

MID-YEAR ECONOMIC AND FISCAL OUTLOOK

2011-12

STATEMENT BY

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ISBN 978-0-642-74762-4

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NOTES

- (a) The following definitions are used in the MYEFO:
- 'real' means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated by the Consumer Price Index (CPI) as the deflator;
 - one billion is equal to one thousand million; and
 - the Budget year refers to 2011-12, while the forward years refer to 2012-13, 2013-14 and 2014-15.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:
- estimates under \$100,000 are rounded to the nearest thousand;
 - estimates \$100,000 and over are generally rounded to the nearest tenth of a million;
 - estimates midway between rounding points are rounded up; and
 - the percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- | | |
|---------|---------------------------------------------------------------------------------|
| * | The nature of this measure is such that a reliable estimate cannot be provided. |
| NEC/nec | not elsewhere classified |
| - | nil |
| 0 | nil |
| .. | not zero, but rounded to zero |
| ~ | allocation not yet determined |
| na | not applicable (unless otherwise specified) |
| nfp | not for publication |
| \$m | \$ million |
| \$b | \$ billion |

(e) The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. References to the 'States' or 'each State' include the Territories. The following abbreviations are used for the names of the States, where appropriate:

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

FOREWORD

The *Mid-Year Economic and Fiscal Outlook 2011-12* (MYEFO) has been prepared in accordance with the *Charter of Budget Honesty Act 1998*. The Charter requires that the Government provide a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy.

Consistent with these requirements:

- **Part 1: Overview** – contains summary information on the key fiscal and economic indicators and outlook.
- **Part 2: Economic outlook** – discusses the domestic and international economic forecasts that underpin the budget estimates.
- **Part 3: Fiscal strategy and outlook** – provides a discussion of the fiscal strategy and outlook, in addition to a summary of the factors explaining variations in the cash flow statement, the operating statement and the balance sheet since the 2011-12 Budget. This part also discusses the sensitivity of the forward budget estimates to changes in major economic parameters, expenses by function and tax expenditures.
- **Appendix A: Policy decisions taken since the 2011-12 Budget** – provides details of decisions taken since the 2011-12 Budget that affect revenue, expense and capital estimates.
- **Appendix B: Australian Government Budget Financial Statements** – provides financial statements for the general government, public non-financial corporations and total non-financial public sectors.
- **Appendix C: Statement of risks** – provides details of general developments or specific events that may have an impact on the fiscal position, and contingent liabilities which are costs the government may possibly face, some of which are quantified.
- **Appendix D: Historical Australian Government data** – provides historical data for the Australian Government's key fiscal aggregates.

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PART 1: OVERVIEW

INTRODUCTION

International growth prospects have weakened markedly since Budget and the risks to global stability from the European sovereign debt crisis have intensified. While these significant global headwinds are weighing heavily on Australia's economic and fiscal outlook, the Government remains on track to deliver a budget surplus in 2012-13.

The deterioration in global conditions has contributed to a weaker near-term outlook for the Australian economy than at Budget, with forecast gross domestic product (GDP) and employment growth both revised lower.

Conditions are also expected to remain uneven, with the weaker global economy, the high Australian dollar and cautious household spending behaviour creating significant challenges for some sectors.

Notwithstanding the deterioration in global conditions since Budget, the Australian economy continues to outperform the developed world with solid growth prospects, low unemployment, a record pipeline of resources investment, and strong public finances.

The downward revision to the economic outlook from Budget has reduced tax receipts by over \$20 billion over the forward estimates. Lower employment growth since Budget is impacting on taxes on wages and salaries, and volatile financial markets are affecting equity prices and hence capital gains receipts.

The underlying cash deficit is expected to be \$37.1 billion (2.5 per cent of GDP) in 2011-12, returning to a small surplus of \$1.5 billion (0.1 per cent of GDP) in 2012-13. Table 1.1 presents the fiscal and underlying cash balances for 2011-12 to 2014-15.

While the revised outlook for revenue has made the return to surplus more difficult than at Budget, the European sovereign debt crisis has underscored the importance of maintaining fiscal credibility.

This is why the Government is taking steps to build savings steadily over the forward estimates, to ensure Australia's public finances and economy remain strong and to underpin confidence at a time of heightened global instability.

Table 1.1: Budget aggregates

	Estimates			
	2011-12		2012-13	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	-22.6	-37.1	3.5	1.5
Per cent of GDP	-1.5	-2.5	0.2	0.1
Fiscal balance(\$b)	-20.3	-32.4	4.0	4.7
Per cent of GDP	-1.4	-2.2	0.3	0.3
	Projections			
	2013-14		2014-15	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	3.7	1.9	5.8	3.1
Per cent of GDP	0.2	0.1	0.3	0.2
Fiscal balance(\$b)	3.2	4.2	8.5	6.4
Per cent of GDP	0.2	0.3	0.5	0.4

(a) Excludes expected Future Fund earnings.

ECONOMIC OUTLOOK

Global economic and financial conditions have deteriorated markedly in recent months, exacerbating some of the existing stresses on parts of the Australian economy. These developments have been transmitted through a number of channels, with considerable volatility in the exchange rate, falls in Australian equity prices, significant falls in prices of some of Australia's key export commodities – particularly iron ore and coal – and weaker business and consumer confidence. This has contributed to a reduction in momentum in some parts of the economy and a slowdown in employment growth.

The European sovereign debt crisis has escalated, contributing to significant volatility in financial markets and undermining global confidence. With Greece requiring a substantial write-down of its sovereign debt and growing pressure on Spanish and Italian Government bond yields, concerns about the credit-worthiness of financial institutions with significant exposure to European sovereign debt have increased. There are also growing signs of spillovers to the real economy in Europe, with implications for its major trading partners. European leaders have agreed, in principle, to measures to help stabilise the situation. However, a number of important details are yet to be resolved, the implementation task is substantial and the risks to global financial stability remain elevated. The euro area is expected to return to recession in 2012, which will represent a significant headwind for global growth and reduce final demand for Asian produced goods.

The deterioration in Europe has coincided with weak growth in the United States (US), further weighing on global growth prospects at a time when monetary and fiscal policy are significantly constrained in the major advanced economies. The substantial near-term fiscal tightening currently legislated in the US, lingering uncertainties around the US Government debt ceiling and doubts as to whether a credible

medium-term fiscal consolidation plan can be agreed upon have added to the unease in global financial markets.

These adverse developments in the major advanced economies are being transmitted globally through financial market, confidence and trade channels. Still, emerging market economies overall are expected to continue growing at relatively solid rates. While weakness in Europe and the US is expected to have negative flow-on effects to our region, growth in emerging Asia is forecast to remain strong, underpinned by domestic demand. However, this could change if events in Europe were to trigger significant deleveraging in global financial markets or a more severe economic growth slow down in the major advanced economies than currently factored into the forecasts.

Global growth forecasts have been downgraded to 4 per cent in 2011 and 3½ per cent in 2012, largely reflecting lower expected growth in the major advanced economies, before rising to 4 per cent in 2013. The emerging market economies are expected to contribute over three-quarters of total global growth over the next two years.

The forecasts assume a continuation of the uncertainty surrounding the debt problems in Greece and other highly indebted European countries, but that a disorderly resolution of problems is avoided. However, the potential for the European sovereign debt crisis to cause major dislocation in global financial markets, generating further substantial growth deterioration in the major advanced economies and transmission of weakness to emerging markets, is a significant risk to the economic outlook.

Against this weaker international backdrop, forecast growth in Australia's real GDP and employment has been revised down since Budget. While the Australian economy is expected to grow at around its trend rate over the forecast horizon, conditions are expected to remain uneven across the economy. Real GDP is forecast to grow by 3¼ per cent in both 2011-12 and 2012-13, downgrades of ¾ of a percentage point in 2011-12 and ½ of a percentage point in 2012-13 compared with Budget. The labour market outlook has also softened. The unemployment rate is expected to remain low, but increase slightly to 5½ per cent by the June quarter 2012, in line with the downward revision to forecast employment growth (Table 1.2).

Table 1.2 presents the major economic parameters used in preparing the Mid-Year Economic and Fiscal Outlook (MYEFO) 2011-12.

Table 1.2: Major economic parameters ^{(a) (b)}

	Forecasts		Projections	
	2011-12	2012-13	2013-14	2014-15
Real GDP	3 1/4	3 1/4	3	3
Employment	1	1 1/2	1 1/2	1 1/2
Unemployment rate	5 1/2	5 1/2	5	5
Consumer Price Index	2 1/4	3 1/4	2 1/2	2 1/2
Nominal GDP	6 1/4	5	5 1/4	5 1/4

(a) Real and nominal GDP are year-average growth. Employment and CPI are through-the-year growth to the June quarter. The unemployment rate is the rate in the June quarter.

(b) The forecasts incorporate the introduction of a carbon price on 1 July 2012.

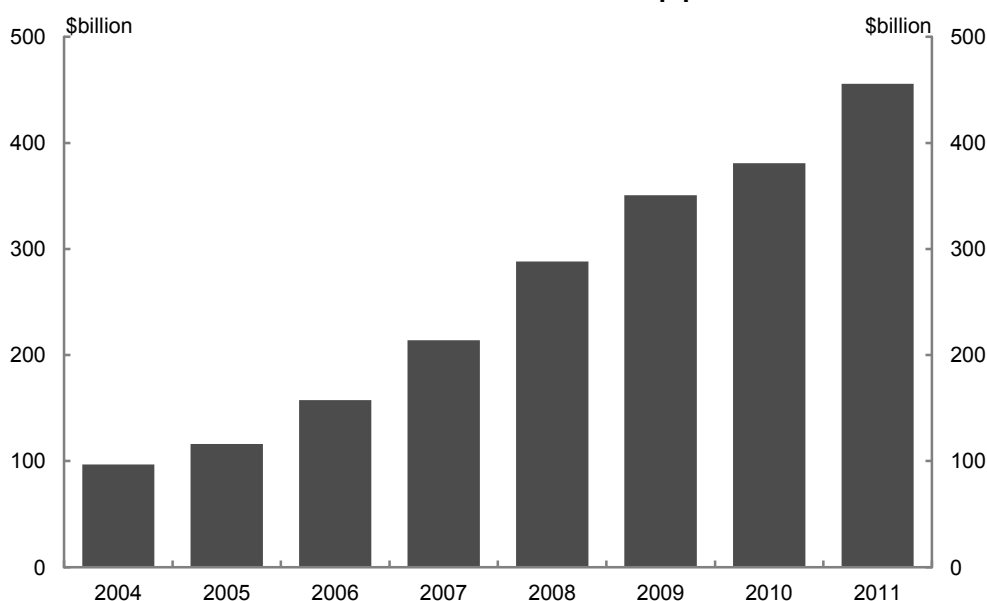
Source: Treasury.

Australia’s economic growth prospects are driven by record investment intentions in the resources sector and strong forecast growth in commodity exports.

Commodity prices have fallen in recent months, but the outlook for prices and investment remains favourable, notwithstanding the unsettled global environment. In value terms around two-thirds of the large mining projects included in the economic forecasts have received final investment approval, with the majority of these already under construction. Prices of Australia’s bulk commodity exports remained strong through to the September quarter, driving Australia’s terms of trade to new record highs. Since then, however, iron ore and coal spot prices have fallen significantly, as have prices in other commodity markets. While recent declines in global steel production point to some moderation in demand, by the end of October prices seemed to have moved by more than could be explained by changes in the prospects for supply and demand in these markets. Iron ore spot prices have since increased and appear likely to regain further lost ground over the coming months.

Looking beyond these near-term movements, the medium-term outlook is for Australia’s terms of trade to decline as the global supply of iron ore and coal increases. Still, the rapid pace of economic development in emerging Asia, and the prospect that strong resources-intensive investment in China and India will continue for many years to come, underpin expectations that the decline in the terms of trade will be gradual. Australia’s terms of trade are forecast to rise 1¾ per cent in 2011-12, before declining 5¼ per cent in 2012-13. The medium-term projections assume that Australia’s terms of trade will decline by a further 20 per cent over the subsequent 15 year period.

Investment decisions in the resources sector are taken over long time horizons, driven by medium-term projections of the growing resource needs of the large emerging market economies. These projections remain intact, notwithstanding the recent deterioration in global conditions, with the pipeline of resources investment in Australia continuing to grow since Budget to over \$450 billion (Chart 1.1). Following growth of 34 per cent in resources investment in 2010-11, resources companies expect to increase their capital expenditure by a further 74 per cent in 2011-12, supporting a strong outlook for commodity exports and activity in the related construction and services sectors.

Chart 1.1: Resources investment pipeline

Source: ABARES and BREE.

Elsewhere, the outlook is uneven with the uncertain global environment adding to existing strains on some parts of the economy. Local share prices have fallen in line with global markets, reducing the financial wealth of households and weighing on consumer spending decisions. Investment intentions have also declined outside of the resources sector, with less favourable external conditions adding to existing pressures from the high exchange rate and cautious household spending behaviour. Reduced momentum in the non-mining economy is evident in the recent slowdown in employment growth and is reflected in the softer labour market outlook.

While conditions have become more challenging for those sectors that are not benefiting – either directly or indirectly – from the resources boom, the Australian economy is expected to grow at around its trend rate in aggregate over the forecast period. The unemployment rate is expected to remain low, but increase slightly to around 5½ per cent over the forecast period, with employment growth forecast to be weaker than expected at Budget, at 1 per cent through the year to the June quarter 2012 and 1½ per cent through the year to the June quarter 2013. Headline inflation is expected to remain contained, rising from 2¼ per cent through the year to the June quarter 2012 to 3¼ per cent through the year to the June quarter 2013, including a one-off ¾ of a percentage point addition due to the introduction of a carbon price on 1 July 2012.

RETURNING THE BUDGET TO SURPLUS

The Government remains on track to deliver a budget surplus in 2012-13, despite the ongoing challenges to the near-term outlook that have made the return to surplus more difficult.

The weaker and more fragile global economic and financial conditions have contributed to a reduction in momentum in some parts of the Australian economy. Asset prices are softer and employment growth is expected to be weaker than at Budget, with businesses more reluctant to expand their workforce in the current uncertain global environment.

The weaker labour market has led to downward revisions to personal income tax. Meanwhile, softer asset prices are flowing through to lower capital gains taxes paid by companies, superannuation funds, and individuals. In total, the revised economic outlook has reduced tax receipts by more than \$20 billion over the forward estimates.

In the context of more challenging global conditions and uncertainty around the outlook, it is appropriate to maintain a disciplined approach to spending and return the budget to surplus.

The European sovereign debt crisis highlights the importance of maintaining strong public finances. Maintaining fiscal discipline and strong public finances will help sustain confidence, which is particularly important at a time of heightened global instability.

Given the substantial downgrades to budget revenues, the Government has identified \$6.8 billion in net savings over the forward estimates. This has been necessary given the reduction in tax receipts and the need to fund the significant policy reforms announced since the 2011-12 Budget.

The current global instability and uneven conditions domestically mean that it would not be prudent, at this point in time, for an even tighter fiscal outcome in the short term.

Since the Budget the Government has announced details of its comprehensive plan to secure a clean energy future. The reforms introduce a price on carbon pollution, that reduce expected carbon pollution by at least 160 million tonnes per annum by 2020. The reforms also include significant assistance to households through higher family payments and pensions, and tax cuts to all taxpayers earning up to \$80,000. The reforms will also free up to one million people from having to lodge a tax return by trebling the tax free threshold. While the package involves upfront costs in 2011-12, it is broadly budget neutral in the three years to 2014-15.

Savings have also been achieved through a combination of expenditure cuts, deferring some initiatives and measures to improve the integrity and fairness of the taxation

system. These savings steadily build over the forward estimates with many of the decisions providing ongoing improvements to the budget position. This mix of savings over the forward estimates is appropriate given the near-term uncertainty but more solid medium-term prospects.

The Government has taken further steps to make the family payment system sustainable for the long term. Resetting the Baby Bonus to \$5,000 and pausing indexation will continue to deliver substantial financial support to new parents while ensuring the ongoing viability of the payment. In addition, as part of changes to strengthen immunisation arrangements for young children, families will need to meet immunisation requirements to receive the Family Tax Benefit Part A end of year supplement for children aged one, two and five. These stronger incentives will replace the maternity immunisation allowance and help improve immunisation rates over time.

The Government is undertaking a number of reforms that improve the fairness and efficiency of the tax system. The Government is acting to stop the misuse of the living-away-from-home benefit concessions by requiring individuals to substantiate their expenses and limiting access to the concession for temporary residents to those who maintain a home for their own use in Australia that they are living away from for work. These changes will, amongst other things, ensure that a level playing field exists between temporary residents and permanent residents. Widespread exploitation of this tax concession was one of the issues raised at the Tax Forum held earlier this year. The Government is also supporting workforce participation by extending the phase out of the Dependent Spouse Tax Offset to those aged 60 years and under at 1 July 2012.

The Government will also reform aspects of the retirement income system. Given that from 1 July 2012, the Government will provide a new superannuation contribution to low income earners that will refund the contributions tax payable on superannuation contributions, the existing co-contribution scheme will be reduced. The new low income superannuation contribution is better targeted and more widely available, benefiting more than three times as many low-income earners. Other savings have been achieved in the taxation system through pausing the indexation of the superannuation concessional contribution caps and deferring the commencement of some new measures announced in the 2010-11 Budget.

Changes are being made to school education rewards programs to reflect the need for ongoing stakeholder consultation and the phase-in of reward payments. The Reward Payments for School Improvement program will be rephased to allow for greater stakeholder consultation, with funding provided to develop and implement the National Schools Improvement Framework, including testing pilot projects. The Reward Payments for Great Teachers program will be fully phased in over 18 months, with eligible teachers receiving a reward in the first year and second year under the new Professional Standards for Teachers. The Government will continue to work with

States and Territories to facilitate redesign of their performance management policies over this time.

Changes are also being made to reward funding for universities, in recognition of the increased funding available to universities through the introduction of the demand-driven system on 1 January 2012, higher indexation rates and increased research and capital grants. The Government will continue with reward funding for universities to prioritise enrolment by students from low socio-economic backgrounds while not proceeding with other elements. In addition, the Government is reinstating the Band 2 contribution rate for mathematics, statistics and science for students commencing study from 2013, with transitional arrangements for existing students. The lower National Priority rates have not had the intended positive impacts on student demand.

Broader savings have also been achieved through improved pricing arrangements for visas, bringing them closer in line with the real costs of assessment and international practice. To reduce the cost of government administration, the Government has also decided to apply an additional one-off efficiency dividend of 2.5 per cent in 2012-13 to the majority of Commonwealth agencies and will ask entities to report annually to the Government on their reduced spending.

FISCAL OUTLOOK

The forecast underlying cash deficit for 2011-12 is \$37.1 billion (2.5 per cent of GDP), returning to a small surplus of \$1.5 billion (0.1 per cent of GDP) in 2012-13.

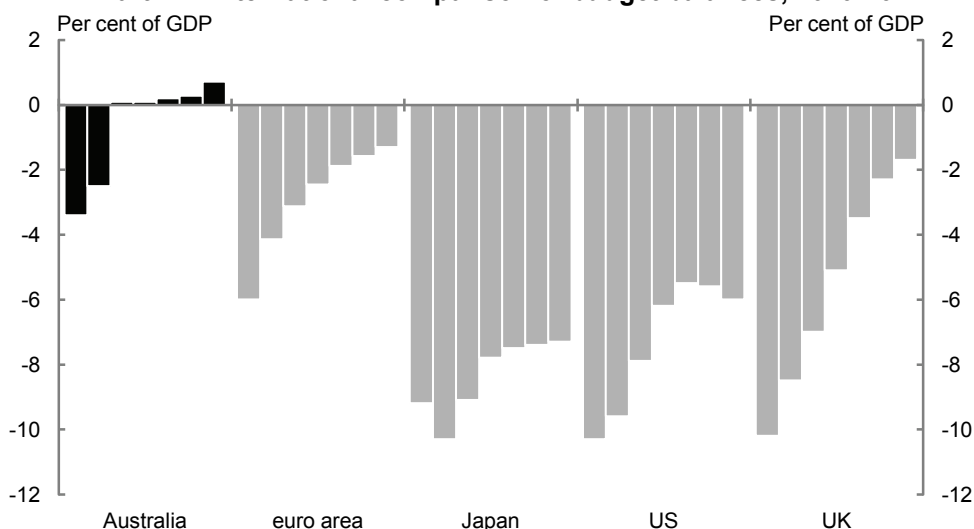
The forecast deficit in 2011-12 is larger than expected at Budget, with around two-thirds of the increase reflecting variations to receipts and payments as distinct from policy decisions.

Tax receipts have been revised down by \$4.8 billion in 2011-12 in large part because of the weaker near-term outlook for the economy. In addition, payments have increased by \$2.3 billion under the Natural Disaster Relief and Recovery Arrangements, including an additional advance payment to Queensland to ensure necessary reconstruction and repair work can happen as soon as possible. Decisions to provide significant assistance to households and business as part of the policy reform to reduce carbon pollution and to accelerate funding for key infrastructure projects have also contributed to the change in budget position in 2011-12.

The Government has made a number of savings decisions in response to the shortfall in tax receipts across the forward estimates. In total, \$11.5 billion in savings decisions outside of the Clean Energy Future package have been made, with the combined effect of all policy decisions improving the budget bottom-line by \$6.8 billion. The savings decisions made by Government will help to leave Australia in a substantially stronger fiscal position than any of the major advanced economies.

Australia will return the budget to surplus ahead of the major advanced economies (Chart 1.2). The average net debt position of the major advanced economies (G7) is projected to reach 92.9 per cent of GDP in 2016, more than 10 times higher than the expected peak in Australia's net debt of 8.9 per cent of GDP (Chart 1.3).

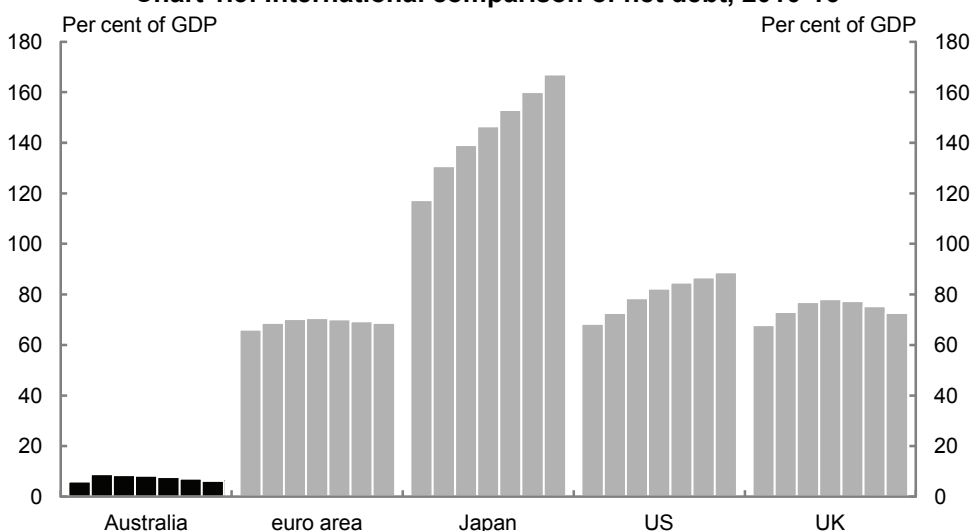
Chart 1.2: International comparison of budget balances, 2010-16



Note: Australian data are for the Australian Government general government sector and refer to financial years beginning 2010-11. Data for all other economies are total government and refer to calendar years beginning 2010.

Source: IMF Fiscal Monitor September 2011, IMF World Economic Outlook September 2011 and Treasury.

Chart 1.3: International comparison of net debt, 2010-16



Note: Australian data are for the Australian Government general government sector and refer to financial years beginning 2010-11. Data for all other economies are total government and refer to calendar years beginning 2010.

Source: IMF Fiscal Monitor September 2011, IMF World Economic Outlook September 2011 and Treasury.

PART 2: ECONOMIC OUTLOOK

OVERVIEW

International growth prospects have weakened since Budget and the risks to global financial stability from the European sovereign debt crisis have intensified, undermining confidence in the global recovery. These developments are being transmitted globally through financial markets, confidence and trade channels.

The deterioration in global conditions has contributed to a weaker outlook for the Australian economy, with forecast growth in real GDP and employment revised down since Budget. Still, the Australian economy is expected to grow at around its trend rate over the forecast horizon, underpinned by a record pipeline of resources investment and strong growth in commodity exports. However, conditions are expected to remain uneven, with the global weakness and uncertainty, the high Australian dollar and cautious household spending behaviour weighing heavily on some sectors.

Australia's real GDP growth is forecast to increase to $3\frac{1}{4}$ per cent in both 2011-12 and 2012-13, employment growth is forecast to be solid, the terms of trade are expected to remain at a high level, and inflation is expected to remain well contained. The unemployment rate is forecast to remain low, but to drift up a little over the next year, easing some of the capacity pressures foreshadowed in the 2011-12 Budget.

The weak and fragile economic position of the major advanced economies presents considerable risks to the domestic economic outlook. There remains substantial uncertainty about how the European crisis will unfold over coming months, posing considerable risks for global growth. However, barring a more severe slowing in the major advanced economies, the large emerging market economies are expected to continue growing at solid rates, with our linkages to the fast-growing Asian region continuing to support Australia's economic growth prospects.

DOMESTIC ECONOMIC OUTLOOK

The weaker international environment is weighing on Australia's economic outlook, exacerbating existing pressures on some sectors of the economy and driving downward revisions to forecast growth in real GDP and employment since Budget.

The marked deterioration in global economic and financial conditions over recent months has been transmitted to the Australian economy through a number of channels, with considerable volatility in the exchange rate, falls in Australian equity prices, lower prices for some of Australia's key export commodities – particularly iron ore and coal – and weaker business and consumer confidence. This has contributed to a reduction in momentum in some parts of the economy and a slowdown in employment growth.

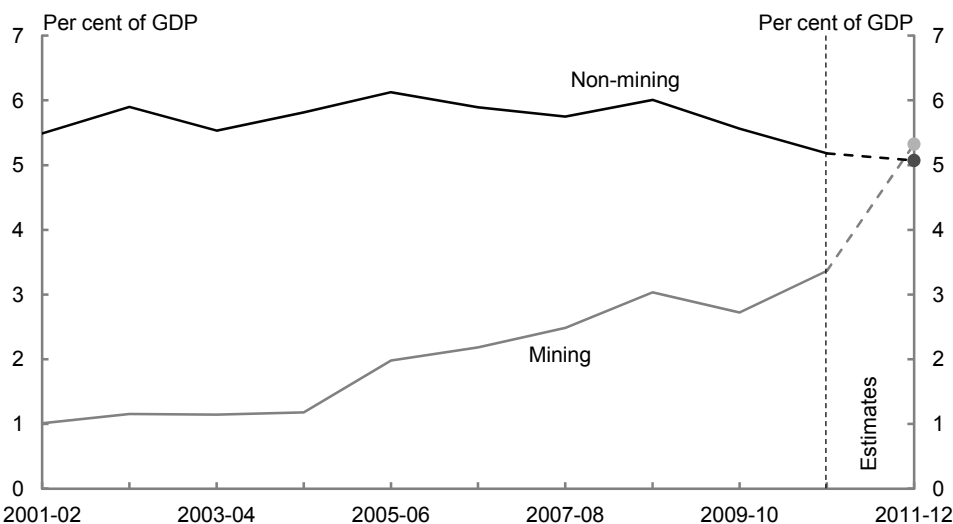
Notwithstanding these pressures, Australia's real GDP growth is still expected to strengthen over the forecast period, rising from 2.1 per cent in 2010-11 to 3¼ per cent in both 2011-12 and 2012-13. Employment is forecast to grow 1 per cent through the year to the June quarter of 2012 and 1½ per cent through the year to the June quarter of 2013, still solid but weaker than forecast at Budget. The unemployment rate is forecast to drift up to 5½ per cent by the June quarter of 2012, remaining broadly unchanged through to the June quarter of 2013.

Australia's economic growth outlook is underpinned by the strong prospects for the resources sector, notwithstanding recent declines in commodity prices. Global prices for Australia's key non-rural commodity exports have declined since early September, coinciding with falls in broader commodities markets, strong growth in supply and a recent easing of global steel production. However, by the end of October, prices appeared to have fallen more than fundamentals would suggest. Iron ore prices have since increased and it is anticipated they will regain further ground over coming months. Notwithstanding recent volatility, coal and iron ore prices remain at high levels and production remains highly profitable for mining companies operating in Australia.

The pipeline of resources investment has continued to build over recent months, reflecting final investment decisions on a number of existing projects and several new project announcements. While cyclical fluctuations in global growth will have implications for commodity prices, mining investment decisions are taken over longer time horizons and are underpinned by projections of the growing resource needs of the large emerging market economies over a period of decades. In value terms, around two-thirds of the large mining projects included in the economic forecasts have received final investment approval, with the majority of these already under construction. In 2011-12, the mining sector intends to invest around \$82 billion, which, based on the long-run realisation of investment plans, would see mining investment increase to a record 5.3 per cent of GDP (Chart 2.1).

With continued solid demand from emerging Asia and significant production capacity anticipated to come on line, the volume of non-rural commodity exports is forecast to grow by around 20 per cent over the next two years.

Chart 2.1: Mining versus non-mining investment



Note: Estimates for 2011-12 are from the ABS CAPEX survey and are based on long-run average realisation ratios.

Source: ABS cat. no. 5204.0, 5625.0 and Treasury.

While the Australian economy is forecast to grow at around its trend rate in aggregate, conditions are expected to remain uneven, with the deterioration in international conditions adding to existing pressures on some sectors of the economy (Box 2.1).

Many Australian businesses are well-equipped to deal with short-term volatility in the exchange rate; however, the sustained strength of the Australian dollar is placing significant strain on trade-exposed sectors of the economy. The exchange rate has been above its post-float average for most of the past decade, prompting a growing number of firms in trade-exposed industries to re-evaluate their business models. Even before the recent international turmoil, it was increasingly evident that the elevated exchange rate was having a greater impact on economic activity than previously anticipated.

Compounding these pressures are a number of legacy effects from the global financial crisis, including the difficulty some businesses still confront in accessing credit and cautious household spending behaviour. Household spending is likely to be further affected in the near term by falls in equity markets and easing employment growth. Looking ahead, household spending is forecast to grow broadly in line with income growth, with the household saving ratio expected to remain elevated over the forecast period.

These forces are expected to weigh heavily, if unevenly, on some parts of the economy that are not directly benefitting from the resources boom. Business surveys suggest

that the prospects for profitability, investment, and employment outside the resources sector have softened since the start of 2011, notwithstanding the partial recovery in the past couple of months.

With the Australian economy expected to grow at around its trend rate and the unemployment rate forecast to drift up a little, capacity pressures are expected to remain well contained, with forecast wages growth and inflation revised down since Budget. The Wage Price Index is forecast to increase $3\frac{3}{4}$ per cent in both 2011-12 and 2012-13, with continued strong wages growth in resources-related industries expected to be tempered by more modest increases in other parts of the economy.

Headline inflation is forecast to rise from $2\frac{1}{4}$ per cent through the year to the June quarter of 2012 to $3\frac{1}{4}$ per cent through the year to the June quarter of 2013, including a one-off $\frac{3}{4}$ of a percentage point increase due to the introduction of the carbon price. Underlying inflation is expected to remain well contained at $2\frac{3}{4}$ per cent through the year to the June quarter of 2013, including a one-off $\frac{1}{4}$ of a percentage point addition due to the carbon price.

The introduction of the carbon price is fully accounted for in the MYEFO forecasts and is not expected to have a material impact on the economic outlook. In addition to the one-off increase in headline and underlying inflation, the carbon price is expected to reduce real GDP and employment growth by less than $\frac{1}{4}$ of a percentage point in 2012-13, with no discernible impact on the forecast unemployment rate.

Forecast growth in the terms of trade has been revised up in year-average terms for 2011-12, notwithstanding the falls in iron ore and coal prices in September and October. This reflects unanticipated strength in bulk commodity prices through to the September quarter, in part due to a more protracted return to normal operations at Queensland coal mines and underpinned by continued robust demand from China. However, a sharper decline is now expected in 2012-13, consistent with recent declines in coal and iron ore prices and the expected growth in global supply of Australia's key non-rural commodity exports. The terms of trade are now expected to increase $1\frac{3}{4}$ per cent in 2011-12, before declining $5\frac{1}{4}$ per cent in 2012-13. Notwithstanding the near-term changes in the forecast terms of trade profile, the level of the terms of trade in 2012-13 is close to that forecast at Budget.

The risks to the outlook remain firmly on the downside. In the context of an already fragile global economy, rapidly evolving events in Europe have shaken confidence and financial markets, and pose a significant risk that the global economic outlook could deteriorate quickly. In this environment, Australia's terms of trade could also decline more sharply than currently forecast.

Table 2.1: Domestic economy forecasts^(a)

	Outcomes(b)	Forecasts			
		2011-12		2012-13	
		2010-11	Budget	MYEFO	Budget	MYEFO(c)
Panel A - Demand and output(d)					
Household consumption	3.4	3 1/2	3	3 1/2	3
Private investment					
Dwellings	2.8	1 1/2	1 1/2	3	1 1/2
Total business investment(e)	5.7	16	14	14 1/2	14 1/2
Non-dwelling construction(e)	9.3	18 1/2	17 1/2	17 1/2	17
Machinery and equipment(e)	2.6	17 1/2	14	14	14 1/2
Private final demand(e)	3.6	6	5 1/4	6	5 3/4
Public final demand(e)	2.8	1 1/4	1 1/4	-1 1/4	-1 1/4
Total final demand	3.4	4 3/4	4 1/4	4 1/2	4
Change in inventories(f)	0.7	0	0	0	0
Gross national expenditure	4.2	4 3/4	4 1/4	4 1/4	4
Exports of goods and services	0.4	6 1/2	6	5 1/2	6
Imports of goods and services	10.4	10 1/2	10	8 1/2	9 1/2
Net exports(f)	-2.0	-1	-1 1/4	-3/4	-1
Real gross domestic product	2.1	4	3 1/4	3 3/4	3 1/4
Non-farm product	1.9	4	3 1/4	3 3/4	3 1/2
Farm product	9.2	1	1	-3	-10
Nominal gross domestic product	8.3	6 1/4	6 1/4	5 3/4	5
Panel B - Other selected economic measures					
External accounts					
Terms of trade	20.4	- 1/4	1 3/4	-3	-5 1/4
Current account balance (per cent of GDP)	-2.4	-4	-4	-5 1/4	-5 3/4
Labour market					
Employment(g)	2.2	1 3/4	1	1 3/4	1 1/2
Unemployment rate (per cent)(h)	4.9	4 3/4	5 1/2	4 1/2	5 1/2
Participation rate (per cent)(h)	65.5	66	65 1/2	66	65 1/2
Prices and wages					
Consumer price index(i)	3.6	2 3/4	2 1/4	3	3 1/4
Gross non-farm product deflator	5.9	2 1/4	3	2	2
Wage price index(g)	3.8	4	3 3/4	4 1/4	3 3/4

(a) Percentage change on preceding year unless otherwise indicated.

(b) Calculated using original data unless otherwise indicated.

(c) MYEFO forecasts incorporate the introduction of a carbon price on 1 July 2012.

(d) Chain volume measures except for nominal gross domestic product which is in current prices.

(e) Excluding second-hand asset sales from the public sector to the private sector.

(f) Percentage point contribution to growth in GDP.

(g) Seasonally adjusted, through-the-year growth rate to the June quarter.

(h) Seasonally adjusted rate for the June quarter.

(i) Through-the-year growth rate to the June quarter.

Source: ABS cat. no. 5204.0, 5206.0, 5302.0, 6202.0, 6345.0, 6401.0, unpublished ABS data and Treasury.

Note: The forecasts are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade-weighted index of around 74 and a United States dollar exchange rate of around 101 US cents. Interest rates are assumed to fall in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$120 per barrel. The farm sector forecasts are based on an assumption of average seasonal conditions.

Box 2.1: The patchwork economy

The past few years have seen an increasing divergence in the performance of different sectors of the Australian economy. While the resources-related parts of the economy are doing very well, some other parts are struggling under the weight of the high Australian dollar, legacy effects from the global financial crisis and the recent global instability.

The rapid urbanisation and industrialisation in Asia is driving strong growth in demand and high prices for Australia's key non-rural commodity exports. This has lifted Australia's terms of trade to record highs and contributed to a substantial appreciation of the Australian dollar.

The resources sector has been the key beneficiary. Production is down over the past year, but this largely reflects the effects of the severe flooding earlier in the year, with growth expected to ramp up sharply in 2011-12. Mining capital investment grew by 34 per cent to a record \$48 billion in 2010-11, with mining employment increasing by 14 per cent over the year to August 2011.

Agriculture is also performing well, buoyed by good weather conditions and relatively high prices, with growth exceeding 9 per cent over the past year.

Elsewhere in the economy, conditions are uneven, with some parts of the economy very weak, while other parts are performing solidly. The weakness is particularly pronounced in the 'goods' parts of the economy – manufacturing, retail and wholesale

trade, and road transport. There is also weakness in construction outside of the resources sector.

Manufacturing output rose by 0.1 per cent over the past year, and manufacturing employment declined 5.4 per cent over the year to August 2011. The high exchange rate appears to have accelerated the structural changes that have been underway in the sector for some time. Not all manufacturing has been weaker, however, with mining-related manufacturing performing strongly. In particular, metal products manufacturing grew almost 8 per cent over the past year.

Domestic retailers have faced subdued conditions in recent years, with retail sales growing well below trend. The weakness reflects a broader pattern of heightened household caution since the global financial crisis, with consumers saving more and borrowing less, notwithstanding solid growth in household incomes. It also reflects the effects of the strong Australian dollar, with Australians taking advantage of cheaper overseas travel. In other parts of the 'goods' chain activity has also been subdued.

The performance of the 'services' sector, which accounts for a large part of the economy, continues to be uneven, with some parts performing poorly, and other parts, including those linked to the resources sector, performing well. Rental, hiring and real estate services output has fallen over the past year and other sectors, such as information media and telecommunications, have also been relatively weak.

Box 2.1: The patchwork economy (continued)

On the other hand, education and training, and health care and social assistance have grown solidly, while administrative and support services and professional, scientific and technical services have grown strongly over the same period.

Overall, this part of the economy appears to be doing reasonably well.

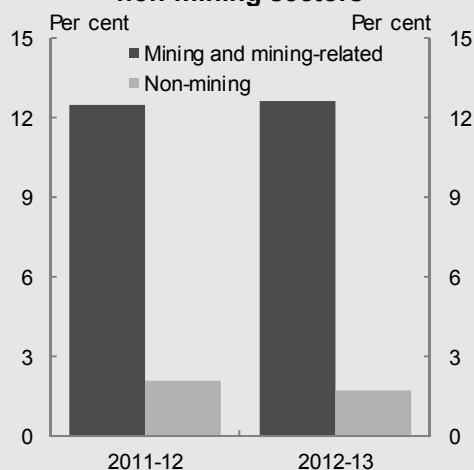
The strength of these service sectors helps explain why the unemployment rate has remained low in the face of pronounced weakness in some other parts of the economy. Although mining (and mining construction) employment is growing strongly, the sector only employs a small part of the labour force and even strong growth in employment in this sector would not be enough to offset the weakness in the larger employing sectors such as manufacturing and retail.

It is the large employing service sectors that are helping to bolster employment growth in the patchwork economy: for example, over the past year the health care and social assistance sector has added nearly 45,000 jobs; public administration and safety has added nearly 34,000 jobs; administrative and support services have added over 23,000 jobs; and professional, technical and scientific services have added around 22,000 jobs. Together, the service sectors have added 195,000 jobs over the past year, more than 3 times the number of jobs created by the mining and construction sectors combined.

These divergent trends are set to continue through at least the next two years, and probably longer.

Growth in the resources and resources-related parts of the economy – about 15 per cent of total GDP – is expected to exceed 10 per cent in both 2011-12 and 2012-13. In contrast, average growth in the remainder of the economy (outside of agriculture) is expected to remain very modest, with significant divergences in growth rates across sectors (Chart 2.2).

Chart 2.2: Growth in mining and non-mining sectors



Source: ABS cat. no. 5204.0, 5625.0, 5302.0 and Treasury.

International economic outlook

The Budget papers highlighted very considerable risks to the global economy. Unfortunately almost all of those risks have subsequently eventuated, with the world growth outlook deteriorating significantly since Budget. In particular, this reflects a dramatic intensification of the European sovereign debt crisis and a weaker-than-expected United States economy. Risks continue to be tilted strongly to the downside with considerable potential for damaging contagion from a downward spiral of events in Europe.

