	(25,443)	(15,613)	(13,826)	(13,693)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	37,843	25,443	15,613	13,826	13,693
Total cash received	37,843	25,443	15,613	13,826	13,693
Net cash from (used by) financing activities	37,843	25,443	15,613	13,826	13,693
Net increase (decrease) in cash held	(3,464)	86	(56)	2	51
Cash and cash equivalents at the beginning of the reporting period	5,540	2,076	2,162	2,106	2,108
Cash and cash equivalents at the end of the reporting period	2,076	2,162	2,106	2,108	2,159

Prepared on Australian Accounting Standards basis

Table 3.1c: Departmental comprehensive income statement (DSHIS) (showing net cost of services) (for the period ended 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
EXPENSES					
Employee benefits	4,150	4,200	4,250	4,300	4,350
Supplier expenses	3,725	3,325	3,375	3,425	3,475
Depreciation and amortisation	75	75	75	75	75
Insurance claims	31,044	29,500	30,000	30,500	31,000
Total expenses	38,994	37,100	37,700	38,300	38,900
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	35,735	35,000	36,000	37,000	38,000
Resources received free of charge	57	57	57	57	57
Other revenue	4,300	4,400	4,500	4,600	4,700
Total own-source revenue	40,092	39,457	40,557	41,657	42,757
Total own-source income	40,092	39,457	40,557	41,657	42,757
Net contribution by services	(1,098)	(2,357)	(2,857)	(3,357)	(3,857)
Revenue from Government	120	120	120	120	120
Surplus (Deficit) after income tax	1,218	2,477	2,977	3,477	3,977
Total comprehensive income attributable to the Australian Government	1,218	2,477	2,977	3,477	3,977
Note: Reconciliation of comprehensive income attributable to the agency					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total Comprehensive Income Attributable to the Australian Government	1,218	2,477	2,977	3,477	3,977
Plus non-appropriated expenses:					
Depreciation and amortisation expenses	75	75	75	75	75
Total Comprehensive Income Attributable to the agency	1,293	2,552	3,052	3,552	4,052

Prepared on Australian Accounting Standards basis

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

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,391	3,511	3,881	5,551	6,471
Trade and other receivables	12,500	12,500	12,500	12,500	12,500
Appropriation receivables	-	-	-	-	-
Investments	61,655	66,655	72,655	77,655	83,655
Total financial assets	76,546	82,666	89,036	95,706	102,626
Non-financial assets					
Intangibles	305	230	155	80	5
Other non-financial assets	2,000	2,000	2,000	2,000	2,000
Total non-financial assets	2,305	2,230	2,155	2,080	2,005
Total assets	78,851	84,896	91,191	97,786	104,631
LIABILITIES					
Payables					
Supplier payables	4,500	4,500	4,500	4,500	4,500
Other payables	19,500	19,500	19,500	19,500	19,500
Total payables	24,000	24,000	24,000	24,000	24,000
Provisions					
Other provisions	18,828	22,396	25,714	28,832	31,700
Total provisions	18,828	22,396	25,714	28,832	31,700
Total liabilities	42,828	46,396	49,714	52,832	55,700
Net assets	36,023	38,500	41,477	44,954	48,931
Equity					
Contributed equity	-	-	-	-	-
Asset revaluation reserve	-	-	-	-	-
Retained surplus	36,023	38,500	41,477	44,954	48,931
Total equity	36,023	38,500	41,477	44,954	48,931

Prepared on Australian Accounting Standards basis

Table 3.3c: Budgeted departmental statement of cash flows (DSHIS) (for the period ended 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	120	120	120	120	120
Sales of goods and services	43,000	44,000	45,000	46,000	47,000
Other	4,000	4,000	4,000	4,000	4,000
Total cash received	47,120	48,120	49,120	50,120	51,120
Cash used					
Employees	3,800	3,900	4,000	4,100	4,200
Suppliers	2,000	2,100	2,200	2,300	2,400
Other	38,100	36,000	36,550	37,050	37,600
Total cash used	43,900	42,000	42,750	43,450	44,200
Net cash from (used by) operating activities	3,220	6,120	6,370	6,670	6,920
INVESTING ACTIVITIES					
Cash received					
Cash used					
Purchase of investments	3,000	5,000	6,000	5,000	6,000
Total cash used	3,000	5,000	6,000	5,000	6,000
Net cash from (used by) investing activities	(3,000)	(5,000)	(6,000)	(5,000)	(6,000)
Net increase (decrease) in cash held	220	1,120	370	1,670	920
Cash and cash equivalents at the beginning of the reporting period	2,171	2,391	3,511	3,881	5,551
Cash and cash equivalents at the end of the reporting period	2,391	3,511	3,881	5,551	6,471

Prepared on Australian Accounting Standards basis

**Table 3.4: Departmental statement of changes in equity – summary of movement
(Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017	(188,173)	9,789	250,694	72,310
Comprehensive income				
Comprehensive income attributable to the Australian Government	(24,078)	-	-	(24,078)
Total comprehensive income attributable to the Australian Government	(24,078)	-	-	(24,078)
Transactions with owners				
Distribution to owners:				
Other	-	-	-	-
Contribution by owners:				
Appropriation (equity injection)	-	-	9,336	9,336
Departmental Capital Budget (DCBs)	-	-	13,634	13,634
Sub-total transactions with owners	-	-	22,970	22,970
Estimated closing balance				
as at 30 June 2018	(212,253)	9,789	273,662	71,198

Prepared on Australian Accounting Standards basis

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

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (Departmental Capital Budget)	13,282	13,634	13,588	13,629	13,693
Equity injections - Bill 2	19,562	9,336	2,025	197	-
Total capital appropriations	32,844	22,970	15,613	13,826	13,693
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	32,844	22,970	15,613	13,826	13,693
Total items	32,844	22,970	15,613	13,826	13,693
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	19,562	9,336	2,025	197	-
Funded by capital appropriations - Departmental Capital Budget ²	13,282	13,634	13,588	13,629	13,693
TOTAL	32,844	22,970	15,613	13,826	13,693
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	37,843	25,443	15,613	13,826	13,693
less additions by finance lease	-	-	-	-	-
less additions by creditors / borrowings	-	-	-	-	-
plus borrowing / finance costs	-	-	-	-	-
plus Annual finance lease costs	-	-	-	-	-
less Gifted assets	-	-	-	-	-
less s32 / restructuring	-	-	-	-	-
Total cash used to acquire assets	37,843	25,443	15,613	13,826	13,693

Prepared on Australian Accounting Standards basis

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

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

	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	33,381	4,324	209,806	247,511
Accumulated depreciation/ amortisation and impairment	(5,093)	(2,722)	(136,248)	(144,063)
Opening net book balance	28,288	1,602	73,558	103,448
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed:				
Appropriation ordinary annual services ¹	5,484	1,680	18,281	25,443
Total additions	5,484	1,680	18,281	25,443
Other movements				
Depreciation/amortisation expense	(5,190)	(501)	(20,941)	(26,632)
Total depreciation/amortisation	(5,190)	(501)	(20,941)	(26,632)
As at 30 June 2018				
Gross book value	38,865	6,004	227,912	272,781
Accumulated depreciation/ amortisation and impairment	(10,283)	(3,223)	(157,189)	(170,695)
Closing net book balance	28,582	2,781	70,723	102,086

Prepared on Australian Accounting Standards basis

1. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bills (No. 1) 2017-18 for DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee Benefits	9,589	8,809	8,985	9,165	9,339
Grants	10,288	12,761	11,341	10,932	10,100
Personal benefits	6,164,987	5,904,796	5,741,570	5,618,822	5,585,772
Payments to corporate entities	42,699	47,389	40,959	40,955	39,681
Other	4,872,753	4,936,148	4,808,253	4,669,180	4,608,916
Total expenses administered on behalf of government	11,100,316	10,909,903	10,611,108	10,349,054	10,253,808
LESS:					
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation revenue					
Other sources of non-taxation revenue	31,114	31,114	31,114	31,114	31,114
Total non-taxation	31,114	31,114	31,114	31,114	31,114
Total revenues administered on behalf of government	31,114	31,114	31,114	31,114	31,114
Net Cost of (contribution by) services	11,069,202	10,878,789	10,579,994	10,317,940	10,222,694
Surplus (Deficit)	(11,069,202)	(10,878,789)	(10,579,994)	(10,317,940)	(10,222,694)

Prepared on Australian Accounting Standards basis

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	37,851	37,851	37,851	37,851	37,851
Other receivables	120,006	120,006	120,006	120,006	120,006
Investments	1,316,374	1,316,239	1,325,927	1,334,964	1,342,303
Total financial assets	1,474,231	1,474,096	1,483,784	1,492,821	1,500,160
Non-financial assets					
Other	4,980	4,980	4,980	4,980	4,980
Total non-financial assets	4,980	4,980	4,980	4,980	4,980
Total assets administered on behalf of government	1,479,211	1,479,076	1,488,764	1,497,801	1,505,140
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions and payables					
Other provisions and payables	3,526,925	3,651,439	3,771,702	3,895,128	4,022,280
Personal benefits	7,159,500	7,441,835	7,728,464	8,018,917	8,319,254
Grants payables	-	-	16	32	32
Employee provisions	2,015	2,015	2,015	2,015	2,015
Other payables and accrued expenses	37,970	37,970	37,970	37,970	37,970
Total provisions and payables	10,726,410	11,133,259	11,540,167	11,954,062	12,381,551
Total liabilities administered on behalf of the government	10,726,410	11,133,259	11,540,167	11,954,062	12,381,551
Net Administered Liabilities	9,247,199	9,654,183	10,051,403	10,456,261	10,876,411

Prepared on Australian Accounting Standards basis

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2016-17 \$'000	Budget 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000	Forward estimate 2020-21 \$'000
OPERATING ACTIVITIES					
Cash received					
GST input credit received	43,512	43,512	43,512	43,512	43,512
Other	31,114	31,114	31,114	31,114	31,114
Total cash received	74,626	74,626	74,626	74,626	74,626
Cash used					
Personal benefits	5,892,845	5,622,461	5,454,941	5,328,369	5,285,435
Employees	9,589	8,809	8,985	9,165	9,339
Other	4,837,682	4,811,634	4,687,990	4,545,754	4,481,764
Grant payments	9,270	12,761	11,325	10,916	10,100
GST payments to suppliers	43,512	43,512	43,512	43,512	43,512
Payments to Corporate Entities	42,699	47,389	40,959	40,955	39,681
Total cash used	10,835,597	10,546,566	10,247,712	9,978,671	9,869,831
Net cash from (used by) operating activities	(10,760,971)	(10,471,940)	(10,173,086)	(9,904,045)	(9,795,205)
INVESTING ACTIVITIES					
Cash used					
Payments to Corporate Entities	7,154	8,980	9,688	9,037	7,339
Total cash used	7,154	8,980	9,688	9,037	7,339
Net cash from (used) by investing activities	(7,154)	(8,980)	(9,688)	(9,037)	(7,339)
Net increase/decrease in cash held	(10,768,125)	(10,480,920)	(10,182,774)	(9,913,082)	(9,802,544)
Cash and cash equivalents at beginning of reporting period	37,851	37,851	37,851	37,851	37,851
Cash from Official Public Account	10,789,011	10,501,806	10,203,660	9,933,968	9,823,430
Cash to Official Public Account	(20,886)	(20,886)	(20,886)	(20,886)	(20,886)
Cash and cash equivalents at end of reporting period	37,851	37,851	37,851	37,851	37,851

Prepared on Australian Accounting Standards basis

Table 3.10: Statement of administered asset movements (2017-18)