Emerging economies' growth is holding up relatively well on the back of strong domestic demand. However, the global uncertainty arising from Europe exposes these economies to the risks of sharp outflows of capital, a reduction in US dollar liquidity and a deterioration of trade finance. They would also inevitably be affected by a more severe slowing in European or US growth through trade and confidence effects.

Commodity prices have also been buffeted by weaker global growth prospects and uncertainties about the strength of demand from emerging markets.

The deterioration in the global economic outlook means that world GDP is now expected to grow 4 per cent in 2011 and 3½ per cent in 2012, compared with Budget forecasts of 4¼ per cent in 2011 and 4½ per cent in 2012. The global recovery remains vulnerable to shocks, most notably emanating from Europe. Growth in emerging economies, led by China, while slowing, is holding up and is forecast to continue to drive global growth. However, a further sharp deterioration in the situation in Europe or the US would be expected to have spill-over effects on the growth performance of emerging market economies.

Table 2.2: International GDP growth forecasts^(a)

	Actuals	Forecasts		
	2010	2011	2012	2013
United States	3.0	1 3/4	2	2 1/4
Euro area	1.8	1 1/2	- 1/4	1
Japan	4.1	- 1/4	2 1/4	1 1/4
China(b)	10.4	9 1/4	8 1/4	8 1/2
India(b)	10.0	7 1/2	6 1/2	8
Other East Asia(c)	7.7	4 1/2	3 3/4	4 3/4
Major trading partners	6.7	4	4 1/4	4 1/2
World	5.1	4	3 1/2	4

(a) World, euro area and other East Asia growth rates are calculated using GDP weights based on purchasing power parity (PPP), while growth rates for major trading partners are calculated using export trade weights.

(b) Production-based measure of GDP.

(c) Other East Asia comprises the newly industrialised economies (NIEs) of Hong Kong, South Korea, Singapore and Taiwan and the Association of Southeast Asian Nations group of five (ASEAN-5), which comprises Indonesia, Malaysia, the Philippines, Thailand and Vietnam.

Source: National statistical agencies, IMF *World Economic Outlook* September 2011, Thomson Reuters and Treasury.

Growth of Australia's major trading partners (MTPs) is forecast to remain solid, albeit lower than at Budget, reflecting the uncertainty arising from developments in Europe. Following strong MTP growth of 6.7 per cent in 2010, growth is forecast to ease to 4 per cent in 2011, before picking up to 4¼ per cent in 2012 and 4½ per cent in 2013. The more robust prospects for growth in Australia's MTPs compared with growth in world GDP reflects the composition of our MTPs, which is increasingly weighted towards the fast growing emerging Asian economies.

The 26 October 2011 euro area leaders' summit made some welcome decisions to address the European sovereign debt crisis. Those measures included a plan to write-down more Greek debt, recapitalise European banks and increase the fire-power of the euro area bailout fund. However, many details remain unresolved and concerns linger that the measures may not be enough to combat the crisis. There are also clear implementation risks as political instability in Greece casts doubt on Greece's ability to stave off default. Indeed, questions about the extent of political commitment to tackle the crisis remain the single largest source of uncertainty. For Europe, the task at hand is enormous, with most countries pursuing contractionary fiscal policies, yields on Italian and Spanish debt at unsustainable levels and the prospect of deleveraging by European banks in the face of requirements to recapitalise. Italy, as the third largest economy in the euro area, is of particular concern given its large level of sovereign debt, weak growth prospects, poor economic reform record, political instability and rising risk premia being priced into its bonds.

The bank recapitalisation plan is vexed by the symbiotic links between the banking system and sovereign debt. If banks recapitalise by deleveraging rather than raising capital in markets, lending growth will be further constrained, hampering already weak economic activity in the region. In addition, the underlying problems facing the euro area, such as the need to enhance competitiveness and growth, and increase economic and fiscal integration, will be extremely difficult to address in circumstances

of financial sector fragility. The confluence of these factors is expected to result in much of Europe returning to recession in 2012.

Given the poor outlook for Europe, sustaining the global recovery in the period ahead will rely primarily on the United States and China, the two largest economies in the world.

A confluence of temporary factors weighed on US GDP growth in the first half of 2011, including the disruption to motor vehicle supply chains caused by the Japanese earthquake, tsunami and nuclear accident, and high world oil prices. Data released in late July then saw downward revisions to US GDP which revealed that the recovery was much weaker, and the 2007-09 recession much deeper, than previously estimated. The latest data show a modest pick-up in growth as the impacts of the temporary factors continue to unwind. However, with US housing and labour markets remaining depressed, the US recovery will be weak and vulnerable to external shocks. In addition, given the ongoing political debate in the US concerning fiscal policy, we face the situation whereby failure to commit to a medium-term fiscal consolidation program creates uncertainty, while any premature fiscal consolidation would risk further exacerbating current weakness. This risk has been exacerbated by the failure of the Congressional 'Super Committee' to agree on a comprehensive package of budget cuts. What is required is a clear, moderate but staged approach to improving the US' fiscal position.

Economic growth in China is expected to remain strong over the forecast horizon. However, the rate of expansion is likely to moderate relative to the robust investment-driven growth in 2010 and 2011. Activity in the industrial and housing sectors has slowed as Government stimulus spending has declined and authorities have tightened monetary and credit policy settings in response to inflationary concerns. Recent financial market stress and continued sluggish growth in Europe and the US have reinforced downside risks from external conditions, which overlay existing pockets of domestic vulnerability flowing from the investment-driven post-GFC boom and the way in which sub-national governments have financed growth. However, authorities remain well placed to respond to external shocks, or a faster-than-expected moderation in domestic activity, with targeted policy easing.

Elsewhere in the region, the outlook remains broadly positive, barring a further substantial deterioration in the global economy. Japan's recovery from the March disasters has been slower than expected at Budget, primarily reflecting delays in reconstruction efforts, although growth is expected to strengthen in 2012. In Indonesia, domestic demand continues to drive solid growth and this is forecast to continue. India's economic growth is forecast to slow in 2012 as past monetary policy tightening takes effect, before returning to trend in 2013. Growth in Asia's other trade exposed economies is holding up relatively well, although these economies remain vulnerable to a further substantial deterioration in global growth and financing conditions.

DETAILED DOMESTIC FORECASTS

Australia's real GDP is forecast to grow $3\frac{1}{4}$ per cent in both 2011-12 and 2012-13. Compared with Budget, the forecasts have been downgraded by $\frac{3}{4}$ of a percentage point in 2011-12 and $\frac{1}{2}$ of a percentage point in 2012-13, largely reflecting the deterioration in global economic and financial conditions. Economic growth is expected to be underpinned by business investment and commodity exports.

Household consumption is forecast to grow below trend, increasing 3 per cent in both 2011-12 and 2012-13. This is weaker than expected at Budget, reflecting a slower anticipated pace of employment and wages growth over the forecast horizon. House price falls and the recent global volatility, which have led to falls in household net worth and consumer confidence, are expected to weigh on consumption growth in the near term. Household consumption is forecast to grow broadly in line with household disposable income, with the household saving ratio expected to remain elevated.

Dwelling investment is forecast to grow $1\frac{1}{2}$ per cent in both 2011-12 and 2012-13. New dwelling investment grew 5.2 per cent in 2010-11, the strongest performance since 2002-03, underpinned by a high level of construction activity in the Victorian market. However, with few signs of growth in other states, the further weakening in building approvals is expected to see growth ease over the forecast period, in line with broader softness in the housing market.

New business investment is expected to grow 14 per cent in 2011-12 and $14\frac{1}{2}$ per cent in 2012-13, reflecting strong forecast growth in resources investment but a weaker outlook for investment in other parts of the economy. Sustained strong demand for Australia's key non-rural commodity exports continues to drive record investment intentions in the mining sector. **New engineering construction** is expected to grow $29\frac{1}{2}$ per cent in 2011-12 and 23 per cent in 2012-13, underpinned by liquefied natural gas, iron ore and coal projects. The resources sector is also expected to drive higher levels of investment in **new machinery and equipment**, with growth forecast to be 14 per cent in 2011-12 and $14\frac{1}{2}$ per cent in 2012-13. The weakness in non-mining investment is most evident in **new non-residential building** activity, which is forecast to decline 5 per cent in 2011-12 before recovering by 2 per cent in 2012-13.

Public final demand is forecast to grow $1\frac{1}{4}$ per cent in 2011-12, before falling $1\frac{1}{4}$ per cent in 2012-13. The public final demand forecasts reflect the withdrawal of fiscal stimulus and the fiscal consolidation plans of the Commonwealth and State governments. The withdrawal of fiscal stimulus is expected to detract around $\frac{1}{2}$ of a percentage point from real GDP growth in 2011-12 and have no impact on real GDP growth in 2012-13, as the withdrawal of fiscal stimulus will be complete.

Export growth forecasts have been downgraded since Budget for 2011-12, but remain solid. The downgrade largely reflects a slower-than-expected recovery in Queensland coal exports following the floods, ongoing delays nationally in commodity export capacity expansions coming on line and weaker forecast growth in Australia's major trading partners. Nevertheless, non-rural commodity exports are expected to grow strongly over the period. Services and manufacturing export growth is expected to remain weak, in line with the weaker outlook for Australia's major trading partners and the high exchange rate. Farm production and consequently rural exports surged in 2010-11 and are expected to remain elevated in 2011-12 owing to continuing favourable weather conditions. In 2012-13, rural output and exports are expected to decline to more normal levels, in line with an assumed return to average weather conditions. Total exports are forecast to increase by 6 per cent in both 2011-12 and 2012-13.

Import growth forecasts have been downgraded slightly for 2011-12, reflecting weaker domestic demand, and upgraded for 2012-13, reflecting stronger expected capital imports associated with expenditure on major mining projects. Import volumes are forecast to grow 10 per cent in 2011-12 and 9½ per cent in 2012-13. Net exports are expected to detract 1¼ percentage points from real GDP growth in 2011-12 and 1 percentage point in 2012-13.

Forecast growth in the **terms of trade** has been revised up in year-average terms in 2011-12, reflecting higher-than-anticipated bulk commodity prices through to the September quarter. The terms of trade are expected to decline, albeit to still-elevated levels, in 2012-13, consistent with recent declines in coal and iron ore prices and the strong projected increase in the global supply of non-rural commodities. The terms of trade are expected to increase 1¾ per cent in 2011-12, before declining 5¼ per cent in 2012-13.

The **current account deficit** is forecast to widen over the next two years. This reflects a widening net income deficit associated with rising mining profits generating increased equity income outflows and the movement of the trade balance from surplus to deficit. The current account deficit is expected to be 4 per cent of GDP in 2011-12 and 5¾ per cent of GDP in 2012-13.

The **unemployment rate**, currently around 5¼ per cent, is expected to rise slightly to around 5½ per cent by the June quarter of 2012 and to remain broadly stable through to the June quarter of 2013. The labour market outlook has weakened since Budget following slower employment growth during 2011 and a downgrade to the economic outlook, particularly in the non-mining sectors of the economy where the majority of workers are employed. Employment is forecast to grow 1 per cent through the year to the June quarter of 2012 and 1½ per cent through the year to the June quarter of 2013, weaker than forecast at Budget.

Wages growth is expected to slow, consistent with the softer labour market outlook. The Wage Price Index is expected to grow $3\frac{3}{4}$ per cent through the year to the June quarters of both 2012 and 2013, weaker than forecast at Budget.

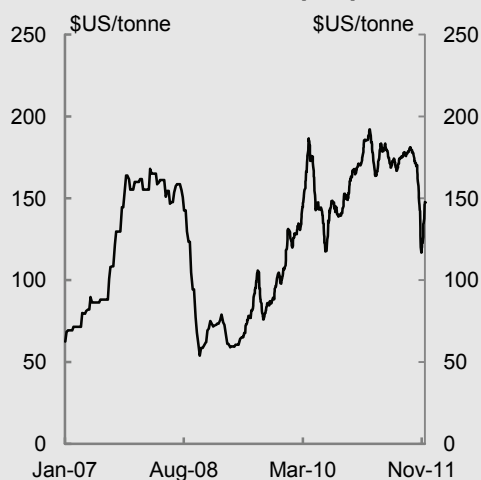
After spiking in 2010-11 due to the impact of floods and cyclones on fruit and vegetable prices, headline **inflation** is expected to moderate in 2011-12 and remain contained in 2012-13, in line with the outlook for trend economic growth and relatively stable unemployment. Both underlying and headline measures of inflation are expected to be $2\frac{1}{4}$ per cent through the year to the June quarter of 2012. Underlying inflation is then expected to rise modestly to $2\frac{3}{4}$ per cent through the year to the June quarter of 2013, including a one-off $\frac{1}{4}$ of a percentage point addition due to the carbon price; headline inflation, including the one-off impact of the carbon price, is forecast to be $3\frac{3}{4}$ per cent through the year to the June quarter of 2013.

Nominal GDP is forecast to grow $6\frac{1}{4}$ per cent in 2011-12 and 5 per cent in 2012-13. Forecast growth in nominal GDP is unchanged in 2011-12, but $\frac{3}{4}$ of a percentage point weaker in 2012-13 than expected at Budget, reflecting the $\frac{1}{2}$ of a percentage point downward revision to real GDP growth and a steeper forecast decline in the terms of trade.

Box 2.2: Iron ore prices

Most commodity prices have fallen significantly over recent months. While iron ore prices defied this broader trend initially, spot prices fell by more than US\$50 (or over 30 per cent) in October to below US\$120/tonne. This was the largest monthly fall in iron ore prices since the global financial crisis. Iron ore spot prices subsequently increased by around \$US30 (or 25 per cent) in the first half of November, remaining below their early-September peak, but at levels that are still high by historical standards (Chart 2.3).

Chart 2.3: Iron ore spot prices



Note: Series is daily spot China import Iron Ore Fines 62 per cent Fe CFR. Data prior to December 2008 are spliced backwards using weekly spot China import Iron Ore Fines 63.5 per cent Fe CFR.

Source: Bloomberg and Treasury.

The substantial volatility in iron ore prices appears to have been driven by a reinforcing combination of demand and supply factors, some of which are expected to be temporary.

Activity in global steel markets traditionally softens in the latter part of the calendar year as production eases and significant maintenance

work is undertaken. This seasonal softening appears to have been amplified this year by the announcement of large scale steel production cuts in Europe, tighter global credit conditions, and tighter financial conditions in China. While European demand is likely to remain lower than normal for some time, Chinese demand is expected to pick up in the near term as steel mills restock in the lead up to winter.

On the supply side, Australian iron ore producers have recently been exporting at record rates. Combined with redirected iron ore supplies from Europe and record Chinese domestic iron ore production, this additional supply has also weighed on prices in the face of temporarily weaker Chinese demand.

Prices rose in the first half of November and are expected to recover a little further in the near term as prices had fallen below the marginal cost of production for some producers. With a significant proportion of China's domestic iron ore production estimated to be high cost, some Chinese domestic supply could have been wound back or shut down if these lows had been sustained.

Over the longer term, the outlook for iron ore demand remains positive despite the recent financial market turbulence. Growth prospects for emerging Asia, particularly China, continue to be robust.

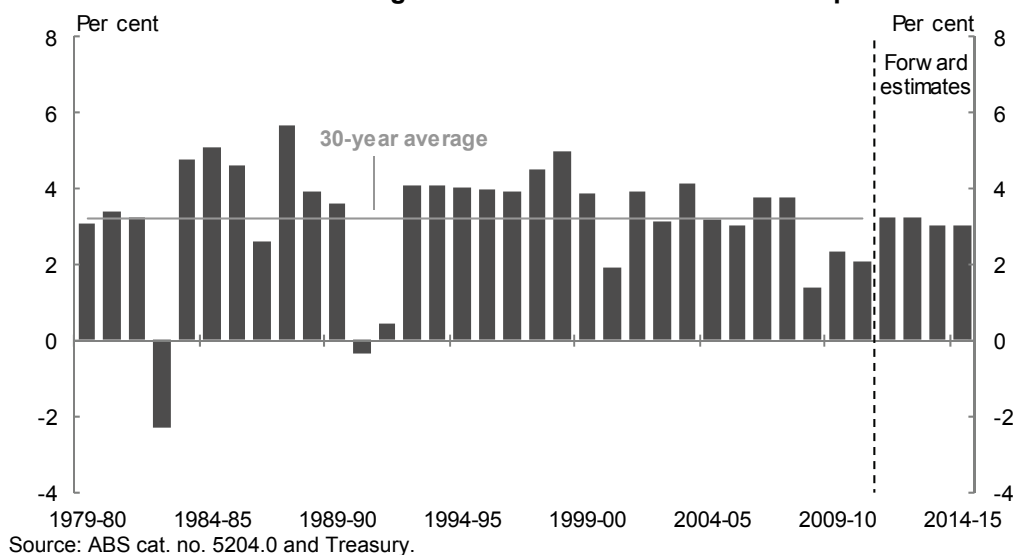
With iron ore accounting for 20 per cent of Australia's total exports in 2010-11 (valued at \$58 billion) and over 4 per cent of GDP, developments in the market have significant implications for the Australian economy and Government revenues.

Medium-term economic projections

The fiscal aggregates in the MYEFO are underpinned by a set of forward estimates consisting of short-term economic forecasts for 2011-12 and 2012-13 and a further 2 years of projections based on medium-term assumptions.

Real GDP is projected to grow at around 3 per cent annually over the two projection years of the forward estimates (Chart 2.4). These projections are based on analysis of underlying trends in employment and productivity.

Chart 2.4: Real GDP growth over the forward estimates period



Beyond the forward estimates, real GDP is projected to grow at around 3 per cent until 2022-23, when growth is projected to slow as population ageing generates a gradually falling participation rate.

The unemployment rate is projected to be 5 per cent over the medium term, the assumption that has long been used for medium-term projections, and near the top of the band of current estimates of the NAIRU (4½ to 5 per cent). Inflation is projected to be 2½ per cent, consistent with the Reserve Bank of Australia's medium-term target band.

The terms of trade are projected to decline by a total of around 20 per cent over a 15-year period from 2012-13, settling just above their 2006-07 level. This reflects an expectation that current levels of commodity prices will not be sustained in the longer term, as supply increases gradually bring down prices over time.

Part 2: Economic outlook

The exchange rate is assumed to remain at recent levels during the forecast period. Over the projection period, the exchange rate is assumed to move in line with the long-term historical relationship between the terms of trade and the real effective exchange rate. The terms of trade projections imply a fall in the real exchange rate of 0.9 per cent per annum over the projection period.

PART 3: FISCAL STRATEGY AND OUTLOOK

OVERVIEW

The Government remains on track to deliver a surplus in 2012-13, well ahead of Australia's peers and notwithstanding ongoing challenges to the near-term fiscal outlook that have made the return to surplus more difficult.

The deterioration in the global economy and uneven domestic conditions have resulted in a downward revision to tax receipts by over \$20 billion across the forward estimates.

The Government has responded to the more challenging fiscal outlook in a measured way by making \$6.8 billion in net savings, including meeting the costs of the *Clean Energy Future* package.

Savings have also been achieved through a combination of expenditure cuts, deferrals in initiatives, and measures to improve the integrity and fairness of the taxation system.

At a time of heightened volatility in financial markets, caused by sovereign debt concerns in Europe, it is important for the Government to continue its disciplined approach to spending and return the budget to surplus.

The underlying cash deficit is expected to be \$37.1 billion (2.5 per cent of GDP) in 2011-12, returning to a small surplus of \$1.5 billion (0.1 per cent of GDP) in 2012-13 (Table 3.1).

The return to surplus will ensure Australia's public finances remain among the strongest in the developed world, leaving us well placed to respond to any external shocks to the economic outlook.

Net debt is forecast to peak at 8.9 per cent of GDP in 2011-12, higher than previously anticipated. Still, the average net debt position of the major advanced economies (G7) is projected to reach 92.9 per cent of GDP in 2016, more than 10 times higher than the expected peak in Australia's net debt.

Table 3.1: Budget aggregates

	Estimates			
	2011-12		2012-13	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	-22.6	-37.1	3.5	1.5
Per cent of GDP	-1.5	-2.5	0.2	0.1
Fiscal balance(\$b)	-20.3	-32.4	4.0	4.7
Per cent of GDP	-1.4	-2.2	0.3	0.3
	Projections			
	2013-14		2014-15	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	3.7	1.9	5.8	3.1
Per cent of GDP	0.2	0.1	0.3	0.2
Fiscal balance(\$b)	3.2	4.2	8.5	6.4
Per cent of GDP	0.2	0.3	0.5	0.4

(a) Excludes expected Future Fund earnings

Fiscal strategy

The Government's medium-term fiscal strategy is designed to ensure fiscal sustainability while allowing the flexibility to respond to fluctuations in the economic outlook.

The Government's medium-term fiscal strategy is to:

- achieve budget surpluses, on average, over the medium term;
- keep taxation as a share of GDP below the level for 2007-08, on average; and
- improve the Government's net financial worth over the medium term.

The strategy has remained unchanged since 2008-09, the Government's first budget. It guided the Government's response to the global financial crisis and provides the basis for the Government's commitment to return the budget to surplus.

The strategy provides the necessary flexibility for the budget position to vary in line with economic conditions to support macroeconomic stability.

Consistent with the fiscal strategy, the Government took action through 2008 and 2009 to support the economy through the global financial crisis. The Government's delivery of a timely, targeted and temporary fiscal stimulus supported economic growth at a time that the private sector was in retreat.

In the *Updated Economic and Fiscal Outlook (UEFO)* released in February 2009 the Government also committed to return the budget to surplus as quickly as economic conditions permitted, once the economy recovered to grow above trend. Returning the budget to surplus is consistent with the medium-term strategy and will support Australia's capacity to respond to any further external shocks.

To help achieve this, the Government committed to allow tax receipts to recover in line with the economy and to hold real growth in spending to 2 per cent a year while the economy is growing above trend until the budget returns to surplus.

In the 2010-11 Budget the Government also committed to maintain a 2 per cent annual cap on real spending growth, on average, until surpluses are at least 1 per cent of GDP, once the budget returns to surplus and while the economy is growing at or above trend.

Returning the budget to surplus

The ongoing European financial crisis has emphasised the importance for governments of maintaining their fiscal credibility.

Australia's strong public finances contrast starkly with that of the major advanced economies, and the Government's disciplined approach to spending will help sustain confidence at a time of heightened instability in financial markets.

Returning the budget to surplus is consistent with Australia's economic outlook, even allowing for the softening of conditions since Budget.

Pressures on the fiscal position since the Budget

The underlying cash deficit in 2011-12 is projected to be \$37.1 billion, with the increase in the deficit since the Budget largely the result of:

- a downward variation of \$4.8 billion in tax receipts (including GST), predominantly the result of the softer economic outlook as the deterioration in global economic conditions has impacted on asset returns, investment and employment prospects, particularly in the non-mining sector of the economy;
- increased payments of \$2.3 billion under the Natural Disaster Relief and Recovery Arrangements, including an additional advance payment to Queensland to ensure the necessary reconstruction and repair work can happen as soon as possible;
- accelerated delivery of infrastructure projects under the Building Australia Fund and the Nation Building Programs, involving an additional payment of \$1.4 billion; and
- the decision to provide upfront support to households and businesses in the introduction of the *Clean Energy Future* package which has an impact of \$2.9 billion in 2011-12.

The change in the estimated deficit in 2011-12 is largely the result of variations to tax receipts and government payments as distinct from changes to government policy.

Part 3: Fiscal strategy and outlook

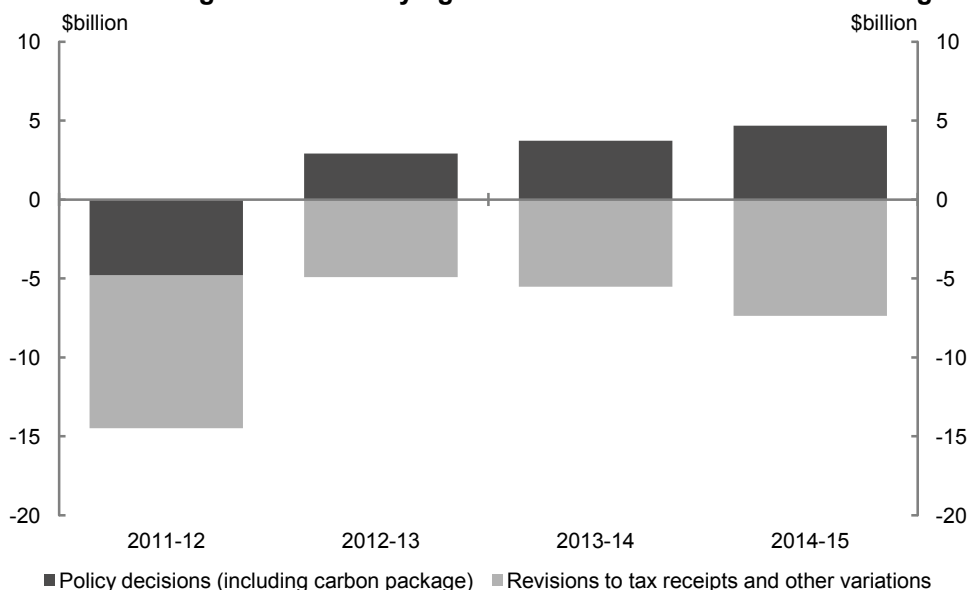
These variations account for around two thirds of the increase in the deficit since the Budget.

The impact of the shift in global economic conditions since Budget has had a further significant impact on the fiscal outlook for 2012-13 onwards with a downward revision to tax receipts of over \$20 billion across the forward estimates being the direct result of the softer economic outlook.

The Government has responded to the changing economic and revenue outlook by taking discretionary policy decisions that have generated net savings that grow steadily over the forward estimates to sustain the strength of Australia’s public finances.

The relative impact of the revisions in tax receipts (and other variations in the budget) and the government’s discretionary policy decisions on the fiscal outlook is illustrated in Chart 3.1. Policy decisions improve the fiscal position in 2012-13 with the contribution growing over the forward estimates.

Chart 3.1: Change to the underlying cash balance since the 2011-12 Budget



Savings

The Government has taken savings decisions of \$11.5 billion over the budget and forward estimates.

After paying for the cost of the *Clean Energy Future* package and all other policy decisions since the 2011-12 Budget, the Government has achieved a net save of \$6.8 billion in this MYEFO.

Table 3.2 outlines the net budget impact of policy decisions taken since the 2011-12 Budget. It takes into account amounts that have been previously been provided for in the Contingency Reserve (and as a result have no net impact on the budget position) and which principally relate to Official Development Assistance.

This is the third consecutive MYEFO to deliver policy decisions that improve the fiscal outlook across the forward estimates, with many of the decisions in this MYEFO providing ongoing benefits to the budget position.

Table 3.2: Delivering fiscal reprioritisation^(a)

	Estimates		Projections		Total
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	
Effect of policy decisions since 2011-12 Budget					
Spends(b)	-2,255	1,027	-589	-827	-2,644
Saves(b)	497	2,150	4,299	4,601	11,548
<i>Clean Energy Future</i> package	-3,102	-368	-352	523	-3,299
Less automatic CPI indexation associated with the <i>Clean Energy Future</i> package(c)	0	48	343	378	769
Total effect of policy decisions	-4,860	2,857	3,701	4,676	6,374
Add Contingency Reserve offsets to policy decisions	59	56	125	169	409
Net budget impact of policy decisions	-4,801	2,913	3,826	4,844	6,783

(a) Underlying cash basis.

(b) Excluding the *Clean Energy Future* package.

(c) This CPI indexation which was published with the *Clean Energy Future* package is an estimates variation, and is therefore not counted in the total effect of policy decisions.

The estimated cost of the *Clean Energy Future* package has been revised since the publication of the financial implications of the *Clean Energy Bill 2011* to reflect more up-to-date and accurate information. The package is estimated to have a net cost to the budget of \$3.3 billion over the forward estimates, although the package is broadly budget neutral over the years 2012-13 to 2014-15. The cost of the *Clean Energy Future* package is made up of \$2.5 billion as a direct result of all policy decisions, and \$769 million associated with the automatic CPI indexation of household assistance payments, which have been reflected against individual agency estimates as parameter variations.

Tax receipts

The commitment to allow the natural increase in tax receipts associated with a growing economy to flow through to the budget is a significant part of the fiscal consolidation.

Downward revisions to the economic outlook since Budget have reduced tax receipts by over \$20 billion over the forward estimates. Even with the introduction of a price on carbon and associated tax cuts, the projected tax-to-GDP ratio in 2012-13 remains significantly below the cap specified in the Government's fiscal strategy, placing a greater weight on spending restraint to return the budget to surplus.

Real growth in payments

In 2011-12, the Government is providing significant assistance to households and businesses in delivering the *Clean Energy Future* package and addressing the effects of the most expensive natural disasters in Australia's history. These decisions have contributed 1.5 percentage points to the increase in real growth in payments in 2011-12. Lower payments in 2010-11 at the Final Budget Outcome compared to estimated payments in the 2011-12 Budget have contributed 1.0 percentage point to real growth in 2011-12. In total, real growth in payments is estimated to be 3.7 per cent in 2011-12. This follows from a contraction in real spending growth of -0.4 per cent in 2010-11.

The unique circumstances affecting payments growth in 2011-12 means that it is more appropriate to assess real payments growth over a longer period.

The savings reported in this MYEFO have contributed to containing average real growth in payments to 1.5 per cent across the forward estimates (see Table 3.3). In comparison, real payments growth averaged around 3.7 per cent in the decade prior to the global financial crisis.

Table 3.3: Real growth in payments

	2011-12	2012-13	2013-14	2014-15
Real payment growth	3.7	-3.0	3.3	2.0
Average growth in real payments			1.5	

The commitment to restrain real growth in spending to 2 per cent, on average, once the budget has returned to surplus and while the economy is growing at or above trend will continue to place a significant restraint on Government expenditure.

The constraint imposed on real growth in payments means that government spending, as a share of the economy, is projected to fall from 24.8 per cent of GDP in 2011-12 to 23.6 per cent of GDP by 2014-15. This is significantly below the average of the ten years preceding the financial crisis of 24.1 per cent of GDP, and highlights the key role disciplined spending is playing in the fiscal consolidation.

FISCAL OUTLOOK

The Australian Government's underlying cash deficit for 2011-12 is estimated to be \$37.1 billion (2.5 per cent of GDP). In accrual terms, a fiscal deficit of \$32.4 billion (2.2 per cent of GDP) is estimated for 2011-12.

Table 3.4: Australian Government general government sector budget aggregates

	Estimates			
	2011-12		2012-13	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Receipts(a)	342.4	336.4	378.5	374.6
Per cent of GDP	23.2	22.6	24.3	23.9
Payments(b)	362.1	370.1	372.1	370.1
Per cent of GDP	24.5	24.8	23.9	23.6
Future Fund earnings	2.9	3.5	2.9	3.0
Underlying cash balance(c)	-22.6	-37.1	3.5	1.5
Per cent of GDP	-1.5	-2.5	0.2	0.1
Revenue(a)	350.0	344.1	383.1	382.8
Per cent of GDP	23.7	23.1	24.6	24.5
Expenses	365.8	371.7	380.5	379.9
Per cent of GDP	24.8	25.0	24.4	24.3
Net operating balance	-15.9	-27.6	2.6	2.8
Net capital investment	4.4	4.8	-1.4	-1.9
Fiscal balance	-20.3	-32.4	4.0	4.7
Per cent of GDP	-1.4	-2.2	0.3	0.3
<i>Memorandum item:</i>				
Headline cash balance	-31.9	-43.3	0.8	-6.4
	Projections			
	2013-14		2014-15	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Receipts(a)	395.9	396.6	415.5	416.0
Per cent of GDP	24.1	24.0	24.0	23.9
Payments(b)	389.2	391.6	406.5	409.5
Per cent of GDP	23.7	23.7	23.5	23.6
Future Fund earnings	3.0	3.2	3.2	3.4
Underlying cash balance(c)	3.7	1.9	5.8	3.1
Per cent of GDP	0.2	0.1	0.3	0.2
Revenue(a)	405.2	407.5	425.8	428.2
Per cent of GDP	24.7	24.7	24.6	24.6
Expenses	399.0	400.6	414.1	418.9
Per cent of GDP	24.3	24.3	23.9	24.1
Net operating balance	6.2	6.9	11.7	9.3
Net capital investment	3.0	2.8	3.2	2.9
Fiscal balance	3.2	4.2	8.5	6.4
Per cent of GDP	0.2	0.3	0.5	0.4
<i>Memorandum item:</i>				
Headline cash balance	0.3	-4.0	3.8	-1.1

(a) Includes expected Future Fund earnings.

(b) Equivalent to cash payments for operating activities, purchase of non-financial assets and net acquisition of assets under finance leases.

(c) Excludes expected Future Fund earnings.

Underlying cash balance estimates

The 2011-12 underlying cash deficit is expected to be \$14.5 billion higher than forecast in the 2011-12 Budget.

Table 3.5: Summary of Australian Government general government sector cash flows

	Estimates			
	2011-12		2012-13	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Cash receipts				
Operating cash receipts				
excluding Future Fund earnings	338.1	332.4	370.7	366.4
Future Fund earnings	2.9	3.5	2.9	3.0
Total operating receipts	341.0	335.8	373.6	369.5
Capital cash receipts(a)	1.4	0.6	4.9	5.1
Total cash receipts	342.4	336.4	378.5	374.6
Cash payments				
Operating cash payments	351.5	360.0	363.4	361.4
Capital cash payments(b)	10.5	10.0	8.7	8.2
Total cash payments	362.0	370.0	372.1	369.7
Finance leases and similar arrangements(c)	0.1	0.1	0.0	0.4
GFS cash surplus(+)/deficit(-)	-19.7	-33.7	6.4	4.5
Per cent of GDP	-1.3	-2.3	0.4	0.3
less Future Fund earnings	2.9	3.5	2.9	3.0
Underlying cash balance(d)	-22.6	-37.1	3.5	1.5
Per cent of GDP	-1.5	-2.5	0.2	0.1
<i>Memorandum items:</i>				
Net cash flows from investments in financial assets for policy purposes	-12.2	-9.7	-5.6	-10.9
plus Future Fund earnings	2.9	3.5	2.9	3.0
Headline cash balance	-31.9	-43.3	0.8	-6.4
	Projections			
	2013-14		2014-15	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Cash receipts				
Operating cash receipts				
excluding Future Fund earnings	392.6	393.1	412.1	412.3
Future Fund earnings	3.0	3.2	3.2	3.4
Total operating receipts	395.6	396.2	415.3	415.7
Capital cash receipts(a)	0.4	0.4	0.2	0.2
Total cash receipts	395.9	396.6	415.5	416.0
Cash payments				
Operating cash payments	380.6	382.9	397.6	400.5
Capital cash payments(b)	8.7	8.2	8.9	9.0
Total cash payments	389.2	391.1	406.5	409.5
Finance leases and similar arrangements(c)	0.0	0.5	0.0	0.0
GFS cash surplus(+)/deficit(-)	6.7	5.0	9.0	6.5
Per cent of GDP	0.4	0.3	0.5	0.4
less Future Fund earnings	3.0	3.2	3.2	3.4
Underlying cash balance(d)	3.7	1.9	5.8	3.1
Per cent of GDP	0.2	0.1	0.3	0.2
<i>Memorandum items:</i>				
Net cash flows from investments in financial assets for policy purposes	-6.4	-9.1	-5.2	-7.6
plus Future Fund earnings	3.0	3.2	3.2	3.4
Headline cash balance	0.3	-4.0	3.8	-1.1

(a) Equivalent to cash receipts from the sale of non-financial assets in the cash flow statement.

(b) Equivalent to cash payments for purchases of non-financial assets in the cash flow statement.

(c) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash balance.

(d) Excludes expected Future Fund earnings.

Table 3.6 provides a reconciliation of the variations in the underlying cash balance since the 2011-12 Budget.

Table 3.6: Reconciliation of general government sector underlying cash balance estimates

	Estimates		Projections	
	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m
2011-12 Budget underlying cash balance(a)	-22,618	3,498	3,672	5,795
Per cent of GDP	-1.5	0.2	0.2	0.3
Changes from 2011-12 Budget to 2011-12 MYEFO				
Effect of policy decisions(b)(c)				
<i>Receipts</i>	-979	1,898	6,777	7,729
<i>Payments</i>	3,881	-960	3,076	3,053
Total policy decisions impact on underlying cash balance	-4,860	2,857	3,701	4,676
Effect of parameter and other variations(c)				
<i>Receipts</i>	-5,503	-5,972	-6,238	-7,406
<i>Payments</i>	4,131	-1,096	-729	-43
Total parameter and other variations impact on underlying cash balance	-9,634	-4,876	-5,509	-7,363
2011-12 MYEFO underlying cash balance(a)	-37,113	1,479	1,864	3,108
Per cent of GDP	-2.5	0.1	0.1	0.2

(a) Excludes expected Future Fund earnings.

(b) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

(c) A positive number for receipts indicates an increase in the underlying cash balance, while a positive number for payments indicates a decrease in the underlying cash balance.

Total policy decisions since the 2011-12 Budget have increased the underlying cash deficit by \$4.9 billion in 2011-12, but improve the budget position over the forward estimates.

Total parameter and other variations since the 2011-12 Budget have increased the underlying cash deficit by \$9.6 billion in 2011-12.

Further details of the impact of policy decisions and major variations arising from parameter and other variations on the fiscal outlook is provided in the receipt estimates and payment estimates sections below.

Receipt estimates

Since the 2011-12 Budget, total tax receipts have been revised down by \$5.8 billion in 2011-12 and \$9.8 billion over the four years to 2014-15, resulting in a lower tax-to-GDP ratio in 2011-12 and 2012-13 relative to expectations at Budget. While the tax-to-GDP ratio is expected to continue to recover, it is projected to remain below its 2007-08 level over the forward estimates.

International growth prospects have weakened since Budget. Although the Australian economy is forecast to grow at around its trend rate over the forward estimates, the deterioration in global conditions has contributed to a reduction in momentum in

some parts of the economy. Volatile financial markets are weighing on Australian equity prices, which are affecting capital gains. Moreover, employment growth and wages growth are expected to be weaker than at Budget.

These downward revisions to employment and wages growth since Budget have resulted in reduced gross income tax withholding receipts, as well as indirect taxes due to the subdued consumption outlook associated with lower wages since Budget, combined with continuing consumer caution. Weakness in asset prices, driven particularly by the volatile international outlook, is also contributing to the downgrade in tax receipts.

Receipts for capital gains tax are now expected to grow at a softer pace than was expected at Budget, with the downgrade totalling \$7.0 billion over the forward estimates. This has contributed to downward revisions to company tax. The revised outlook for capital gains, in conjunction with the revised labour market outlook, has also meant downgrades to tax receipts from gross other individuals and superannuation funds.

Abstracting from policy decisions, tax receipts are expected to be lower by \$4.8 billion in 2011-12 and \$24.4 billion over the four years to 2014-15 relative to Budget.

Table 3.7: Australian Government general government sector cash receipts — 2011-12

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	143,850	142,500	-1,350	-0.9
Gross other individuals	31,050	30,600	-450	-1.4
less: Refunds	27,400	26,600	-800	-2.9
Total individuals and other withholding taxation	147,500	146,500	-1,000	-0.7
Fringe benefits tax	3,700	3,450	-250	-6.8
Company tax	72,800	70,000	-2,800	-3.8
Superannuation funds	9,230	8,850	-380	-4.1
Resource rent taxes(a)	2,080	1,930	-150	-7.2
Income taxation receipts	235,310	230,730	-4,580	-1.9
Sales taxes				
Goods and services tax	48,482	47,663	-819	-1.7
Wine equalisation tax	750	740	-10	-1.3
Luxury car tax	510	480	-30	-5.9
Total sales taxes	49,742	48,883	-859	-1.7
Excise duty				
Petrol	5,790	6,000	210	3.6
Diesel	7,630	8,000	370	4.8
Beer	2,070	2,050	-20	-1.0
Tobacco	5,830	6,250	420	7.2
Other excisable products	4,950	4,600	-350	-7.1
Of which: Other excisable beverages(b)	960	950	-10	-1.0
Total excise duty receipts	26,270	26,900	630	2.4
Customs duty				
Textiles, clothing and footwear	620	650	30	4.8
Passenger motor vehicles	630	600	-30	-4.8
Excise-like goods	4,830	4,000	-830	-17.2
Other imports	1,400	1,450	50	3.6
less: Refunds and drawbacks	260	260	0	0.0
Total customs duty receipts	7,220	6,440	-780	-10.8
Carbon pricing mechanism	-	-	-	-
Other indirect taxation				
Agricultural levies	414	427	14	3.3
Other taxes	2,147	1,919	-228	-10.6
Total other indirect taxation receipts	2,561	2,346	-215	-8.4
Indirect taxation receipts	85,793	84,569	-1,224	-1.4
Taxation receipts	321,103	315,299	-5,804	-1.8
Sales of goods and services	7,996	7,970	-26	-0.3
Interest received	5,297	4,902	-395	-7.5
Dividends	1,422	2,233	810	57.0
Other non-taxation receipts	6,573	6,029	-544	-8.3
Non-taxation receipts(c)	21,288	21,133	-154	-0.7
Total receipts(c)	342,390	336,432	-5,958	-1.7
<i>Memorandum:</i>				
<i>Capital gains tax</i>	8,300	7,300	-1,000	-12.0
<i>Medicare levy receipts</i>	8,940	8,930	-10	-0.1

(a) Resource rent taxes in 2011-12 only includes PRRT.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.

(c) Includes expected Future Fund earnings which are \$524 million higher in 2011-12 (and \$980 million across the budget and forward estimates) than at the time of the 2011-12 Budget. These earnings do not impact on the underlying cash balance.

Table 3.8: Australian Government general government sector cash receipts — 2012-13

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	155,750	150,100	-5,650	-3.6
Gross other individuals	36,100	34,700	-1,400	-3.9
<i>less: Refunds</i>	28,000	27,200	-800	-2.9
Total individuals and other withholding taxation	163,850	157,600	-6,250	-3.8
Fringe benefits tax	4,150	3,800	-350	-8.4
Company tax	76,300	75,810	-490	-0.6
Superannuation funds	10,380	9,900	-480	-4.6
Resource rent taxes(a)	8,100	8,010	-90	-1.1
Income taxation receipts	262,780	255,120	-7,660	-2.9
Sales taxes				
Goods and services tax	51,890	51,229	-660	-1.3
Wine equalisation tax	800	780	-20	-2.5
Luxury car tax	530	510	-20	-3.8
Total sales taxes	53,220	52,519	-700	-1.3
Excise duty				
Petrol	5,680	5,800	120	2.1
Diesel	7,870	8,500	630	8.0
Beer	2,210	2,200	-10	-0.5
Tobacco	5,780	6,250	470	8.1
Other excisable products	5,390	5,150	-240	-4.5
Of which: Other excisable beverages(b)	1,030	1,000	-30	-2.9
Total excise duty receipts	26,930	27,900	970	3.6
Customs duty				
Textiles, clothing and footwear	670	700	30	4.5
Passenger motor vehicles	790	700	-90	-11.4
Excise-like goods	5,160	4,250	-910	-17.6
Other imports	1,600	1,700	100	6.3
<i>less: Refunds and drawbacks</i>	260	260	0	0.0
Total customs duty receipts	7,960	7,090	-870	-10.9
Carbon pricing mechanism	-	4,020	4,020	-
Other indirect taxation				
Agricultural levies	413	432	19	4.7
Other taxes	2,124	2,079	-44	-2.1
Total other indirect taxation receipts	2,536	2,511	-25	-1.0
Indirect taxation receipts	90,646	94,041	3,395	3.7
Taxation receipts	353,426	349,161	-4,265	-1.2
Sales of goods and services	8,157	8,218	61	0.7
Interest received	5,272	4,951	-321	-6.1
Dividends	1,428	1,785	357	25.0
Other non-taxation receipts	10,237	10,444	207	2.0
Non-taxation receipts(c)	25,094	25,398	304	1.2
Total receipts(c)	378,520	374,559	-3,961	-1.0
<i>Memorandum:</i>				
<i>Capital gains tax</i>	12,600	11,000	-1,600	-12.7
<i>Medicare levy receipts</i>	9,670	9,620	-50	-0.5

- (a) Resource rent taxes include PRRT and gross receipts from the MRRT. The net receipts from the MRRT is \$3.7 billion in 2012-13, which represents the net impact on receipts across several different revenue heads. This includes the offsetting reductions in company tax (through deductibility) and interactions with other taxes.
- (b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.
- (c) Includes expected Future Fund earnings which are \$113 million higher in 2012-13 (and \$980 million across the budget and forward estimates) than at the time of the 2011-12 Budget. These earnings do not impact on the underlying cash balance.

Policy decisions

Policy decisions since the 2011-12 Budget have decreased receipts by \$1.0 billion in 2011-12 and increased receipts by \$1.9 billion in 2012-13.

The Government's plan for a clean energy future raises revenue from the sale of permits for carbon pollution and related measures, which is used to fund tax cuts and provide assistance to households and businesses. Overall this package has a net cost to the Budget of \$3.3 billion (including the automatic CPI indexation of transfer payments which has been reflected as a parameter variation), on an underlying cash basis over the forward estimates period.

The revenue savings measures include decisions to reform certain tax expenditures and defer some measures as part of the Government's commitment to responsible economic management. Major policy decisions that have increased receipts over the budget and forward estimates include:

- placing an explicit price on greenhouse gas emissions through the carbon pricing mechanism. This measure is estimated to raise \$17.8 billion on an underlying cash basis over the forward estimates period from the sale of carbon units, all of which will be used to help households, industry, community organisations, workers and regions adjust to the carbon price;
- deferring the commencement of the 2010-11 Budget measure that provided a standard deduction for work-related expenses and the cost of managing tax affairs by 12 months, to now commence on 1 July 2013. This measure is estimated to raise \$1.2 billion on an underlying cash basis over the forward estimates period;
- applying an effective carbon price on aviation and non-transport gaseous fuels by increasing the excise and excise-equivalent customs duties on these fuels, proportional to the relevant emission rates. This measure is estimated to raise \$920 million on an underlying cash basis over the forward estimates period and forms part of the revenue which will be redirected to households and industry to help them adjust;
- reforming the tax treatment of living-away-from-home allowance and benefits, for periods commencing 1 July 2012 for both new and existing arrangements. These changes will better target this concession to a more appropriate range of circumstances and require individuals to substantiate that the allowance is being used for its intended purpose. This measure is estimated to raise \$682 million on an underlying cash basis over the forward estimates period; and
- pausing indexation of the superannuation concessional contributions cap for one year in 2013-14, improving the underlying cash balance by \$485 million over the forward estimates period.

The impact of these policy decisions on receipts has been partially offset by a number of decisions that have reduced receipts, including:

- as part of the Government's *Clean Energy Future* package, increasing the statutory tax-free threshold from \$6,000 to \$18,200 from 1 July 2012 for personal income tax. From 1 July 2015, the statutory tax-free threshold will further increase to \$19,400. Associated adjustments will be made to the low income tax offset and statutory marginal tax rates and thresholds. This measure has a cost to revenue estimated to be \$8.0 billion on an underlying cash basis over the forward estimates period;
- deferring the commencement of the new Research and Development Tax Incentive by 12 months as a result of delays in the passage of the measure through parliament. The new incentive will now apply to income years commencing on or after 1 July 2011. This measure has an estimated cost to revenue of \$760 million on an underlying cash basis over the forward estimates period. This measure is largely offset by the decrease in cash payments by \$720 million in 2011-12; and
- allowing small businesses to immediately write off depreciating assets costing less than \$6,500 (up from \$5,000), with effect from the 2012-13 income year. This measure has an estimated cost to revenue of \$200 million on an underlying cash basis over the forward estimates period.

Parameter and other variations

The key economic parameters that influence revenue are shown in Table 3.9. The table shows effects on the Australian Government's main tax bases of the changed economic circumstances and outlook since the 2011-12 Budget.

Table 3.9: Key economic parameters^(a)

	Outcome	Estimates		Projections	
	2010-11 %	2011-12 %	2012-13 %	2013-14 %	2014-15 %
Revenue parameters at 2011-12 MYEFO					
Nominal gross domestic product (non-farm)	8.0	6.4	5.4	5 1/4	5 1/4
<i>Change since Budget</i>	-0.1	0.1	-0.4	0	0
Compensation of employees (non-farm)(b)	7.7	6.3	5.4	5 1/2	5 1/2
<i>Change since Budget</i>	0.3	-0.9	-1.0	0	0
Corporate gross operating surplus(c)	9.6	5.8	4.5	5 1/4	5
<i>Change since Budget</i>	-2.2	1.0	0.0	1/4	0
Unincorporated business income	0.5	6.1	5.0	5 1/2	5 1/2
<i>Change since Budget</i>	-4.0	2.8	0.1	1/4	1/4
Property income(d)	17.7	5.3	3.9	5 1/2	5 1/4
<i>Change since Budget</i>	1.0	-3.3	-1.4	1/4	0
Consumption subject to GST	4.8	4.5	5.8	5 1/2	5 1/2
<i>Change since Budget</i>	0.4	-0.9	0.3	0	0

(a) Current prices, per cent change on previous year.

(b) Compensation of employees measures total remuneration earned by employees.

(c) Corporate GOS is an Australian National Accounts measure of company profits.

(d) Property income measures income derived from rent, dividends and interest.

Parameter and other variations have decreased tax receipts since the 2011-12 Budget by \$4.8 billion in 2011-12 and \$6.1 billion in 2012-13.

Income tax withholding receipts have been revised down by \$1.3 billion in 2011-12 and \$3.2 billion in 2012-13, reflecting a softening in the outlook for employment and wages growth.

Gross other individuals' taxation receipts have been revised down by \$450 million in 2011-12 and \$940 million in 2012-13, reflecting the revised economic outlook, as well as weakness in capital gains.

Refunds are around \$800 million lower in both 2011-12 and 2012-13, consistent with recent outcomes and the downward revisions to individuals' income taxes.

Fringe benefits tax has been revised down by \$250 million in 2011-12 and \$270 million in 2012-13, due to a lower than expected 2010-11 outcome and the revised labour market outlook.

Superannuation taxes are expected to be \$380 million lower in 2011-12 and \$480 million lower in 2012-13, as weaker employment and wages growth results in lower contributions, in addition to lower capital gains.

Company tax receipts have been revised down by \$1.8 billion in 2011-12 and \$780 million in 2012-13, partly due to lower capital gains in both years and increased company refunds in 2011-12. The impact of the refunds is muted in 2012-13 due to a range of revenue protection measures.

Resource rent taxes have been revised down by \$150 million in 2011-12 and \$70 million in 2012-13. The revisions reflect increased state royalties, weaker production expectations and lower commodity price assumptions, partly offset by the lower Australian dollar.

GST has been revised down by \$820 million in 2011-12 and \$660 million in 2012-13, reflecting lower consumption and subdued dwelling investment.

Since Budget, excise duty has been revised up by \$590 million in 2011-12 and \$570 million in 2012-13, while customs duty has been revised down by \$770 million in 2011-12 and \$830 million in 2012-13. The composition of receipts between excise and customs duties has been revised relating to the relocation of a large tobacco manufacturer. Abstracting from this, tax receipts from tobacco have been revised down since Budget.

Both the luxury car tax and the wine equalisation tax have been revised down in 2011-12 and 2012-13, reflecting the consumption outlook.

Analysis of the sensitivity of the taxation receipts estimates to changes in the economic outlook is provided in Attachment A to this part.

Payment estimates

Since the 2011-12 Budget, estimated cash payments for 2011-12 have increased by \$8.0 billion reflecting new policy decisions of \$3.9 billion and parameter and other variations of \$4.1 billion.

Policy decisions

Major policy decisions since the 2011-12 Budget that have increased cash payments in 2011-12 and across the forward estimates include:

- assistance for households to meet additional costs under the *Clean Energy Future* package. This measure is expected to increase cash payments by \$1.5 billion in 2011-12 (\$6.2 billion over four years);
- support, under the *Clean Energy Future* package, for emissions-intensive coal mines, coal-fired power stations, Australian steel and other manufacturing industries, and those activities in the economy that are the most emissions-intensive and highly exposed to international competition to transition to a low carbon future. These measures are expected to increase cash payments by \$1.4 billion in 2011-12 (\$6.1 billion over four years);
- accelerating funding for a range of Nation Building road and rail infrastructure projects, including the duplication of the Pacific Highway, works on the Bruce Highway, the Interchange at Mains and Kessels Road, the Hunter Expressway, Western Ring Road in Melbourne and the South Road Superway, the Gawler Line Modernisation project in Adelaide and the Blacksoil Interchange Project. These decisions are expected to increase cash payments by \$1.4 billion in 2011-12 (a net increase of \$45 million over four years);
- new listings on the Pharmaceutical Benefits Scheme which are expected to increase cash payments by \$67 million in 2011-12 (\$445 million over four years); and
- setting aside funding to meet the Commonwealth's share of the costs to the Social and Community Services sector for the equal remuneration case currently before Fair Work Australia.

The impact of these policy decisions on payments has been partially offset by a number of decisions that have reduced payments, including:

- a one-off increase of 2.5 per cent to the efficiency dividend for most Commonwealth departments and agencies in the 2012-13 financial year. This measure has no impact in 2011-12 but is expected to reduce cash payments by \$1.5 billion over the period 2012-13 to 2014-15;

- a 20 per cent reduction in funding provided under capital budgeting arrangements for relevant Commonwealth agencies and departments. This measure has no impact in 2011-12 but is expected to reduce cash payments by \$710 million over the period 2012-13 to 2014-15;
- implementing an effective carbon charge on the use of liquid and gaseous fuels through the fuel tax system by reducing the business fuel tax credit entitlement for the use of these fuels. This measure is expected to cost \$2 million in 2011-12 but deliver a net reduction in cash payments of \$962 million over four years;
- reducing the maximum co-contribution payable and rate at which the government matches eligible personal superannuation contributions for low to middle income earners from 1 July 2012. This measure is expected to reduce cash payments by \$660 million over two years from 2013-14;
- resetting the baby bonus to \$5,000 per child from 1 September 2012 and pausing indexation from 1 July 2012. This measure is expected to cost \$1 million in 2011-12 but delivers a net reduction in cash payments of \$320 million over four years;
- ceasing the student experience and quality learning components of Higher Education Reward Funding, reducing expected cash payments by \$3 million in 2011-12 (\$241 million over four years). Funding will continue to be provided for the achievement of participation and social inclusion outcomes; and
- making the payment of Family Tax Benefit Part A supplement conditional on a child being fully immunised from 1 July 2012. From 1 July 2013, children will be required to receive vaccines for meningococcal C, pneumococcal and varicella to be assessed as fully immunised. From this date, Priorix-Tetra®, a combination vaccine, will be added to the National Immunisation Program. This measure is expected to cost \$13 million in 2011-12, but deliver savings of \$197 million over four years.

A full description of all policy measures since the 2011-12 Budget can be found in Appendix A.

Parameter and other variations

Major increases in expected cash payments in 2011-12 as a result of parameter and other variations since the 2011-12 Budget include:

- natural disaster relief payments to the States and Territories under the Natural Disaster Relief and Recovery Arrangements reflecting: a further advance payment of \$1.4 billion in 2011-12 to meet the cost of claims by the Queensland Government to ensure reconstruction work can progress as quickly as possible; higher than expected costs for the Queensland 2010-11 floods and Cyclone Yasi; and delays in claims for reimbursement for disaster restoration work undertaken in 2008, 2009 and 2010. These adjustments increase estimated cash payments by \$2.3 billion in 2011-12 (\$1.0 billion over four years);

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- child care fee assistance which is expected to increase by \$100 million in 2011-12 (\$1.4 billion over four years), in part reflecting higher growth in child care demand than was expected at Budget;
- private health insurance payments which are expected to increase by \$910 million in 2011-12 (\$1.3 billion over four years). The increase in 2011-12 is largely driven by the delay of the 2009-10 Budget Measure: *Private health insurance – fair and sustainable support for the future* which increases expected payments by \$732 million in 2011-12. The Government announced this measure in the 2009-10 Budget; however, the enabling legislation has not been passed by Parliament. This measure remains the Government's policy. The remaining increase in expected payments of \$178 million in 2011-12 (\$571 million over four years) reflects a higher than anticipated number of people with health insurance and higher levels of coverage by individuals;
- residential aged care subsidies which are expected to increase by \$444 million in 2011-12 (\$1.9 billion over four years), owing to an increase in the estimated average subsidy for aged care residents as a result of older Australians entering residential aged care facilities with greater care needs than previously anticipated;
- onshore processing costs related to irregular maritime arrivals, which are expected to increase by \$1.3 billion over four years as a result of an increase in expected arrival rates compared to those at Budget. This is partly offset by \$1.1 billion in reduced costs and savings associated with not progressing offshore processing arrangements at this time, leaving a net impact on the budget of \$197 million over four years;
- payments related to the Research and Development Tax Offset, which are expected to increase by \$327 million in 2011-12 reflecting updated forecasts for claims in 2011-12;
- payments related to Fuel Tax Credits which are expected to increase by \$304 million in 2011-12 (\$1.7 billion over four years), reflecting updated production forecasts and associated fuel consumption;
- Remote Indigenous Housing National Partnership payments, which are expected to increase by \$234 million in 2011-12 (no net impact over four years), reflecting the acceleration of building and refurbishing housing in a number of States and Territories;
- Medicare Services payments which are expected to increase by \$231 million in 2011-12, primarily stemming from the extension of the Chronic Disease Dental Scheme (CDDS) to 31 March 2012 as a result of the Senate disallowing the determination to close the Scheme. The closure of the CDDS remains the Government's policy;

- the impact of foreign exchange rate movements which have increased cash payments by \$216 million in 2011-12 (\$891 million over four years), primarily reflecting higher capital purchase costs for the Department of Defence;
- payments to Job Services Australia which are expected to increase by \$180 million in 2011-12 (\$735 million over four years), largely reflecting a greater than expected use, since Budget, of the Employment Pathway Fund to assist job seekers; and
- the re-profiling of existing renewable energy technology programs which has increased expected cash payments in 2011-12 by \$161 million (\$425 million over four years).

Major reductions in expected cash payments in 2011-12 as a result of parameter and other variations since the 2011-12 Budget include:

- GST payments to the States and Territories which are expected to fall by \$412 million in 2011-12 (\$2.6 billion over four years), consistent with a reduction in GST receipts. The reduction in GST receipts in 2011-12 is partly offset by higher than estimated GST receipts in 2010-11 which, as noted in the *Final Budget Outcome 2010-11*, will be paid in 2011-12;
- Pharmaceutical Benefits Scheme payments which are expected to fall by \$265 million in 2011-12 (\$1.8 billion over four years), largely reflecting lower than expected usage of medicines such as higher cost cancer therapies. These estimates do not account for future drug listings; and
- National Healthcare specific purpose payments which are expected to fall by \$110 million in 2011-12 (\$723 million over four years), reflecting changes to hospital utilisation rates and a fall in the five year average growth of the Australian Institute of Health and Welfare health price index.

Consistent with previous budgets, the underlying cash balance has been improved by the regular draw down of the conservative bias allowance. Details of this drawdown are provided at Attachment C.

Fiscal balance estimates

The fiscal balance is expected to be in deficit by \$32.4 billion in 2011-12, \$12.2 billion higher than forecast in the 2011-12 Budget.

Table 3.10 provides a reconciliation of the fiscal balance estimates, including the impact of policy decisions and parameter and other variations on revenue, expenses and net capital investment.

Table 3.10: Reconciliation of general government sector fiscal balance estimates

	Estimates		Projections	
	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m
2011-12 Budget fiscal balance	-20,262	3,966	3,166	8,539
Per cent of GDP	-1.4	0.3	0.2	0.5
Changes from 2011-12 Budget to 2011-12 MYEFO				
Effect of policy decisions(a)(b)				
Revenue	-960	5,700	8,890	9,773
Expenses	4,805	1,166	6,269	6,468
Net capital investment	-175	-424	-200	-251
Total policy decisions impact on fiscal balance	-5,589	4,958	2,820	3,555
Effect of parameter and other variations(a)				
Revenue	-4,890	-6,058	-6,522	-7,458
Expenses	1,125	-1,754	-4,620	-1,742
Net capital investment	583	-94	-74	-16
Total parameter and other variations impact on fiscal balance	-6,599	-4,210	-1,828	-5,700
2011-12 MYEFO fiscal balance	-32,450	4,714	4,159	6,395
Per cent of GDP	-2.2	0.3	0.3	0.4

(a) A positive number for revenue indicates an increase in the fiscal balance, while a positive number for expenses and net capital investment indicates a decrease in the fiscal balance.

(b) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Revenue estimates

Total revenue has been revised down by \$5.9 billion in 2011-12. While changes in revenue are generally driven by the same factors as receipts, there are differences, as not all revenue raised in a given year is actually paid in that year. For example, past tax assessments may be amended as a result of compliance activity or the settlement of legal disputes and taxpayers may accrue new tax debts. These differences exist for most revenue heads, and vary across years. In addition, the *Clean Energy Future* package has a significantly different impact on accrual revenue compared to cash receipts, largely due to differences in the treatment of the allocation of free carbon units under the Jobs and Competitiveness Program and the Energy Security Fund.

Detailed Australian Government general government sector revenue estimates for 2011-12 and 2012-13, compared with the estimates published in the 2011-12 Budget, are provided in Tables 3.11 and 3.12 respectively.

Table 3.11: Australian Government general government sector accrual revenue — 2011-12

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	144,930	143,520	-1,410	-1.0
Gross other individuals	33,360	32,910	-450	-1.3
<i>less</i> : Refunds	27,400	26,600	-800	-2.9
Total individuals and other withholding taxation	150,890	149,830	-1,060	-0.7
Fringe benefits tax	3,760	3,530	-230	-6.1
Company tax	74,600	71,800	-2,800	-3.8
Superannuation funds	9,330	8,990	-340	-3.6
Resource rent taxes(a)	2,050	2,030	-20	-1.0
Income taxation revenue	240,630	236,180	-4,450	-1.8
Sales taxes				
Goods and services tax	50,630	49,750	-880	-1.7
Wine equalisation tax	760	750	-10	-1.3
Luxury car tax	510	480	-30	-5.9
Total sales taxes	51,900	50,980	-920	-1.8
Excise duty				
Petrol	5,870	6,080	210	3.6
Diesel	7,610	7,980	370	4.9
Beer	2,070	2,050	-20	-1.0
Tobacco	5,830	6,250	420	7.2
Other excisable products	4,950	4,600	-350	-7.1
Of which: Other excisable beverages(b)	960	950	-10	-1.0
Total excise duty revenue	26,330	26,960	630	2.4
Customs duty				
Textiles, clothing and footwear	620	650	30	4.8
Passenger motor vehicles	780	750	-30	-3.8
Excise-like goods	4,830	4,000	-830	-17.2
Other imports	1,410	1,460	50	3.5
<i>less</i> : Refunds and drawbacks	120	120	0	0.0
Total customs duty revenue	7,520	6,740	-780	-10.4
Carbon pricing mechanism	-	-	-	-
Other indirect taxation				
Agricultural levies	414	427	14	3.3
Other taxes	2,453	2,344	-109	-4.5
Total other indirect taxation revenue	2,867	2,771	-96	-3.3
Indirect taxation revenue	88,617	87,451	-1,166	-1.3
Taxation revenue	329,247	323,631	-5,616	-1.7
Sales of goods and services	8,050	8,050	0	0.0
Interest	5,735	5,190	-544	-9.5
Dividends	1,328	1,652	324	24.4
Other non-taxation revenue	5,601	5,587	-15	-0.3
Non-taxation revenue(c)	20,714	20,479	-235	-1.1
Total revenue(c)	349,961	344,110	-5,851	-1.7
<i>Memorandum:</i>				
<i>Capital gains tax</i>	8,300	7,300	-1,000	-12.0
<i>Medicare levy revenue</i>	8,940	8,930	-10	-0.1

(a) Resource rent taxes in 2011-12 only includes PRRT.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.

(c) Includes expected Future Fund earnings which are \$524 million higher in 2011-12 (and \$980 million across the budget and forward estimates) than at the time of the 2011-12 Budget. These earnings do not impact on the underlying cash balance.

Table 3.12: Australian Government general government sector accrual revenue — 2012-13

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	156,920	151,190	-5,730	-3.7
Gross other individuals	38,680	37,350	-1,330	-3.4
<i>less: Refunds</i>	28,000	27,200	-800	-2.9
Total individuals and other withholding taxation	167,600	161,340	-6,260	-3.7
Fringe benefits tax	4,220	3,870	-350	-8.3
Company tax	78,140	77,620	-520	-0.7
Superannuation funds	10,490	10,060	-430	-4.1
Resource rent taxes(a)	8,090	8,000	-90	-1.1
Income taxation revenue	268,540	260,890	-7,650	-2.8
Sales taxes				
Goods and services tax	54,230	53,560	-670	-1.2
Wine equalisation tax	810	790	-20	-2.5
Luxury car tax	530	510	-20	-3.8
Total sales taxes	55,570	54,860	-710	-1.3
Excise duty				
Petrol	5,680	5,800	120	2.1
Diesel	7,850	8,480	630	8.0
Beer	2,210	2,200	-10	-0.5
Tobacco	5,780	6,250	470	8.1
Other excisable products	5,390	5,150	-240	-4.5
Of which: Other excisable beverages(b)	1,030	1,000	-30	-2.9
Total excise duty revenue	26,910	27,880	970	3.6
Customs duty				
Textiles, clothing and footwear	670	700	30	4.5
Passenger motor vehicles	790	700	-90	-11.4
Excise-like goods	5,160	4,250	-910	-17.6
Other imports	1,610	1,710	100	6.2
<i>less: Refunds and drawbacks</i>	120	120	0	0.0
Total customs duty revenue	8,110	7,240	-870	-10.7
Carbon pricing mechanism	-	7,690	7,690	-
Other indirect taxation				
Agricultural levies	413	432	19	4.7
Other taxes	2,552	2,687	135	5.3
Total other indirect taxation revenue	2,965	3,119	154	5.2
Indirect taxation revenue	93,555	100,789	7,234	7.7
Taxation revenue	362,095	361,679	-416	-0.1
Sales of goods and services	8,225	8,295	69	0.8
Interest	5,763	5,417	-346	-6.0
Dividends	1,402	1,786	384	27.4
Other non-taxation revenue	5,636	5,587	-49	-0.9
Non-taxation revenue(c)	21,026	21,085	58	0.3
Total revenue(c)	383,121	382,764	-358	-0.1
<i>Memorandum:</i>				
<i>Capital gains tax</i>	12,600	11,000	-1,600	-12.7
<i>Medicare levy revenue</i>	9,670	9,620	-50	-0.5

(a) Resource rent taxes include PRRT and gross revenue from the MRRT. The net revenue from the MRRT is \$3.7 billion in 2012-13, which represents the net impact on revenue across several different revenue heads. This includes the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.

(c) Includes expected Future Fund earnings which are \$113 million higher in 2012-13 (and \$980 million across the budget and forward estimates) than at the time of the 2011-12 Budget. These earnings do not impact on the underlying cash balance.

Expense and net capital investment

Movements in accrual expenses and net capital investments over the forward estimates are broadly similar to the movements in cash payments. The key exceptions include:

- support under the *Clean Energy Future* package, in the form of the provision of free carbon permits to the most emissions-intensive activities in the economy and coal-fired power stations, as this arrangement has a larger impact on accrual expenses compared to cash payments (\$7.2 billion over four years);
- deferring the commencement of the new Research and Development Tax Incentive by 12 months where the effect on cash payments (a reduction of \$720 million) occurs in 2011-12 but the impact on expenses was reflected in 2010-11 through lower refundable offset outlays;
- the provision of GST to the States and Territories, reflecting higher than estimated GST collections (\$437 million) relating to the 2010-11 financial year. This amount will be paid in 2011-12 following a determination by the Treasurer but was accrued in 2010-11; and
- the Natural Disaster Relief and Recovery Arrangements, where the expense is recorded in the year in which the disaster occurs rather than when the State or Territory lodges a claim for reimbursement following completion of the work.

Estimates of Australian Government general expenses by function can be found in Attachment C.

Table 3.13 provides a reconciliation of expense estimates.

Table 3.13: Reconciliation of general government sector expense estimates

	Estimates		Projections	
	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m
2011-12 Budget expenses	365,817	380,523	398,974	414,137
Changes from 2011-12 Budget to 2011-12 MYEFO				
Effect of policy decisions(a)	4,805	1,166	6,269	6,468
Effect of economic parameter variations				
Total economic parameter variations	-556	-35	-1,208	-1,096
<i>Unemployment benefits</i>	106	764	-207	-104
<i>Prices and wages</i>	247	-43	-248	-209
<i>Interest and exchange rates</i>	-59	-56	-53	-33
<i>GST payments to the States</i>	-850	-700	-700	-750
Public debt interest	-1	-296	-401	-344
Program specific parameter variations	1,809	-639	-2,779	88
Slippage in 2011-12 Budget decisions	-94	-4	-1	99
Other variations	-33	-779	-232	-488
Total variations	5,929	-587	1,649	4,726
2011-12 MYEFO expenses	371,747	379,935	400,623	418,863

(a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Table 3.14 provides a reconciliation of the net capital investment estimates.

Table 3.14: Reconciliation of general government sector net capital investment estimates

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
2011-12 Budget net capital investment	4,405	-1,367	3,034	3,160
Changes from 2011-12 Budget to 2011-12 MYEFO				
Effect of policy decisions(a)	-175	-424	-200	-251
Effect of parameter and other variations	583	-94	-74	-16
Total variations	408	-518	-274	-267
2011-12 MYEFO net capital investment	4,813	-1,885	2,760	2,893

(a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Net debt, net financial worth and net worth

Net debt for the Australian Government general government sector is forecast to be \$132.6 billion in 2011-12, \$25.9 billion higher compared to the forecast in the 2011-12 Budget.

The increase in the level of net debt since the 2011-12 Budget largely reflects both an increase in the market value of the stock of existing Commonwealth Government Securities (CGS) outstanding owing to lower interest rates and an increase in issuance of CGS on account of the weaker fiscal outlook in 2011-12. CGS are reported in the general government sector's balance sheet in market value terms, consistent with external accounting standards, and the limit on issuance under the *Commonwealth Inscribed Stock Act 1911* is based on the face value of CGS.

Net debt has also been affected by a decrease in the value of investments held by the Future Fund primarily as a result of revised earnings estimates based on actual performance year-to-date.

The Australian Government's net debt remains low by international standards. The average net debt position of the major advanced economies (G7) is projected to reach 92.9 per cent of GDP in 2016.

The changes to net debt described above also impact on net financial worth and net worth.

- Net financial worth is forecast to be -\$232.2 billion in 2011-12, compared to the Budget estimate of -\$200.6 billion.
- Net worth is forecast to be -\$122.3 billion in 2011-12, compared to the Budget estimate of -\$87.5 billion.

The change in net financial worth and net worth also reflect changes in the value of the Government's investment in the Reserve Bank of Australia, owing to revaluation losses associated with the appreciation in the exchange rate, and changes in the accounting treatment for disaster recovery payments made to the States and Territories through the Natural Disaster Relief and Recovery Arrangements program.

Table 3.15 provides a summary of Australian Government general government sector net debt, net financial worth, net worth and net interest payments.

Table 3.15: Australian Government general government sector net financial worth, net debt, net interest payments and net worth.

	Estimates			
	2011-12		2012-13	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Financial assets	232.1	218.6	241.0	241.3
Non-financial assets	113.1	109.9	115.1	112.4
Total assets	345.2	328.5	356.1	353.7
Total liabilities	432.7	450.8	439.5	469.6
Net worth	-87.5	-122.3	-83.4	-115.9
Net financial worth(a)	-200.6	-232.2	-198.5	-228.3
Per cent of GDP	-13.6	-15.6	-12.7	-14.6
Net debt(b)	106.6	132.6	104.6	133.3
Per cent of GDP	7.2	8.9	6.7	8.5
Net interest payments	5.5	5.9	6.7	6.8
Per cent of GDP	0.4	0.4	0.4	0.4
	Projections			
	2013-14		2014-15	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Financial assets	252.2	256.9	263.9	272.4
Non-financial assets	115.4	114.7	117.4	117.0
Total assets	367.6	371.5	381.3	389.4
Total liabilities	447.6	480.7	452.3	490.2
Net worth	-80.0	-109.2	-71.0	-100.8
Net financial worth(a)	-195.4	-223.8	-188.5	-217.8
Per cent of GDP	-11.9	-13.6	-10.9	-12.5
Net debt(b)	105.3	135.7	100.9	134.1
Per cent of GDP	6.4	8.2	5.8	7.7
Net interest payments	6.8	6.8	7.5	7.3
Per cent of GDP	0.4	0.4	0.4	0.4

(a) Net financial worth equals total financial assets minus total liabilities.

(b) Net debt equals the sum of deposits held, advances received, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Medium term

The budget position is projected to continue to strengthen over the medium term. The underlying cash balance is projected to reach a surplus of 1 per cent of GDP in 2017-18 (Chart 3.2). Net debt is projected to return to zero in 2020-21, after peaking at 8.9 per cent of GDP in 2011-12 (Chart 3.3).

Chart 3.2: Underlying cash balances projected to 2021-22

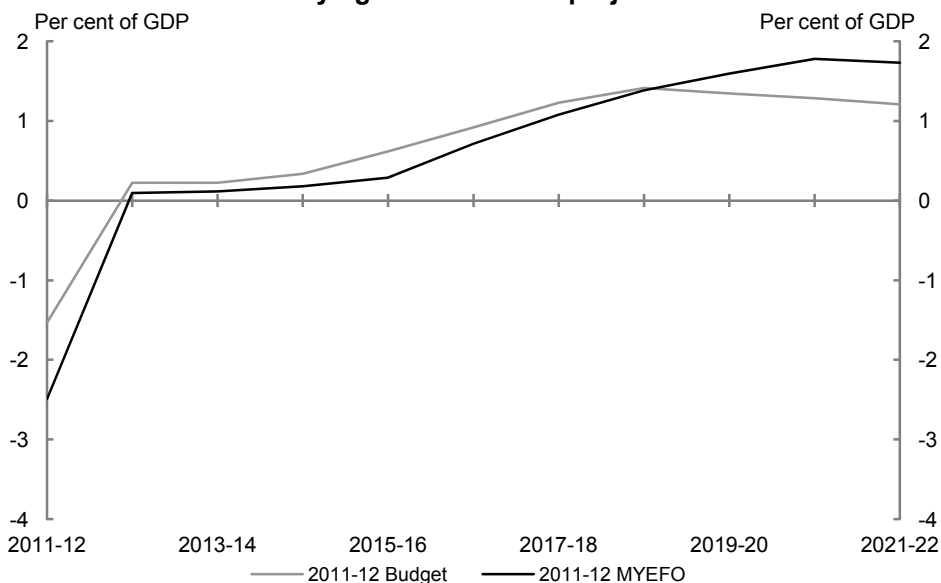
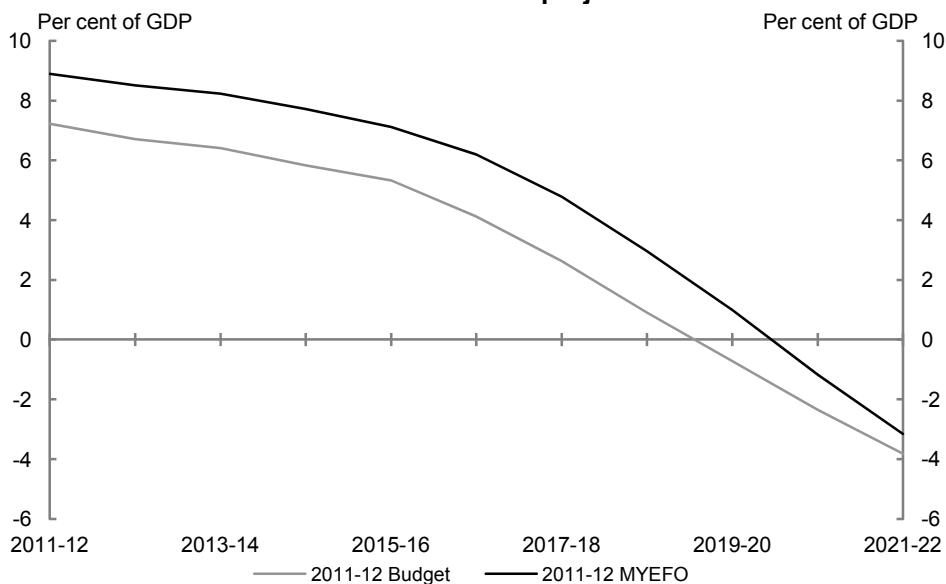


Chart 3.3: Government net debt projected to 2021-22



Attachment A

SENSITIVITY OF BUDGET ESTIMATES TO ECONOMIC DEVELOPMENTS

The estimates contained in the 2011-12 Mid-Year Economic and Fiscal Outlook (MYEFO) are based on forecasts of the economic outlook. Changes to the economic assumptions underlying the estimates will impact on receipts and payments, and hence the size of the underlying cash balance.

This section examines the effects on receipts and payments of altering some of the key economic assumptions. Tables 3.17 and 3.19 illustrate the sensitivity of key components of receipts and payments to possible variations in the economic outlook. The two scenarios considered are:

- Scenario 1: a 1 per cent reduction in nominal GDP owing to a fall in the terms of trade.
- Scenario 2: a 1 per cent increase in real GDP driven by an increase in labour productivity and labour force participation, with each contributing equally.

The economic scenarios provide a rule of thumb indication of the impact on receipts, payments and the underlying cash balance of changes in the economic outlook. They represent a partial economic analysis only and do not attempt to capture all the economic feedback and other policy responses related to changed economic conditions. In particular, the analysis assumes no change in the exchange rate, interest rates or policy over the forecast period. The impact of the two scenarios on the economic parameters would be different if the full feedback response on economic variables and likely policy actions were taken into account. The analysis does not aim to provide an alternative picture of the economic forecasts under these scenarios, but instead gives an indication of the sensitivity associated with different components of receipts and payments to changes in the economy. As such, the changes in the economic variables and their impact on the fiscal outlook are merely illustrative.

The impacts shown in the tables below are broadly symmetrical. That is, impacts of around the same magnitude, but in the opposite direction, would apply if the terms of trade were to increase or if real GDP were to decrease.

Scenario 1

The first scenario involves a permanent fall in world prices of non-rural commodity exports consistent with a fall in the terms of trade of around 4 per cent, which causes a 1 per cent fall in nominal GDP. The sensitivity analysis evaluates the flow-on effects on the economy, the labour market and prices. The impacts in Table 3.16 are highly stylised and refer to per cent deviations from the baseline levels of the economic parameters.

Table 3.16: Illustrative impact of a permanent non-rural commodity price fall consistent with a 1 per cent fall in nominal GDP by 2012-13 (per cent deviation from the baseline level)

	2011-12 per cent	2012-13 per cent
Real GDP	0	- 1/4
Non-farm GDP deflator	- 3/4	- 3/4
Employment	- 1/4	- 1/2
Wages	0	- 1/4
CPI	0	- 1/4
Company profits	-3	-3
Consumption	- 1/4	- 1/2

Assuming no change in exchange rates or interest rates, the fall in export prices leads directly to a lower non-farm GDP deflator (from the export component of GDP) and lower domestic incomes. Lower domestic incomes cause both consumption and investment to fall, resulting in lower real GDP, employment and wages. The fall in aggregate demand puts downward pressure on domestic prices.

In reality, a fall in the terms of trade would be expected to put downward pressure on the exchange rate, although the magnitude is particularly uncertain in the short term. In the event of a depreciation in the exchange rate, the impacts on the external sector would dampen the real GDP effects, and there would be some offsetting upward pressure on domestic prices.

Given these assumptions, the overall impact of the fall in the terms of trade is a decrease in the underlying cash balance of around \$2.5 billion in 2011-12 and around \$6.6 billion in 2012-13 (Table 3.17).

Table 3.17: Illustrative sensitivity of the budget balance to a 1 per cent decrease in nominal GDP due to a fall in the terms of trade

	2011-12 \$b	2012-13 \$b
Receipts		
Individuals and other withholding taxation	-0.5	-1.7
Superannuation taxation	0.0	-0.1
Company tax	-1.8	-3.8
Resource rent taxes	0.0	-0.6
Goods and services tax	-0.2	-0.3
Excise and customs duty	0.0	-0.1
Other taxation	0.0	0.0
Total receipts	-2.5	-6.6
Payments		
Income support	-0.1	-0.2
Other payments	0.0	0.1
Goods and services tax	0.2	0.3
Total payments	0.1	0.2
PDI	-0.1	-0.2
Underlying cash balance impact	-2.5	-6.6

On the receipts side, a fall in the terms of trade results in a fall in nominal GDP which reduces tax collections. The largest impact is on company tax receipts as the fall in export income decreases company profits. Owing to lags in the tax system, the effect on company tax is larger in 2012-13. Lower company profits are assumed to flow through to lower Australian equity prices, therefore reducing capital gains tax from individuals, companies and superannuation funds.

The weaker economy results in lower aggregate demand, which flows through to lower employment and wages, reducing individuals' income tax receipts. The decrease in disposable incomes leads to lower consumption, which in turn results in a decrease in GST receipts (decreasing GST payments to the States by the same amount) and other indirect taxes.

On the payments side, a significant proportion of government expenditure is partially indexed to movements in costs (as reflected in various price and wage measures). Some forms of expenditure, in particular income support payments, are also driven by the number of beneficiaries.