	Land	Buildings	Other infrastructure, plant and equipment	Intangibles - Computer Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017					
Gross book value	-	4,980	-	-	4,980
Opening net book balance	-	4,980	-	-	4,980
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase or internally developed:					
Appropriation equity ¹	-	-	-	-	-
Appropriation ordinary annual services ²	-	-	-	-	-
Total additions	-	-	-	-	-
Other movements					
As at 30 June 2018					
Gross book value	-	4,980	-	-	4,980
Closing net book balance	-	4,980	-	-	4,980

Prepared on Australian Accounting Standards basis

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

Australian War Memorial

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN WAR MEMORIAL

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Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

The Memorial will continue to provide dignified and fitting ceremonies, not only for Anzac Day and Remembrance Day, but for other commemorative occasions such as the popular daily Last Post ceremony. This daily ceremony continues to be streamed live via the Memorial's website and its Facebook profile. In 2017-18 the Memorial will commemorate many significant events including 100th anniversaries of Passchendaele and Beersheba in the First World War, the 75th anniversaries of El Alamein, Kokoda – the beachheads and Milne Bay in Second World War and the 70th anniversary of Australian Peacekeepers and Peacemakers as well as the 50th anniversary of Coral and Balmoral in the Vietnam War.

Major activities include a new temporary exhibition, for display from October 2017 to October 2018, to commemorate the Special Forces. There will be further development of a temporary exhibition which will honour, remember and commemorate the aftermath and consequences of war, for display from November 2018 to November 2019. Planning will also commence for the delivery of public programs to commemorate the Centenary of Armistice in November 2018.

The Memorial will continue to research and disseminate information to promote the understanding of the Australian experience of war through publications, public talks and exhibition program. Amongst the publications planned for 2017-18 are a collection of stories from the Last Post ceremonies; stories of Australia's Victoria Cross recipients; and Charles Bean's diaries from the Western Front.

The Memorial, through its National Collection branch, will acquire and commission artwork, photography and sculptural works which will help the Memorial to tell the story of Australian service and sacrifice in war. Several major pieces will be delivered in 2017-18 including recognition of General Sir John Monash; Indigenous service; and families of service personnel.

Collecting in this period will continue to be driven by the availability of large technology and other equipment used by members of the Australian Defence Force (ADF) over a generation of operations in war and in peacekeeping and humanitarian missions. Memorial curators will continue joint deployments with the ADF to current areas of operation to identify and collect objects, records and stories to enhance Australia's understanding of areas of operation and activity.

The Collection Development strategy will continue to be developed and implemented to address gaps in the Collection (particularly in recent and current operations), determine an approach for collecting for new conflicts, develop themes for collection development and ensure acquisitions and donations are managed effectively and efficiently.

Digitisation to preserve the archival and film, photo and art collections will focus on First and Second World War materials, obsolete media at risk of deterioration, and promoting access for users online and onsite. Preventive conservation will be built on maintaining essential cyclical maintenance, addressing collection hazards including radiation, asbestos and biological materials, and collection documentation.

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 renewed Memorial boxes and an increase in online and digital resources for teachers and students.

In furtherance of its objective to share knowledge, expertise and the National Collection, and in partnership with the RSL and Services Clubs New South Wales, the Memorial will continue to tour exhibitions to various venues including To Flanders Field, 1917; and Advancing to Victory 1918. The popular For Country; For Nation exhibition will close in September 2017 before commencing a national tour in March 2018.

During 2017-18 the Memorial will leverage its newly redeveloped website, online and social media presence, providing enhanced user experience and interactive, rich content.

The Memorial will continue to develop its Master Plan to address the existing and future exhibition, access and collection storage required to provide appropriate facilities to effectively tell the stories of the Australian experience of war for decades to come. The plan incorporates gallery development, site accommodation, integrated storage in the Campbell site and a new storage facility for large technology in the Mitchell precinct.

Through the Public Service Modernisation Fund, the Memorial will conduct an organisational review and restructure to better reflect its current operations and provide a sustainable structure to meet changing veteran and stakeholder expectations.

The Memorial will also upgrade and restructure the outdated and highly customised information, communication and technology (ICT) systems underpinning the agency's core capabilities. The three year program will improve cost effectiveness, operational flexibility, and management efficiency through a simplified and sustainable technology platform.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian War Memorial Budget estimates for 2017-18 as at Budget May 2017

	2016-17 <i>Estimated Actual \$'000</i>	2017-18 Estimate \$'000
Opening balance/cash reserves at 1 July	73,943	68,762
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	42,720	47,410
Annual appropriations - other services ^(b)		
Equity injection	7,154	8,980
Total annual appropriations	49,874	56,390
Amount received from related entities		
Amount from portfolio department	12,727	-
Amounts from other entities ^(c)	350	-
Total amounts received from related entities	13,077	-
Total funds from Government	62,951	56,390
Funds from other sources		
Interest	2,157	2,463
Royalties	150	150
Sale of goods and services	4,179	4,354
Other	2,115	1,802
Total funds from other sources	8,601	8,769
Total net resourcing for AWM	145,495	133,921
	2016-17	2017-18
Average staffing level	286	283

Prepared on a resourcing (i.e. appropriations available) basis.

All figures shown above are GST exclusive.

(a) Appropriation Bill (No. 1) 2017-18.

(b) Appropriation Bill (No. 2) 2017-18.

(c) Amounts received from other entities within the portfolio, or from other portfolios.

The Australian War Memorial is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Veterans' Affairs which are then paid to the AWM and are considered 'departmental' for all purposes.