The overall estimated expenditure on income support payments (including pensions and allowances) increases in both years due to a higher number of unemployment benefit recipients. The increase in unemployment benefits in 2012-13 is partly offset by reduced expenditure on pensions and allowances reflecting lower growth in benefit rates resulting from lower wages growth. At the same time other payments linked to inflation fall in line with the reduced growth in prices.

The reduction in the underlying cash balance results in a higher borrowing requirement and a higher public debt interest cost.

As noted above, under a floating exchange rate, the depreciation of the exchange rate would dampen the effects of the fall in the terms of trade on real GDP, meaning the impact on the fiscal position could be substantially more subdued. Also, to the extent that the fall in the terms of trade is temporary rather than permanent, the impact on the economic and fiscal position would be more subdued.

Scenario 2

The second scenario involves a combination of an equal 0.5 per cent increase in the participation rate and in labour productivity, resulting in a 1 per cent increase in real GDP by 2012-13. Once again, the sensitivity analysis evaluates the flow-on effects on the economy, the labour market and prices. The impacts in Table 3.18 are highly stylised and refer to per cent deviations from the baseline levels of the parameters.

The 1 per cent increase in real GDP increases nominal GDP by slightly less but the magnitude of the effects on receipts, payments and the underlying cash balance differ from the first scenario because this variation in the outlook affects different parts of the economy in different ways.

Table 3.18: Illustrative impact of an ongoing equal increase in both labour productivity and participation consistent with a 1 per cent increase in real GDP by 2012-13 (per cent deviation from the baseline level)

	2011-12 per cent	2012-13 per cent
Nominal GDP	3/4	3/4
Non-farm GDP deflator	- 1/4	- 1/4
Employment	1/2	1/2
Wages	1/4	1/4
CPI	- 1/4	- 1/4
Company profits	1 3/4	1 3/4
Consumption	1	1

The increase in labour force participation and labour productivity both have the same impact on output, but different impacts on the labour market. Higher productivity leads to higher real GDP and higher real wages, while an increase in the participation rate increases employment and real GDP. Imports are higher in this scenario, reflecting higher domestic incomes.

Since the supply side of the economy expands, inflation falls relative to the baseline. The fall in domestic prices makes exports more attractive to foreigners, with the resulting increase in exports offsetting higher imports, leaving the trade balance unchanged. The exchange rate is assumed to be constant.

The overall impact of the increase in labour productivity and participation is an increase in the underlying cash balance of around \$3.1 billion in 2011-12 and around \$4.6 billion in 2012-13 (Table 3.19).

Table 3.19: Illustrative sensitivity of the budget balance to a 1 per cent increase in real GDP due to an equal increase in both productivity and participation

	2011-12 \$b	2012-13 \$b
Receipts		
Individuals and other withholding taxation	1.7	1.6
Superannuation taxation	0.1	0.2
Company tax	1.0	2.3
Goods and services tax	0.5	0.5
Excise and customs duty	0.3	0.4
Other taxation	0.0	0.0
Total receipts	3.6	5.0
Payments		
Income support	-0.1	-0.1
Other payments	0.0	0.0
Goods and services tax	-0.5	-0.5
Total payments	-0.6	-0.6
PDI	0.1	0.2
Underlying cash balance impact	3.1	4.6

On the receipts side, individuals' income tax collections increase because of the rise in the number of wage earners and, additionally, higher real wages. The stronger labour market also increases superannuation fund taxes through higher contributions (including compulsory contributions) to superannuation funds. The increase in personal incomes leads to higher consumption which results in an increase in GST receipts (with the corresponding receipts passed on in higher GST payments to the States). In addition, the stronger economy results in higher levels of corporate profitability, increasing company taxes.

On the payments side, overall estimated expenditure on income support payments (including pensions and allowances) is slightly higher primarily reflecting growth in benefit rates through their indexation to wages. Lower inflation has a partially offsetting effect.

On balance, the rise in estimated tax collections is only partially offset by increased payments. This improves the underlying cash position, which results in a lower borrowing requirement and lower public debt interest cost.

To the extent that the increases in productivity and participation are temporary rather than permanent, the impact on the economic and fiscal position would be more subdued.

TAX EXPENDITURES

This attachment contains an overview of the cost of tax expenditures provided to taxpayers through the tax system.

Tax expenditures provide a benefit to a specified activity or class of taxpayer. They can be delivered as a tax exemption, tax deduction, tax offset, reduced tax rate or deferral of tax liability. The Government can use tax expenditures to allocate resources to different activities or taxpayers in much the same way that it can use direct expenditure programs. For this reason, and noting their direct impact on the fiscal balance, these concessions are generally called ‘tax expenditures’.

Table 3.20 contains estimates of aggregate tax expenditures for the period from 2007-08 to 2014-15. These estimates are consistent with tax expenditure data reported in the *2010 Tax Expenditures Statement*. Changes in GDP forecasts have been reflected in the revised estimates of tax expenditures as a proportion of GDP.

Table 3.20: Total measured tax expenditures

Year	Housing \$m	Superannuation \$m	Other tax expenditures \$m	Total \$m	Tax expenditure as a proportion of GDP (%)
2007-08 (est)	41,000	38,965	45,875	125,840	10.7
2008-09 (est)	29,500	31,945	47,614	109,059	8.7
2009-10 (est)	39,000	26,972	46,932	112,904	8.7
2010-11 (est)	40,000	28,039	48,828	116,867	8.3
2011-12 (proj)	42,500	30,863	49,440	122,803	8.2
2012-13 (proj)	43,000	33,303	52,473	128,776	8.2
2013-14 (proj)	43,000	37,983	58,635	139,618	8.5
2014-15 (proj)	43,500	42,403	65,179	151,082	8.7

Updated tax expenditure estimates will be published in the *2011 Tax Expenditures Statement*. This will include estimates for any new, revised or modified tax expenditures since the *2010 Tax Expenditures Statement*.

Care needs to be taken when analysing tax expenditure data: see Section 2.5 of the *2010 Tax Expenditures Statement* for a detailed discussion.

Attachment C

SUPPLEMENTARY EXPENSES TABLE AND THE CONTINGENCY RESERVE

Expenses

Table 3.21 shows estimates of Australian Government general government expenses by function and sub-function for 2011-12 and the forward years.

Table 3.21: Estimates of Australian Government general government sector expenses by function and sub-function

	Estimates						Projections					
	2011-12			2012-13			2013-14			2014-15		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
General public services												
Legislative and executive affairs	974	977	0	948	950	0	1,091	1,094	0	949	953	0
Financial and fiscal affairs	7,421	7,686	4	7,566	7,882	4	7,416	7,701	4	7,550	7,812	3
Foreign affairs and economic aid	5,776	5,762	0	6,412	6,452	1	7,325	7,369	1	8,232	8,332	1
General research	2,872	2,873	0	2,780	2,788	0	2,684	2,694	0	2,582	2,589	0
General services	811	823	1	789	796	1	800	805	1	823	830	1
Government superannuation benefits	3,034	3,728	23	2,997	2,950	-2	3,033	2,996	-1	2,992	2,941	-2
Defence	21,277	21,050	-1	20,711	20,594	-1	21,895	21,847	0	22,771	22,584	-1
Public order and safety	3,969	4,012	1	3,953	3,972	0	3,961	3,972	0	4,026	3,982	-1
Education	29,938	30,016	0	30,314	30,271	0	31,414	31,243	-1	32,720	32,660	0
Health	59,858	60,944	2	61,584	60,873	-1	64,711	63,952	-1	67,734	67,213	-1
Social security and welfare	121,907	124,857	2	127,711	129,989	2	133,322	135,221	1	139,194	141,552	2
Housing and community amenities	4,579	5,871	28	4,699	7,231	54	4,579	8,883	94	4,141	9,114	120
Recreation and culture	3,397	3,375	-1	3,449	3,446	0	3,331	3,265	-2	3,250	3,202	-1
Fuel and energy	6,302	7,021	11	6,496	6,536	1	6,594	8,019	22	6,622	8,057	22
Agriculture, fisheries and forestry	3,444	3,569	4	2,526	2,598	3	2,245	2,401	7	2,385	2,502	5
Mining, manufacturing and construction	2,014	2,144	6	2,006	2,073	3	1,965	2,092	6	1,974	2,178	10
Transport and communication	6,919	8,324	20	7,119	5,939	-17	6,748	6,756	0	6,267	6,160	-2
Other economic affairs	177	175	-1	179	176	-2	182	178	-2	175	173	-1
Tourism and area promotion	4,552	4,817	6	4,335	4,533	5	4,246	4,443	5	4,198	4,392	5
Labour and employment affairs	2,332	2,264	-3	1,949	2,017	3	1,653	1,960	19	1,658	1,989	20
Immigration	2,324	2,347	1	2,201	2,250	2	2,137	2,219	4	2,121	2,232	5
Other economic affairs nec												

Table 3.21: Estimates of Australian Government general government sector expenses by function and sub-function (continued)

	Estimates				Projections						
	2011-12		2012-13		2013-14		2014-15				
	Budget \$m	MYEFO \$m	Change on Budget %	MYEFO \$m	Budget \$m	Change on Budget %	MYEFO \$m	Budget \$m	Change on Budget %		
Other purposes											
Public debt interest	11,632	11,623	0	12,615	12,318	-2	12,854	12,453	-3		
Nominal superannuation interest	7,575	7,351	-3	7,826	7,886	1	8,083	8,141	1		
General purpose inter-government transactions	51,152	50,479	-1	55,133	54,506	-1	58,179	57,544	-1		
Natural disaster relief	479	512	7	1,650	88	-95	3,955	90	-98		
Contingency reserve	1,103	-853	-177	2,576	824	-68	4,571	3,287	-28		
Total expenses	365,817	371,747	2	380,523	379,935	0	398,974	400,623	0	414,137	418,863

Contingency Reserve

The Contingency Reserve (other purposes function) is an allowance, included in aggregate expenses, principally to reflect anticipated events that cannot be assigned to individual programs in the preparation of the Australian Government budget estimates. The Reserve is used to ensure that the estimates are based on the best information available at the time of the Mid-Year Economic and Fiscal Outlook (MYEFO). It is not a general policy reserve.

While the Reserve is designed to ensure that aggregate estimates are as close as possible to expected outcomes, it is not appropriated. Allowances that are included in the Reserve can only be drawn upon once they have been appropriated by Parliament. These allowances are removed from the Reserve and allocated to specific agencies for appropriation and for outcome reporting closer to the time when the associated events eventuate.

The Contingency Reserve contains an allowance for the tendency for estimates of expenses for existing Government policy to be revised upwards in the forward years, known as the conservative bias allowance. Since the 2011-12 Budget, the allowance has been drawn down to $\frac{1}{4}$ of a per cent of total general government sector expenses (excluding GST payments to the States) in the first forward year (2012-13), $\frac{3}{4}$ of a per cent of expenses in the second forward year (2013-14), and $1\frac{1}{2}$ per cent of expenses in the third forward year (2014-15). The drawdown of the allowance reduced expenses by \$813 million in 2012-13, \$800 million in 2013-14 and \$1.6 billion in 2014-15. The drawdown of the conservative bias allowance during the MYEFO estimates update is consistent with long standing practice and does not represent a saving or offset to Government spending measures.

The Contingency Reserve also makes allowance in 2011-12 and the forward years for anticipated events, including the following:

- a provision for underspends in the current financial year reflecting the tendency for budgeted expenses for some agencies or functions not to be met;
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately, and programs that are yet to be negotiated with State and Territory governments;
- decisions made too late for inclusion against individual agency estimates;
- the effect on the budget and forward estimates of economic parameter revisions received late in the process and hence are not able to be allocated to individual agencies or functions; and
- provisions for events and pressures that are reasonably expected to affect the budget estimates – for example, a provision for the continuation of drought relief in 2011-12 and 2012-13.

The Contingency Reserve includes a provision for the costs associated with Australia hosting the G-20 in 2014.

The Contingency Reserve also makes provision for future increases in Australia's Official Development Assistance yet to be allocated to specific aid programs. However, in Table 3.21 in this attachment, these expenses are allocated to the Foreign Affairs and Economic Aid Support sub-function. The provision is currently set at \$254 million in 2012-13, \$768 million in 2013-14, and \$1.4 billion in 2014-15. The provision is increased or decreased in line with the forecasts for the national accounts and when new aid proposals are funded.

AUSTRALIA'S FEDERAL RELATIONS

This attachment provides information on payments for specific purposes and general revenue assistance provided to the States and Territories (the States).

The current framework for federal financial relations under the *Intergovernmental Agreement on Federal Financial Relations* (Intergovernmental Agreement) was introduced on 1 January 2009.

The Commonwealth is working in partnership with the States in a number of key reform areas. Significant progress has been made in implementing the reform agenda through the federal financial relations framework. The framework has proved to be flexible and dynamic including through facilitating national health reform, and responding to the global recession, and more recently, natural disasters.

More detailed information on the Intergovernmental Agreement and Australia's federal financial relations is provided in Budget Paper No. 3, *Australia's Federal Relations 2011-12* and on the federal financial relations website at www.federalfinancialrelations.gov.au.

Overview of payments to the States

The States receive significant financial support from the Commonwealth. In 2011-12, total payments to the States are estimated to be \$96.3 billion, or 25.9 per cent of total Commonwealth expenditure. The Commonwealth will provide the States with payments for specific purposes of \$47.6 billion and general revenue assistance of \$48.7 billion.

Table 3.21 shows payments for specific purposes and general revenue assistance to the States.

Table 3.21: Commonwealth payments to the States, 2011-12 to 2014-15

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2011-12									
Payments for specific purposes	15,039	10,662	9,642	4,716	4,106	1,120	671	819	47,574
General revenue assistance	14,716	10,720	8,973	3,616	4,417	1,713	892	2,614	48,745
Total payments to the States	29,755	21,382	18,615	8,332	8,523	2,833	1,563	3,433	96,320
2012-13									
Payments for specific purposes	12,930	10,393	8,803	4,656	3,190	977	648	641	42,895
General revenue assistance	15,996	11,545	9,743	3,683	4,655	1,818	951	2,826	52,234
Total payments to the States	28,926	21,938	18,545	8,339	7,845	2,795	1,599	3,467	95,129
2013-14									
Payments for specific purposes	13,517	11,361	9,280	5,024	3,025	953	700	699	45,081
General revenue assistance	17,050	12,048	10,839	3,654	4,855	1,844	954	2,920	55,188
Total payments to the States	30,567	23,409	20,118	8,678	7,880	2,798	1,654	3,619	100,269
2014-15									
Payments for specific purposes	12,878	10,874	8,627	4,638	2,970	930	755	604	43,220
General revenue assistance	17,852	12,679	11,414	3,924	5,038	1,905	999	3,005	57,834
Total payments to the States	30,730	23,553	20,040	8,562	8,008	2,835	1,754	3,608	101,053

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) State allocations are not yet finalised for a number of National Partnership payments; unallocated payments are not included in State totals.

Payments for specific purposes

The Commonwealth provides payments to the States for specific purposes to pursue important national policy objectives in areas that may be administered by the States. Payments to the States for specific purposes will total \$47.6 billion in 2011-12, a decrease of 7.7 per cent compared with the \$51.6 billion the States received in 2010-11. This decrease largely reflects the change in accounting treatment of payments made to the States under the Natural Disaster Relief and Recovery Arrangements (NDRRA) as reported in the 2010-11 Final Budget Outcome. Payments to the States for specific purposes are estimated to represent 12.8 per cent of total Commonwealth expenditure in 2011-12.

The Commonwealth provides the following types of Specific Purpose Payments (SPPs) to the States:

- National Specific Purpose Payments (National SPPs) in respect of key service delivery sectors;
- National Health Reform funding (from 1 July 2012); and
- National Partnership payments – project payments, facilitation payments and reward payments.

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Table 3.22 shows total payments for specific purposes by category (National SPPs, National Health Reform funding, and National Partnership payments).

Table 3.22: Total payments for specific purposes by category, 2011-12 to 2014-15

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2011-12									
National Specific Purpose									
Payments	8,969	6,811	5,623	2,852	2,136	633	446	372	27,842
National Health Reform funding	-	-	-	-	-	-	-	-	-
National Partnership									
Payments(b)	6,070	3,850	4,020	1,864	1,970	487	225	447	19,732
Total payments for specific purposes	15,039	10,662	9,642	4,716	4,106	1,120	671	819	47,574
2012-13									
National Specific Purpose									
Payments	5,090	3,960	3,308	1,664	1,198	367	279	227	16,092
National Health Reform funding	4,381	3,324	2,731	1,402	1,028	299	203	154	13,522
National Partnership									
Payments(b)	3,459	3,109	2,763	1,590	964	310	166	260	13,281
Total payments for specific purposes	12,930	10,393	8,803	4,656	3,190	977	648	641	42,895
2013-14									
National Specific Purpose									
Payments	5,357	4,235	3,581	1,804	1,246	379	296	235	17,133
National Health Reform funding	4,609	3,586	2,948	1,511	1,040	320	232	149	14,395
National Partnership									
Payments(b)	3,551	3,539	2,750	1,709	739	255	171	315	13,553
Total payments for specific purposes	13,517	11,361	9,280	5,024	3,025	953	700	699	45,081
2014-15									
National Specific Purpose									
Payments	5,687	4,528	3,862	1,938	1,318	397	315	241	18,287
National Health Reform funding	5,082	3,963	3,292	1,711	1,159	351	266	175	15,999
National Partnership									
Payments(b)	2,109	2,382	1,472	989	493	182	174	188	8,934
Total payments for specific purposes	12,878	10,874	8,627	4,638	2,970	930	755	604	43,220

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) State allocations are not yet finalised for several payments; unallocated payments are not included in State totals.

(b) Includes financial assistance grants for local government.

Since the 2011-12 Budget, payments to the States for specific purposes are estimated to be higher by \$2.1 billion in 2011-12, but \$7.2 billion lower across the forward estimates. Major changes include:

- the bringing forward of \$1.1 billion into 2011-12 from across the forward estimates to accelerate various road infrastructure projects under the Nation Building Fund – Investment – Road program;

- a decrease of \$6.8 billion across the forward estimates reflecting changes in the accounting treatment of the NDRRA (further details on this change are detailed below);
- the rephasing of \$250 million into 2011-12 from 2012-13 to accelerate various projects under the Building Australia Fund – Road and Rail;
- the bringing forward of around \$230 million into 2011-12 from across the forward estimates to reflect higher than expected completion rates by the States and payment for the early delivery of milestones under the *National Partnership Agreement on Remote Indigenous Housing*;
- a reprofiling of approximately \$160 million related to projects funded under the Health and Hospitals Fund including amounts related to the Victorian Comprehensive Cancer Centre and Midland Health Campus;
- a rephasing of around \$150 million from the Reward Payments for School Improvement Program to allow for greater stakeholder consultation, with funding provided to develop and implement the National Schools Improvement Framework, including testing pilot projects;
- a movement of reward funding under the *National Partnership Agreement on Improving Public Hospital Services* expected to be paid in 2012-13 (and later years) into 2013-14 (and subsequent years) to better reflect expected reporting and payment timeframes. Earlier payments may be possible if reporting processes can be facilitated earlier; and
- an additional \$50 million over three years from 2011-12 in reward funding under a new National Partnership agreement to support the assessment of impacts of coal seam gas and large coal developments.

Payments for specific purposes cover most functional areas of state and local government activity – including health, education, skills and workforce development, community services, affordable housing, infrastructure and environment. Table 3.23 shows total payments for specific purposes by function.

Part 3 – Fiscal Strategy and Outlook

Table 3.23: Payments for specific purposes by function, 2011-12 to 2014-15

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2011-12									
Health	4,835	3,824	3,121	1,735	1,273	360	232	246	15,626
Education	4,336	3,319	2,776	1,447	1,037	316	223	281	13,734
Skills and workforce development	643	385	394	199	145	49	33	20	1,868
Community services	1,065	702	715	282	292	91	41	102	3,291
Affordable housing	436	391	321	171	137	40	29	39	2,354
Infrastructure	2,907	1,211	1,472	521	773	99	50	79	7,112
Environment	153	219	86	51	295	98	3	32	947
Contingent payments	23	132	351	10	9	..	15	-14	528
Other(b)	642	477	406	298	145	66	45	34	2,114
Total payments for specific purposes	15,039	10,662	9,642	4,716	4,106	1,120	671	819	47,574
2012-13									
Health	4,941	3,766	3,196	1,583	1,312	346	240	234	15,618
Education	4,354	3,375	2,846	1,431	1,059	324	237	222	13,849
Skills and workforce development	551	437	339	174	124	38	29	18	1,710
Community services	587	734	333	301	147	42	22	22	2,188
Affordable housing	446	333	294	152	107	34	26	33	1,763
Infrastructure	1,144	1,071	1,138	648	182	86	33	65	4,666
Environment	51	39	35	39	72	19	3	6	285
Contingent payments	6	-2	78	5	..	..	-	..	88
Other(b)	850	640	543	324	188	85	59	41	2,730
Total payments for specific purposes	12,930	10,393	8,803	4,656	3,190	977	648	641	42,895
2013-14									
Health	5,203	4,111	3,352	1,767	1,221	366	262	234	16,518
Education	4,453	3,512	2,991	1,504	1,087	328	249	210	14,333
Skills and workforce development	569	450	357	183	128	40	29	18	1,775
Community services	600	791	353	331	133	38	24	23	2,292
Affordable housing	457	317	439	326	131	33	22	75	1,836
Infrastructure	1,414	1,574	1,167	603	147	60	58	98	5,590
Environment	22	11	31	4	4	8	1	1	103
Contingent payments	6	-2	81	5	..	..	-	..	90
Other(b)	793	596	508	301	173	80	54	38	2,544
Total payments for specific purposes	13,517	11,361	9,280	5,024	3,025	953	700	699	45,081
2014-15									
Health	5,481	4,323	3,527	1,871	1,244	386	289	253	17,373
Education	4,714	3,752	3,223	1,607	1,148	343	266	213	15,264
Skills and workforce development	549	432	353	181	123	38	28	18	1,722
Community services	629	845	373	355	139	40	25	24	2,429
Affordable housing	480	330	426	304	122	31	21	55	1,770
Infrastructure	195	566	156	4	12	..	70	..	1,949
Environment	7	6	6	3	2	8	1	1	35
Contingent payments	..	-	35	1	..	-	-	-	36
Other(b)	822	620	529	312	179	83	56	40	2,640
Total payments for specific purposes	12,878	10,874	8,627	4,638	2,970	930	755	604	43,220

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) State allocations are not yet finalised for several National Partnership payments; unallocated payments are not included in State totals.

(b) Includes financial assistance grants for local government.

Total payments for specific purposes by function, and category (National SPPs, National Health Reform funding, and National Partnership payments) are shown in Table 3.24.

Table 3.24: Payments for specific purposes by function and category, 2011-12 to 2014-15

\$million	2011-12	2012-13	2013-14	2014-15
<i>Health</i>				
National Healthcare SPP	12,696	-	-	-
National Health Reform funding	-	13,522	14,395	15,999
National Partnerships	2,930	2,096	2,123	1,374
<i>Education</i>				
National Schools SPP	11,337	12,173	13,107	14,129
National Partnerships	2,397	1,675	1,226	1,135
<i>Skills and workforce development</i>				
National Skills and Workforce				
Development SPP	1,363	1,392	1,418	1,446
National Partnerships	505	318	357	276
<i>Community services</i>				
National Disability SPP(a)	1,204	1,260	1,318	1,397
National Partnerships	2,088	928	974	1,032
<i>Affordable housing</i>				
National Affordable Housing SPP	1,243	1,267	1,290	1,315
National Partnerships	1,111	495	546	456
<i>Infrastructure</i>				
National Partnerships	7,112	4,666	5,590	1,949
<i>Environment</i>				
National Partnerships	947	285	103	35
<i>Contingent payments</i>				
National Partnerships	528	88	90	36
<i>Other</i>				
National Partnerships(b)	2,114	2,730	2,544	2,640
Total payments for specific purposes	47,574	42,895	45,081	43,220

(a) Includes adjustment to the National Disability SPP to achieve budget neutrality under National Health Reform (see footnote to Table A.4 in Annex A for details).

(b) Includes financial assistance grants for local government.

Detailed tables of payments for specific purposes are provided in Annex A. This Annex provides accrual estimates of Commonwealth payments to the States.

In 2010-11, the Commonwealth reviewed the accounting treatment of payments made to the States under the NDRRA. The accounting treatment previously applied by the Commonwealth was to recognise grant liabilities under the NDRRA to the extent that (i) the services required to be performed by the State had been performed or (ii) the grant eligibility criteria had been satisfied, but payments due had not been made. The change in accounting treatment has resulted in the Commonwealth recognising a liability equal to the discounted value of estimated future payments to the State under the NDRRA. This is regardless of whether or not a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA. The estimated NDRRA cash payments are shown in Table 3.25 below (see Table A.8 in Annex A for accrual estimates).

Table 3.25: Estimated NDRRA cash payments, 2011-12 to 2014-15

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	126,772	151,124	2,992,878	-	-	-	-	-	3,270,774
2012-13	-	-	-	1,318	2,693	1,410	-	8,087	13,508
2013-14	170,039	-48,150	1,385,336	120,418	50	2,775	-	4,182	1,634,650
2014-15	38	-	1,045,922	24,618	50	-	-	-	1,070,628

GST and general revenue assistance

General revenue assistance is a broad category of payments that are provided to the States without conditions to spend according to their own budget priorities.

In 2011-12, the States will receive \$48.7 billion in general revenue assistance from the Commonwealth, comprising \$47.5 billion in GST entitlements and \$1.2 billion in other general revenue assistance. This is a 3.8 per cent increase in general revenue assistance, compared with the \$47.0 billion the States received in 2010-11. Total general revenue assistance to the States is estimated to represent 13.1 per cent of total Commonwealth expenditure in 2011-12.

Table 3.26 summarises GST and general revenue assistance payments to the States. Detailed tables of GST and general revenue assistance, including state shares of each payment, are provided in Annex A.

Table 3.26: GST and general revenue assistance, 2011-12 to 2014-15

\$million	2011-12	2012-13	2013-14	2014-15
GST entitlements	47,500.0	51,050.0	54,000.0	56,650.0
Other payments				
ACT municipal services	36.1	36.8	37.5	38.2
Reduced royalties	77.1	73.8	71.2	71.5
Snow y Hydro Ltd tax compensation	48.2	57.0	57.0	57.0
Royalties	1,084.0	1,016.2	1,022.3	1,017.2
Total other	1,245.4	1,183.8	1,188.0	1,183.9
Total GST and other payments	48,745.4	52,233.8	55,188.0	57,833.9

GST

GST revenue variations since the 2011-12 Budget

Table 3.27 is a reconciliation of the GST revenue estimates since the 2011-12 Budget. The reconciliation accounts for policy decisions, parameter and other variations.

GST revenue in 2011-12 has been revised down by \$880 million since Budget, reflecting lower forecast growth for taxable consumption.

Table 3.27: Reconciliation of GST revenue estimates since 2011-12 Budget

\$million	2011-12	2012-13	2013-14	2014-15
GST revenue at 2011-12 Budget	50,630.0	54,230.0	57,320.0	60,150.0
<i>Changes between 2011-12 Budget and MYEFO</i>				
Effect of policy decisions(a)	-	-2.0	-3.0	-3.0
Effect of parameter and other variations	-880.0	-668.0	-697.0	-737.0
Total variations	-880.0	-670.0	-700.0	-740.0
GST revenue at 2011-12 MYEFO	49,750.0	53,560.0	56,620.0	59,410.0

(a) Refer to the measure *Fringe benefits tax – reform of living-away-from-home benefits*.

Reconciling GST revenue and GST entitlements to the States

In accordance with the Intergovernmental Agreement, the Commonwealth administers the GST on behalf of the States and all GST revenue is paid to the States.

Since 2009-10, GST advances are paid during the relevant financial year and the Commonwealth Treasurer determines the level of GST receipts based on the final budget outcome. A balancing adjustment is made following the conclusion of the financial year to ensure that the States receive their full entitlement of GST payments.

In addition to this balancing adjustment, GST revenue for a financial year also varies from the amount of GST payments to the States for that year because of:

- GST revenues that are recognised on a Commonwealth whole-of-government basis, but are not remitted to the Australian Taxation Office until the following financial year;
- penalties, other than general interest charge penalties, which are not included in the definition in the Intergovernmental Agreement of GST to be paid to the States; and
- the GST component of sales by Commonwealth agencies which has been collected by those agencies but which, as at 30 June in each year, has not been remitted to the Australian Taxation Office, because it is not due to be paid until the next Business Activity Statement is lodged.

The reconciliation of GST revenue and GST entitlements to the States is provided in Table 3.28.

Table 3.28: GST revenue and GST entitlements to the States

\$million	Outcome	Estimates			
	2010-11	2011-12	2012-13	2013-14	2014-15
GST revenue	48,093.0	49,750.0	53,560.0	56,620.0	59,410.0
less change in GST receivables	2,010.2	2,087.0	2,330.6	2,430.6	2,560.1
GST receipts	46,082.8	47,663.0	51,229.4	54,189.4	56,849.9
less non-GIC penalties collected	114.7	160.0	180.0	190.0	200.0
less GST collected by Commonwealth agencies but not yet remitted to the ATO	80.9	3.0	-0.6	-0.6	-0.1
GST entitlements to the States	45,887.2	47,500.0	51,050.0	54,000.0	56,650.0

Table 3.29 below provides information on the balancing adjustment relating to 2010-11 which will be paid in 2011-12.

Table 3.29: Balancing adjustment relating to 2010-11

\$million	Total
GST entitlements to the States in 2010-11	45,887.2
less advances of GST revenues made throughout 2010-11	45,450.0
equals following year balancing adjustment	437.2

Distribution of GST payments among the States

As agreed by all parties in the Intergovernmental Agreement, GST payments are distributed among the States in accordance with the principle of horizontal fiscal equalisation and having regard to the recommendations of the Commonwealth Grants Commission. The calculations for the distribution of the GST pool in 2011-12 are shown in Table 3.30.

Table 3.30: Distribution of the GST pool, 2011-12

	Estimated 31 December 2011 population (1)	State revenue sharing relativities (2)(a)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	2011-12 GST entitlement \$million (5)
NSW	7,342,659	0.95776	7,032,505	30.9	14,683.9
VIC	5,666,223	0.90476	5,126,572	22.5	10,704.3
QLD	4,627,580	0.92861	4,297,217	18.9	8,972.6
WA	2,362,817	0.71729	1,694,825	7.5	3,538.8
SA	1,664,683	1.27070	2,115,313	9.3	4,416.8
TAS	512,999	1.59942	820,501	3.6	1,713.2
ACT	367,263	1.11647	410,038	1.8	856.2
NT	233,711	5.35708	1,252,009	5.5	2,614.2
Total	22,777,935	na	22,748,979	100.0	47,500.0

(a) These figures reflect the relativities applied for the purposes of distributing GST to the States. When all Commonwealth payments to the States are taken into account, the distribution is far closer to an equal per capita basis.

The calculations for the distribution of the 2010-11 balancing adjustment are shown in Table 3.31. This adjustment will be made to each State's 2011-12 GST entitlement following the underpayment of \$437.2 million in 2010-11.

Table 3.31: Distribution of the GST balancing adjustment, 2010-11^(a)

	Estimated 31 December 2010 population (1)	State revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	2010-11 GST entitlement \$million (5)	2010-11 GST advances \$million (5)	Balancing adjustment \$million (5)
NSW	7,272,158	0.95205	6,923,458	30.9	14,157.8	14,023.4	134.4
VIC	5,585,566	0.93995	5,250,153	23.4	10,736.0	10,629.5	106.6
QLD	4,548,661	0.91322	4,153,928	18.5	8,494.4	8,413.6	80.8
WA	2,317,064	0.68298	1,582,508	7.1	3,236.1	3,202.1	34.0
SA	1,650,377	1.28497	2,120,685	9.5	4,336.6	4,296.1	40.5
TAS	509,292	1.62091	825,516	3.7	1,688.1	1,671.7	16.4
ACT	361,914	1.15295	417,269	1.9	853.3	841.8	11.5
NT	229,874	5.07383	1,166,342	5.2	2,385.1	2,372.0	13.1
Total	22,474,906	na	22,439,859	100.0	45,887.2	45,450.0	437.2

(a) Total may not equal sum of State totals.

GST administration costs

As the GST has a national tax base, the Intergovernmental Agreement provides for the Australian Taxation Office to administer the GST on behalf of the States. Given that all GST revenue is provided to the States, the States compensate the Commonwealth for the agreed costs incurred by the Australian Taxation Office in administering the GST, as shown in Table 3.32.

Table 3.32: GST administration budget, 2010-11 to 2014-15

\$million	Actual	Estimates			
	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office budget	666.6	683.2	699.3	699.7	607.1
<i>less</i> prior year adjustment	-8.2	5.9			
<i>equals</i> State government payments	674.8	677.3	699.3	699.7	607.1
<i>less</i> Australian Taxation Office outcome(a)	660.7				
<i>equals</i> Commonwealth budget impact	14.1				
<i>plus</i> prior year adjustment	-8.2				
<i>equals</i> following year adjustment	5.9				

(a) Estimated outcome for 2010-11 pending confirmation by the Australian National Audit Office.

The preliminary outcome for the 2010-11 GST administration expenses of \$660.7 million differs from the amount paid by the States and the prior year adjustment by \$5.9 million. Once the outcome for GST administration in 2010-11 is audited, the final adjustment will be incorporated into the States' administration costs for 2011-12.

PAYMENTS TO THE STATES

This annex provides accrual estimates of Commonwealth payments to the States (and local governments). This includes Commonwealth advances (loans) to the States, including new advances, interest on advances and repayments of advances. Most of these advances were funded from borrowings made on behalf of the States under previous Australian Loan Council arrangements.

Each table presents estimated payments to the States for the period 2011-12 to 2014-15 as follows:

- A.1 – health;
- A.2 – education;
- A.3 – skills and workforce development;
- A.4 – community services;
- A.5 – affordable housing;
- A.6 – infrastructure;
- A.7 – environment;
- A.8 – contingent payments;
- A.9 – other;
- A.10 – GST and general revenue assistance;
- A.11 – advances, repayment of advances and interest payments; and
- A.12 – payments presented on the Australian Bureau of Statistics Government Finance Statistics (GFS) functional basis.

Table A.1: Estimated payments to support state health services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Healthcare SPP	4,136,900	3,099,813	2,547,059	1,308,291	989,150	279,671	183,284	151,589	12,695,757
National Partnership payments									
National Health Reform									
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care(a)	7,044	5,591	4,724	2,716	2,075	1,073	944	833	25,000
National Emergency Access Target emergency departments(b)									
Capital funding	14,482	11,428	9,607	5,390	12,137	1,941	3,338	1,437	59,760
Facilitation and reward funding	32,453	18,670	20,133	11,571	10,408	1,718	2,916	916	98,785
National Elective Surgery Target(c)									
Capital funding	6,719	5,385	4,590	2,750	6,489	1,244	3,376	1,024	31,577
Facilitation and reward funding	49,090	43,878	29,765	9,506	33,617	2,257	2,211	1,190	171,514
New subacute beds guarantee funding	131,425	92,950	76,125	38,125	28,150	8,425	8,542	4,125	387,867
Expansion of subacute care in multi-purpose services	16,200	5,200	6,700	11,400	8,700	1,700	-	100	50,000
Financial assistance for long stay older patients	32,905	12,738	21,229	15,922	18,045	3,184	1,061	1,061	106,145
Closing the Gap in the Northern Territory									
Indigenous health and related services	-	-	-	-	-	-	-	4,120	4,120
Health and hospital workforce reform									
Activity based funding	12,270	10,990	7,000	4,110	3,580	1,240	980	1,230	41,400

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	64,500	4,500	145,000	205,000	53,000	5,500	-	19,500	497,000
National cancer system	80,381	299,045	72,945	23,450	37,630	10,684	11,428	-	535,563
Regional priority round	23,616	13,059	7,030	2,448	10,600	20,000	2,337	23,648	102,738
Translational research and workforce training	-	26,000	-	-	-	-	-	-	26,000
Other Health infrastructure payments									
Cairns integrated cancer centre	-	-	2,000	-	-	-	-	-	2,000
Children's cancer centre, Adelaide	-	-	-	-	1,500	-	-	-	1,500
Funding for Grafton Hospital	5,000	-	-	-	-	-	-	-	5,000
Health infrastructure projects in Tasmania	-	-	-	-	-	1,400	-	-	1,400
Tasmanian health package									
Patient transport and accommodation services	-	-	-	-	-	1,150	-	-	1,150
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	430	-	-	430
Health services									
Early intervention pilot program	625	-	-	-	-	-	-	-	625
Extension of the COAG Long Stay									
Older Patients Initiative	12,990	9,520	10,100	6,640	3,330	1,485	300	600	44,965
Health care grants for the Torres Strait	-	-	8,135	-	-	-	-	-	8,135
Healthy kids health checks	490	381	383	425	151	98	69	95	2,092
Human quarantine services	156	102	130	76	68	63	62	51	708
Improving ear health services for Indigenous Australian children — project agreement	886	287	1,100	1,520	1,041	-	-	1,270	6,104

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Health services (continued)									
Improving trachoma control services for Indigenous Australians — project agreement	130	-	-	818	794	-	-	1,433	3,175
National bowel cancer screening	-	444	357	183	143	106	89	76	1,398
National Perinatal Depression Initiative	4,517	3,749	3,165	1,957	648	493	420	508	15,457
Northern Territory medical school — funding contribution	-	-	-	-	-	-	-	1,628	1,628
OzFoodNet	328	242	241	188	188	174	131	136	1,628
Satellite renal dialysis facilities in remote Northern Territory communities	-	-	-	-	-	-	-	131	131
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	1,075	1,075
Torres Strait health protection strategy	-	-	1,089	-	-	-	-	-	1,089
Reducing acute rheumatic heart fever among Indigenous children	-	-	810	810	-	-	-	810	2,430
Royal Darwin Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	14,481	14,481
Vaccine-preventable diseases surveillance	445	507	377	189	75	80	83	103	1,859
Victorian cytology service	-	7,700	-	-	-	-	-	-	7,700
Mental Health									
Expanding the Early Psychosis Prevention and Intervention Centre model(d)	1,012	1,012	1,012	1,012	1,013	1,013	1,013	1,013	8,100
Mental health reform(e)	6,886	5,309	4,341	2,213	1,560	481	342	220	21,352

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Preventive health									
Enabling infrastructure	816	620	500	252	188	58	40	26	2,500
Healthy children	10,662	7,826	6,648	3,301	2,316	786	509	407	32,455
Healthy communities	6,168	5,327	5,046	3,645	3,084	841	280	1,402	25,793
Healthy workers	10,675	8,251	6,882	3,606	2,451	738	602	347	33,552
Social marketing	1,959	1,487	1,199	606	451	140	97	62	6,001
Other									
Commonwealth Dental Health Program	-	-	-	-	-	-	-	-	-
East Kimberley development package — health-related projects	-	-	-	14,570	-	-	-	-	14,570
Elective surgery waiting list reduction plan	45,389	29,897	30,873	12,205	12,103	3,102	1,310	821	135,700
Essential vaccines	112,282	91,416	76,379	36,587	27,038	8,341	5,594	4,262	361,899
Indigenous early childhood development — antenatal and reproductive health	5,740	1,123	6,962	3,440	1,209	645	230	4,191	23,540
Indigenous mobile dental program	-	-	1,021	-	-	-	-	-	1,021
Total	4,835,141	3,824,447	3,120,657	1,734,922	1,272,932	360,261	231,588	245,921	15,625,869
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	6,168	5,327	5,046	3,645	3,084	841	280	1,402	25,793
Total	6,168	5,327	5,046	3,645	3,084	841	280	1,402	25,793

(a) Since the 2011-12 Budget, the name of this component has changed from *Flexible funding for emergency departments, elective surgery and subacute care*.

(b) Since the 2011-12 Budget, the name of this component has changed from *Four hour national access target for emergency departments*.

(c) Since the 2011-12 Budget, the name of this component has changed from *Improving access to elective surgery*.

(d) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal basis to all States.

(e) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Health Reform funding	4,381,409	3,323,919	2,731,096	1,401,662	1,028,429	298,846	202,783	154,192	13,522,336
National Partnership payments									
National Health Reform									
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care(a)	7,044	5,591	4,724	2,716	2,075	1,073	944	833	25,000
National Emergency Access Target emergency departments(b)									
Capital funding	14,482	11,428	9,607	5,390	4,046	1,941	1,669	1,437	50,000
Facilitation and reward funding(c)	16,016	12,416	10,277	5,245	3,614	1,116	796	522	50,002
National Elective Surgery Target(d)									
Capital funding	-	-	-	-	-	-	-	-	-
Facilitation and reward funding(c)	-	-	-	-	-	-	-	-	-
New subacute beds guarantee funding	145,000	111,100	89,800	45,900	32,800	10,600	7,000	4,300	446,500
Expansion of subacute care in multi-purpose services	11,300	3,600	4,700	8,000	6,100	1,200	-	100	35,000
Financial assistance for long stay older patients	28,709	11,114	18,522	13,892	15,743	2,778	926	926	92,610
Closing the Gap in the Northern Territory									
Indigenous health and related services	-	-	-	-	-	-	-	-	829
Health and hospital workforce reform									
Activity based funding	16,450	14,730	9,380	5,520	4,800	1,660	1,320	1,660	55,520

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	9,400	-	82,000	-	103,000	1,000	-	7,500	202,900
National cancer system	40,409	29,028	61,320	2,291	34,100	3,236	10,000	-	180,384
Regional priority round	38,400	27,792	10,821	7,556	14,731	-	-	21,854	121,154
Translational research and workforce training	-	25,000	-	-	-	-	-	-	25,000
Other Health infrastructure payments									
Cairns integrated cancer centre	-	-	-	-	-	-	-	-	-
Children's cancer centre, Adelaide	-	-	-	-	-	-	-	-	-
Funding for Grafton Hospital	-	-	-	-	-	-	-	-	-
Health infrastructure projects in Tasmania	-	-	-	-	-	-	-	-	-
Tasmanian health package	-	-	-	-	-	-	-	-	-
Patient transport and accommodation services	-	-	-	-	-	-	-	-	-
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	400	-	-	400
Health services									
Early intervention pilot program	222	-	-	-	-	-	-	-	222
Extension of the COAG Long Stay Older Patients Initiative	12,990	9,520	6,750	3,320	3,330	990	300	300	37,500
Health care grants for the Torres Strait	-	-	4,369	-	-	-	-	-	4,369
Healthy kids health checks	502	403	418	227	158	99	71	98	1,976
Human quarantine services	35	19	20	12	7	5	5	7	110
Improving ear health services for Indigenous Australian children — project agreement	855	295	1,364	1,368	770	-	-	1,879	6,531

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Health services (continued)									
Improving trachoma control services for Indigenous Australians — project agreement	70	-	359	736	1,048	-	-	1,712	3,925
National bowel cancer screening	-	-	-	-	-	-	-	-	-
National Perinatal Depression Initiative	2,478	2,056	1,734	1,070	596	266	226	274	8,700
Northern Territory medical school — funding contribution	-	-	-	-	-	-	-	2,214	2,214
OzFoodNet	332	245	243	189	190	176	131	138	1,644
Satellite renal dialysis facilities in remote Northern Territory communities	-	-	-	-	-	-	-	-	-
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	461	461
Torres Strait health protection strategy	-	-	930	-	-	-	-	-	930
Reducing acute rheumatic heart fever among Indigenous children	-	-	841	841	-	-	-	841	2,523
Royal Darwin Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	14,770	14,770
Vaccine-preventable diseases surveillance	187	178	155	79	76	31	31	44	781
Victorian cytology service	-	8,085	-	-	-	-	-	-	8,085
Mental Health									
Expanding the Early Psychosis Prevention and Intervention Centre model(e)	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	28,200
Mental health reform(f)	13,971	10,816	8,877	4,533	3,158	972	697	449	43,473

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Preventive health									
Enabling infrastructure	816	620	500	252	188	58	40	26	2,500
Healthy children	21,324	15,652	13,297	6,602	4,633	1,573	1,018	813	64,912
Healthy communities	6,285	5,428	5,142	3,714	3,143	857	286	1,428	26,283
Healthy workers	19,904	15,385	12,831	6,724	4,569	1,375	1,122	646	62,556
Social marketing	1,959	1,487	1,199	606	451	140	97	62	6,001
Other									
Commonwealth Dental Health Program	30,360	24,150	17,560	7,870	8,220	3,360	1,370	1,410	94,300
East Kimberley development package — health-related projects	-	-	-	2,830	-	-	-	-	2,830
Elective surgery waiting list reduction plan	-	-	-	-	-	-	-	-	-
Essential vaccines	111,195	90,650	76,807	36,579	26,900	8,260	5,518	4,517	360,426
Indigenous early childhood development — antenatal and reproductive health	5,740	1,325	7,146	3,760	1,261	705	240	4,080	24,257
Indigenous mobile dental program	-	-	-	-	-	-	-	-	-
Total	4,941,369	3,765,557	3,196,314	1,583,009	1,311,661	346,242	240,115	233,847	15,618,114
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	6,285	5,428	5,142	3,714	3,143	857	286	1,428	26,283
Total	6,285	5,428	5,142	3,714	3,143	857	286	1,428	26,283

- (a) Since the 2011-12 Budget, the name of this component has changed from *Flexible funding for emergency departments, elective surgery and subacute care*.
- (b) Since the 2011-12 Budget, the name of this component has changed from *Four hour national access target for emergency departments*.
- (c) Reward funding initially expected to be paid in this year has been moved into the subsequent year to better reflect expected reporting and payment timeframes. Earlier payment may be possible if reporting processes can be facilitated earlier. The movement of reward payments does not impact on the timing of any facilitation payments.
- (d) Since the 2011-12 Budget, the name of this component has changed from *Improving access to elective surgery*.
- (e) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal basis to all States.
- (f) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Health Reform funding	4,608,518	3,586,022	2,948,292	1,511,227	1,040,195	319,798	231,957	148,798	14,394,807
National Partnership payments									
National Health Reform									
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care(a)	-	-	-	-	-	-	-	-	-
National Emergency Access Target emergency departments(b)									
Capital funding	15,895	12,393	10,394	5,326	3,534	1,094	810	553	49,999
Facilitation and reward funding									
National Elective Surgery Target(c)									
Capital funding									
Facilitation and reward funding	15,750	12,326	10,550	5,425	3,400	873	673	493	49,490
New subacute beds guarantee funding	203,800	154,700	125,900	64,300	46,000	14,000	9,900	6,900	625,500
Expansion of subacute care in multi-purpose services	11,300	3,600	4,700	8,000	6,100	1,200	-	100	35,000
Financial assistance for long stay older patients	24,300	9,405	15,677	11,757	13,325	2,352	785	785	78,386
Closing the Gap in the Northern Territory									
Indigenous health and related services	-	-	-	-	-	-	-	-	-
Health and hospital workforce reform									
Activity based funding	-	-	-	-	-	-	-	-	-

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	15,000	62,600	16,000	-	-	-	93,600
National cancer system	736	67,000	28,231	-	3,266	700	-	1,200	101,133
Regional priority round	83,368	49,348	23,639	14,801	26,700	-	-	37,032	234,888
Translational research and workforce training	-	20,000	-	-	-	-	-	-	20,000
Other Health infrastructure payments									
Cairns integrated cancer centre	-	-	-	-	-	-	-	-	-
Children's cancer centre, Adelaide	-	-	-	-	-	-	-	-	-
Funding for Grafton Hospital	-	-	-	-	-	-	-	-	-
Health infrastructure projects in Tasmania	-	-	-	-	-	-	-	-	-
Tasmanian health package									
Patient transport and accommodation services	-	-	-	-	-	-	-	-	-
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	-	-	-	-
Health services									
Early intervention pilot program	-	-	-	-	-	-	-	-	-
Extension of the COAG Long Stay									
Older Patients Initiative	12,990	9,520	6,750	3,320	3,330	990	300	300	37,500
Health care grants for the Torres Strait	-	-	4,447	-	-	-	-	-	4,447
Healthy kids health checks	501	403	421	231	160	102	72	100	1,990
Human quarantine services	35	19	20	13	7	6	5	7	112
Improving ear health services for Indigenous Australian children — project agreement	95	31	151	152	86	-	-	162	677

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Health services (continued)									
Improving trachoma control services for Indigenous Australians — project agreement	-	-	-	82	117	-	-	190	389
National bowel cancer screening	-	-	-	-	-	-	-	-	-
National Perinatal Depression Initiative	2,478	2,056	1,734	1,070	596	266	226	274	8,700
Northern Territory medical school — funding contribution	-	-	-	-	-	-	-	2,254	2,254
OzFoodNet	337	249	249	192	193	179	134	140	1,673
Satellite renal dialysis facilities in remote Northern Territory communities	-	-	-	-	-	-	-	-	-
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	-	-
Torres Strait health protection strategy	-	-	946	-	-	-	-	-	946
Reducing acute rheumatic heart fever among Indigenous children	-	-	857	857	-	-	-	857	2,571
Royal Darwin Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	15,022	15,022
Vaccine-preventable diseases surveillance	192	183	157	80	77	32	33	45	799
Victorian cytology service	-	8,489	-	-	-	-	-	-	8,489
Mental Health									
Expanding the Early Psychosis Prevention and Intervention Centre model(d)	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	50,200
Mental health reform(e)	14,176	11,022	9,077	4,644	3,198	984	709	459	44,269

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Preventive health									
Enabling infrastructure	-	-	-	-	-	-	-	-	-
Healthy children	31,985	23,478	19,945	9,904	6,949	2,359	1,527	1,220	97,367
Healthy communities	-	-	-	-	-	-	-	-	-
Healthy workers	28,050	21,682	18,083	9,476	6,439	1,939	1,581	911	88,161
Social marketing	-	-	-	-	-	-	-	-	-
Other									
Commonwealth Dental Health Program	30,670	24,380	17,730	7,940	8,300	3,890	1,880	1,910	96,700
East Kimberley development package — health-related projects	-	-	-	-	-	-	-	-	-
Elective surgery waiting list reduction plan	-	-	-	-	-	-	-	-	-
Essential vaccines	106,344	87,378	75,312	35,688	25,726	7,874	5,346	4,692	348,360
Indigenous early childhood development — antenatal and reproductive health	5,501	1,423	7,648	3,928	1,120	736	250	3,757	24,363
Indigenous mobile dental program	-	-	-	-	-	-	-	-	-
Total	5,203,296	4,111,382	3,352,185	1,767,288	1,221,093	365,649	262,463	234,436	16,517,792
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) Since the 2011-12 Budget, the name of this component has changed from *Flexible funding for emergency departments, elective surgery and subacute care*.

(b) Since the 2011-12 Budget, the name of this component has changed from *Four hour national access target for emergency departments*.

(c) Since the 2011-12 Budget, the name of this component has changed from *Improving access to elective surgery*.

(d) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal basis to all States.

(e) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Health Reform funding(a)	5,081,809	3,963,328	3,291,981	1,711,013	1,158,869	350,771	266,173	175,116	15,999,060
National Partnership payments									
National Health Reform									
Improving Public Hospital Services	-	-	-	-	-	-	-	-	-
Flexible funding pool for emergency departments, elective surgery and subacute care(b)	-	-	-	-	-	-	-	-	-
National Emergency Access Target emergency departments(c)	-	-	-	-	-	-	-	-	-
Capital funding	15,895	12,393	10,394	5,326	3,534	1,094	810	553	49,999
Facilitation and reward funding	-	-	-	-	-	-	-	-	-
National Elective Surgery Target(d)	-	-	-	-	-	-	-	-	-
Capital funding	15,750	12,326	10,550	5,425	3,400	873	673	493	49,490
Facilitation and reward funding	-	-	-	-	-	-	-	-	-
New subacute beds guarantee funding	-	-	-	-	-	-	-	-	-
Expansion of subacute care in multi-purpose services	-	-	-	-	-	-	-	-	-
Financial assistance for long stay older patients	-	-	-	-	-	-	-	-	-
Closing the Gap in the Northern Territory									
Indigenous health and related services	-	-	-	-	-	-	-	-	-
Health and hospital workforce reform									
Activity based funding	-	-	-	-	-	-	-	-	-

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	-	50,000	-	-	-	-	50,000
National cancer system	-	67,000	-	-	-	4,779	-	600	72,379
Regional priority round	111,817	57,310	38,397	9,288	10,700	-	-	38,288	265,800
Translational research and workforce training	-	-	-	-	-	-	-	-	-
Other Health infrastructure payments									
Cairns integrated cancer centre	-	-	-	-	-	-	-	-	-
Children's cancer centre, Adelaide	-	-	-	-	-	-	-	-	-
Funding for Grafton Hospital	-	-	-	-	-	-	-	-	-
Health infrastructure projects in Tasmania	-	-	-	-	-	-	-	-	-
Tasmanian health package									
Patient transport and accommodation services	-	-	-	-	-	-	-	-	-
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	-	-	-	-
Health services									
Early intervention pilot program	-	-	-	-	-	-	-	-	-
Extension of the COAG Long Stay									
Older Patients Initiative	12,990	9,520	6,750	3,320	3,330	990	300	300	37,500
Health care grants for the Torres Strait	-	-	4,532	-	-	-	-	-	4,532
Healthy kids health checks	501	403	421	231	160	102	72	100	1,990
Human quarantine services	36	20	20	13	7	6	5	7	114
Improving ear health services for Indigenous Australian children — project agreement	-	-	-	-	-	-	-	-	-

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Health services (continued)									
Improving trachoma control services for Indigenous Australians — project agreement	-	-	-	-	-	-	-	-	-
National bowel cancer screening	-	-	-	-	-	-	-	-	-
National Perinatal Depression Initiative	2,478	2,056	1,734	1,070	596	266	226	274	8,700
Northern Territory medical school — funding contribution	-	-	-	-	-	-	-	2,297	2,297
OzFoodNet	343	253	253	197	197	183	137	143	1,706
Satellite renal dialysis facilities in remote Northern Territory communities	-	-	-	-	-	-	-	-	-
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	-	-
Torres Strait health protection strategy	-	-	964	-	-	-	-	-	964
Reducing acute rheumatic heart fever among Indigenous children	-	-	874	874	-	-	-	874	2,622
Royal Darwin Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	15,307	15,307
Vaccine-preventable diseases surveillance	199	187	161	81	78	32	33	46	817
Victorian cytology service	-	8,914	-	-	-	-	-	-	8,914
Mental Health									
Expanding the Early Psychosis Prevention and Intervention Centre model(e)	8,775	8,775	8,775	8,775	8,775	8,775	8,775	8,775	70,200
Mental health reform(f)	14,377	11,224	9,273	4,753	3,237	995	721	469	45,049

Table A.1: Estimated payments to support state health services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Preventive health									
Enabling infrastructure	-	-	-	-	-	-	-	-	-
Healthy children	42,965	31,537	26,792	13,303	9,334	3,169	2,052	1,638	130,790
Healthy communities	-	-	-	-	-	-	-	-	-
Healthy workers	33,455	25,861	21,568	11,302	7,680	2,312	1,886	1,086	105,150
Social marketing	-	-	-	-	-	-	-	-	-
Other									
Commonwealth Dental Health Program	31,900	25,370	18,450	8,260	8,640	3,510	1,420	1,450	99,000
East Kimberley development package — health-related projects	-	-	-	-	-	-	-	-	-
Elective surgery waiting list reduction plan	-	-	-	-	-	-	-	-	-
Essential vaccines	104,888	86,974	74,779	35,445	25,424	7,719	5,300	4,475	345,004
Indigenous early childhood development — antenatal and reproductive health	2,583	-	-	2,010	482	377	-	502	5,954
Indigenous mobile dental program	-	-	-	-	-	-	-	-	-
Total	5,480,761	4,323,451	3,526,668	1,870,686	1,244,443	385,953	288,583	252,793	17,373,338
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) The efficient growth funding component of National Health Reform funding in 2014-15 is distributed on a per capita basis for illustrative purposes only. The distribution of efficient growth funding will be determined by efficient growth in each State.

(b) Since the 2011-12 Budget, the name of this component has changed from *Flexible funding for emergency departments, elective surgery and subacute care*.

(c) Since the 2011-12 Budget, the name of this component has changed from *Four hour national access target for emergency departments*.

(d) Since the 2011-12 Budget, the name of this component has changed from *Improving access to elective surgery*.

(e) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal basis to all States.

(f) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.2: Estimated payments to support state education services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Schools SPP	3,574,150	2,800,566	2,308,423	1,166,635	868,250	259,882	198,388	160,751	11,337,045
National Partnership payments									
Closing the Gap in the Northern Territory	-	-	-	-	-	-	-	12,289	12,289
Quality teaching, accelerated literacy	-	-	-	-	-	-	-	32,300	32,300
Supporting remote schools — additional teachers	-	-	-	-	-	-	-	722	722
Teacher housing	63,440	47,530	42,495	20,881	15,084	4,842	3,804	1,924	200,000
Digital Education Revolution									
Early Childhood Education — universal access to early education	82,269	59,103	90,288	29,700	20,196	5,940	3,564	5,940	297,000
East Kimberley development package — education-related projects	-	-	-	16,830	-	-	-	-	16,830
Education Investment Fund	11,687	-	-	13,190	-	-	-	-	24,877
Empowering Local Schools(a)	12,553	9,350	7,570	5,028	4,011	2,027	1,316	1,722	43,577
Fort Street High School noise insulation	7,500	-	-	-	-	-	-	-	7,500
Helping Our Kids Understand Finances — Professional learning and MoneySmart schools	215	202	162	110	105	82	74	91	1,041
Indigenous early childhood development — children and family centres									
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	24,450	1,026	25,600	11,650	10,967	2,387	1,115	16,947	94,142
National quality agenda for early childhood education and care	157,439	104,572	72,266	55,859	6,377	2,153	3,077	6,170	407,913
National Solar Schools Program	5,937	3,155	911	751	1,498	192	157	492	13,093
Reward for School Improvement(a)	15,683	12,544	12,204	9,077	5,528	2,315	1,747	2,832	61,930
School Pathways Program	3,265	2,377	1,798	1,125	819	283	134	199	10,000
	-	-	-	519	1,336	-	-	-	1,855

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	25,015	18,996	16,241	8,019	5,760	1,832	1,348	879	78,090
Secure Schools Program	2,347	1,960	584	535	50	-	233	-	5,709
Smarter Schools									
Improving teacher quality(c)	75,359	59,880	46,553	23,904	17,204	5,594	4,210	2,896	235,600
Literacy and numeracy(c)	48,385	53,213	48,522	32,020	14,136	5,923	2,328	7,011	211,538
Low SES school communities(c)	148,313	68,812	53,969	24,188	39,938	17,531	750	17,531	371,032
Trade training centres in schools	78,136	75,740	48,072	27,407	25,603	4,978	628	9,809	270,373
Total	4,336,143	3,319,026	2,775,658	1,447,428	1,036,862	315,961	222,873	280,505	13,734,456
<i>Memorandum item—payments for non-government schools included in payments above</i>									
National Schools SPP	2,327,304	1,924,083	1,549,647	789,172	589,088	161,050	141,850	100,687	7,582,881
Digital Education Revolution	23,195	17,968	15,324	8,150	5,720	1,448	1,615	580	74,000
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	51,093	11,644	8,450	15,461	3,391	2,153	3,077	-	95,269
National Solar Schools Program	2,841	2,269	850	455	131	287	108	197	7,138
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	5,988	4,223	3,162	1,900	1,004	278	278	95	16,928
Secure Schools Program	2,347	1,960	584	535	50	-	233	-	5,709
Trade training centres in schools	17,003	22,774	15,794	5,946	5,190	1,670	494	165	69,036
Total	2,429,771	1,984,921	1,593,811	821,619	604,574	166,886	147,655	101,724	7,850,961

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) Government schools only (non-government to be provided).

(b) Yearly profiles and State splits are indicative distributions only.

(c) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Schools SPP	3,802,508	3,005,542	2,512,421	1,265,720	925,448	276,845	213,633	171,042	12,173,159
National Partnership payments									
Closing the Gap in the Northern Territory	-	-	-	-	-	-	-	-	-
Quality teaching, accelerated literacy	-	-	-	-	-	-	-	-	-
Supporting remote schools — additional teachers	-	-	-	-	-	-	-	12,400	12,400
Teacher housing	-	-	-	-	-	-	-	-	-
Digital Education Revolution	63,440	47,530	42,495	20,881	15,084	4,842	3,804	1,924	200,000
Early Childhood Education — universal access to early education	137,898	109,534	97,597	47,602	30,927	10,415	7,080	5,947	447,000
East Kimberley development package — education-related projects	-	-	-	4,210	-	-	-	-	4,210
Education Investment Fund	3,769	-	-	-	-	-	-	-	3,769
Empowering Local Schools(a)	-	-	-	-	-	-	-	-	-
Fort Street High School noise insulation	-	-	-	-	-	-	-	-	-
Helping Our Kids Understand Finances — Professional learning and MoneySmart schools	215	202	162	110	105	82	74	91	1,041
Indigenous early childhood development — children and family centres	16,250	3,360	19,244	7,000	2,792	1,180	1,110	5,599	56,535
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	-	-	-	-	-	-	-	-	-
National quality agenda for early childhood education and care	9,595	5,139	1,594	1,165	2,448	303	227	857	21,328
National Solar Schools Program	7,408	3,117	5,571	4,248	1,772	686	807	1,184	24,793
Reward for School Improvement(a)	2,121	1,541	1,142	719	516	180	99	122	6,440
School Pathways Program	-	-	-	529	1,175	-	-	-	1,704

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	25,101	19,061	16,295	8,046	5,780	1,838	1,353	882	78,356
Secure Schools Program	2,056	1,718	513	470	44	-	204	-	5,005
Smarter Schools									
Improving teacher quality(c)	61,725	49,050	38,141	19,586	14,093	4,583	3,448	2,374	193,000
Literacy and numeracy(c)	-	-	-	-	-	-	-	-	-
Low SES school communities(c)	143,863	66,748	55,358	23,462	38,739	17,005	728	17,005	362,908
Trade training centres in schools	78,380	62,734	55,108	27,533	19,841	6,207	4,787	2,310	256,900
Total	4,354,329	3,375,276	2,845,641	1,431,281	1,058,764	324,166	237,354	221,737	13,848,548
<i>Memorandum item—payments for non-government schools included in payments above</i>									
National Schools SPP	2,486,732	2,069,422	1,687,091	861,166	632,974	174,039	152,986	110,482	8,174,892
Digital Education Revolution	23,195	17,968	15,324	8,150	5,720	1,448	1,615	580	74,000
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	-	-	-	-	-	-	-	-	-
National Solar Schools Program	2,743	2,190	820	439	126	277	104	190	6,889
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	6,010	4,237	3,172	1,906	1,008	279	279	95	16,986
Secure Schools Program	2,056	1,718	513	470	44	-	204	-	5,005
Trade training centres in schools	30,498	26,598	21,344	11,646	7,922	1,924	2,119	709	102,760
Total	2,551,234	2,122,133	1,728,264	883,777	647,794	177,967	157,307	112,056	8,380,532

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) Government schools only (non-government to be provided).

(b) Yearly profiles and State splits are indicative distributions only.

(c) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Schools SPP	4,047,533	3,233,788	2,749,689	1,380,303	987,022	294,036	230,521	183,837	13,106,729
National Partnership payments									
Closing the Gap in the Northern Territory	-	-	-	-	-	-	-	-	-
Quality teaching, accelerated literacy	-	-	-	-	-	-	-	-	-
Supporting remote schools — additional teachers	-	-	-	-	-	-	-	-	-
Teacher housing	63,440	47,530	42,495	20,881	15,084	4,842	3,804	1,924	200,000
Digital Education Revolution									
Early Childhood Education — universal access to early education	146,871	114,361	95,146	48,616	33,065	10,212	7,318	4,821	460,410
East Kimberley development package — education-related projects	-	-	-	-	-	-	-	-	-
Education Investment Fund	-	-	-	-	-	-	-	-	-
Empowering Local Schools(a)	-	-	-	-	-	-	-	-	-
Fort Street High School noise insulation	-	-	-	-	-	-	-	-	-
Helping Our Kids Understand Finances — Professional learning and MoneySmart schools	-	-	-	-	-	-	-	-	-
Indigenous early childhood development — children and family centres	13,490	3,246	7,997	8,900	4,192	1,690	1,110	5,530	46,155
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	-	-	-	-	-	-	-	-	-
National quality agenda for early childhood education and care	8,474	4,628	1,468	881	2,297	280	212	840	19,080
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Reward for School Improvement(a)	1,912	1,393	1,044	474	646	151	99	81	5,800
School Pathways Program	-	-	-	540	746	-	-	-	1,286

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	12,548	9,530	8,147	4,022	2,890	919	676	441	39,173
Secure Schools Program	2,056	1,718	513	470	44	-	204	-	5,005
Smarter Schools	-	-	-	-	-	-	-	-	-
Improving teacher quality(c)	-	-	-	-	-	-	-	-	-
Literacy and numeracy(c)	-	-	-	-	-	-	-	-	-
Low SES school communities(c)	88,246	40,944	37,118	14,392	23,763	10,431	446	10,431	225,771
Trade training centres in schools	68,034	54,852	47,816	24,069	17,259	5,299	4,202	1,969	223,500
Total	4,452,604	3,511,990	2,991,433	1,503,548	1,087,008	327,860	248,592	209,874	14,332,909
<i>Memorandum item—payments for non-government schools included in payments above</i>									
National Schools SPP	2,655,027	2,231,782	1,844,482	943,236	680,284	187,610	165,570	122,418	8,830,409
Digital Education Revolution	23,195	17,968	15,324	8,150	5,720	1,448	1,615	580	74,000
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	-	-	-	-	-	-	-	-	-
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	3,004	2,118	1,586	953	504	140	139	48	8,492
Secure Schools Program	2,056	1,718	513	470	44	-	204	-	5,005
Trade training centres in schools	29,877	26,057	20,910	11,409	7,761	1,885	2,076	694	100,669
Total	2,713,159	2,279,643	1,882,815	964,218	694,313	191,083	169,604	123,740	9,018,575

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) Government schools only (non-government to be provided).

(b) Yearly profiles and State splits are indicative distributions only.

(c) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Schools SPP	4,341,486	3,485,025	2,993,949	1,496,603	1,055,793	312,523	249,092	194,479	14,128,950
National Partnership payments									
Closing the Gap in the Northern Territory	-	-	-	-	-	-	-	-	-
Quality teaching, accelerated literacy	-	-	-	-	-	-	-	-	-
Supporting remote schools — additional teachers	-	-	-	-	-	-	-	-	-
Teacher housing	63,440	47,530	42,495	20,881	15,084	4,842	3,804	1,924	200,000
Digital Education Revolution									
Early Childhood Education — universal access to early education	146,871	114,361	95,146	48,616	33,065	10,212	7,318	4,821	460,410
East Kimberley development package — education-related projects	-	-	-	-	-	-	-	-	-
Education Investment Fund	-	-	-	-	-	-	-	-	-
Empowering Local Schools(a)	-	-	-	-	-	-	-	-	-
Fort Street High School noise insulation	-	-	-	-	-	-	-	-	-
Helping Our Kids Understand Finances — Professional learning and MoneySmart schools	-	-	-	-	-	-	-	-	-
Indigenous early childhood development — children and family centres	-	-	-	-	-	-	-	-	-
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	-	-	-	-	-	-	-	-	-
National quality agenda for early childhood education and care	8,415	4,577	1,468	881	2,370	280	212	877	19,080
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Reward for School Improvement(a)	9,225	6,725	5,100	1,450	3,975	675	525	250	27,925
School Pathways Program	-	-	-	-	-	-	-	-	-

Table A.2: Estimated payments to support state education services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	-	-	-	-	-	-	-	-	-
Secure Schools Program	-	-	-	-	-	-	-	-	-
Smarter Schools	-	-	-	-	-	-	-	-	-
Improving teacher quality(c)	-	-	-	-	-	-	-	-	-
Literacy and numeracy(c)	-	-	-	-	-	-	-	-	-
Low SES school communities(c)	67,235	31,195	30,228	10,965	18,105	7,948	340	7,948	173,964
Trade training centres in schools	77,309	62,276	54,336	27,328	19,608	6,032	4,768	2,243	253,900
Total	4,713,981	3,751,689	3,222,722	1,606,724	1,148,000	342,512	266,059	212,542	15,264,229
<i>Memorandum item—payments for non-government schools included in payments above</i>									
National Schools SPP	2,866,350	2,409,596	1,991,876	1,018,506	734,546	202,549	178,901	132,048	9,534,372
Digital Education Revolution	23,195	17,968	15,324	8,150	5,720	1,448	1,615	580	74,000
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	-	-	-	-	-	-	-	-	-
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Schools — support for improving learning experiences and educational outcomes for school students with disability(b)	-	-	-	-	-	-	-	-	-
Secure Schools Program	-	-	-	-	-	-	-	-	-
Trade training centres in schools	33,486	29,204	23,435	12,788	8,699	2,112	2,326	778	112,828
Total	2,923,031	2,456,768	2,030,635	1,039,444	748,965	206,109	182,842	133,406	9,721,200

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) Government schools only (non-government to be provided).

(b) Yearly profiles and State splits are indicative distributions only.

(c) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.

Table A.3: Estimated payments to support skills & workforce development services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Skills & Workforce Development SPP									
Building Australia's Future Workforce —									
Vocational education and training	-	-	-	-	-	-	-	-	-
Training places for single and teen parents	2,142	1,658	1,361	696	485	149	106	69	6,666
National Disaster Queensland —									
Community Work Placements	-	-	4,750	-	-	-	-	-	4,750
Productivity Places Program(a)	161,154	-	98,688	50,256	36,968	14,938	8,528	5,331	375,863
TAFE fee waivers for childcare qualifications	6,680	15,837	4,475	1,953	210	613	455	83	30,306
Youth attainment and transitions —									
Maximising engagement, attainment and successful transitions(b)	8,493	17,040	5,595	2,811	1,937	606	662	358	37,502
Year 12 attainment and transitions	16,289	12,396	10,028	5,080	3,732	1,158	804	513	50,000
Total	642,747	385,072	393,904	199,087	144,710	48,895	33,349	20,455	1,868,219

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) The Productivity Places Program will expire in 2011-12 and will be replaced by the Building Australia's Future Workforce — Vocational education and training initiative and other measures which the Commonwealth is delivering in partnership with industry.

(b) The amount of funding paid to Victoria includes \$43 million across 2011-12 to 2013-14 to be used to implement the school business community partnership brokers program through its local learning and employment network.

Table A.3: Estimated payments to support skills & workforce development services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Skills & Workforce Development SPP									
Building Australia's Future Workforce —									
Vocational education and training	453,586	345,734	278,054	142,780	102,572	31,717	22,992	14,391	1,391,826
Training places for single and teen parents	76,594	59,304	48,669	24,855	17,313	5,332	3,820	2,464	238,351
National Disaster Queensland —									
Community Work Placements	6,427	4,976	4,084	2,086	1,453	447	320	207	20,000
Productivity Places Program	-	-	-	-	-	-	-	-	-
TAFE fee waivers for childcare qualifications	-	-	-	-	-	-	-	-	-
Youth attainment and transitions —									
Maximising engagement, attainment and successful transitions(a)	5,838	10,264	2,995	1,236	502	353	757	84	22,029
Year 12 attainment and transitions	8,493	17,040	5,595	2,811	1,937	606	662	358	37,502
Total	550,938	437,318	339,397	173,768	123,777	38,455	28,551	17,504	1,709,708

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) The amount of funding paid to Victoria includes \$43 million across 2011-12 to 2013-14 to be used to implement the school business community partnership brokers program through its local learning and employment network.

Table A.3: Estimated payments to support skills & workforce development services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Skills & Workforce Development SPP									
Building Australia's Future Workforce —									
Vocational education and training	457,623	352,852	287,230	147,444	103,321	31,847	23,137	14,677	1,418,131
Training places for single and teen parents	76,594	59,304	48,669	24,855	17,313	5,332	3,820	2,464	238,351
National Disaster Queensland —									
Community Work Placements	8,569	6,635	5,445	2,781	1,937	597	427	276	26,667
Productivity Places Program	-	-	-	-	-	-	-	-	-
TAFE fee waivers for childcare qualifications	-	-	-	-	-	-	-	-	-
Youth attainment and transitions —									
Maximising engagement, attainment and successful transitions(a)	6,026	10,596	3,092	1,276	519	365	781	86	22,741
Year 12 attainment and transitions	4,246	8,520	2,798	1,406	968	303	331	179	18,751
Total	16,289	12,396	10,028	5,080	3,732	1,158	804	513	50,000
	569,347	450,303	357,262	182,842	127,790	39,602	29,300	18,195	1,774,641

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) The amount of funding paid to Victoria includes \$43 million across 2011-12 to 2013-14 to be used to implement the school business community partnership brokers program through its local learning and employment network.

Table A.3: Estimated payments to support skills & workforce development services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Skills & Workforce Development SPP									
Building Australia's Future Workforce —									
Vocational education and training	461,308	360,407	297,253	152,656	103,898	31,903	23,289	15,000	1,445,714
Training places for single and teen parents	76,594	59,304	48,669	24,855	17,313	5,332	3,820	2,464	238,351
National Disaster Queensland —									
Community Work Placements	8,569	6,635	5,445	2,781	1,937	597	427	276	26,667
Productivity Places Program	-	-	-	-	-	-	-	-	-
TAFE fee waivers for childcare qualifications	-	-	-	-	-	-	-	-	-
Youth attainment and transitions —									
Maximising engagement, attainment and successful transitions	3,012	5,298	1,546	638	260	183	391	43	11,371
Year 12 attainment and transitions	-	-	-	-	-	-	-	-	-
Total	549,483	431,644	352,913	180,930	123,408	38,015	27,927	17,783	1,722,103

Table A.4: Estimated payments to support state community services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Disability SPP	396,409	284,575	237,259	109,859	113,989	34,996	17,949	12,604	1,207,640
Changed roles and responsibilities — adjustment to achieve budget neutrality(a)	17,531	-	14,449	-	-31,810	-5,473	-554	2,137	-3,720
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	464,749	325,171	379,080	139,723	132,048	45,184	19,713	8,656	1,514,324
Specialist disability services	55,456	-	17,046	-	41,682	5,683	785	4,640	125,292
Aged care assessment	29,210	22,989	15,170	8,711	9,226	2,270	1,049	1,250	89,875
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	88,531	63,291	44,196	22,255	25,180	8,083	1,799	1,232	254,567
National reciprocal transport concessions	6,621	1,834	4,242	454	410	126	190	81	13,958
Closing the Gap in the Northern Territory									
Community safety — family support	-	-	-	-	-	-	-	5,476	5,476
Field operations	-	-	-	-	-	-	-	4,278	4,278
Food security	-	-	-	-	-	-	-	220	220
Remote policing	-	-	-	-	-	-	-	54,548	54,548
Substance abuse	-	-	-	-	-	-	-	7,246	7,246
Home and Community Care — services for veterans	6,382	3,832	3,636	1,447	1,500	595	322	48	17,762
Total	1,064,889	701,692	715,078	282,449	292,225	91,464	41,253	102,416	3,291,466

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) From 2011-12, the Commonwealth will make an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

Table A.4: Estimated payments to support state community services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Disability SPP	415,132	306,922	252,873	123,162	109,263	33,739	19,605	13,365	1,274,061
Changed roles and responsibilities — adjustment to achieve budget neutrality(a)	13,885	-	10,880	-	-34,188	-6,410	-884	2,395	-14,322
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	-	351,433	-	151,716	-	-	-	-	503,149
Specialist disability services	57,205	-	17,553	-	43,195	6,005	786	4,800	129,544
Aged care assessment	2,944	2,117	1,528	877	782	229	95	115	8,687
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	92,985	66,470	46,415	23,374	26,444	8,491	1,889	1,293	267,361
National reciprocal transport concessions	4,005	3,104	2,569	1,311	903	279	199	130	12,500
Closing the Gap in the Northern Territory									
Community safety — family support	-	-	-	-	-	-	-	-	-
Field operations	-	-	-	-	-	-	-	-	-
Food security	-	-	-	-	-	-	-	-	-
Remote policing	-	-	-	-	-	-	-	-	-
Substance abuse	-	-	-	-	-	-	-	-	-
Home and Community Care — services for veterans	960	3,803	1,327	434	292	143	149	29	7,137
Total	587,116	733,849	333,145	300,874	146,691	42,476	21,839	22,127	2,188,117

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) From 2011-12, the Commonwealth will make an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

Table A.4: Estimated payments to support state community services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Disability SPP	429,926	334,537	275,044	140,981	97,039	29,834	21,639	13,881	1,342,881
Changed roles and responsibilities — adjustment to achieve budget neutrality(a)	9,752	-	7,773	-	-36,521	-7,352	-1,220	2,684	-24,884
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	-	380,715	-	164,357	-	-	-	-	545,072
Specialist disability services	58,684	-	17,877	-	44,352	6,277	793	4,951	132,934
Aged care assessment	-	-	-	-	-	-	-	-	-
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	96,368	68,887	48,105	24,223	27,405	8,799	1,958	1,340	277,085
National reciprocal transport concessions	3,987	3,105	2,583	1,320	898	277	199	131	12,500
Closing the Gap in the Northern Territory									
Community safety — family support	-	-	-	-	-	-	-	-	-
Field operations	-	-	-	-	-	-	-	-	-
Food security	-	-	-	-	-	-	-	-	-
Remote policing	-	-	-	-	-	-	-	-	-
Substance abuse	-	-	-	-	-	-	-	-	-
Home and Community Care — services for veterans	861	3,747	1,228	396	262	127	142	27	6,790
Total	599,578	790,991	352,610	331,277	133,435	37,962	23,511	23,014	2,292,378

(a) From 2011-12, the Commonwealth will make an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

Table A.4: Estimated payments to support state community services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Disability SPP	454,194	354,850	292,669	150,302	102,296	31,412	22,930	14,768	1,423,421
Changed roles and responsibilities — adjustment to achieve budget neutrality(a)	10,320	-	8,287	-	-38,573	-7,757	-1,294	2,859	-26,158
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	-	411,629	-	177,703	-	-	-	-	589,332
Specialist disability services	60,011	-	18,092	-	45,438	6,538	793	5,096	135,968
Aged care assessment	-	-	-	-	-	-	-	-	-
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	99,962	71,458	49,898	25,126	28,427	9,128	2,031	1,390	287,420
National reciprocal transport concessions	3,987	3,105	2,583	1,320	898	277	199	131	12,500
Closing the Gap in the Northern Territory									
Community safety — family support	-	-	-	-	-	-	-	-	-
Field operations	-	-	-	-	-	-	-	-	-
Food security	-	-	-	-	-	-	-	-	-
Remote policing	-	-	-	-	-	-	-	-	-
Substance abuse	-	-	-	-	-	-	-	-	-
Home and Community Care — services for veterans	861	3,745	1,229	397	263	127	142	27	6,791
Total	629,335	844,787	372,758	354,848	138,749	39,725	24,801	24,271	2,429,274

(a) From 2011-12, the Commonwealth will make an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

Table A.5: Estimated payments to support state affordable housing services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Affordable Housing SPP	395,829	288,398	246,329	129,018	95,165	32,569	24,229	31,066	1,242,603
National Partnership payments									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	30,000
East Kimberley development package — Social and transitional housing projects	-	-	-	4,360	-	-	-	-	4,360
First Home Owners Boost	5,525	13,347	1,531	918	848	432	1,343	103	24,047
Homelessness	34,484	25,917	33,370	16,558	9,994	2,575	2,401	6,202	131,501
Nation Building and Jobs Plan									
Social housing — Second stage construction	-	63,796	39,523	20,021	30,709	4,564	1,365	2,022	162,000
Remote Indigenous housing(b)	~	~	~	~	~	~	~	~	759,143
Total	435,838	391,458	320,753	170,875	136,716	40,140	29,338	39,393	2,353,654
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	30,000
Total	~	~	~	~	~	~	~	~	30,000
2012-13									
National Affordable Housing SPP	404,505	301,346	253,975	132,038	95,273	31,545	23,284	25,489	1,267,455
National Partnership payments									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	35,000
East Kimberley development package — Social and transitional housing projects	-	-	-	-	-	-	-	-	-
First Home Owners Boost	118	262	28	21	14	10	28	1	482
Homelessness	41,409	31,192	39,745	19,608	11,969	2,575	2,401	7,602	156,501
Nation Building and Jobs Plan									
Social housing — Second stage construction	-	-	-	-	-	-	-	-	-
Remote Indigenous housing(b)	~	~	~	~	~	~	~	~	303,208
Total	446,032	332,800	293,748	151,667	107,256	34,130	25,713	33,092	1,762,646
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	35,000
Total	~	~	~	~	~	~	~	~	35,000

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.
(a) State allocations are yet to be finalised.
(b) Due to the higher than expected completion rates, States will be paid for early delivery of milestones. State splits are in the process of being finalised.