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: Entity 2017-18 Budget measures
Part 1: Measures announced since the 2016-17 MYEFO

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Expense measures						
Public Service Modernisation Fund - agency sustainability ^(a)	1.1-8					
Departmental expenses		-	-	-	-	-
Australian War Memorial - business case for additional exhibition space	1.2, 1.4					
Departmental expenses		-	5,000	-	-	-
Total		-	5,000	-	-	-
Total expense measures						
Departmental		-	5,000	-	-	-
Total		-	5,000	-	-	-
Capital measures						
Public Service Modernisation Fund - agency sustainability ^(a)	1.1-8					
Departmental capital		-	-	-	-	-
Total		-	-	-	-	-
Total capital measures						
Departmental		-	-	-	-	-
Total		-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The financial impact of the Modernisation Fund Budget Measure for AWM (in \$'000) is an increase in expense funds of \$748 in 2017-18, \$114 in 2018-19, and \$114 in 2019-20. There is also an increase in capital funds of \$1,637 in 2017-18, \$2,390 in 2018-19, and \$1,733 in 2019-20.

Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Australian War Memorial can be found at: <https://www.awm.gov.au/about/australian-war-memorial-corporate-plan-2016-17/>

The most recent annual performance statement can be found at: <https://www.awm.gov.au/corporate-documents/annual-report-2015-2016/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Program 1.1: Australian War Memorial					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	42,720	47,410	40,980	40,955	39,681
Payments from related entities	13,077	-	-	-	-
Expenses not requiring appropriation in the Budget year ^(a)	12,796	11,668	11,769	11,857	11,918
Revenues from other independent sources	10,246	9,869	9,854	9,526	9,687
Total expenses for Program 1.1	78,839	68,947	62,603	62,338	61,286
Total expenses for Outcome 1	78,839	68,947	62,603	62,338	61,286

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

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

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

Table 2.1.2: Program components of Outcome 1**Program 1.1: Australian War Memorial**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
1.1 - Commemorative Ceremonies					
Annual departmental expenses:					
Departmental item	1,269	1,260	1,233	1,228	1,207
Total component 1 expenses	1,269	1,260	1,233	1,228	1,207
1.2 - National Memorial & Grounds					
Annual departmental expenses:					
Departmental item	6,165	8,613	5,985	5,960	5,859
Total component 2 expenses	6,165	8,613	5,985	5,960	5,859
1.3 - National Collection					
Annual departmental expenses:					
Departmental item	17,225	18,105	17,380	17,168	16,618
Total component 3 expenses	17,225	18,105	17,380	17,168	16,618
1.4 - Exhibitions					
Annual departmental expenses:					
Departmental item	21,965	10,033	7,375	7,343	7,218
Total component 4 expenses	21,965	10,033	7,375	7,343	7,218
1.5 - Interpretive Services					
Annual departmental expenses:					
Departmental item	4,581	4,547	4,451	4,432	4,357
Total component 5 expenses	4,581	4,547	4,451	4,432	4,357
1.6 - Promotion & Community Services					
Annual departmental expenses:					
Departmental item	3,004	2,980	2,917	2,905	2,856
Total component 6 expenses	3,004	2,980	2,917	2,905	2,856
1.7 - Research & Information Dissemination					
Annual departmental expenses:					
Departmental item	8,649	8,582	8,401	8,366	8,225
Total component 7 expenses	8,649	8,582	8,401	8,366	8,225
1.8 - Visitor Services					
Annual departmental expenses:					
Departmental item	3,185	3,159	3,092	3,079	3,028
Total component 8 expenses	3,185	3,159	3,092	3,079	3,028
Expenses not requiring appropriation in the Budget year	12,796	11,668	11,769	11,857	11,918
Total program expenses	78,839	68,947	62,603	62,338	61,286

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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.	
Program 1.1 – To maintain and develop the National Memorial and a national collection of historical material and through commemorative ceremonies, exhibitions, research, interpretation and dissemination.	
Delivery	<p>The program will be delivered through:</p> <ul style="list-style-type: none"> • maintenance and development of the National Memorial and the National Collection of historical material, • delivery of commemorative ceremonies, exhibitions, and interpretive services; and • creation and dissemination of research and information.

Program component 1.1 – Commemorative ceremonies assist Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	A range of commemorative ceremonies will be delivered, including three major ceremonies (Anzac Day Dawn Service, Anzac Day National ceremony and Remembrance Day ceremony), other ceremonies linked to key anniversaries, a school wreath-laying program, and the daily Last Post ceremony.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	To maintain and improve the level of attendance at and participation in commemorative ceremonies.	Strong attendance at Major Ceremonies in line with the five year average trend. Continued strong attendance at Commemorative, Wreath-Laying and Last Post Ceremonies	Attendance levels in all commemorative ceremonies remained strong and showed growth over the period.
2017-18	Deliver major commemorative ceremonies and events as scheduled. Deliver minor commemorative ceremonies and events as scheduled. Deliver daily Last Post ceremonies.	All major commemorations delivered as scheduled. All minor commemorations delivered as scheduled. Last Post ceremony delivered daily.	
2018-19 and forward estimates	Deliver major commemorative ceremonies and events as scheduled. Deliver minor commemorative ceremonies and events as scheduled. Deliver daily Last Post ceremonies.	Centenary of the Armistice of First World War commemorations delivered. All major commemorations delivered as scheduled. All minor commemorations delivered as scheduled. Last Post ceremony delivered daily.	
Purposes (b)	Commemoration. To engage in Commemoration equally on a national scale and at a personal level, whether telling a single, personal story of sacrifice or engaging in contemporary and relevant ways with individuals who wish to commemorate that sacrifice.		