Table A.5: Estimated payments to support state affordable housing services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Affordable Housing SPP	412,014	314,169	261,723	135,176	94,955	30,330	22,245	19,657	1,290,269
National Partnership payments									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	35,000
East Kimberley development package — Social and transitional housing projects	-	-	-	-	-	-	-	-	-
First Home Owners Boost	-	-	-	-	-	-	-	-	-
Homelessness	-	-	-	-	-	-	-	-	-
Nation Building and Jobs Plan	-	-	-	-	-	-	-	-	-
Social housing — Second stage construction	-	-	-	-	-	-	-	-	-
Remote Indigenous housing	44,768	2,500	177,532	191,278	36,414	2,854	-	55,732	511,078
Total	456,782	316,669	439,255	326,454	131,369	33,184	22,245	75,389	1,836,347
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	35,000
Total	~	~	~	~	~	~	~	~	35,000
2014-15									
National Affordable Housing SPP	419,531	327,767	270,332	138,831	94,488	29,014	21,180	13,641	1,314,784
National Partnership payments									
Building Better Regional Cities	-	-	-	-	-	-	-	-	-
East Kimberley development package — Social and transitional housing projects	-	-	-	-	-	-	-	-	-
First Home Owners Boost	-	-	-	-	-	-	-	-	-
Homelessness	-	-	-	-	-	-	-	-	-
Nation Building and Jobs Plan	-	-	-	-	-	-	-	-	-
Social housing — Second stage construction	-	-	-	-	-	-	-	-	-
Remote Indigenous housing	60,654	2,500	155,591	165,649	27,762	2,464	-	40,980	455,600
Total	480,185	330,267	425,923	304,480	122,250	31,478	21,180	54,621	1,770,384
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Building Better Regional Cities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of the National Specific Purpose Payment.

(a) State allocations are yet to be finalised.

Table A.6: Estimated payments to support state infrastructure services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Partnership payments									
Centenary of Canberra 2013 — a gift to the national capital	-	-	-	-	-	-	27,000	-	27,000
East Kimberley development package — other infrastructure projects	-	-	-	3,075	-	-	-	-	3,075
Interstate road transport	39,266	22,848	8,090	3,381	10,302	426	426	426	85,165
Local Government and Regional Development Infrastructure employment projects	-	2,000	3,139	6,500	-	10,000	-	-	21,639
Nation Building Program Investment									
Rail	94,400	7,285	-	495	-	27,900	-	-	130,080
Road	1,525,371	545,492	1,143,232	292,997	382,004	28,018	479	53,207	3,970,800
Black spot projects	24,099	17,566	17,078	7,485	4,700	1,606	966	1,000	74,500
Off-network projects									
Rail	-	10,065	30,000	40,000	-	6,100	-	-	86,165
Road	24,167	20,356	53,749	18,127	-	10,309	4,500	13,040	144,248
Supplementary(a)	3,417	6,698	7,066	14,176	150	254	-	-	31,761
Improving the national network(a)	-	-	7,023	4,814	2,689	-	-	-	14,526
Heavy vehicle safety and productivity	6,100	3,400	6,200	1,402	4,140	1,000	40	400	22,682
Roads to Recovery	97,516	71,219	71,200	51,200	31,480	11,400	5,600	10,200	349,815
Improving local roads(a)	-	-	-	-	1,028	-	-	-	1,028
Nation Building Plan for the Future Major Cities									
Rail	-	-	-	60,600	-	-	-	-	60,600
Building Australia Fund									
Rail	-	468,000	-	-	311,200	-	-	-	779,200
Road	1,048,000	-	-	-	-	-	9,500	-	1,057,500
North Penrith Thornton Park Car Park	2,000	-	-	-	-	-	-	-	2,000
Regional and Local Community Infrastructure Program									
	32,610	29,022	13,732	6,197	5,222	1,641	1,052	24	89,500

Table A.6: Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Regional Infrastructure Fund									
Stream 1 — Committed infrastructure projects	-	-	104,000	7,400	-	-	-	-	111,400
Stream 2 — Economic infrastructure projects	-	-	-	-	-	-	-	-	-
Stream 3 — Regional Development Australia Fund	-	-	-	-	-	-	-	-	-
Seamless National Economy									
National Heavy Vehicles Transport Regulator	-	-	1,800	-	-	-	-	-	1,800
National Rail Transport Safety Regulator	-	-	-	-	1,400	-	-	-	1,400
Supplementary road funding to South Australia for local roads	-	-	-	-	16,232	-	-	-	16,232
Sustainable Australia Liveable cities (b)	3,212	2,489	2,040	1,044	727	224	161	103	10,000
Managed motorways (b)	6,410	4,967	4,070	2,082	1,450	446	322	205	19,952
Townsville Convention and Entertainment Centre	-	-	-	-	-	-	-	-	-
Total	2,906,568	1,211,407	1,472,419	520,975	772,724	99,324	50,046	78,605	7,112,068

Table A.6: Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
<i>Memorandum item—payments direct to local governments included in payments above</i>									
East Kimberley development package —				1,625	-	-	-	-	1,625
other infrastructure projects	-	-	-	-	-	-	-	-	-
Local Government and Regional Development									
Infrastructure employment projects	-	2,000	139	-	-	-	-	-	2,139
Nation Building Program									
Off-network projects									
Rail	-	3,350	-	-	-	-	-	-	3,350
Road	8,600	-	50,000	4,627	-	-	-	-	63,227
Supplementary	3,417	6,698	7,066	14,176	150	254	-	-	31,761
Roads to Recovery	96,800	71,200	71,200	51,200	24,140	11,400	-	5,600	331,540
North Penrith Thornton Park Car Park	2,000	-	-	-	-	-	-	-	2,000
Regional and Local Community									
Infrastructure Program	32,610	29,022	13,732	6,197	5,222	1,641	1,052	24	89,500
Sustainable Australia									
Liveable cities	3,212	2,489	2,040	1,044	727	224	161	103	10,000
Townsville Convention and Entertainment									
Centre	-	-	-	-	-	-	-	-	-
Total	146,639	114,759	144,177	78,869	30,239	13,519	1,213	5,727	535,142

(a) Figures represent expenses incurred against prepayments made to the States in prior years.

(b) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.6: Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Partnership payments									
Centenary of Canberra 2013 — a gift to the national capital	-	-	-	-	-	-	25,000	-	25,000
East Kimberley development package — other infrastructure projects	-	-	-	-	-	-	-	-	-
Interstate road transport	41,230	23,991	8,495	3,550	10,816	447	447	447	89,423
Local Government and Regional Development Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Nation Building Program Investment	235,600	-	-	12,850	-	38,947	-	-	287,397
Rail	397,798	351,704	583,408	357,764	56,512	19,677	479	48,693	1,816,035
Road	19,099	13,566	12,078	6,485	4,700	1,606	966	1,000	59,500
Black spot projects	-	-	-	-	-	-	-	-	-
Off-network projects	-	17,750	20,000	33,000	-	6,272	-	-	77,022
Rail	52,800	42,902	2,050	25,000	-	7,300	-	4,000	134,052
Road	-	-	-	-	-	-	-	-	-
Supplementary	-	-	-	-	-	-	-	-	-
Improving the national network	-	-	-	-	-	-	-	-	-
Heavy vehicle safety and productivity	-	-	-	-	-	-	-	-	-
Roads to Recovery	97,516	71,219	71,200	51,200	31,480	11,400	5,600	10,200	349,815
Improving local roads	-	-	-	-	-	-	-	-	-
Nation Building Plan for the Future	-	-	-	-	-	-	-	-	-
Major Cities	-	-	-	101,200	-	-	-	-	101,200
Rail	-	-	-	-	-	-	-	-	-
Building Australia Fund	-	-	-	-	58,400	-	-	-	600,400
Rail	290,000	542,000	400,000	-	-	-	-	-	690,000
Road	-	-	-	-	-	-	-	-	-
North Penrith Thornton Park Car Park	-	-	-	-	-	-	-	-	-
Regional and Local Community Infrastructure Program	-	-	-	-	-	-	-	-	-

Table A.6: Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Regional Infrastructure Fund									
Stream 1 — Committed infrastructure projects	-	-	24,000	53,300	-	-	-	-	77,300
Stream 2 — Economic infrastructure projects(a)	~	~	~	~	~	~	~	~	300,001
Stream 3 — Regional Development Australia Fund	-	-	-	-	-	-	-	-	-
Seamless National Economy									
National Heavy Vehicles Transport Regulator	-	-	998	-	-	-	-	-	998
National Rail Transport Safety Regulator	-	-	-	-	602	-	-	-	602
Supplementary road funding to South Australia for local roads	-	-	-	-	16,985	-	-	-	16,985
Sustainable Australia Liveable cities(b)	3,202	2,491	2,048	1,050	723	222	161	103	10,000
Managed motorways(b)	6,417	4,994	4,106	2,105	1,449	445	323	207	20,046
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	1,143,662	1,070,617	1,138,383	647,504	181,667	86,316	32,976	64,650	4,665,776

Table A.6: Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
<i>Memorandum item — payments direct to local governments included in payments above</i>									
East Kimberley development package —									
other infrastructure projects	-	-	-	-	-	-	-	-	-
Local Government and Regional Development									
Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Nation Building Program									
Off-new work projects									
Rail	-	750	-	-	-	-	-	-	750
Road	5,350	-	-	5,000	-	-	-	-	10,350
Supplementary	-	-	-	-	-	-	-	-	-
Roads to Recovery	96,800	71,200	71,200	51,200	24,140	11,400	-	5,600	331,540
North Penrith Thornton Park Car Park									
Regional and Local Community	-	-	-	-	-	-	-	-	-
Infrastructure Program									
Sustainable Australia									
Liveable cities	3,202	2,491	2,048	1,050	723	222	161	103	10,000
Townsville Convention and Entertainment									
Centre	-	-	10,000	-	-	-	-	-	10,000
Total	105,352	74,441	83,248	57,250	24,863	11,622	161	5,703	362,640

(a) State allocations for this stream are yet to be finalised.

(b) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.6: Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Partnership payments									
Centenary of Canberra 2013 — a gift to the national capital	-	-	-	-	-	-	5,000	-	5,000
East Kimberley development package — other infrastructure projects	-	-	-	-	-	-	-	-	-
Interstate road transport	43,293	25,191	8,919	3,727	11,357	469	469	469	93,894
Local Government and Regional Development Infrastructure employment projects	-	-	40,000	-	-	-	-	-	40,000
Nation Building Program Investment									
Rail	233,800	-	-	12,806	-	19,880	-	-	266,486
Road	946,513	505,362	882,866	307,233	84,035	11,725	477	80,472	2,818,683
Black spot projects	22,245	12,604	7,078	9,227	4,700	1,836	966	844	59,500
Off-network projects									
Rail	-	25,750	83,000	32,000	-	-	-	-	140,750
Road	14,319	68,222	-	29,168	-	14,022	-	4,007	129,738
Supplementary	-	-	-	-	-	-	-	-	-
Improving the national network	-	-	-	-	-	-	-	-	-
Heavy vehicle safety and productivity	-	-	-	-	-	-	-	-	-
Roads to Recovery	106,552	73,722	65,860	51,223	27,850	11,836	560	12,081	349,684
Improving local roads	-	-	-	-	-	-	-	-	-
Nation Building Plan for the Future									
Major Cities									
Rail	-	-	-	37,000	-	-	-	-	37,000
Building Australia Fund									
Rail	-	858,000	-	-	-	-	-	-	858,000
Road	41,000	-	-	-	-	-	50,000	-	91,000
North Penrith Thornton Park Car Park	-	-	-	-	-	-	-	-	-
Regional and Local Community Infrastructure Program	-	-	-	-	-	-	-	-	-

Table A.6 Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Regional Infrastructure Fund									
Stream 1 — Committed infrastructure projects	-	-	65,000	118,653	-	-	-	-	183,653
Stream 2 — Economic infrastructure projects(a)	~	~	~	~	~	~	~	~	368,100
Stream 3 — Regional Development Australia Fund(a)	~	~	~	~	~	~	~	~	101,100
Seamless National Economy									
National Heavy Vehicles Transport Regulator	-	-	-	-	-	-	-	-	-
National Rail Transport Safety Regulator	-	-	-	-	-	-	-	-	-
Supplementary road funding to South Australia for local roads	-	-	-	-	17,634	-	-	-	17,634
Sustainable Australia Liveable cities	-	-	-	-	-	-	-	-	-
Managed motorways(b)	6,396	4,996	4,121	2,116	1,440	442	323	208	20,042
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	1,414,118	1,573,847	1,166,844	603,153	147,016	60,210	57,795	98,081	5,590,264

Table A.6 Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
<i>Memorandum item—payments direct to local governments included in payments above</i>									
East Kimberley development package —	-	-	-	-	-	-	-	-	-
other infrastructure projects	-	-	-	-	-	-	-	-	-
Local Government and Regional Development	-	-	40,000	-	-	-	-	-	40,000
Infrastructure employment projects	-	-	40,000	-	-	-	-	-	40,000
Nation Building Program	-	-	-	-	-	-	-	-	-
Off-network projects	-	-	-	-	-	-	-	-	-
Rail	-	750	-	-	-	-	-	-	750
Road	3,400	-	-	3,584	-	-	-	-	6,984
Supplementary	-	-	-	-	-	-	-	-	-
Roads to Recovery	105,120	73,689	65,860	51,223	20,886	11,836	-	7,172	335,786
North Penrith Thornton Park Car Park	-	-	-	-	-	-	-	-	-
Regional and Local Community	-	-	-	-	-	-	-	-	-
Infrastructure Program	-	-	-	-	-	-	-	-	-
Sustainable Australia	-	-	-	-	-	-	-	-	-
Liveable cities	-	-	-	-	-	-	-	-	-
Townsville Convention and Entertainment	-	-	10,000	-	-	-	-	-	10,000
Centre	-	-	10,000	-	-	-	-	-	10,000
Total	108,520	74,439	115,860	54,807	20,886	11,836	-	7,172	393,520

(a) State allocations for this stream are yet to be finalised.

(b) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal per capita basis to all States.

Table A.6 Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Partnership payments									
Centenary of Canberra 2013 — a gift to the national capital	-	-	-	-	-	-	5,000	-	5,000
East Kimberley development package — other infrastructure projects	-	-	-	-	-	-	-	-	-
Interstate road transport	45,455	26,450	9,365	3,914	11,925	493	493	493	98,588
Local Government and Regional Development Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Nation Building Program(a) Investment	150,000	-	-	-	-	-	-	-	150,000
Rail	-	40,000	136,300	-	-	-	-	-	176,300
Road	-	-	-	-	-	-	-	-	-
Black spot projects	-	-	-	-	-	-	-	-	-
Off-network projects	-	-	-	-	-	-	-	-	-
Rail	-	-	-	-	-	-	-	-	-
Road	-	-	-	-	-	-	-	-	-
Supplementary	-	-	-	-	-	-	-	-	-
Improving the national network	-	-	-	-	-	-	-	-	-
Heavy vehicle safety and productivity	-	-	-	-	-	-	-	-	-
Roads to Recovery	-	-	-	-	-	-	-	-	-
Improving local roads	-	-	-	-	-	-	-	-	-
Nation Building Plan for the Future	-	-	-	-	-	-	-	-	-
Major Cities	-	-	-	-	-	-	-	-	-
Rail	-	-	-	-	-	-	-	-	-
Building Australia Fund	-	-	-	-	-	-	-	-	-
Rail	-	500,000	-	-	-	-	-	-	500,000
Road	-	-	-	-	-	-	64,500	-	64,500
North Penrith Thornton Park Car Park	-	-	-	-	-	-	-	-	-
Regional and Local Community Infrastructure Program	-	-	-	-	-	-	-	-	-

Table A.6 Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Regional Infrastructure Fund									
Stream 1 — Committed infrastructure projects	-	-	-	-	-	-	-	-	-
Stream 2 — Economic infrastructure projects(b)	~	~	~	~	~	~	~	~	665,500
Stream 3 — Regional Development Australia Fund(b)	~	~	~	~	~	~	~	~	279,200
Seamless National Economy									
National Heavy Vehicles Transport Regulator	-	-	-	-	-	-	-	-	-
National Rail Transport Safety Regulator	-	-	-	-	-	-	-	-	-
Supplementary road funding to South Australia for local roads	-	-	-	-	-	-	-	-	-
Sustainable Australia Liveable cities	-	-	-	-	-	-	-	-	-
Managed motorways	-	-	-	-	-	-	-	-	-
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	195,455	566,450	155,665	3,914	11,925	493	69,993	493	1,949,088

Table A.6 Estimated payments to support state infrastructure services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
<i>Memorandum item—payments direct to local governments included in payments above</i>									
East Kimberley development package — other infrastructure projects	-	-	-	-	-	-	-	-	-
Local Government and Regional Development Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Nation Building Program	-	-	-	-	-	-	-	-	-
Off-network projects	-	-	-	-	-	-	-	-	-
Rail	-	-	-	-	-	-	-	-	-
Road	-	-	-	-	-	-	-	-	-
Supplementary	-	-	-	-	-	-	-	-	-
Roads to Recovery	-	-	-	-	-	-	-	-	-
North Penrith Thornton Park Car Park	-	-	-	-	-	-	-	-	-
Regional and Local Community Infrastructure Program	-	-	-	-	-	-	-	-	-
Sustainable Australia Liveable cities	-	-	-	-	-	-	-	-	-
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	-	-	10,000	-	-	-	-	-	10,000

(a) Nation Building Program 2 will commence in 2014-15. Provision for this has been made in the contingency reserve.

(b) State allocations for this stream are yet to be finalised.

Table A.7: Estimated payments to support state environment services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Partnership payments									
Assessment of impacts of coal seam gas and large coal developments(a)	35,251	27,520	23,020	24,103	17,346	11,114	1,359	3,687	143,400
Caring for our Country	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle mine site	241	36	7,501	36	15	10	10	2,400	2,400
Exotic Disease Preparedness Program	8,000	-	9,000	-	792	-	-	15	7,864
Great Artesian Basin Sustainability Initiative	-	-	-	-	-	-	-	-	17,792
Implementation of the Tasmanian Forests Intergovernmental Agreement	-	-	-	-	-	50,000	-	-	50,000
Natural disaster recovery and rebuilding relief appeals — Commonweath contributions	-	-	1,076	-	-	-	-	-	1,076
Natural disaster resilience	6,682	4,128	5,920	3,084	2,059	5,540	1,285	1,290	29,988
Plant disease and eradication	207	800	802	470	1,250	-	-	-	3,529
Renewable remote power generation	120	-	-	4,765	880	117	-	3,361	9,243
Water for the Future	-	7,500	-	1,400	226,300	-	-	-	235,200
National Urban Water and Desalination Plan	30,057	5,000	19,983	11,179	6,160	3,691	-	20,250	96,320
National Water Security Plan for Cities and Towns	71,976	174,253	18,596	6,186	40,416	27,596	187	778	339,988
Sustainable Rural Water Use and Infrastructure	152,534	219,237	85,898	51,223	295,218	98,068	2,841	31,781	946,800
Total									
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Water for the Future	-	-	-	-	3,900	-	-	-	3,900
National Urban Water and Desalination Plan	28,807	-	4,463	2,000	1,155	3,691	-	-	40,116
National Water Security Plan for Cities and Towns	3,616	-	-	-	-	-	-	-	3,616
Sustainable Rural Water Use and Infrastructure	32,423	-	4,463	2,000	5,055	3,691	-	-	47,632
Total									

(a) State allocations are yet to be finalised.

Table A.7: Estimated payments to support state environment services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Partnership payments									
Assessment of impacts of coal seam gas and large coal developments(a)	35,251	27,520	23,020	24,103	17,346	11,114	1,359	3,687	20,000
Caring for our Country	-	-	-	-	-	-	-	-	143,400
Environmental management of the former Rum Jungle mine site	248	38	42	37	15	10	10	15	1,474
Exotic Disease Preparedness Program	4,000	-	5,000	-	985	-	-	-	415
Great Artesian Basin Sustainability Initiative	-	-	-	-	-	-	-	-	9,985
Implementation of the Tasmanian Forests Intergovernmental Agreement	-	-	-	-	-	7,000	-	-	7,000
Natural disaster recovery and rebuilding relief appeals — Commonweath contributions	-	-	-	-	-	-	-	-	-
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Plant disease and eradication	-	-	-	-	-	-	-	-	-
Renewable remote power generation	-	-	-	-	-	-	-	-	-
Water for the Future	-	-	-	-	-	-	-	-	-
National Urban Water and Desalination Plan	-	4,360	-	1,000	51,600	-	-	-	56,960
National Water Security Plan for Cities and Towns	4,550	3,000	1,250	10,618	295	-	-	-	19,713
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	50,835	39,094	35,315	38,890	72,329	19,429	2,674	6,481	285,047
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Water for the Future	-	-	-	-	6,000	-	-	-	6,000
National Urban Water and Desalination Plan	-	-	-	-	-	-	-	-	-
National Water Security Plan for Cities and Towns	-	-	-	-	-	-	-	-	-
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	6,000	-	-	-	6,000

(a) State allocations are yet to be finalised.

Table A.7: Estimated payments to support state environment services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Partnership payments									
Assessment of impacts of coal seam gas and large coal developments(a)	~	~	~	~	~	~	~	~	20,000
Caring for our Country	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	-	-
Exotic Disease Preparedness Program	257	38	42	37	15	10	10	15	424
Great Artesian Basin Sustainability Initiative	14,800	-	24,400	-	1,585	-	-	-	40,785
Implementation of the Tasmanian Forests Intergovernmental Agreement	-	-	-	-	-	7,000	-	-	7,000
Natural disaster recovery and rebuilding relief appeals — Commonweath contributions	-	-	-	-	-	-	-	-	-
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Plant disease and eradication	-	-	-	-	-	-	-	-	-
Renewable remote power generation	-	-	-	-	-	-	-	-	-
Water for the Future	-	-	-	-	-	-	-	-	-
National Urban Water and Desalination Plan	-	5,590	-	-	-	-	-	-	5,590
National Water Security Plan for Cities and Towns	600	1,000	1,034	400	-	-	-	-	3,034
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	22,443	10,804	31,479	3,569	3,688	8,315	1,315	1,320	102,933
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Water for the Future	-	-	-	-	-	-	-	-	-
National Urban Water and Desalination Plan	-	-	-	-	-	-	-	-	-
National Water Security Plan for Cities and Towns	-	-	-	-	-	-	-	-	-
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.7: Estimated payments to support state environment services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Partnership payments									
Assessment of impacts of coal seam gas and large coal developments	-	-	-	-	-	-	-	-	-
Caring for our Country	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	-	-
Exotic Disease Preparedness Program	264	32	37	37	16	10	20	15	431
Great Artesian Basin Sustainability Initiative	-	-	-	-	-	-	-	-	-
Implementation of the Tasmanian Forests Intergovernmental Agreement	-	-	-	-	-	7,000	-	-	7,000
Natural disaster recovery and rebuilding relief appeals — Commonweath contributions	-	-	-	-	-	-	-	-	-
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Plant disease and eradication	-	-	-	-	-	-	-	-	-
Renewable remote power generation	-	-	-	-	-	-	-	-	-
Water for the Future	-	-	-	-	-	-	-	-	-
National Urban Water and Desalination Plan	-	1,550	-	-	-	-	-	-	1,550
National Water Security Plan for Cities and Towns	-	-	-	-	-	-	-	-	-
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	7,050	5,758	6,040	3,169	2,104	8,315	1,325	1,320	35,081
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Water for the Future	-	-	-	-	-	-	-	-	-
National Urban Water and Desalination Plan	-	-	-	-	-	-	-	-	-
National Water Security Plan for Cities and Towns	-	-	-	-	-	-	-	-	-
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Table A.8: Estimated contingent payments to the States, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Partnership payments									
Exceptional Circumstances Assistance	6,542	-	-	-	9,172	-	-	-	15,714
Hepatitis C settlement fund	1,106	-	-	42	154	-	42	56	1,400
Natural disaster recovery and rebuilding(a)	15,697	132,206	351,211	10,433	117	249	14,656	-13,782	510,787
Total	23,345	132,206	351,211	10,475	9,443	249	14,698	-13,726	527,901
2012-13									
National Partnership payments									
Exceptional Circumstances Assistance	-	-	-	-	-	-	-	-	-
Hepatitis C settlement fund	-	-	-	-	-	-	-	-	-
Natural disaster recovery and rebuilding(a)	5,548	-1,570	78,144	4,748	96	138	-	409	87,513
Total	5,548	-1,570	78,144	4,748	96	138	-	409	87,513
2013-14									
National Partnership payments									
Exceptional Circumstances Assistance	-	-	-	-	-	-	-	-	-
Hepatitis C settlement fund	-	-	-	-	-	-	-	-	-
Natural disaster recovery and rebuilding(a)	5,742	-1,625	80,873	4,867	5	94	-	141	90,097
Total	5,742	-1,625	80,873	4,867	5	94	-	141	90,097
2014-15									
National Partnership payments									
Exceptional Circumstances Assistance	-	-	-	-	-	-	-	-	-
Hepatitis C settlement fund	-	-	-	-	-	-	-	-	-
Natural disaster recovery and rebuilding(a)	2	-	35,304	831	3	-	-	-	36,140
Total	2	-	35,304	831	3	-	-	-	36,140

(a) Natural disaster recovery and rebuilding relates to reimbursements made under the Natural Disaster Relief and Recovery Arrangements (NDRRA). The Commonwealth recognises a liability equal to the present value of future payments expected to be made to the States under the NDRRA. The estimated expenses in the table above reflect the 'unwinding of the discount' on the provision, which reflects the time value of money. The cash estimates for the NDRRA are presented in Table 3.25.

Table A.9: Estimated payments to support other state services, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
National Partnership payments									
Centenary of Canberra 2013 — joint national program	-	-	-	-	-	-	2,600	-	2,600
Commonwealth Heads of Government Meeting 2011	-	-	-	43,300	-	-	-	-	43,300
CrimTrac police reference system	391	224	457	524	787	388	384	565	3,720
Digital Regions Initiative	7,135	2,245	3,563	922	3,176	2,278	-	2,475	21,794
Digital Regions Initiative — local government	-	99	-	-	-	-	-	-	99
Financial assistance grants	506,132	380,465	319,504	191,284	109,458	51,670	33,941	23,076	1,615,530
Legal assistance services	61,598	43,644	40,484	19,583	15,434	5,836	4,355	3,850	194,784
Local Government and Regional Development									
Local Government Reform Fund	2,437	863	1,107	999	1,734	1,155	295	1,193	9,783
Pilot of drought reform measures in Western Australia	-	-	-	16,782	-	-	-	-	16,782
Remote Indigenous public internet access	144	-	344	692	142	-	-	691	2,013
Seamless National Economy	64,213	49,554	41,010	20,683	14,725	4,533	3,220	2,062	200,000
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
World Sailing Championships	-	-	-	3,600	-	-	-	-	3,600
Total	642,075	477,095	406,469	298,369	145,458	65,860	44,795	33,912	2,114,033

Table A.9: Estimated payments to support other state services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Partnership payments									
Centenary of Canberra 2013 — joint national program	-	-	-	-	-	-	2,040	-	2,040
Commonwealth Heads of Government Meeting 2011	-	-	-	-	-	-	-	-	-
CrimTrac police reference system	233	133	272	313	469	231	229	337	2,217
Digital Regions Initiative	3,553	1,430	2,211	441	1,396	1,758	-	1,325	12,114
Digital Regions Initiative — local government	-	4	-	-	-	-	-	-	4
Financial assistance grants	703,812	530,508	446,818	267,492	151,970	71,795	47,204	32,287	2,251,886
Legal assistance services	62,772	44,475	41,255	19,956	15,726	5,947	4,429	3,916	198,476
Local Government and Regional Development	-	1,340	32	1,100	91	10	708	20	3,301
Local Government Reform Fund	-	-	-	-	-	-	-	-	-
Pilot of drought reform measures in Western Australia	-	-	-	7,772	-	-	-	-	7,772
Remote Indigenous public internet access	147	-	356	712	147	-	-	713	2,075
Seamless National Economy	79,911	61,943	51,582	26,021	18,316	5,621	4,026	2,580	250,000
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
World Sailing Championships	-	-	-	-	-	-	-	-	-
Total	850,453	639,834	542,526	323,807	188,117	85,362	58,636	41,178	2,729,913

Table A.9: Estimated payments to support other state services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Partnership payments									
Centenary of Canberra 2013 — joint national program	-	-	-	-	-	-	991	-	991
Commonwealth Heads of Government Meeting 2011	-	-	-	-	-	-	-	-	-
CrimTrac police reference system	-	-	-	-	-	-	-	-	-
Digital Regions Initiative	-	-	-	-	-	-	-	-	-
Digital Regions Initiative — local government	-	-	-	-	-	-	-	-	-
Financial assistance grants	728,855	551,050	465,289	278,730	157,116	74,301	48,995	33,573	2,337,909
Legal assistance services	63,808	45,209	41,935	20,285	15,987	6,045	4,495	3,974	201,738
Local Government and Regional Development	-	-	-	-	-	-	-	-	-
Local Government Reform Fund	-	-	-	-	-	-	-	-	-
Pilot of drought reform measures in Western Australia	-	-	-	1,157	-	-	-	-	1,157
Remote Indigenous public internet access	154	-	364	725	153	-	-	727	2,123
Seamless National Economy	-	-	-	-	-	-	-	-	-
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
World Sailing Championships	-	-	-	-	-	-	-	-	-
Total	792,842	596,260	507,588	300,897	173,258	80,346	54,481	38,274	2,543,946

Table A.9: Estimated payments to support other state services, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Partnership payments									
Centenary of Canberra 2013 — joint national program	-	-	-	-	-	-	-	-	-
Commonwealth Heads of Government Meeting 2011	-	-	-	-	-	-	-	-	-
CrimTrac police reference system	-	-	-	-	-	-	-	-	-
Digital Regions Initiative	-	-	-	-	-	-	-	-	-
Digital Regions Initiative — local government	-	-	-	-	-	-	-	-	-
Financial assistance grants	756,282	573,482	485,411	290,978	162,763	77,046	50,951	34,979	2,431,892
Legal assistance services	65,084	46,114	42,774	20,690	16,306	6,166	4,585	4,053	205,772
Local Government and Regional Development									
Local Government Reform Fund	-	-	-	-	-	-	-	-	-
Pilot of drought reform measures in Western Australia	-	-	-	-	-	-	-	-	-
Remote Indigenous public internet access	157	-	373	743	156	-	-	742	2,171
Seamless National Economy	-	-	-	-	-	-	-	-	-
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
World Sailing Championships	-	-	-	-	-	-	-	-	-
Total	821,548	619,597	528,558	312,411	179,227	83,212	55,536	39,774	2,639,863

Table A.10: GST and general revenue assistance payments to the States, by year and State

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
GST entitlements	14,683,911	10,704,312	8,972,614	3,538,804	4,416,785	1,713,211	856,162	2,614,201	47,500,000
Other payments	-	-	-	-	-	-	36,110	-	36,110
ACT Municipal Services	-	-	-	77,086	-	-	-	-	77,086
Reduced royalties	-	-	-	nfp	-	-	-	nfp	1,083,989
Royalties	32,124	16,062	-	-	-	-	-	-	48,186
Snowy Hydro Ltd tax compensation	-	-	-	-	-	-	-	-	-
Total	14,716,035	10,720,374	8,972,614	3,615,890	4,416,785	1,713,211	892,272	2,614,201	48,745,371
2012-13									
GST entitlements	15,957,739	11,526,136	9,742,742	3,609,673	4,654,659	1,818,290	914,538	2,826,223	51,050,000
Other payments	-	-	-	-	-	-	36,832	-	36,832
ACT Municipal Services	-	-	-	73,756	-	-	-	-	73,756
Reduced royalties	-	-	-	nfp	-	-	-	nfp	1,016,238
Royalties	38,000	19,000	-	-	-	-	-	-	57,000
Snowy Hydro Ltd tax compensation	-	-	-	-	-	-	-	-	-
Total	15,995,739	11,545,136	9,742,742	3,683,429	4,654,659	1,818,290	951,370	2,826,223	52,233,826
2013-14									
GST entitlements	17,012,225	12,029,134	10,838,904	3,583,110	4,855,494	1,844,344	916,428	2,920,361	54,000,000
Other payments	-	-	-	-	-	-	37,495	-	37,495
ACT Municipal Services	-	-	-	71,207	-	-	-	-	71,207
Reduced royalties	-	-	-	nfp	-	-	-	nfp	1,022,320
Royalties	38,000	19,000	-	-	-	-	-	-	57,000
Snowy Hydro Ltd tax compensation	-	-	-	-	-	-	-	-	-
Total	17,050,225	12,048,134	10,838,904	3,654,317	4,855,494	1,844,344	953,923	2,920,361	55,188,022
2014-15									
GST entitlements	17,814,081	12,660,491	11,413,730	3,852,992	5,037,853	1,905,274	960,733	3,004,846	56,650,000
Other payments	-	-	-	-	-	-	38,208	-	38,208
ACT Municipal Services	-	-	-	71,478	-	-	-	-	71,478
Reduced royalties	-	-	-	nfp	-	-	-	nfp	1,017,240
Royalties	38,000	19,000	-	-	-	-	-	-	57,000
Snowy Hydro Ltd tax compensation	-	-	-	-	-	-	-	-	-
Total	17,852,081	12,679,491	11,413,730	3,924,470	5,037,853	1,905,274	998,941	3,004,846	57,833,926

Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	37,500	-	-	-	-	-	-	-	37,500
Natural disaster relief	1,500	-	21,201	-	-	-	-	500	23,201
Repayments									
Contingent liabilities									
Natural disaster relief	-1,024	-	-7,288	-	-	-	-	-9	-8,321
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-1,299	-1,299
Housing									
Commonwealth-State Housing									
Agreement loans	-35,809	-	-9,578	-9,047	-13,527	-4,796	-	-694	-73,451
Housing for service personnel	-1,254	-	-767	-221	-39	-	-	-	-2,281
Other housing	-	-	-	-	-	-	-7,592	-2,466	-10,058
Infrastructure									
Railway projects	-33	-33	-	-365	-	-	-	-	-431
Sewerage	-5,792	-	-1,445	-	-935	-	-	-	-8,172
War service land settlement scheme	-153	-165	-	-	-	-	-	-	-318
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-7,519	-	-2,766	-4,796	-4,502	-2,016	-	-2,503	-24,102

**Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State
(continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-960	-	-	-	-	-	-	-	-960
Natural disaster relief	-437	-	-4,695	-	-	-	-	-73	-5,205
Housing									
Commonwealth-State Housing									
Agreement loans	-39,122	-	-11,043	-10,422	-17,133	-5,425	-	-1,476	-84,621
Housing for service personnel	-2,124	-	-1,195	-203	-94	-	-	-	-3,616
Other housing	-	-	-	-	-	-	-7,997	-3,866	-11,863
Infrastructure									
Railway projects	-2	-2	-	-136	-	-	-	-	-140
Sewerage	-2,616	-	-718	-	-556	-	-	-	-3,890
War service land settlement scheme	-17	-14	-	-	-	-	-	-	-31
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-836	-	-836
Loan Council — housing nominations	-21,667	-	-7,763	-13,280	-13,046	-5,723	-	-7,508	-68,987
Net Financial Flow	-79,529	-214	-26,057	-38,470	-49,832	-17,960	-16,979	-19,394	-248,435

Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State
(continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	50,000	-	-	-	-	-	-	-	50,000
Natural disaster relief	1,500	-	96,348	-	-	-	-	500	98,348
Repayments									
Contingent liabilities									
Natural disaster relief	-145	-	-7,282	-	-	-	-	-9	-7,436
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-1,299	-1,299
Housing									
Commonwealth-State Housing Agreement loans	-36,264	-	-9,689	-9,167	-14,123	-4,861	-	-725	-74,829
Housing for service personnel	-1,330	-	-819	-227	-42	-	-	-	-2,418
Other housing	-	-	-	-	-	-	-7,629	-2,584	-10,213
Infrastructure									
Railway projects	-9	-9	-	-365	-	-	-	-	-383
Sewerage	-6,370	-	-1,588	-	-1,042	-	-	-	-9,000
War service land settlement scheme	-147	-84	-	-	-	-	-	-	-231
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-7,858	-	-2,891	-5,012	-4,705	-2,107	-	-2,616	-25,189

Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	-3,568	-	-	-	-	-	-	-	-3,568
Natural disaster relief	-391	-	-5,874	-	-	-	-	-74	-6,339
Housing									
Commonwealth-State Housing									
Agreement loans	-37,384	-	-10,586	-9,986	-16,494	-5,195	-	-1,445	-81,090
Housing for service personnel	-2,068	-	-1,162	-221	-92	-	-	-	-3,543
Other housing	-	-	-	-	-	-	-7,655	-3,741	-11,396
Infrastructure									
Railway projects	-	-	-	-116	-	-	-	-	-116
Sewerage	-2,039	-	-574	-	-447	-	-	-	-3,060
War service land settlement scheme	-9	-5	-	-	-	-	-	-	-14
Other purposes									
Australian Capital Territory debt									
repayments	-	-	-	-	-	-	-766	-	-766
Loan Council — housing nominations	-21,370	-	-7,651	-13,085	-12,865	-5,641	-	-7,407	-68,019
Net Financial Flow	-67,452	-98	48,232	-38,179	-49,810	-17,804	-16,604	-19,400	-161,115

Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State
(continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	50,000	-	-	-	-	-	-	-	50,000
Natural disaster relief	1,500	-	7,497	-	-	-	-	500	9,497
Repayments									
Contingent liabilities									
Natural disaster relief	-102	-	-10,528	-	-	-	-	-9	-10,639
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-1,299	-1,299
Housing									
Commonwealth-State Housing									
Agreement loans	-36,710	-	-9,790	-9,294	-14,747	-4,945	-	-758	-76,244
Housing for service personnel	-1,413	-	-874	-238	-47	-	-	-	-2,572
Other housing	-	-	-	-	-	-	-7,619	-2,708	-10,327
Infrastructure									
Railway projects	-	-	-	-350	-	-	-	-	-350
Sewerage	-7,004	-	-1,746	-	-1,165	-	-	-	-9,915
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-8,211	-	-3,021	-5,237	-4,917	-2,202	-	-2,733	-26,321

**Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State
(continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-6,308	-	-	-	-	-	-	-	-6,308
Natural disaster relief	-385	-	-9,607	-	-	-	-	-74	-10,066
Housing									
Commonwealth-State Housing									
Agreement loans	-35,608	-	-10,118	-9,540	-15,815	-4,961	-	-1,414	-77,456
Housing for service personnel	-2,010	-	-1,125	-211	-90	-	-	-	-3,436
Other housing	-	-	-	-	-	-	-7,312	-3,610	-10,922
Infrastructure									
Railway projects	-	-	-	-96	-	-	-	-	-96
Sewerage	-1,404	-	-416	-	-326	-	-	-	-2,146
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-
Australian Capital Territory debt repayments	-	-	-	-	-	-	-697	-	-697
Loan Council — housing nominations	-21,054	-	-7,532	-12,879	-12,673	-5,555	-	-7,301	-66,994
Net Financial Flow	-68,709	-	-47,260	-37,845	-49,780	-17,663	-16,182	-19,406	-256,845

Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State
(continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	22,500	-	-	-	-	-	-	-	22,500
Natural disaster relief	1,500	-	7,544	-	-	-	-	500	9,544
Repayments									
Contingent liabilities									
Natural disaster relief	-19	-	-25,153	-	-	-	-	-9	-25,181
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-1,299	-1,299
Housing									
Commonwealth-State Housing Agreement loans	-37,096	-	-9,920	-9,424	-15,398	-5,028	-	-792	-77,658
Housing for service personnel	-1,503	-	-915	-248	-52	-	-	-	-2,718
Other housing	-	-	-	-	-	-	-7,755	-2,839	-10,594
Infrastructure									
Railway projects	-	-	-	-324	-	-	-	-	-324
Sewerage	-7,703	-	-1,919	-	-1,037	-	-	-	-10,659
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council — housing nominations	-8,581	-	-3,157	-5,473	-5,138	-2,301	-	-2,856	-27,506

Table A.11: Other financial flows — estimated advances, repayment of advances and interest payments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	-8,613	-	-	-	-	-	-	-	-8,613
Natural disaster relief	-385	-	-9,515	-	-	-	-	-74	-9,974
Housing									
Commonwealth-State Housing									
Agreement loans	-33,794	-	-9,643	-9,084	-15,097	-4,720	-	-1,381	-73,719
Housing for service personnel	-1,947	-	-1,087	-200	-88	-	-	-	-3,322
Other housing	-	-	-	-	-	-	-6,969	-3,473	-10,442
Infrastructure									
Railway projects	-	-	-	-76	-	-	-	-	-76
Sewerage	-705	-	-242	-	-189	-	-	-	-1,136
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-
Australian Capital Territory debt repayments	-	-	-	-	-	-	-627	-	-627
Loan Council — housing nominations	-20,720	-	-7,407	-12,661	-12,471	-5,464	-	-7,189	-65,912
Net Financial Flow	-97,066	-	-61,414	-37,490	-49,470	-17,513	-15,906	-19,412	-298,271

Table A.12: Total payments to the States by GFS function

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2011-12									
General public services	64,213	49,554	41,010	20,683	14,725	4,533	3,220	2,062	200,000
Public order and safety	64,336	45,828	41,525	63,942	16,271	6,224	4,972	66,209	309,307
Education	4,918,786	3,685,413	3,125,513	1,611,312	1,163,529	359,962	252,970	280,689	15,398,174
Health	4,853,778	3,824,447	3,135,106	1,734,964	1,241,276	354,788	231,076	248,114	15,623,549
Social security and welfare	1,077,745	705,873	727,140	294,850	336,500	99,516	43,079	55,924	3,340,627
Housing and community amenities	480,983	427,595	354,872	208,681	156,848	67,018	59,143	46,873	2,601,156
Recreation and culture	-	-	-	3,600	-	-	2,600	-	6,200
Fuel and energy	15,803	12,544	12,204	13,842	6,408	2,432	1,747	6,193	71,173
Agriculture, forestry and fishing	117,023	187,589	55,882	36,053	284,105	81,297	197	21,043	783,189
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	2,876,025	1,180,240	1,457,415	505,773	753,861	89,737	21,833	81,644	6,966,528
Other economic affairs	11,687	-	4,750	13,190	-	-	-	-	29,627
Other purposes(b)	15,274,936	11,262,931	9,659,244	3,824,803	4,549,550	1,767,926	942,216	2,624,712	50,990,307
Total payments to the States	29,755,315	21,382,014	18,614,661	8,331,693	8,523,073	2,833,433	1,563,053	3,433,463	96,319,837
/less payments 'through' the States	2,523,106	2,060,038	1,692,425	858,811	652,378	178,896	159,283	113,752	8,238,689
/less financial assistance grants for local government	506,132	380,465	319,504	191,284	109,458	51,670	33,941	23,076	1,615,530
/less payments direct 'to' local government	185,230	120,086	153,686	84,514	38,378	18,051	1,493	7,129	638,567
equal/s total payments 'to' the States for own n-purpose expenses	26,540,847	18,821,425	16,449,046	7,197,084	7,722,859	2,584,816	1,368,336	3,289,506	85,827,051

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for several payments, which are not reflected in State totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the States.