Program component 1.2 – National Memorial and Grounds assists Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	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.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Continued development and maintenance of AWM buildings and grounds consistent with high standards, ensuring that all works comply with standards and that major works are communicated to visitors prior to commencement and do not interfere with the nature of the Memorial or visitor experience as far as possible.	Buildings and Grounds are kept in a state consistent with a pre-eminent national institution. Minor works are accommodated with minimal interference with commemorative or visitor experience as far as possible. Major works are planned and communicated to avoid disruption as far as possible	The Memorial's buildings and grounds continue to be kept in a state consistent with a pre-eminent national institution.
2017-18	1.Continued development and maintenance of AWM buildings and grounds consistent with high standards, ensuring that all works comply with standards and that major works are communicated to visitors prior to commencement and do not interfere with the nature of the Memorial or visitor experience as far as possible. 2.Continued development of the detailed Memorial Master Plan incorporating: Campbell site development plan; Storage and accommodation master plan; Mitchell site development plan; Gallery master plan.	1. Buildings and grounds are kept in a state consistent with a pre-eminent national institution. 2.The long-term Memorial Master Plan is further developed	
2018-19 and forward estimates	1.Continued development and maintenance of AWM Buildings and Grounds to consistently with high standards, ensuring that all works comply with standards and that major works are communicated to visitors prior to commencement and do not interfere with the nature of the Memorial or visitor experience as far as possible. 2. Staged implementation of the detailed Memorial Master Plan	1. Buildings and grounds are kept in a state consistent with a pre-eminent national institution 2. The Memorial Master Plan is implemented in accordance with agreed priorities, subject to available funding.	
Purposes (b)	Building the Memorial. Investment in the Memorial's public spaces and collection storage areas will underpin success in engaging with new audiences and sustaining relevance to our stakeholders.		

Program component 1.3 – The National Collection assists Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	An outstanding national collection of historical material with provenance that is related to Australia's military history.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	National Collection areas acquire and maintain items relating to Australia's military history, with a priority on items that add to the story of Australia's military history.	National Collection areas develop and maintain policies on the acquisition and maintenance of the national collection. Policies on the acquisition of items particularly emphasise the importance of the item(s) in relation to a gap in the AWM capability to tell the story of Australia's military history.	National Collection areas have continued to develop and maintain policies on the acquisition and maintenance of the National Collection. Policies have been developed with an emphasis on the importance of the item(s) in relation to any gaps in the AWM's capability to tell the story of Australia's military history. The cross-branch acquisitions/donations strategy is well advanced, now incorporates all acquisitions, commissions and purchases
2017-18	Continued development and maintenance of a National Collection of items relating to Australia's military history, including collecting from recent and current conflicts and operations including peacekeeping and some peacetime operations that add to the story of Australia's military history and heritage. Review core policy documents supporting the identification, acquisition and conservation of items. Implementation of systemic conservation strategies (especially Large Technology Objects) to ensure the long-term security of and access to the Collection including through digitisation and a wide range of other public access strategies	Items appropriate for the National Collection are identified, acquired and conserved in accordance with AWM policy. Conduct a review of all collection management policies to ensure compliance with best practice and probity.	
2018-19 and forward estimates	Continued development and maintenance of a National Collection of items relating to Australia's military history, including collecting from recent and current conflicts and operations including peacekeeping and some peacetime operations that add to the story of Australia's military history and heritage. Review core policy documents supporting the identification, acquisition and conservation of items.	Items appropriate for the National Collection are identified, acquired and conserved in accordance with AWM policy. Conduct a review of all collection management policies to ensure compliance with best practice and probity.	

	Implementation of systemic conservation strategies (especially Large Technology Objects) to ensure the long-term security of and access to the Collection including through digitisation and a wide range of other public access strategies.	
Purposes (b)	Creating and sharing knowledge, expertise, and the National Collection. The material heritage in the National Collection gives the Memorial the capability to promote understanding of the experience of Australians in war.	

Program component 1.4 – Exhibitions assist Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	Development and maintenance of outstanding permanent, temporary and travelling exhibitions.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Permanent exhibitions to be maintained and refreshed, as required, educating Australians on the Australian experience of war. Temporary and touring exhibitions to tell stories of Australian experience of war that are not told within Permanent Exhibitions.	Permanent, temporary and touring exhibitions continue to generate positive feedback.	Temporary exhibits during the period met or exceeded visitor's expectations including positive feedback. Exhibitions included <i>For Country, For Nation; The Holocaust: witnesses and survivors</i> ; and <i>A Home on a Southern Hill</i> .
2017-18	Permanent exhibitions to be maintained and refreshed, as required, educating Australians on the Australian experience of war. Temporary and touring exhibitions developed to tell stories of Australian experience of war that are not told within permanent exhibitions.	Permanent, temporary and touring exhibitions continue to generate positive feedback. Engaging exhibits including: <i>Special Forces</i> ; and <i>The aftermath and consequences of war</i> (working titles). Preparations for displays/exhibits the commemoration of the centenary of Armistice.	
2018-19 and forward estimates	Permanent exhibitions to be maintained and refreshed, as required, educating Australians on the Australian experience of war. Temporary and touring exhibitions developed to tell stories of Australian experience of war that are not told within Permanent Exhibitions.	Permanent, temporary and touring exhibitions continue to be in demand and generate positive feedback from venues and visitors	
Purposes (b)	Creating and sharing knowledge, expertise, and the National Collection. The combination of authoritative scholarship, inquiry, and exhibition of the National Collection gives the Memorial the capability to promote understanding of the experience of Australians in war.		

Program component 1.5 – Interpretive Services assist Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	Provision of interactive interpretation, including the delivery of innovative on-site, outreach and online education and public program as well as special events.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	The Australian War Memorial will deliver: <ul style="list-style-type: none">a range of public programs and events for visitors to the Memoriala series of quality, engaging curriculum-related school education programs for on-site education groupsa range of quality, engaging, curriculum-related online school education resources for teachers and students.promote, respond to requests for, and manage demand for the Commemorative Crosses project.	Development of a digital experience strategy and specific components within that strategy to increase remote participation in AWM programs. Distribution of six Memorial boxes in the financial year. Build on attendance at travelling exhibitions in regional areas.	In May 2017 the Memorial will launch its new website, providing an improved online presence, enhanced user experience and interactive, rich content. Front gate entry figures are expected to remain steady against the 2015-16 year. Facilitated programs in 2016-17 are on target for an uptake rate of 82.96%. Target distribution of six Memorial boxes achieved.
2017-18	The Australian War Memorial will deliver: <ul style="list-style-type: none">a range of public programs and events for visitors to the Memoriala series of quality, engaging curriculum-related school education programs for on-site education groupsa range of quality, engaging, curriculum-related online and digital school education resources for teachers and studentspromote, respond to requests for, and manage demand for the Commemorative Crosses program.	Attending a Memorial program or event is a deliberate act to find out more about the Australian experience of war. The KPIs for this program component are: <ul style="list-style-type: none">The total attendance figure at Memorial public programs and events.Qualitative or quantitative evidence about increases in participants' understandingQualitative or quantitative evidence of affective or attitudinal changeUptake of facilitated programs	
2018-19 and forward estimates	The Australian War Memorial will deliver: <ul style="list-style-type: none">a range of public programs and events for visitors to the Memoriala series of quality, engaging curriculum-related school education programs for on-site education groupsa range of quality, engaging, curriculum-related online and digital school education resources for teachers and students.	Attending a Memorial program or event is a deliberate act to find out more about the Australian experience of war. The KPIs for this program component are: <ul style="list-style-type: none">The total attendance figure at Memorial public programs and events.Qualitative or quantitative evidence about increases in participants'Qualitative or quantitative evidence of affective or attitudinal change.Uptake of facilitated programs	
Purposes (b)	Commemoration. To engage in Commemoration equally on a national scale and at a personal level, whether telling a single, personal story of sacrifice or engaging in contemporary and relevant ways with individuals who wish to commemorate that sacrifice.		

Program component 1.6 – Promotion and Community Services assist Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	Promotion of the Memorial as an outstanding national institution and assistance to the community to understand the Memorial's roles, activities, programs, relevance and future. Through the provision of high-quality promotion and community services, the program provides a necessary foundation for other programs to function effectively.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Further refine the AWM online presence aligned to the Digital Strategy to facilitate greater engagement and outreach. Increase the AWM media profile through proactive media outreach.	Strong website visitation including collection searches Six media articles per year on the AWM or AWM events generated through proactive media outreach.	In May 2017 the Memorial will launch its new website, providing an improved online presence, enhanced user experience and interactive, rich content. Target of six medial articles generated through proactive media outreach achieved.
2017-18	1. Further delivery through the AWM online presence aligned to the Digital Strategy to facilitate greater engagement and outreach. 2. Increase the AWM profile through proactive media outreach. 3. Develop options for enhanced program delivery options, including a paid tours program including audio tours	1. Strong website visitation including collection searches and continued social media engagement. 2. Strong media presence at and coverage of AWM, including events, generated through proactive media strategy and outreach, 3. Policy developed for enhanced tour options.	
2018-19 and forward estimates	1. Further delivery through the AWM online presence aligned to the Digital Strategy to facilitate greater engagement and outreach. 2. Increase the AWM profile through proactive media outreach. 3. Develop options for enhanced program delivery options, including a paid tours program including audio tours	1. Strong website visitation including collection searches and continued social media engagement. 2. Strong media presence at and coverage of AWM, including events, generated through proactive media strategy and outreach. 3. Policy developed for enhanced tour options.	
Purposes (b)	Increasing partnerships and organisational sustainability. In responding to the changing economic and social environment, the Memorial will seek out new opportunities to work with partners to sustain our important work in commemorating service and sacrifice in war. Staff will be supported and encouraged to work more collaboratively across disciplines to deliver innovative outcomes and for emerging audiences, through an improved project management and leadership discipline.		

Program component 1.7 – Research and Information Dissemination assist Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	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.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	<p>Provide strong research support to significant AWM projects.</p> <p>Provide support to military history professionals including an annual conference and continued academic publication.</p> <p>Provide support to members of the public researching Australia's military history.</p> <p>Provide retail support to members of the public to engage in Australia's military history.</p>	<p>Develop and maintain policies relating to the timely provision of assistance to academics, professional historians and members of the public.</p> <p>Continue to provide public access to Australia's military history through the retail and online sales channels and public access to the Research Centre.</p> <p>Grow the Memorial's online and digital interface experience to enable online research from remote and regional areas.</p>	<p>The Memorial staff continued to provide contextually relevant advice and guidance in response to requests received from internal and external stakeholders.</p> <p>The 2016 Military History Conference, '1916: The Cost of Attrition', held over 3 days from 20-22 July 2016, attracted a near-capacity audience with 18 guest speakers, streamed live across 17 cities in 5 countries.</p> <p>In May 2017 the Memorial will launch its new website, providing an improved online presence, enhanced user experience and interactive, rich content.</p>
2017-18	<p>Support for research about Australian military history including:</p> <ul style="list-style-type: none">• The Memorial's ongoing publications program.• Encouragement, fostering and contribution to research to further promote the understanding of Australian military history.• Facilitating access to collection items and military history information including:<ul style="list-style-type: none">○ Reading room facilities○ An authoritative research enquiry service○ Online research facilities• Retail and online sales channels providing quality military history books and exhibition publications• Management of the 'Soldiers In Residence' program• The provision of expert advice to	Continued strong uptake of Memorial research facilities, and as evidenced by statistical analysis.	

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	internal and external stakeholders.	
2018-19 and forward estimates	<p>Support for research about Australian military history including:</p> <ul style="list-style-type: none"> • The Memorial's ongoing publications program. • Encouragement, fostering and contribution to research to further promote the understanding of Australian military history. • Facilitating access to collection items and military history information including: <ul style="list-style-type: none"> ○ Reading room facilities ○ An authoritative research enquiry service ○ Online research facilities • Retail and online sales channels providing quality military history books and exhibition publications • Management of the 'Soldiers In Residence' program • The provision of expert advice to internal and external stakeholders. 	Continued strong uptake of Memorial research facilities, and as evidenced by statistical analysis.
Purposes (b)	<p>Creating and sharing knowledge, expertise, and the National Collection. The combination of authoritative scholarship, inquiry, and exhibition of the National Collection gives the Memorial the capability to promote understanding of the experience of Australians in war.</p>	