Table A.12: Total payments to the States by GFS function (continued)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
\$'000									
2012-13									
General public services	79,911	61,943	51,582	26,021	18,316	5,621	4,026	2,580	250,000
Public order and safety	65,061	46,326	42,040	20,739	16,239	6,178	4,862	4,253	205,698
Education	4,866,189	3,799,260	3,158,116	1,592,166	1,175,485	360,452	263,557	231,601	15,446,826
Health	4,955,254	3,765,557	3,207,194	1,583,009	1,277,473	339,832	239,231	236,242	15,603,792
Social security and welfare	599,076	742,348	343,103	309,039	186,119	50,369	24,060	26,188	2,280,302
Housing and community amenities	491,271	366,987	334,819	179,952	127,413	46,771	53,538	39,661	1,998,620
Recreation and culture	-	-	-	-	-	-	2,040	-	2,040
Fuel and energy	7,408	3,117	5,571	4,248	1,772	686	807	1,184	24,793
Agriculture, forestry and fishing	8,798	7,398	6,292	19,427	52,895	7,010	10	15	101,845
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,144,160	1,069,560	1,128,902	647,607	165,502	87,852	7,815	66,585	4,617,984
Other economic affairs	3,769	-	-	-	-	-	-	-	3,769
Other purposes(b)	16,705,124	12,075,415	10,267,736	3,956,769	4,823,803	1,890,233	999,282	2,858,939	54,593,539
Total payments to the States	28,926,021	21,937,911	18,545,355	8,338,977	7,845,017	2,795,004	1,599,228	3,467,248	95,129,208
/less payments 'through' the States	2,695,198	2,234,813	1,831,797	934,289	705,262	189,796	171,187	124,007	8,886,349
/less financial assistance grants for local government	703,812	530,508	446,818	267,492	151,970	71,795	47,204	32,287	2,251,886
/less payments direct 'to' local government	111,637	79,869	88,390	60,964	34,006	12,479	447	7,131	429,923
equal/s total payments 'to' the States for own purpose expenses	25,415,374	19,092,721	16,178,350	7,076,232	6,953,779	2,520,934	1,380,390	3,303,823	83,561,050

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for several payments, which are not reflected in State totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the States.

Table A.12: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2013-14									
General public services	65,864	46,927	42,448	20,755	16,031	6,045	4,699	-	-
Public order and safety	4,997,931	3,952,701	3,338,717	1,676,139	1,208,265	365,492	276,366	3,974	206,743
Education	5,213,048	4,111,382	3,359,958	1,767,288	1,184,572	358,297	261,243	221,699	16,037,310
Health	611,790	798,865	354,302	341,058	176,445	47,284	26,053	26,700	16,492,908
Social security and welfare	463,568	320,845	495,258	329,586	133,457	34,489	28,550	76,694	2,382,497
Housing and community amenities	-	-	-	-	-	-	991	-	2,038,547
Recreation and culture	-	-	-	-	-	-	-	-	991
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	15,657	6,628	25,476	1,594	1,600	7,010	10	15	57,990
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,414,272	1,573,847	1,117,208	603,878	129,535	60,210	52,795	98,808	5,418,653
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	17,784,847	12,597,560	11,385,066	3,937,914	5,030,251	1,918,739	1,002,918	2,954,075	57,633,690
Total payments to the States	30,566,977	23,408,755	20,118,433	8,678,212	7,880,156	2,797,566	1,653,625	3,619,085	100,269,329
/less payments 'through' the States	2,866,693	2,396,898	1,983,872	1,015,727	754,180	202,702	178,655	134,875	9,533,602
/less financial assistance grants for local government	728,855	551,050	465,289	278,730	157,116	74,301	48,995	33,573	2,337,909
/less payments direct 'to' local government	108,520	74,439	115,860	54,807	20,886	11,836	-	7,172	428,520
equal/s total payments 'to' the States for own n-purpose expenses	26,862,909	20,386,368	17,553,412	7,328,948	6,947,974	2,508,727	1,425,975	3,443,465	87,969,298

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for several payments, which are not reflected in State totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the States.

Table A.12: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2014-15									
General public services	65,084	46,114	42,774	20,690	16,306	6,166	4,585	4,053	205,772
Public order and safety	5,255,049	4,178,756	3,574,167	1,786,773	1,269,038	380,247	293,774	229,448	16,967,252
Education	5,491,081	4,323,451	3,534,955	1,870,686	1,205,870	378,196	287,289	255,652	17,347,180
Health	627,430	849,364	365,939	355,729	179,692	47,762	26,307	22,289	2,474,512
Social security and welfare	486,971	334,443	441,926	307,612	124,338	32,783	27,485	55,926	2,090,684
Housing and community amenities	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	264	1,582	37	37	16	7,010	20	15	8,981
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	195,612	566,450	146,038	4,657	12,081	493	64,993	1,235	1,657,059
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	18,608,390	13,252,974	11,934,445	4,216,279	5,200,621	1,982,320	1,049,892	3,039,825	60,301,986
Total payments to the States	30,729,881	23,553,134	20,040,281	8,562,463	8,007,962	2,834,977	1,754,345	3,608,443	101,053,426
/less payments 'through' the States	3,077,189	2,575,708	2,132,205	1,091,423	784,278	217,728	191,537	139,632	10,209,700
/less financial assistance grants for local government	756,282	573,482	485,411	290,978	162,763	77,046	50,951	34,979	2,431,892
/less payments direct 'to' local government	-	-	10,000	-	-	-	-	-	10,000
equal/s total payments 'to' the States for own n-purpose expenses	26,896,410	20,403,944	17,412,665	7,180,062	7,060,921	2,540,203	1,511,857	3,433,832	88,401,834

Note: The data in this table have been amended from the published MYEFO document. Total expenses remain unchanged. A minor adjustment has been made to the State shares of some National Specific Purpose Payments.

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for several payments, which are not reflected in State totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the States.

APPENDIX A: POLICY DECISIONS TAKEN SINCE THE 2011-12 BUDGET

Revenue Measures

Table 1: Revenue measures since the 2011-12 Budget^(a)

Page	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
AGRICULTURE, FISHERIES AND FORESTRY					
<i>Department of Agriculture, Fisheries and Forestry</i>					
148	-	0.1	0.3	0.3	0.3
	Portfolio total				
	-	0.1	0.3	0.3	0.3
ATTORNEY-GENERAL'S					
<i>Attorney-General's Department</i>					
297	-	-	-	-	-
<i>Australian Customs and Border Protection Service</i>					
Alternative fuels					
156	-	-10.0	-37.0	-35.0	-31.0
157	-	-	-	-	-
160	-	-	..	..	..
149	-	-	-	-	-
<i>Insolvency and Trustee Service Australia</i>					
299	-	-3.5	0.6	0.6	8.1
	Portfolio total				
	-	-13.5	-36.4	-34.4	-22.9
CLIMATE CHANGE AND ENERGY EFFICIENCY					
<i>Clean Energy Regulator</i>					
Clean Energy Future					
150	-	-	7,690.0	8,610.0	9,200.0
151	-	-	-	-	-
	Portfolio total				
	-	-	7,690.0	8,610.0	9,200.0
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
<i>Department of Education, Employment and Workplace Relations</i>					
153	-	-	6.3	6.3	6.3

Table 1: Revenue measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued)						
224	Higher Education – reinstate Band 2 student contributions for mathematics, statistics and science units(c)	-	-	-	0.8	4.0
237	University of Notre Dame Australia – additional Commonwealth supported places(c)	-	-0.1	-0.2	-0.3	-0.3
	Portfolio total	-	-0.1	6.1	6.8	10.0
FOREIGN AFFAIRS AND TRADE						
<i>AusAID</i>						
248	Official Development Assistance – Australian Civilian Corps – deployments to Afghanistan(c)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
HEALTH AND AGEING						
<i>Department of Health and Ageing</i>						
258	Pharmaceutical Benefits Scheme – new and amended listings(c)	-	nfp	nfp	nfp	nfp
	Portfolio total	-	-	-	-	-
IMMIGRATION AND CITIZENSHIP						
<i>Department of Immigration and Citizenship</i>						
154	Visa Pricing Transformation	-	5.9	53.9	276.7	276.8
	Portfolio total	-	5.9	53.9	276.7	276.8
INNOVATION, INDUSTRY, SCIENCE AND RESEARCH						
<i>Department of Innovation, Industry, Science and Research</i>						
302	Howe Leather – loan(b)	-	-	2.2	1.9	1.7
	Portfolio total	-	-	2.2	1.9	1.7
SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES						
<i>Department of Sustainability, Environment, Water, Population and Communities</i>						
155	Clean Energy Future – Putting a Price on Pollution – synthetic greenhouse gases and ozone depleting substances	-	-	190.0	220.0	220.0
	Portfolio total	-	-	190.0	220.0	220.0
TREASURY						
<i>Australian Securities and Investments Commission</i>						
287	Clean Energy Future – Compliance(c)	-	*	*	*	*

Table 1: Revenue measures since the 2011-12 Budget^(a) (continued)

Page	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
TREASURY (continued)					
<i>Australian Taxation Office</i>					
Alternative fuels					
156	-	46.0	156.0	170.0	207.0
157	-	-	-	-	-
Capital gains tax					
157	-	-	-	-	-
158	-	-	*	*	*
Clean Energy Future					
159	-	-	-3,350.0	-2,370.0	-2,320.0
160	-	-	250.0	320.0	350.0
150	-	-	-	-	-
161	-	-	-	-100.0	-100.0
161	-	*	*	*	*
162	-	-	-	-	-
163	-	-	-	-	-
Fringe benefits tax					
163	-	-	218.0	222.0	242.0
164	..	3.0	5.0	..	..
GST					
165	-	-	-	-	-
165	*	*	*	*	*
166	-	-	*	*	*
166	-	-	-	70.0	70.0
International tax					
167	..	*	*	*	*
167	-	-	*	*	*
167	-	-	-20.0	-20.0	-20.0

Table 1: Revenue measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	TREASURY (continued)					
168	New R&D Tax Incentive – deferral	-	-1,030.0	270.0	-	-
168	New tax system for managed investment trusts and changes to the debt/equity integrity rules – deferral	-	*	-	50.0	20.0
248	Official Development Assistance – Australian Civilian Corps – deployments to Afghanistan(c)	-	-0.2	-0.2	-0.2	..
	Personal income tax					
169	– 50 per cent tax discount for interest income – deferral	-	-	-	275.0	205.0
169	– Dependent Spouse Tax Offset – phase-out	-	-	..	180.0	190.0
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral	-	-	-	395.0	780.0
171	Philanthropy – updating the list of specifically listed deductible gift recipients	-	-0.1	-1.6	-1.7	-1.7
171	Resource tax reforms – minor amendments	-	-	*	*	*
172	Revision of profit allocation (transfer pricing) rules	-	-	-	-	-
173	Stronger Shipping for a Stronger Economy Superannuation	-	-	-6.5	2.8	3.7
174	– abolishing the maximum superannuation guarantee age limit	-	-	-	7.0	-7.0
174	– clarifying the operation of certain superannuation trust deed clauses	-	*	*	*	*
175	– concessional contributions caps – one year pause in indexation	-	-	-	360.0	125.0
175	– reduction in the minimum payment amounts for account-based pensions in 2012-13	-	-	-2.0	-5.0	-
	Tax compliance					
176	– countering fraudulent phoenix activity by company directors – deferral	-	..	-15.0	..	..
176	– increased data matching resources	-	-	174.2	145.4	116.7
177	Tax laws – minor amendments	-	*	*	*	*
177	Taxation of Financial Arrangements – amendments to ensure appropriate interactions between Stages 3 and 4 provisions and the consolidation regime	-	-	75.0	55.0	70.0
	<i>Clean Energy Finance Corporation</i>					
286	Clean Energy Finance Corporation(c)	-	-	-	-	88.6
	<i>Department of the Treasury</i>					
286	Australian Financial Centre Taskforce Secretariat(c)	-	0.2	-	-	-
214	Clean Energy Future – Supporting Energy Markets – Energy Security Fund(c)	-	-	-	6.1	19.4

Table 1: Revenue measures since the 2011-12 Budget^(a) (continued)

Page		2010-11	2011-12	2012-13	2013-14	2014-15
		\$m	\$m	\$m	\$m	\$m
	TREASURY (continued)					
291	Grant to Australasian Compliance Institute(c)	-	..	..	..	-
	Portfolio total	-	-981.1	-2,247.0	-238.6	38.7
	Decisions taken but not yet announced	-	28.5	41.5	46.7	48.7
	Total impact of revenue measures(d)	-	-960.1	5,700.4	8,889.5	9,773.2

* The nature of the measure is such that a reliable estimate cannot be provided.

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in revenue, no sign before an estimate indicates a gain in revenue.

(b) These measures can also be found in the capital measures summary table.

(c) These measures can also be found in the expense measures summary table.

(d) Measures may not add due to rounding.

AGRICULTURE, FISHERIES AND FORESTRY

Changes to agricultural production levies

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	0.1	0.3	0.3	0.3
<i>Related expense (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	0.1	0.3	0.3	0.3

The Government will adjust the rates of the following agricultural production levies to meet changes in the funding needs of the agricultural industry organisations they support:

- Deer slaughter levy: decrease from 10.5 to 8 cents per kilogram with effect from 1 October 2011, and re-apportion the amount payable towards research and development and residue testing, with effect from 1 July 2012.
- Dairy levy: increase from 0.0373 to 0.0580 cents per kilogram of milk fat, and from 0.0880 to 0.1385 cents per kilogram of protein, with effect from 1 January 2012.
- Potato levy: re-apportion the levy amounts payable towards research and development and plant health programs with effect from 1 January 2012.
- Vegetable levy and export charge: re-apportion the levy and export charge amounts payable towards research and development and plant health programs with effect from 1 January 2012.
- Emergency plant pest response levy: introduce a zero-rate emergency plant pest response levy on vegetables and unprocessed potatoes, with effect from 1 January 2012.

These changes to agricultural production levies were initiated by industry representative organisations. All revenue raised by the levies is provided directly to fund industry research and development or marketing programs. The Government will also continue to provide funding to match levies for research and development up to a cap, in accordance with existing co-investment arrangements.

ATTORNEY-GENERAL'S

European Space Agency agreement

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Customs and Border Protection Service	-	-	-	-	-

The Government has renewed the *Agreement between the Government of Australia and the European Space Agency for a Co-operative Space Vehicle Tracking Program*. The agreement provides customs duties concessions for imports of equipment by the Agency. The new agreement has no revenue impact.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Clean Energy Future — Putting a Price on Pollution — revenue from sale of carbon units

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Clean Energy Regulator	-	-	7,690.0	8,610.0	9,200.0
Australian Taxation Office	-	-	-	-	-
Total - Revenue	-	-	7,690.0	8,610.0	9,200.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	1.1	1.6	2.5	2.3
Department of the Treasury	-	-	-	-	-
Total - Expense	-	1.1	1.6	2.5	2.3

The Government will place an explicit price on greenhouse gas emissions through the carbon pricing mechanism. The Government will raise an estimated \$25.5 billion in revenue over the forward estimates period from the sale of carbon units which will be used to help households, industry, community organisations, workers and regions adjust to the carbon price. In underlying cash terms, the estimated increase in receipts is \$17.8 billion over the forward estimates period. The difference between the cash and accrual numbers is largely due to the allocation of free carbon units under the Jobs and Competitiveness Program and the Energy Security Fund.

In general, entities with 25,000 tonnes or more of carbon dioxide equivalent emissions each year will be liable under the scheme. A liability will also apply to natural gas suppliers for emissions embodied in certain natural gas supplies. The carbon pricing mechanism will have broad coverage of emission sources from commencement, encompassing: stationary energy; industrial processes; fugitive emissions (other than from decommissioned coal mines) and emissions from non-legacy waste.

Liable entities will surrender a carbon unit for every tonne of greenhouse gas they emit. During the first three years of the scheme, carbon units will be sold by the government at a fixed price of \$23.00 per tonne in 2012-13, \$24.15 in 2013-14 and \$25.40 in 2014-15.

The scheme will transition to a flexible price from 2015-16 and be linked to the international market. Under the flexible price an overall limit (or pollution cap) will be placed on annual greenhouse gas emissions from all covered sources of pollution.

The Government will make supplies of carbon units and other eligible emissions units GST-free, subject to the agreement of all the States and Territories. This will have no revenue impact and no impact on GST payments to the States and Territories over the forward estimates period.

There will be an expense of \$7.4 million over the forward estimates period for the Australian Taxation Office to administer the changes to the income tax law for the treatment of all carbon units and other emissions units that are registered on the Australian National Register of Emissions Units.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

The estimate for this measure varies from those published in the Explanatory Memorandum for the clean energy legislation as a result of updated data and methodological improvements relating to liquid fuels.

Clean Energy Future — Putting a Price on Pollution — Voluntary Action Pledge Fund and GreenPower purchases

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Clean Energy Regulator	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of Climate Change and Energy Efficiency</i>	-	0.9	0.7	0.5	0.4

The Government will recognise the purchase of accredited GreenPower products by households and businesses from the commencement of the carbon pricing mechanism as voluntary action. This will help drive an increased supply of renewable energy and assist in the transition to cleaner energy sources.

To ensure voluntary action will make a net contribution to Australia's emissions reduction activities, the Government will take it into account when setting scheme caps. In the fixed price period of the carbon pricing mechanism, the Government will measure GreenPower purchases on an annual basis and take these into account when setting the initial pollution caps. From 2015-16 the Government will measure GreenPower purchases on an annual basis and directly take these into account when setting the caps five years into the future.

The Government will also provide \$2.4 million over four years to Low Carbon Australia Limited for the establishment of a Pledge Fund from the commencement of the carbon pricing mechanism to help individuals access the carbon market and voluntarily cancel emissions units including Australian carbon permits, Kyoto compliant and non-Kyoto compliant Australian carbon credit units, and eligible international units. Contributions to the Pledge Fund will be tax deductible, following the completion of administrative arrangements necessary for the entry of the Fund onto the Register of Environmental Organisations.

Appendix A: Policy decisions taken since the 2011-12 Budget

Further information can be found in the Government's plan for a clean energy future released on 10 July 2011.

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

Education Services for Overseas Students — Tuition Protection Service Levy

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	6.3	6.3	6.3
<i>Related expense (\$m)</i>					
<i>Department of Education, Employment and Workplace Relations</i>	-	-	6.3	6.3	6.3

The Government will introduce an annual Tuition Protection Service (TPS) Levy for all providers of education to international students from 1 January 2013. Revenue from the TPS Levy, expected to be \$18.9 million over the forward estimates, will be paid into an Overseas Students Tuition Fund (OSTF) to support international students displaced by provider closure to either finish their training with an alternative provider or provide refunds where this is not possible. The OSTF will form part of the Government's new Tuition Protection Framework established in response to the review of the *Education Services for Overseas Students (ESOS) Act 2000* and will replace both the ESOS Assurance Fund and state based tuition assurance schemes.

See also the related expense measure titled *Education Services for Overseas Students – Tuition Protection Service – implementation*.

IMMIGRATION AND CITIZENSHIP

Visa Pricing Transformation

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Immigration and Citizenship	-	5.9	53.9	276.7	276.8
<i>Related expense (\$m)</i>					
<i>Department of Immigration and Citizenship</i>	-	7.4	23.3	17.6	11.5
<i>Related capital (\$m)</i>					
<i>Department of Immigration and Citizenship</i>	-	9.3	24.5	5.8	0.8

The Government will restructure visa application charges (VACs) bringing them into line with international benchmarks, increasing revenue by \$613.3 million over four years. This measure is also intended to encourage online processing, resulting in a more efficient and sustainable visa processing system.

Where it doesn't already occur, charging for all visa applications will take place on an individual rather than on an application basis. Charges will also be introduced for the following circumstances: additional dependents, subsequent onshore applications, 457 visa duration, visa labels, and lodging paper applications where an online facility is available. Changes to the validity period for Resident Return Visas will also be reduced from five years to one year where the permanent visa holder has not lived in Australia for more than two of the last five years.

Base VACs will increase by at least the Consumer Price Index (CPI), with the exception of student visas (where the base VAC will decrease by five per cent) to support the competitiveness of Australia's international education sector, in line with the recommendations of the Knight Review.

The measure will be implemented in three phases, with base VAC increases for benchmarked subclasses coming into effect on 1 January 2012; CPI adjustments to the remainder of the visa subclasses and visa evidence charges from 1 July 2012; and the remaining surcharges from 1 July 2013. Humanitarian visas will not be affected by these changes.

The Government will provide \$100.1 million (including \$40.4 million in capital funds) over four years to implement requisite information technology changes and support business processes.

See also the related expense measure titled *Student Visa Simplification*.

A list of visa application charges is available on the Department of Immigration and Citizenship website: www.immi.gov.au.

SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES

Clean Energy Future — Putting a Price on Pollution — synthetic greenhouse gases and ozone depleting substances

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	-	190.0	220.0	220.0
<i>Related expense (\$m)</i>					
<i>Department of Sustainability, Environment, Water, Population and Communities</i>	-	1.0	2.2	25.7	31.1
<i>Related capital (\$m)</i>					
<i>Department of Sustainability, Environment, Water, Population and Communities</i>	-	..	-	-	-

The Government will apply an effective carbon price on Kyoto protocol synthetic gases (hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride) by increasing the levies applied to importers and producers of such gases.

The levy will be set one year in advance and will apply on the basis of the tonnes of carbon dioxide equivalent of these gases. In the first three years, the rate of the levy will be the fixed carbon price. Under the flexible price from 2015-16, the rate will be the benchmark permit auction price of the previous financial year.

The measure will have a gain to revenue estimated to be \$630.0 million over the forward estimates. The Government will also provide \$60.0 million over four years (and \$37.9 million in 2015-16) for the Department of Sustainability, Environment, Water, Population and Communities to manage the new arrangements, provide refunds where the synthetic greenhouse gas is destroyed rather than emitted into the atmosphere, and pay the operators of the destruction facilities for the destruction of greenhouse gases.

Further information can be found in the Government's plan for a clean energy future released on 10 July 2011.

TREASURY

Alternative fuels — continuing the existing arrangements for ethanol, biodiesel, renewable diesel and methanol

Revenue (\$m)

	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	46.0	156.0	170.0	207.0
Australian Customs and Border Protection Service	-	-10.0	-37.0	-35.0	-31.0
Total - Revenue	-	36.0	119.0	135.0	176.0
<i>Related expense (\$m)</i>					
<i>Department of Resources, Energy and Tourism</i>	-	77.8	170.5	173.6	200.3
<i>Australian Taxation Office</i>	-	-38.5	-35.6	-17.8	2.5
Total - Expense	-	39.3	134.9	155.8	202.8

The Government will allow the existing concessional excise and grant arrangements for ethanol, biodiesel, renewable diesel and methanol to continue to apply. These arrangements will be reviewed after 30 June 2021.

The Australian Taxation Office will continue to administer grants for biodiesel and renewable diesel, whilst the Ethanol Production Grant Program will be delivered by the Department of Resources, Energy and Tourism from 1 December 2011. Consistent with this, funding for the ethanol grants has been transferred from the Australian Taxation Office to the Department of Resources, Energy and Tourism.

This measure is estimated to cost \$66.8 million over the forward estimates period.

Further information can be found in the press release of 12 May 2011 issued by the Assistant Treasurer.

Alternative fuels — deferred payment of fuel tax for LPG, LNG and CNG and carve-out of CNG home refuellers from the excise system

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-	-
Australian Customs and Border Protection Service	-	-	-	-	-
Total - Revenue	-	-	-	-	-

The Government will simplify the operation of the alternative fuels package by amending the tax laws, with effect from 1 December 2011 to:

- defer the obligation to remit excise and excise-equivalent customs duty on liquefied petroleum gas (LPG), liquefied natural gas (LNG), and compressed natural gas (CNG) by six business days to align with current business administrative practices;
- make minor changes to ensure that the system of periodic settlement permissions operates as intended;
- exempt from excise people using small, domestic CNG refuellers to fuel their vehicles to ensure that they are not inadvertently brought into the system;
- confirm that entitlements to fuel tax credits are available to LPG distributors in a wider range of circumstances; and
- ensure that the content of notices to accompany the supply of LPG for non-transport use is prescribed only in regulations.

This measure has no revenue impact in fiscal balance terms over the forward estimates period. In underlying cash terms, the estimated cost to revenue is \$6.5 million over this period.

Capital gains tax — amendment to include concessional treatment for revenue assets and trading stock

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-	-

The Government will make it easier for unit trusts to restructure their affairs in cases where they interpose a company, so that taxpayers hold shares in the company rather than units in the trust. The Government will do this by allowing taxpayers who hold units in the trust as revenue assets or trading stock to defer the realisation of a profit or loss on their units until they dispose of the replacement shares.

Appendix A: Policy decisions taken since the 2011-12 Budget

This will make it consistent with the treatment of taxpayers whose units are taxed according to the capital gains tax (CGT) provisions, who are able to defer the CGT consequences arising from this type of restructure.

This measure will have effect from 7.30pm (AEST) on 10 May 2011 and has no revenue impact.

Capital gains tax — relief for taxpayers affected by natural disasters

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	*	*	*

The Government will remove capital gains tax (CGT) impediments to taxpayers participating in an Australian government agency (Commonwealth, State, Territory or local) program that provides replacement assets to taxpayers that have been affected by a natural disaster. The measure generally applies to CGT events happening on or after 1 July 2011, and will have an unquantifiable but small revenue impact over the forward estimates period.

This measure allows taxpayers to access a CGT exemption on their original assets that are replaced under the program, and to obtain a market value cost base for their new asset where they make that choice.

The measure also provides relief to disaster affected taxpayers who participate in a land swap program and for taxpayers whose main residence has been accidentally destroyed.

Further information can be found in the press release of 9 October 2011 issued by the Assistant Treasurer.

Clean Energy Future — Helping Households — tax cuts and increased payments

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-3,350.0	-2,370.0	-2,320.0
<i>Related expense (\$m)</i>					
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>	-	1,126.7	553.6	1,565.2	1,638.8
<i>Department of Education, Employment and Workplace Relations</i>	-	255.0	121.9	255.7	226.3
<i>Department of Veterans' Affairs</i>	-	94.4	35.9	121.7	118.9
<i>Department of Human Services</i>	-	36.9	43.6	30.6	23.6
<i>Department of Health and Ageing</i>	-	0.2	-	-	-
<i>Total - Expense</i>	-	1,513.1	755.0	1,973.2	2,007.6
<i>Related capital (\$m)</i>					
<i>Department of Veterans' Affairs</i>	-	4.5	-	-	-
<i>Department of Human Services</i>	-	1.8	3.7	3.2	0.7
<i>Total - Capital</i>	-	6.3	3.7	3.2	0.7

The Government will provide \$14.3 billion over four years to assist households meet additional costs under a carbon price through a significant tax reform package and increases to payments including pensions, allowances and Family Tax Benefit (FTB).

The \$8.0 billion tax reform package will comprise:

- An increase in the statutory tax-free threshold from \$6,000 to \$18,200 from 1 July 2012, and to \$19,400 from 1 July 2015 and related adjustments to the Low Income Tax Offset (LITO) and statutory marginal tax rates and thresholds; and
- Adjustments to a number of personal income tax offsets and concessions, and certain Medicare levy exemption thresholds will be increased, to ensure that nobody pays more tax as a result of changes to the statutory rates and thresholds.

As a result of this reform package, over a million low income earners will no longer need to lodge an income tax return. From 1 July 2012, every taxpayer earning up to \$80,000 a year will receive a tax cut, with most getting at least \$300 annually. The second round of tax cuts from 1 July 2015 will increase this annual saving for most taxpayers earning below \$80,000 a year to at least \$380.

The \$6.3 billion increase to payments will comprise:

- A rise in pensions, allowances and FTB equivalent to 1.7 per cent of the maximum rates of each payment, with the base rate of FTB Part A also rising by 1.7 per cent. This assistance will first be delivered through a one-off, tax-exempt, lump sum, Clean Energy Advance from May-June 2012. After this, increases in assistance will be delivered as a new Clean Energy Supplement, paid as part of regular payment cycles.
- A new Single Income Family Supplement of \$300 per year, paid to families where a primary income earner has a taxable income between \$68,000 and \$150,000. This recognises that single income families receive less assistance through tax cuts than dual income families on similar incomes.
- A new Low Income Supplement of \$300 per year claimable for low-income households that do not receive sufficient assistance through tax cuts and payment increases to cover their average expected price impact.

See also related expense measures titled *Clean Energy Future – Helping Households – Residential Aged Care* and *Clean Energy Future – Helping Households – Essential Equipment Payment*.

This measure delivers on the Government’s plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer, Minister for Families, Housing, Community Services and Indigenous Affairs and the Minister for Climate Change and Energy Efficiency, and on the Clean Energy Future website at www.cleanenergyfuture.gov.au.

Clean Energy Future — Putting a Price on Pollution — aviation and non-transport gaseous fuels

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	250.0	320.0	350.0
Australian Customs and Border Protection Service	-	-
Total - Revenue	-	-	250.0	320.0	350.0

The Government will apply an effective carbon price on aviation and non-transport gaseous fuels by increasing the excise and excise-equivalent customs duties on these fuels, proportional to the relevant emission rates. The measure will have a gain to revenue estimated to be \$920.0 million over the forward estimates period.

The increase in excise and excise-equivalent customs duties will ensure that aviation fuel and non-transport gaseous fuels are subject to an effective carbon charge.

The Government will also allow large users of aviation fuel to opt into the carbon pricing mechanism instead of paying the equivalent carbon price through the fuel tax system.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

The estimate for this measure varies from those published in the Explanatory Memorandum for the clean energy legislation as a result of updated data and methodological improvements relating to liquid fuels.

Clean Energy Future — Supporting Jobs — increase in the instant asset write-off threshold to \$6,500

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-100.0	-100.0

The Government will allow small businesses to immediately write off depreciating assets costing less than \$6,500. This measure will take effect from the 2012-13 income year. This measure will have an ongoing cost to revenue estimated to be \$200.0 million over the forward estimates period.

This builds on the Government's previous announcement to increase the threshold for assets that small businesses can immediately write off from \$1,000 to \$5,000. The additional increase of the threshold amount to \$6,500 will help to further improve cash flow for Australia's 2.7 million small businesses, by allowing them a greater up-front deduction for assets necessary to run and grow their businesses.

Further information can be found in the press release of 10 July 2011 issued by the Deputy Prime Minister and Treasurer, the Minister for Climate Change and Energy Efficiency and the Minister for Small Business.

Commissioner's discretion for primary production concessions

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	*	*	*	*

The Government will provide the Commissioner of Taxation with discretion to disregard certain disentitling events (for example, when a beneficiary becomes insolvent) that would otherwise trigger the assessment of certain income for a primary production trust, in the year of the event. This measure is favourable to taxpayers and will apply retrospectively from the 2005-06 income year. This measure will have an unquantifiable but small cost to revenue over the forward estimates period.

In addition, death of a beneficiary will be removed as a disentitling event as it is difficult to contemplate circumstances where it would be appropriate for the Commissioner to exercise an unfavourable discretion.

Consolidation — changes to the residual tax cost setting and rights to future income rules

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-	-

The Government will modify the operation of the consolidation residual tax cost setting and rights to future income rules, with effect from 1 July 2002. This measure has no revenue impact, but will protect a significant amount of revenue that otherwise would be at risk over the forward estimates period.

Changes to the operation of the consolidation residual tax cost setting and rights to future income rules were made in May 2010 based on a policy announcement in 2005. These changes applied from the start of the consolidation regime in 2002. Shortly after passage, it became apparent that the rules were operating in a way that was broader than intended. As a result, in March 2011, the Board of Taxation (the Board) was asked to review the rules. The Board subsequently confirmed this position.

Under this measure, different changes will apply in the pre-12 May 2010 period (when the changed rules received Royal Assent), the post-30 March 2011 period (when the Board was asked to review the rules), and the intervening transitional period:

- as the May 2010 changes applied from the start of the consolidation regime, some further changes to reduce the scope of the rules (the pre-12 May 2010 period changes) need to apply from that date;
- the transitional period changes clarify the May 2010 law and protect taxpayers who entered into transactions based on that law; and
- the post-30 March 2011 period changes refine the tax cost setting rules to increase certainty for taxpayers and make the outcomes for companies that have consolidated more consistent with those outside consolidation and consistent with Board of Tax recommendations.

Director penalty notices — ensuring ongoing validity

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-	-

The Government will ensure the ongoing validity of certain director penalty notices (DPNs), notwithstanding the New South Wales Court of Appeal decision in *Soong v Deputy Commissioner of Taxation* [2011] NSWCA 26 (*Soong*). This measure has no revenue impact.

A DPN is a notice issued by the Commissioner of Taxation to the director of a company which has failed to remit Pay As You Go withholding amounts. A DPN advises the director that they may become personally liable to pay a penalty equal to their company's unpaid amount, unless they cause the company to pay this amount, or take certain other actions, within a prescribed period.

This measure will make sure that no DPNs issued between 10 December 2007 and 30 June 2010 can be invalidated because of the decision in *Soong*, as this measure will restore the Commissioner of Taxation's understanding of the law at the time the affected DPNs were issued.

Fringe benefits tax — reform of living-away-from-home allowances and benefits

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	218.0	222.0	242.0
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	-	0.5	1.9	2.3	2.0
<i>Department of the Treasury</i>	-	-	-2.0	-3.0	-3.0
<i>Total - Expense</i>	-	0.5	-0.1	-0.7	-1.0

The Government will act to stop the misuse of the tax exemption for living-away-from-home allowances and benefits by:

- requiring individuals to substantiate their actual expenditure on accommodation, and food beyond a statutory amount; and
- limiting access to the tax concession for temporary residents to those who maintain a home for their own use in Australia that they are living away from for work. This change will ensure that a level playing field exists between temporary residents and permanent residents.

Permanent residents will not be affected by these reforms, unless they are receiving living-away-from-home allowance in excess of their actual expenses. The reforms will not prevent temporary residents who are 'fly-in fly-out' workers in Australia from accessing the tax concession, and will not affect employees who receive allowances for having to travel from their usual place of work for short periods.

The reforms will apply from 1 July 2012 for both new and existing arrangements.

The Government will undertake an extensive consultation process on these reforms over the coming months, so it can put in place appropriate transitional arrangements. This may be particularly relevant for some sectors, such as the community sector.

This measure will have a gain estimated to be \$683.3 million over the forward estimates period.

This reform progresses another recommendation of the *Australia's Future Tax System Review*, and continues the process of tax reform started in May last year with the release of the Government's *Stronger, Fairer, Simpler* package of reforms. Widespread exploitation of this tax concession was one of the issues raised at the Tax Forum held earlier this year.

Fringe benefits tax — reform of the car fringe benefits rules — transitional change

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	..	3.0	5.0	..	..
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government announced in the 2011-12 Budget that it would reform the current statutory formula method for determining the taxable value of car fringe benefits by replacing the current statutory rates with a single statutory rate of 20 per cent that applies regardless of distance travelled. This reform applies to new contracts entered into after 7:30pm (AEST) on 10 May 2011, and will be phased-in over four years.

Following consultation, the Government agreed to allow employers to elect to skip the announced transitional arrangements, which will allow them to apply the 20 per cent flat statutory rate straight away. This is in recognition that a reduction in compliance costs from skipping the transitional arrangements may outweigh any increase in fringe benefits tax liability.

The opt-in to the new rules only applies to new contracts. Arrangements entered into prior to Budget night cannot benefit from this change. Further, an election to opt-in to the new rules is not effective without the consent of affected employees in cases where an employee would be directly worse off as a result of their employer making the election.

This measure will have a gain to revenue estimated to be \$8.0 million over the forward estimates period.

This measure was included in *Tax Laws Amendment (2011 Measures No. 5) Act 2011*.

GST — treatment of appropriations

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government will amend the goods and services tax (GST) law to clarify the GST treatment of payments under an appropriation with effect from 1 July 2012. The amendment will ensure that payments under an appropriation relating to the non-commercial activities of government related entities will not be subject to GST, such as funding payments to public schools and funding of public hospitals.

This measure will restore the policy intent of the GST following the decision of the Full Federal Court of Australia in *TT-Line Co Pty Ltd v FCT* [2009] FCAFC 178. The measure has no revenue impact and no impact on GST payments to the States and Territories, as the legislative amendment restores the status quo.

GST — treatment of new residential premises: minor changes

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	*	*	*	*	*
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	*	*	*	*	*

The Government will amend the start date of the 2011-12 Budget measure *GST – treatment of new residential premises* so that it does not apply to sales of residential premises prior to 27 January 2011.

The Government will extend transitional relief for developers who were commercially committed before 27 January 2011 to arrangements to develop premises.

The Government will also amend the GST law to make it clear that premises that become new residential premises because of substantial renovations or because they have been built to replace demolished premises, cease to be new residential premises once they are sold or supplied by way of long term lease.

This measure will have an unquantifiable but small revenue impact over the forward estimates period.

GST-free health supplies

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	*	*	*
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	*	*	*

The Government will amend the goods and services tax (GST) law to ensure that certain supplies of health related goods and services made under multi-party arrangements will be GST-free with effect from 1 July 2012. This follows the decision of the Full Federal Court in *Commissioner of Taxation v Secretary to the Department of Transport (Victoria)* [2010] FCAFC 84 and the 2011-12 Budget measure which focused on the GST treatment of certain supplies made to health insurers.

This measure will have an unquantifiable revenue impact and therefore a corresponding unquantifiable impact on GST payments to the States and Territories.

Interest withholding tax — phase down for financial institutions — deferral

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	70.0	70.0

The Government will defer the commencement of the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – phasing down the interest withholding tax (IWT) on financial institutions* by one year.

As a result of this deferral:

- The IWT rate applying to foreign bank branches will be reduced from the current 5 per cent to 2.5 per cent in 2014-15 and to zero from 2015-16; and
- The IWT rate for other financial institutions will be reduced from 10 per cent to 7.5 per cent in 2014-15 and to 5 per cent from 2015-16.

This measure will have a gain to revenue estimated to be \$140.0 million over the forward estimates period.

Further information can be found in the press release of 23 November 2011 issued by the Assistant Treasurer.

International tax — Multilateral Convention on Mutual Administrative Assistance in Tax Matters

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	..	*	*	*	*

The Government has signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The Convention allows for the exchange of taxpayer information between signatories as well as for assistance in the recovery of taxes and for the service of documents.

This measure will have an ongoing unquantifiable but small increase in revenue over the forward estimates period.

International tax — tax information exchange agreements

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	*	*	*

The Government has signed tax information exchange agreements with Andorra, Costa Rica, Liberia, Liechtenstein and Macao. This measure will have an ongoing unquantifiable but small increase in revenue over the forward estimates period.

This measure allows for the exchange of information in relation to Australia's federal taxes and the taxes of each respective country.

Australia has now signed 32 tax information exchange agreements.