Program component 1.8 – Visitor Services assist Australians remember the Australian experience of war and its enduring impact on society.			
Delivery	Visitors to both the Memorial and its outreach programs 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 program component provides a necessary foundation for other program components to function effectively.		
Performance information			
Year	Performance criteria (a)	Targets	Forecasts
2016-17	Maintain Visitor Services, including personnel and amenities, consistent with the stature and dignity of a major national institution.	Maintain the ratio of positive survey results (quantifiable) and increase the positive feedback (qualifiable).	Targeted visitor surveys have confirmed that the overall visitor experience is excellent This is supported by independent feedback, for example, the Memorial maintained an average TripAdvisor rating of 4.90/5, leading the field amongst cultural institutions.
2017-18	The Australian War Memorial will deliver: <ul style="list-style-type: none">• 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; evaluation services; and the AWM website.	<ul style="list-style-type: none">• The provision of high-quality visitor services provides the necessary foundation for other program components to function effectively (namely program components 1.1, 1.2, 1.4, 1.5 and 1.7). The KPIs for the effectiveness of this program 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.• Feedback and rankings through external surveys (e.g. TripAdvisor) remains positive.• Revenue generation across retail and cost recovery lines meets or exceeds targets.	
2018-19 and forward estimates	Memorial facilities and visitor amenities are consistent with the stature and dignity of a national institution, including gallery presentation; retail facilities (shop, cafés) bathroom facilities; grounds; and way-finding signage.	<ul style="list-style-type: none">• Maintain the ratio of positive survey results (quantifiable) and increase the positive feedback (qualifiable).• Revenue generation across retail and cost recovery lines meets or exceeds targets.	
Purposes (b)	Increasing partnerships and organisational sustainability, in responding to the changing economic and social environment, the Memorial will seek out new opportunities to work with partners to sustain our important work in commemorating service and sacrifice in war. Staff will be supported and encouraged to work more collaboratively across disciplines to deliver innovative outcomes and for emerging audiences, through an improved project management and leadership discipline.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Memorial is forecasting a surplus in the Budget year of \$0.3 million before heritage and cultural assets depreciation expense, following on a forecasted \$0.9 million loss in 2016-17.

The 2016-17 loss relates to a timing difference between previously received appropriation revenue and actual costs for First World War Centenary programs. The costs for these activities are funded from cash reserves established for this purpose.

A deficit of \$11.7 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, and the acquisition of heritage and cultural assets.

Total estimated revenue in 2017-18 of \$57.2 million, is a reduction from 2016-17 estimated revenue. Revenue for 2016-17 included \$12.727 million receipts received from related entities to fund the Spirit of Anzac Experience project, with the Tour finalised in 2016-2017 and project completed in early 2017-18.

The total equity of \$1.311 billion in 2017-18 is a decrease of \$2.7 million from the 2016-17 estimate, represented by the operating deficit for the year, partially offset by the increase in equity injections to fund capital expenditure.

Investments on hand represent accumulated capital reserves, and independently sourced revenue, set aside for specific commitment planned for future years.

The Memorial's primary liability continues to be employee provisions which, during 2017-18, are projected to be \$8.3 million, as a result of accruing leave entitlements.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	23,559	24,169	24,210	24,442	24,507
Suppliers	33,060	22,213	14,759	13,287	12,359
Depreciation and amortisation	22,220	22,565	23,634	24,609	24,420
Total expenses	78,839	68,947	62,603	62,338	61,286
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,958	4,133	4,133	4,133	4,133
Interest	2,157	2,463	2,448	2,370	2,531
Rental Income	221	221	221	221	221
Royalties	150	150	150	150	150
Other (including resources received free of charge)	16,837	2,902	2,902	2,652	2,652
Total own-source revenue	23,323	9,869	9,854	9,526	9,687
Net cost of (contribution by) services	(55,516)	(59,078)	(52,749)	(52,812)	(51,599)
Revenue from Government	42,720	47,410	40,980	40,955	39,681
Surplus (Deficit) attributable to the Australian Government	(12,796)	(11,668)	(11,769)	(11,857)	(11,918)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income (loss)	(12,796)	(11,668)	(11,769)	(11,857)	(11,918)
Total comprehensive income (loss) attributable to the Australian Government	(12,796)	(11,668)	(11,769)	(11,857)	(11,918)

Prepared on Australian Accounting Standards basis

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

Note: Impact of net cash appropriation arrangements

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation /amortisation expenses previously funded through revenue appropriations	(936)	309	288	275	290
less heritage and cultural depreciation expenses previously funded through revenue appropriations ¹	11,860	11,977	12,057	12,132	12,208
Total comprehensive income/(loss) - as per the Statement of					
Comprehensive Income	(12,796)	(11,668)	(11,769)	(11,857)	(11,918)

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 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,762	2,674	3,162	3,404	2,747
Trade and other receivables	777	798	819	819	819
Investments accounted for under the equity method	66,000	63,000	55,000	59,000	66,000
Other	727	727	727	727	727
Total financial assets	70,266	67,199	59,708	63,950	70,293
Non-financial assets					
Land and buildings	141,280	144,473	147,032	146,695	144,700
Property, plant and equipment	1,106,566	1,102,762	1,103,971	1,097,171	1,089,420
Intangibles	3,311	4,322	5,985	6,060	4,884
Inventories	899	899	899	899	899
Other	598	598	598	598	598
Total non-financial assets	1,252,654	1,253,054	1,258,485	1,251,423	1,240,501
Total assets	1,322,920	1,320,253	1,318,193	1,315,373	1,310,794
LIABILITIES					
Payables					
Suppliers	1,036	1,057	1,078	1,078	1,078
Other	283	283	283	283	283
Total payables	1,319	1,340	1,361	1,361	1,361
Provisions					
Employee provisions	8,322	8,322	8,322	8,322	8,322
Total provisions	8,322	8,322	8,322	8,322	8,322
Total liabilities	9,641	9,662	9,683	9,683	9,683
Net assets	1,313,279	1,310,591	1,308,510	1,305,690	1,301,111

Prepared on Australian Accounting Standards basis

Table continued on next page

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EQUITY *					
Parent entity interest					
Contributed equity	110,778	119,758	129,446	138,483	145,822
Reserves	654,166	654,166	654,166	654,166	654,166
Retained surplus (accumulated deficit)	548,335	536,667	524,898	513,041	501,123
Total Equity	1,313,279	1,310,591	1,308,510	1,305,690	1,301,111

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

Prepared on Australian Accounting Standards basis.

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

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	548,335	654,166	-	110,778	1,313,279
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	548,335	654,166	-	110,778	1,313,279
Comprehensive income					
Surplus (deficit) for the period	(11,668)	-	-	-	(11,668)
Total comprehensive income	(11,668)	-	-	-	(11,668)
Transactions with owners					
<i>Contributions by owners</i>					
Equity injection - Appropriation	-	-	-	8,980	8,980
Sub-total transactions with owners	-	-	-	8,980	8,980
Closing balance attributable to the Australian Government	536,667	654,166	-	119,758	1,310,591

Prepared on Australian Accounting Standards basis

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	42,699	47,389	40,959	40,955	39,681
Goods and services	4,179	4,354	4,354	4,354	4,354
Interest	2,157	2,463	2,448	2,370	2,531
Other	15,342	1,952	1,952	1,702	1,702
Total cash received	64,377	56,158	49,713	49,381	48,268
Cash used					
Employees	23,559	24,169	24,210	24,442	24,507
Suppliers	32,239	21,392	13,938	12,487	11,559
Total cash used	55,798	45,561	38,148	36,929	36,066
Net cash from (used by) operating activities	8,579	10,597	11,565	12,452	12,202
INVESTING ACTIVITIES					
Cash received					
Investments	115,500	100,000	97,000	80,000	86,000
Total cash received	115,500	100,000	97,000	80,000	86,000
Cash used					
Purchase of property, plant and equipment	20,914	22,665	28,765	17,247	13,198
Investments	110,500	97,000	89,000	84,000	93,000
Total cash used	131,414	119,665	117,765	101,247	106,198
Net cash from (used by) investing activities	(15,914)	(19,665)	(20,765)	(21,247)	(20,198)

Prepared on Australian Accounting Standards basis

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	7,154	8,980	9,688	9,037	7,339
Total cash received	7,154	8,980	9,688	9,037	7,339
Net cash from (used by) financing activities	7,154	8,980	9,688	9,037	7,339
Net increase (decrease) in cash held	(181)	(88)	488	242	(657)
Cash and cash equivalents at the beginning of the reporting period	2,943	2,762	2,674	3,162	3,404
Cash and cash equivalents at the end of the reporting period	2,762	2,674	3,162	3,404	2,747

Prepared on Australian Accounting Standards basis

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

	2016-17 Estimated actual \$'000	2017-18 Budget 2017-18 \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	7,154	8,980	9,688	9,037	7,339
Total new capital appropriations	7,154	8,980	9,688	9,037	7,339
Provided for:					
Purchase of non-financial assets	7,154	8,980	9,688	9,037	7,339
Total items	7,154	8,980	9,688	9,037	7,339
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	7,154	8,980	9,688	9,037	7,339
Funded internally from departmental resources ²	14,605	13,985	19,377	8,510	6,159
TOTAL	21,759	22,965	29,065	17,547	13,498
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	21,759	22,965	29,065	17,547	13,498
less gifted assets	(845)	(300)	(300)	(300)	(300)
Total cash used to acquire assets	20,914	22,665	28,765	17,247	13,198

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.
 - donations and contributions.
 - gifts.
 - internally developed assets.

Prepared on Australian Accounting Standards basis

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

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural assets \$'000	Intangibles Computer Software \$'000	Total \$'000
As at 1 July 2017						
Gross book value	12,386	145,433	60,462	1,076,607	12,007	1,306,895
Accumulated depreciation/amortisation and impairment	-	(16,539)	(12,587)	(17,916)	(8,696)	(55,738)
Opening net book balance	12,386	128,894	47,875	1,058,691	3,311	1,251,157
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase						
Appropriation - equity ¹	-	-	-	7,343	1,637	8,980
Appropriation - ordinary annual services ²	-	7,742	4,587	-	600	12,929
Donated funds				756		756
Assets received as gifts/donations	-		-	300	-	300
Total additions	-	7,742	4,587	8,399	2,237	22,965
Other movements						
Depreciation/amortisation expense	-	(4,549)	(4,813)	(11,977)	(1,226)	(22,565)
Total other movements	-	(4,549)	(4,813)	(11,977)	(1,226)	(22,565)
As at 30 June 2018						
Gross book value	12,386	153,175	65,049	1,085,006	14,244	1,329,860
Accumulated depreciation/amortisation and impairment	-	(21,088)	(17,400)	(29,893)	(9,922)	(78,303)
Closing net book balance	12,386	132,087	47,649	1,055,113	4,322	1,251,557
Prepared on Australian Accounting Standards basis						
Estimated operating expenditure in income statement for heritage and cultural						
Operations and Maintenance				614		
Preservation and Conservation				17,000		
Total operating expenditure on heritage and cultural assets				17,614		

1. "Appropriation equity" refers to equity injections or appropriations provided through Appropriation Bill (No.2) 2017-18 including CDABs.

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

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered items	Expenses, revenues, assets or liabilities managed by entities on behalf of the Commonwealth. Entities 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 entity 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 entity to deliver programs. Departmental items would generally include computers, plant and equipment assets used by entities 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 entity'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	Special Accounts allow money in the Consolidated Revenue Fund (CRF) to be acknowledged as set-aside (hypothecated)

for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 78 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*) or through an Act of Parliament (section 80 of the *PGPA Act 2013*).

Special Appropriations
(including Standing
Appropriations)

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

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