Minerals Resource Rent Tax — lifting the exemption threshold

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-20.0	-20.0	-20.0

The Government will increase the level at which the Minerals Resource Rent Tax (MRRT) low profit offset applies from \$50 million to \$75 million. The Government will also extend the level at which the offset phases out from \$100 million to \$125 million.

A miner that has group MRRT mining profits less than or equal to \$75 million will not be liable to pay any MRRT. A miner that has group MRRT mining profits of more than \$75 million, but less than \$125 million, will not be liable to pay MRRT at the full rate.

This measure will have a cost to revenue estimated to be \$60.0 million over the forward estimates period.

New R&D Tax Incentive — deferral

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-1,030.0	270.0	-	-
<i>Related expense (\$m)</i>					
Australian Taxation Office	-720.0	-	-	-	-

The Government deferred the commencement of the new Research and Development (R&D) Tax Incentive by 12 months. The new incentive has started and applies to income years commencing on or after 1 July 2011. The overall cost of the measure is broadly revenue neutral over the forward estimates. The measure will have a cost to revenue estimated to be \$760.0 million over two years. The measure is also estimated to decrease Government expenditure by \$720.0 million in 2010-11 through lower refundable offset outlays. The impact of this measure on cash expenses will occur one year later than shown in the table.

When announced in the 2009-10 Budget, the new incentive was to have commenced from income years commencing on or after 1 July 2010. The deferral is due to delays in the passage of the legislation through Parliament.

The change means that the old R&D Tax Concession will continue to apply to income years commencing prior to 1 July 2011. The net impact of this measure on the Budget is \$40 million across the forward estimates period.

New tax system for managed investment trusts and changes to the debt/equity integrity rules — deferral

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	*	-	50.0	20.0

The Government will defer the start date of the new tax system for managed investment trusts (MITs) by a further 12 months to 1 July 2013. This measure was first announced in the 2010-11 Budget. This measure will have a gain to revenue estimated to be \$70.0 million over the forward estimates period.

The Government will also defer the 'equity purpose and effect' element of the 2011-12 Budget measure *Debt/equity tax rules – clarification of the scope of an integrity provision* until the commencement of the new tax system for MITs. This measure will have a small, but unquantifiable impact in 2011-12.

These deferrals will allow the Government additional time to consult with MITs and other parts of the financial services industry about how to best implement the elements of the package, particularly in order to make Australia's MITs system internationally competitive.

Personal income tax — 50 per cent tax discount for interest income — deferral

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	275.0	205.0
<i>Related expense (\$m)</i>					
<i>Department of Veterans' Affairs</i>	-	-	-0.1	-0.1	-
<i>Department of Health and Ageing</i>	-	-	-0.6	-1.3	-
<i>Department of Education, Employment and Workplace Relations</i>	-	-	-1.2	-1.0	-
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>	-	-	-15.9	-13.3	-
<i>Department of Human Services</i>	-	-0.9	-1.7	1.4	-
<i>Australian Taxation Office</i>	-	-6.4	-6.1	4.0	-
<i>Total - Expense</i>	-	-7.3	-25.6	-10.3	-
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-4.3	4.3	-

The Government will further defer the commencement of the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – 50 per cent discount for interest income* (as amended in the 2010-11 MYEFO) by 12 months, to now commence on 1 July 2013.

The Government's public consultation process revealed concerns with the complexity involved in calculating the discount. The Government will take the opportunity provided by delaying this measure to give further consideration to implementation issues and further consult with industry and stakeholders.

This measure will have a gain estimated to be \$523.2 million over the forward estimates period.

Personal income tax — Dependent Spouse Tax Offset — phase-out

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	..	180.0	190.0

The Government will phase-out the dependent spouse tax offset (DSTO) for taxpayers with a dependant spouse born on or after 1 July 1952, from 1 July 2012.

This measure extends the 2011-12 Budget measure, announced as part of the *Building Australia's Workforce* package, to phase-out the DSTO for taxpayers with a dependant spouse born on or after 1 July 1971.

Appendix A: Policy decisions taken since the 2011-12 Budget

Taxpayers who are eligible for the zone, overseas forces and overseas civilian tax offsets or whose spouse is an invalid, permanently disabled or a carer will not be affected by this change.

This measure will have a gain to revenue estimated to be \$370.0 million over the forward estimates period.

This reform builds on the reform announced in the 2011-12 Budget which progressed another recommendation of the *Australia's Future Tax System Review*, and continues the process of tax reform started in May last year with the release of the Government's *Stronger, Fairer, Simpler* package of reforms.

Personal income tax — standard deduction for work-related expenses and the cost of managing tax affairs — deferral

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	395.0	780.0
<i>Related expense (\$m)</i>					
<i>Department of Health and Ageing</i>	-	-	-0.5	-1.2	-
<i>Department of Education, Employment and Workplace Relations</i>	-	-	-2.7	-7.7	-
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>	-	-	-57.6	-90.6	-
<i>Department of Human Services</i>	-	-0.7	0.1	-0.8	-
<i>Australian Taxation Office</i>	-	-1.9	-18.0	-16.8	-
<i>Total - Expense</i>	-	-2.6	-78.7	-117.1	-
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-11.4	11.4	-

The Government will defer the commencement of the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – standard deduction for work-related expenses and the cost of managing tax affairs* by 12 months, to now commence on 1 July 2013.

This measure will have a gain estimated to be \$1.4 billion over the forward estimates period.

Philanthropy — updating the list of specifically listed deductible gift recipients

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-0.1	-1.6	-1.7	-1.7
<i>Related expense (\$m)</i>					
<i>Department of Education, Employment and Workplace Relations</i>	-	-0.1	-0.8	-0.8	-0.8
<i>Related capital (\$m)</i>					
<i>Department of Defence</i>	-	-	-0.8	-0.8	-0.8

Since the 2011-12 Budget, the following organisations have been approved as deductible gift recipients (DGRs):

- The Tax Studies Institute, from 1 July 2012;
- Cancer Australia Gift Fund, from 9 June 2011;
- the AE1 Foundation, from 26 September 2011 to 26 September 2014; and
- the Trustee for Rhodes Trust In Australia, from 21 October 2011.

Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs. This measure will have a cost to revenue estimated to be \$5.1 million over the forward estimates period.

The cost of this measure has been fully offset from reductions in the Treasury, Defence, and Education portfolio expenses.

See also the related expense measure titled *Establishment of a Tax Studies Institute*.

Resource tax reforms — minor amendments

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	*	*	*

The Government has made minor amendments to the 2010-11 MYEFO measure *Stronger, fairer, simpler – improved resource taxation arrangements*. These include rules clarifying who the Minerals Resource Rent Tax taxpayer is in different circumstances, and general anti-avoidance provisions.

The Government has also allowed Petroleum Resource Rent Tax taxpayers to consolidate the interests they hold within an onshore petroleum project.

These changes were included in the Bills that passed the House of Representatives on 23 November 2011.

This measure will have an unquantifiable but small revenue impact over the forward estimates period.

Revision of profit allocation (transfer pricing) rules

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	-	-

The Government will introduce amendments to the income tax law to better align Australia's transfer pricing rules with international best practice, improving the integrity and efficiency of the tax system.

In 2010, the OECD published new *Transfer Pricing Guidelines*, which significantly revised the international standard for transfer pricing rules. A recent court decision (*SNF Australia v Commissioner of Taxation*) has highlighted some of the difficulties for Australia's tax authorities to appropriately assess transfer pricing cases, suggesting that Australia's existing transfer pricing rules may be interpreted in a way that does not align with international norms.

These amendments will have two components:

- A prospective upgrade of domestic transfer pricing rules, which limit taxable profits being shifted or misallocated offshore. Aligning with international best practice as set out in the OECD's standards will reduce compliance costs and facilitate international trade and investment.; and
- Confirmation that the internationally consistent transfer pricing rules contained in our tax treaties provide assessment authority for treaty-related transfer pricing dealings, and that the OECD guidance should be used in interpreting the treaties. These amendments will apply to transfer pricing dealings in treaty cases for income years commencing on or after 1 July 2004.

This measure has no revenue impact as it is a revenue protection measure.

The Government is consulting on the details of the amendments required to implement the changes.

Further information can be found in the press release of 1 November 2011 issued by the Assistant Treasurer.

Stronger Shipping for a Stronger Economy

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-6.5	2.8	3.7
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	-	-1.5	15.3	16.2

The Government will make changes to the income tax law to encourage investment in Australian Shipping. This reform is part of the *Government's shipping policy reform Stronger Shipping for a Stronger Economy* announced in the 2010 election, the impact of which was included in the 2011-12 Budget as a measure taken but not yet announced.

The additional estimated cost of \$30.0 million over the forward estimates period arises from further amendments to the 2011-12 Budget shipping measure as a result of consultations.

The shipping reform measures will take effect from 1 July 2012 and will:

- provide an income tax exemption for ship operators under a qualifying arrangement to assist Australian shipping operators to be competitive with other jurisdictions. This measure has an ongoing cost to revenue estimated to be \$108 million over the forward estimates period;
- allow qualifying companies access to accelerated depreciation, by depreciating vessels over an effective life that is capped at 10 years. This measure is designed to encourage a renewal of outdated ships and has an ongoing cost to revenue estimated to be \$24.0 million over the forward estimates period;
- provide roll-over relief to qualifying ship owners if they dispose of a vessel that they currently hold and purchase a vessel that meets the definition of an 'eligible vessel'. This measure has an ongoing cost to revenue estimated to be \$6 million over the forward estimates period;
- provide a refundable tax offset for qualifying companies employing eligible seafarers. The offset is designed to stimulate employment opportunities for Australian seafarers to gain maritime skills. This measure has an ongoing cost to revenue estimated to be \$39.0 million over the forward estimates period; and
- provide an exemption from Royalty Withholding Tax (RWT) for foreign owners of vessels where the vessel is leased under a demise or bareboat charter to an Australian company. This measure has an ongoing cost to revenue estimated to be \$6 million over the forward estimates period.

Further information can be found in press release of 9 September 2011 issued by the Minister of Infrastructure and Transport.

Superannuation — abolishing the maximum superannuation guarantee age limit

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	7.0	-7.0
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	6.0	6.0

The Government will remove the superannuation guarantee (SG) maximum age limit, with effect from 1 July 2013. This will make it compulsory for employers to provide SG contributions for employees aged 75 or older. The overall estimated cost of this measure is \$12.0 million in fiscal balance terms over the forward estimates period.

Removing the maximum SG age limit will provide an incentive for older workers to remain in the workforce for longer, and will further improve the adequacy and equity of the SG system. Employers will be able to claim a tax deduction for SG contributions for employees aged 75 and over, as they currently can for employees under 75 years of age.

Around 18,000 employees aged 75 and over who work are expected to benefit from this measure. This is in addition to the 33,000 who are expected to benefit from increasing the SG age limit from 70 to 75.

Further information can be found in the press release of 2 November 2011 issued by the Assistant Treasurer.

This measure builds on the reform announced in the 2010-11 Budget which progressed another recommendation of the *Australia's Future Tax System Review*, and continues the process of tax reform started in May last year with the release of the Government's *Stronger, Fairer, Simpler* package of reforms.

Superannuation — clarifying the operation of certain superannuation trust deed clauses

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	*	*	*	*

The Government will ensure the integrity of the annual superannuation contribution caps by ensuring that certain trust deed clauses cannot be used to avoid what would otherwise be excess contributions from being counted against the caps.

The Government is aware of situations where a fund may include a clause in its trust deed that is designed to treat amounts that would otherwise have been considered contributions to the fund (for example, as they have been accepted by the fund and intermingled with other fund assets and investments) as not having been accepted by the fund if those contributions would lead to a breach of the contributions caps.

Under this measure, the fund will be deemed to have accepted such contributions, notwithstanding the trust deed clause, if the contributions have not been returned promptly and have in effect been intermingled with assets of the fund.

This revenue protection measure will have an unquantifiable but small revenue impact over the forward estimates period.

Superannuation — concessional contributions caps — one year pause in indexation

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-	360.0	125.0

The Government will pause the indexation of the superannuation general concessional contributions cap for one year in 2013-14, so it remains at \$25,000. Indexation of the cap will be deferred until 2014-15, when the cap is expected to rise to \$30,000.

The pause in indexation of the general concessional contributions cap will also result in a pause in the indexation of the concessional contributions cap for individuals aged 50 and over and the non-concessional contributions cap.

This measure will have a gain to revenue estimated to be \$485.0 million over the forward estimates period.

Superannuation — reduction in the minimum payment amounts for account-based pensions in 2012-13

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-2.0	-5.0	-
<i>Related expense (\$m)</i>					
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>	-	-	9.0	-	-

The Government will extend pension drawdown relief for a further year by reducing the minimum payment amounts for account-based, allocated and market linked (term allocated) pensions by 25 per cent for 2012-13. This measure will have a cost to revenue estimated to be \$7.0 million over two years. The measure is also estimated to increase Government expenditure by \$9.0 million in 2012-13 through higher pension outlays.

The Government previously provided pension drawdown relief in 2008-09, 2009-10 and 2010-11 by halving the minimum payment amounts, and in 2011-12 by reducing the minimum payment amounts by 25 per cent. While the Government indicated that the minimum payment amounts would return to normal in 2012-13, equity markets continue to be volatile and extending drawdown relief for a further year will assist retirees to recoup capital losses as equity markets recover over time.

Around 125,000 retirees are expected to benefit from this measure.

Tax compliance — countering fraudulent phoenix activity by company directors — deferral

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	..	-15.0	..	..

The Government has deferred the 2011-12 Budget measure *Tax compliance – countering fraudulent phoenix activities by company directors* that amends the tax law to strengthen directors’ obligations, protect workers’ entitlements and counter fraudulent phoenix activity.

This measure will now have effect from the day after Royal Assent to the necessary legislation, instead of 1 July 2011. This will ensure that the changes do not apply retrospectively.

This measure will have a cost to revenue estimated to be \$15.0 million over the forward estimates period.

Tax compliance — increased data matching resources

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	174.2	145.4	116.7
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	17.0	20.4	20.3
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	0.6	-

The Government will provide \$58.3 million over the forward estimates period to the Australian Taxation Office (ATO) to improve its data matching capability to ensure better compliance with the tax system.

The ATO has recently developed increasingly sophisticated data matching processes which, when combined with better targeting of data sources, have resulted in the identification of new tax compliance risks. Addressing these risks will help ensure greater equity and confidence in the tax system.

This measure will have a gain to revenue estimated to be \$436.3 million in fiscal balance terms over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$328.4 million over this period.

Tax laws — minor amendments

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	*	*	*	*

The Government will make minor amendments to ensure that the taxation laws operate as intended.

The amendments correct technical or drafting defects, removing anomalies and addressing unintended outcomes. These amendments are part of the Government's commitment to the care and maintenance of the taxation laws.

Issues raised through the Tax Issues Entry System will also be addressed through the minor amendments package.

This measure will have an ongoing unquantifiable but small revenue impact over the forward estimates period.

Taxation of Financial Arrangements — amendments to ensure appropriate interactions between Stages 3 and 4 provisions and the consolidation regime

Revenue (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	75.0	55.0	70.0

The Government will amend the Taxation of Financial Arrangements (TOFA) Stages 3 and 4 provisions to ensure there is appropriate interaction between these provisions and the tax consolidation regime.

The Government will also amend the TOFA transitional balancing adjustment provisions to operate as intended for existing financial arrangements of a joining company where consolidation occurs prior to the head company entering the TOFA Stages 3 and 4 regime.

The amendments will apply retrospectively from the commencement of the TOFA Stages 3 and 4 provisions.

This measure will have a gain to revenue estimated to be \$200.0 million over the forward estimates period.

Expense Measures

Table 2: Expense measures since the 2011-12 Budget^(a)

Page	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
AGRICULTURE, FISHERIES AND FORESTRY					
<i>Department of Agriculture, Fisheries and Forestry</i>					
194					
194					
148					
194					
211					
195					
196					
196					
196					
197					
198					
198					
199					
199					
200					
202					
202					
<i>Rural Industries Research and Development Corporation</i>					
197					
Portfolio total					
ATTORNEY-GENERAL'S					
<i>Attorney-General's Department</i>					
204					

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
ATTORNEY-GENERAL'S (continued)					
	Natural Disaster Recovery and Rebuilding				
204	-	-	-	-	-
204	-	-	-	-	-
	– Victorian Interest Rate Subsidy – Assistance to Businesses in Victoria				
299	-	1.4	-	-	-
	Personal Property Securities Register – additional funding(c)				
205	-	0.1	1.7	2.1	1.1
	<i>Australian Customs and Border Protection Service</i>				
203	-	-	-	-	-
	Australia's Anti-Dumping and Countervailing System – enhancements				
	<i>Australian Federal Police</i>				
203	-	-1.0	-2.4	-3.2	-3.2
	Alice Springs Airport – withdrawal of the Australian Federal Police				
205	-	0.9	-	-	-
	Reduced Australian Federal Police contribution to the United Nations Mission in Cyprus – deferral				
	<i>Insolvency and Trustee Service Australia</i>				
299	-	-0.4	-	-	-
	Personal Property Securities Register – additional funding(c)				
	-	0.9	-0.7	-1.1	-2.1
	Portfolio total				
BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY					
	<i>Department of Broadband, Communications and the Digital Economy</i>				
	Digital productivity				
206	-	-	-	-	-
	– Digital Communities – Digital Hubs, Local Government and Community Engagement				
206	-	-	-	-	-
	– digital enterprises				
222	-	-	-	-	-
	– enabled education and skills services				
207	-	1.4	-	-	-
	Independent Inquiry into Australian Media				
207	-	-	nfp	nfp	-
	National Broadband Network – enhanced commitment for the delivery of the Universal Service Obligation				
	-	1.4	-	-	-
	Portfolio total				
CLIMATE CHANGE AND ENERGY EFFICIENCY					
	<i>Clean Energy Regulator</i>				
	Clean Energy Future				
209	-	-	135.3	118.6	130.9
	– Creating Opportunities on the Land – Carbon Farming Initiative				
210	-	38.0	50.1	54.0	57.6
	– Governance – Clean Energy Regulator				
214	-	-	-	1,007.2	1,059.3
	– Supporting Energy Markets – Energy Security Fund				
215	-	-	2,654.6	2,849.7	3,088.4
	– Supporting Jobs – Jobs and Competitiveness Program				

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	CLIMATE CHANGE AND ENERGY EFFICIENCY (continued)					
	Clean Energy Future					
270	– Supporting Jobs – Steel Transformation Plan	-	-	-	-	-
	<i>Climate Change Authority</i>					
210	Clean Energy Future – Governance – Climate Change Authority	-	-	6.4	9.1	9.2
	<i>Department of Climate Change and Energy Efficiency</i>					
	Clean Energy Future					
209	– Creating Opportunities on the Land – Carbon Farming Initiative	-	0.1	2.3	50.7	47.4
194	– Creating Opportunities on the Land – extending the benefits of the Carbon Farming Initiative	-	0.1	4.7	5.1	5.1
282	– Creating Opportunities on the Land – natural resource management for climate change	-	-	7.9	3.9	1.6
211	– implementation	-	31.6	0.6	-	-
212	– Improving Energy Efficiency	-	1.8	0.8	-	-
212	– Improving Energy Efficiency – household advice	-	1.4	1.4	1.4	1.4
213	– Improving Energy Efficiency – Low Carbon Communities	-	0.3	30.4	75.4	80.7
151	– Putting a Price on Pollution – Voluntary Action Pledge Fund and GreenPower purchases(b)	-	0.9	0.7	0.5	0.4
214	– Supporting Energy Markets – Energy Security Fund	-	1,000.0	-	-	-
215	– Supporting Jobs – Energy Efficiency Information Grants	-	6.3	12.4	11.9	9.5
	Portfolio total	-	1,080.5	2,907.6	4,187.4	4,491.4
	CROSS PORTFOLIO					
	<i>Various Agencies</i>					
216	Reducing the cost of Government administration – one-off efficiency dividend	-	-	-500.0	-495.0	-495.0
217	Social and Community Services – Equal Remuneration	-	nfp	nfp	nfp	nfp
	Portfolio total	-	-	-500.0	-495.0	-495.0
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
	<i>Comcare</i>					
218	Amendments to the Safety, Rehabilitation and Compensation Act 1988 – Fair Protection for Firefighters	-	-	-	-	-

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued)					
	<i>Department of Education, Employment and Workplace Relations</i>					
218	BlueScope Steel workers – assistance	-	5.7	2.3	1.0	0.7
219	Building Australia's Future Workforce Measures – consequential amendments	-	-	-1.0	-1.4	-1.4
220	Child Care – Enhanced scrutiny of the financial viability of large long day care providers	-	0.5	0.4	0.3	0.3
	Clean Energy Future					
159	– Helping Households – tax cuts and increased payments(b)	-	255.0	121.9	255.7	226.3
220	– Supporting Jobs – Clean Energy Skills Package	-	-	-	-	-
221	Department of Education, Employment and Workplace Relations – departmental efficiencies	-	-	-2.0	-1.5	-1.8
221	Digital Education Revolution – project pool – redirection	-	-	-20.0	-20.0	-
222	Digital productivity – enabled education and skills services	-	-	-	-	-
262	Early intervention to prevent debts for customers commencing employment	-	-	-43.4	-32.5	-32.5
	Education Services for Overseas Students					
222	– Tuition Protection Service – implementation	-	-5.7	5.2	0.2	0.2
153	– Tuition Protection Service Levy(b)	-	-	6.3	6.3	6.3
223	Employment Pathway Fund – redirection of funding	-	-14.9	-	-	-
224	Higher Education – reinstate Band 2 student contributions for mathematics, statistics and science units	-	-	-46.8	-136.1	-216.0
224	Higher Education Reward Funding – reduction	-	-3.2	-12.4	-105.4	-119.8
225	Job Capacity Assessment – additional funding	40.0	-	-	-	-
198	Live Animal Exports – Assistance to Individuals	-	0.6	0.2	0.1	-
225	Long Day Care services – one-off grants in the transition to the National Quality Framework	-	5.0	-	-	-
226	National Foundation Skills Strategy – redirect funding	-	-	-0.5	-1.0	-1.2
	Personal income tax					
169	– 50 per cent tax discount for interest income – deferral(b)	-	-	-1.2	-1.0	-
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral(b)	-	-	-2.7	-7.7	-

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued)					
171	Philanthropy – updating the list of specifically listed deductible gift recipients(b)	-	-0.1	-0.8	-0.8	-0.8
	Schools					
227	– National Rewards for Great Teachers – revised implementation	-	-	10.0	-85.0	-125.0
227	– Reward Payments for School Improvement – revised implementation	-	-	-11.8	-27.4	-15.4
	SkillsConnect					
228	– Australian Apprenticeships Mentoring and Accelerated Australian Apprenticeships Programs – broaden eligibility	-	-	-	-	-
229	– Integration of the Critical Skills Investment Fund with the National Workforce Development Fund – bring forward	-	-	-	-	-
	Stronger Futures in the Northern Territory					
229	– expansion of the School Enrolment and Attendance Measure	-	-	1.1	1.6	0.9
230	– Indigenous Employment Program – redirection of funding	-	-	-0.7	-1.6	-2.0
231	Structural Adjustment Fund – redirection	-	-21.0	-7.1	-	-
	Student Income Support					
231	– changes to the rate of Student Start-up Scholarships	-	-18.2	-37.9	-38.8	-39.8
232	– delay masters by coursework by two years	-	-12.4	-60.3	-35.5	-3.0
232	– Relocation Scholarship – increased payments for regional students	-	2.2	2.9	2.9	3.0
233	– Rural Tertiary Hardship Fund – redirection	-	-16.3	-	-	-
234	– support for reform	-	0.5	0.1	0.4	0.6
234	– Workforce Participation Criteria – remove regional distinctions	-	28.1	64.9	66.4	68.1
235	– Youth Allowance Regional Advertising Campaign	-	0.7	-	-	-
265	Student Visa Simplification	-	-	-	-	-
200	Tasmanian Forest Industry – adjustment package	-	4.2	3.6	3.5	1.4
236	Trade Training Centres in Schools Program – rephasing	-	-	-	-11.6	-
236	Transitional Australian Apprenticeships Support Services	-	-	-	-	-
237	University of Notre Dame Australia – additional Commonwealth supported places	-	2.3	6.1	9.6	11.7
246	Weekly income support payments to vulnerable Australians – expansion	-	-	-	-	-
237	Workforce Innovation Program – redirect funding	-	-	-1.3	-1.6	-0.9

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued)						
<i>Fair Work Australia</i>						
226	Road Safety Remuneration System – establishment	-	-	2.8	2.5	2.5
<i>Office of the Fair Work Ombudsman</i>						
226	Road Safety Remuneration System – establishment	-	-	1.0	1.6	1.4
Portfolio total		40.0	213.1	-21.0	-156.7	-236.2
FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS						
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>						
239	Australian Institute of Family Studies – transfer	-	-	-	-	-
239	Baby Bonus – reset to \$5,000 and pause indexation for three years	-	0.2	-89.1	-125.1	-145.6
240	Better Targeting of Immunisation Incentives	-	0.4	-79.8	-82.8	-86.0
<i>Clean Energy Future</i>						
241	– Helping Households – Essential Medical Equipment Payment	-	-	15.3	15.7	16.2
159	– Helping Households – tax cuts and increased payments(b)	-	1,126.7	553.6	1,565.2	1,638.8
213	– Improving Energy Efficiency – Low Carbon Communities	-	4.9	8.2	7.7	9.1
241	– Renewable Energy – Remote Indigenous Energy Program	-	0.2	3.6	12.3	12.0
242	Community Development Employment Projects Program – redirection	-	-	-10.0	-10.2	-10.4
242	Community Investment Program – redirection of funding	-	6.0	-3.8	-4.6	-4.8
243	Disability Care and Support – Laying the foundations for a National Disability insurance scheme	-	-	-	-	-
262	Early intervention to prevent debts for customers commencing employment	-	-	-16.6	-12.5	-12.5
243	Family Tax Benefit – Cease fortnightly payments to families who have zero entitlement for two consecutive years	-	0.1	-0.9	-1.2	-1.2
244	National Carer Strategy	-	10.5	9.2	9.7	10.0
<i>Personal income tax</i>						
169	– 50 per cent tax discount for interest income – deferral(b)	-	-	-15.9	-13.3	-
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral(b)	-	-	-57.6	-90.6	-
<i>Stronger Futures in the Northern Territory</i>						
245	– Food security – strengthening remote stores	-	-	4.5	4.7	4.4

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS (continued)					
245	-	-	3.2	6.3	5.7
175	-	-	9.0	-	-
246	-	-	-	-	-
246	-	-	-	-	-
Portfolio total	-	1,149.0	333.1	1,281.3	1,435.7
FINANCE AND DEREGULATION					
<i>Department of Finance and Deregulation</i>					
210	-	0.1	0.1	0.1	0.1
Portfolio total	-	0.1	0.1	0.1	0.1
FOREIGN AFFAIRS AND TRADE					
<i>AusAID</i>					
248	-	3.6	3.8	3.6	-
249	-	5.0	10.0	60.0	95.0
249	-	30.0	-	-	-
250	-	-	2.0	3.0	4.0
250	-	10.4	17.3	30.3	33.3
251	-	4.0	10.0	15.0	20.0
251	-	-	-	-	-
<i>Australian Centre for International Agricultural Research</i>					
250	-	3.8	9.6	10.1	13.1

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
FOREIGN AFFAIRS AND TRADE						
(continued)						
<i>Department of Foreign Affairs and Trade</i>						
247	Bali Peace Park – contribution	-	0.5	-	-	-
	Ex gratia payments					
247	– Families of the victims of September 11 terrorist attacks	-	-	-	-	-
247	– families of the victims of the 2009 Kokoda plane crash	-	-	-	-	-
248	Expo 2012 Yeosu Korea – Australian participation	-	8.5	1.5	-	-
	Portfolio total	-	65.8	54.2	122.0	165.4
HEALTH AND AGEING						
<i>Department of Health and Ageing</i>						
240	Better Targeting of Immunisation Incentives	-	1.4	2.9	6.7	7.2
	Clean Energy Future					
252	– Helping Households – residential aged care	-	-	0.5	0.4	0.3
159	– Helping Households – tax cuts and increased payments(b)	-	0.2	-	-	-
253	Delivery of Human Quarantine Services	-	-0.6	-	-	-
243	Family Tax Benefit – Cease fortnightly payments to families who have zero entitlement for two consecutive years	-	-	-0.3	-1.0	-0.7
	Health and Hospitals Fund					
253	– Northern Territory BreastScreen Australia project	-	-	-	-	-
254	– Royal Hobart Hospital – bring forward of funding	-	-	-	-	-
254	Herceptin Program – additional vial size	-	-4.5	-5.1	-5.3	-5.5
255	Medicare Benefits Schedule – new and revised listings	-	-0.1	-0.2	-0.4	-0.6
255	Mersey Community Hospital Tasmania – ongoing commitment	-	-	2.2	4.5	-
244	National Carer Strategy	-	0.2	0.2	0.2	0.2
256	National Health Reform Agreement – revised funding arrangements	-	-	-	-	-
	National Immunisation Program					
257	– listing of Fluorix	-	-0.2	-0.2	-0.2	-0.2
257	– Q fever vaccine – revised arrangements	-	-	-1.4	-1.4	-1.4
	Personal income tax					
169	– 50 per cent tax discount for interest income – deferral(b)	-	-	-0.6	-1.3	-
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral(b)	-	-	-0.5	-1.2	-
	Pharmaceutical Benefits Scheme					
258	– new and amended listings	-	67.4	111.7	127.2	134.6
259	– price amendments	-	-17.8	-38.7	-38.8	-41.0

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	HEALTH AND AGEING (continued)					
230	Positron Emission Tomography (PET) services at Westmead Hospital	-	-	-	-	-
200	Tasmanian Forest Industry – adjustment package	-	-	0.5	-	-
260	Therapeutic products – establishment of the Australia New Zealand Therapeutic Products Agency	-	nfp	-	-	-
	<i>National Health and Medical Research Council</i>					
197	Hendra virus research – support	-	-	-	-	-
	Portfolio total	-	46.0	71.0	89.5	92.9
	HUMAN SERVICES					
	<i>Department of Human Services</i>					
239	Baby Bonus – reset to \$5,000 and pause indexation for three years	-	0.4	1.5	..	-
240	Better Targeting of Immunisation Incentives	-	10.9	6.5	2.2	1.1
218	BlueScope Steel workers – assistance	-	0.2	-	-	-
219	Building Australia's Future Workforce Measures – consequential amendments	-	1.1	0.1	0.1	0.1
	Clean Energy Future					
159	– Helping Households – tax cuts and increased payments(b)	-	36.9	43.6	30.6	23.6
211	– implementation	-	-0.2	-0.1	-	-
196	Drought Assistance – additional funding for Exceptional Circumstances Exit Grants	-	..	-	-	-
262	Early intervention to prevent debts for customers commencing employment	-	-	15.1	15.3	12.9
243	Family Tax Benefit – Cease fortnightly payments to families who have zero entitlement for two consecutive years	-	5.8	0.5	..	..
254	Herceptin Program – additional vial size	-	0.6	-	-	-
	Live Animal Exports					
198	– Assistance to Individuals	-	1.2	-	-	-
198	– Business Assistance	-	2.4	-	-	-
255	Medicare Benefits Schedule – new and revised listings	-	..	..	..	..
244	National Carer Strategy	-	1.7	0.3	0.2	0.3
	Personal income tax					
169	– 50 per cent tax discount for interest income – deferral(b)	-	-0.9	-1.7	1.4	-
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral(b)	-	-0.7	0.1	-0.8	-
258	Pharmaceutical Benefits Scheme – new and amended listings	-	0.4	0.4	0.6	0.7
	Stronger Futures in the Northern Territory					
229	– expansion of the School Enrolment and Attendance Measure	-	4.0	5.5	6.4	6.9

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	HUMAN SERVICES (continued)					
	Stronger Futures in the Northern Territory					
245	– Tackling Alcohol Abuse	-	-	1.4	0.2	-
263	Student Income Support – administrative costs	-	7.0	0.4	2.2	2.2
246	Weekly income support payments to vulnerable Australians – expansion	-	-	-	-	-
	Portfolio total	-	70.8	73.7	58.5	47.7
	IMMIGRATION AND CITIZENSHIP					
	<i>Department of Immigration and Citizenship</i>					
264	Humanitarian Migration Program – decrease of 4,000 places	-	-30.5	-45.4	-61.5	-79.0
264	Malaysia transfer agreement – Removal of funding for implementation costs	-	-23.8	-18.2	-15.6	-13.3
265	Regional Cooperation Framework – establishment of a regional support office	-	0.7	1.5	1.5	1.5
265	Student Visa Simplification	-	-	-	-	-
154	Visa Pricing Transformation(b)	-	7.4	23.3	17.6	11.5
	Portfolio total	-	-46.3	-38.9	-58.0	-79.2
	INFRASTRUCTURE AND TRANSPORT					
	<i>Department of Infrastructure and Transport</i>					
266	Cloncurry Community Precinct – contribution	-	2.4	-	-	-
266	Majura Parkway – upgrade	-	-	-	-	-
267	Maldon to Dombarton rail link – additional funding	-	-	20.0	5.5	-
267	Nation Building – modification	-	-	-	-	-
268	Nation Building Programs 1 and 2 – reallocation of funding	-	-	-	-	-
	Portfolio total	-	2.4	20.0	5.5	-
	INNOVATION, INDUSTRY, SCIENCE AND RESEARCH					
	<i>Department of Innovation, Industry, Science and Research</i>					
	Clean Energy Future					
211	– implementation	-	-0.2	-0.1	-	-
269	– Supporting Jobs – clean technology focus for supply chain programs	-	0.9	1.4	1.4	1.4
269	– Supporting Jobs – Clean Technology Program	-	18.7	141.5	244.9	312.3
270	– Supporting Jobs – Steel Transformation Plan	-	164.6	0.5	0.3	23.7
271	Commercial Ready – redirect funding	-	-1.1	-	-	-
272	Commercialisation Australia – redirect funding	-	-7.5	-1.4	-	-
272	Enterprise Connect – extension to tourism	-	0.6	1.3	2.0	-
197	Hendra virus research – support	-	-0.9	-0.1	-	-

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
INNOVATION, INDUSTRY, SCIENCE AND RESEARCH (continued)						
272	Illawarra Region Innovation and Investment Fund – establishment	-	6.9	12.0	1.1	-
273	Square Kilometre Array – initial contribution	-	-	-	-	-
273	Strengthening Opportunities for Australian Industry Participation	-	-	-	-	-
200	Tasmanian Forest Industry – adjustment package	-8.0	4.0	3.0	1.0	-
	Portfolio total	-8.0	186.0	158.0	250.6	337.4
PRIME MINISTER AND CABINET						
<i>Department of the Prime Minister and Cabinet</i>						
239	Australian Institute of Family Studies – transfer	-	-	-	-	-
<i>Office of the Official Secretary to the Governor-General</i>						
275	National Police Service Medal and National Emergency Medal	-	0.5	0.6	0.7	0.8
	Portfolio total	-	0.5	0.6	0.7	0.8
REGIONAL AUSTRALIA, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT						
<i>Department of Regional Australia, Regional Development and Local Government</i>						
276	Clean Energy Future – Supporting Jobs – helping communities and regions	-	-	10.0	50.0	30.0
276	Natural Disaster Recovery and Rebuilding – Queensland Environmental Recovery Projects	-	-	-	-	-
277	– Strengthening Grantham Initiative	-	-	-	-	-
277	Norfolk Island – emergency assistance and further reform	-	nfp	-	-	-
200	Tasmanian Forest Industry – adjustment package	-	16.0	4.0	6.0	7.0
	Portfolio total	-	16.0	14.0	56.0	37.0
RESOURCES, ENERGY AND TOURISM						
<i>Department of Resources, Energy and Tourism</i>						
156	Alternative fuels – continuing the existing arrangements for ethanol, biodiesel, renewable diesel and methanol(b)	-	77.8	170.5	173.6	200.3
278	Carbon Capture and Storage Flagships – deferral of funding	-	-38.5	-25.8	-2.8	-11.5
278	Clean Energy Future – closure of emissions-intensive electricity generation capacity	-	7.4	-	-	-
211	– implementation	-	-0.2	-0.1	-	-
212	– Improving Energy Efficiency	-	0.9	0.7	-	-

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	RESOURCES, ENERGY AND TOURISM (continued)					
	Clean Energy Future					
279	– Improving Energy Efficiency – Energy Efficiency Opportunities Program	-	-	1.4	7.9	7.7
279	– Innovation in Renewable Energy – Australian Renewable Energy Agency	-	0.5	1.0	-0.5	-1.0
280	– Supporting Jobs – coal mining	-	222.4	10.5	246.7	257.2
281	Commonwealth Heads of Government Meeting – Extractive Industries Transparency Initiative – domestic pilot	-	-	-	-	-
281	TQUAL Grants – redirection of funding	-	-0.6	-1.3	-2.0	-
	<i>Geoscience Australia</i>					
204	Flood Risk Information – enhancement	-	-	3.9	4.0	2.7
	Portfolio total	-	269.7	160.9	426.8	455.3
	SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES					
	<i>Department of Sustainability, Environment, Water, Population and Communities</i>					
	Clean Energy Future					
282	– Creating Opportunities on the Land – Biodiversity Fund	-	36.6	34.6	249.8	250.8
194	– Creating Opportunities on the Land – extending the benefits of the Carbon Farming Initiative	-	-	1.4	3.0	2.2
282	– Creating Opportunities on the Land – natural resource management for climate change	-	0.9	6.3	19.6	2.7
211	– implementation	-	-0.3	-	-	-
155	– Putting a Price on Pollution – synthetic greenhouse gases and ozone depleting substances(b)	-	1.0	2.2	25.7	31.1
283	Extractive Industry Activities – Independent Expert Scientific Committee and National Partnership Agreement	-	50.0	25.0	25.0	25.0
197	Hendra virus research – support	-	-0.3	-0.3	-0.3	-
284	Stormwater Harvesting and Reuse Program – reduction in funding	-	-50.0	-	-	-
284	Stronger Futures in the Northern Territory – Jobs Package – expansion of Working on Country Indigenous Ranger program	-	-	1.3	3.2	4.1
285	Sustainable Australia – Suburban Jobs – reduction in funding	-	-2.5	-18.5	-22.5	-11.5
200	Tasmanian Forest Industry – adjustment package	-	2.0	-	-	-
	Portfolio total	-	37.4	51.9	303.4	304.3

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	TREASURY					
	<i>Australian Bureau of Statistics</i>					
212	Clean Energy Future – Improving Energy Efficiency	-	2.8	6.3	1.1	-
	<i>Australian Competition and Consumer Commission</i>					
287	Clean Energy Future – Compliance	-	2.2	4.4	4.1	2.1
	<i>Australian Securities and Investments Commission</i>					
287	Clean Energy Future – Compliance	-	0.4	2.0	1.2	1.1
	<i>Australian Taxation Office</i>					
156	Alternative fuels – continuing the existing arrangements for ethanol, biodiesel, renewable diesel and methanol(b)	-	-38.5	-35.6	-17.8	2.5
	Clean Energy Future					
194	– Creating Opportunities on the Land – extending the benefits of the Carbon Farming Initiative	-	-	14.0	14.0	15.0
289	– Putting a Price on Pollution – fuel tax credit reductions	-	2.2	-525.8	-49.0	-459.0
150	– Putting a Price on Pollution – revenue from sale of carbon units(b)	-	1.1	1.6	2.5	2.3
290	Establishment of a Tax Studies Institute	-	-	-1.0	-1.1	-1.1
243	Family Tax Benefit – Cease fortnightly payments to families who have zero entitlement for two consecutive years	-	-	-	-	-
163	Fringe benefits tax – reform of living-away-from-home allowances and benefits(b)	-	0.5	1.9	2.3	2.0
168	New R&D Tax Incentive – deferral(b)	-720.0	-	-	-	-
	Personal income tax					
169	– 50 per cent tax discount for interest income – deferral(b)	-	-6.4	-6.1	4.0	-
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral(b)	-	-1.9	-18.0	-16.8	-
173	Stronger Shipping for a Stronger Economy(b)	-	-	-1.5	15.3	16.2
	Superannuation					
174	– abolishing the maximum superannuation guarantee age limit(b)	-	-	-	6.0	6.0
291	– low income superannuation contribution – modified eligibility criteria	-	-	-25.6	-26.6	-25.6
291	Superannuation Co-contribution – better targeting concession for low income earners	-	-	-352.0	-342.0	-329.0
176	Tax compliance – increased data matching resources(b)	-	-	17.0	20.4	20.3
	<i>Clean Energy Finance Corporation</i>					
286	Clean Energy Finance Corporation	-	-	19.6	466.9	543.2

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	TREASURY (continued)					
	<i>Department of the Treasury</i>					
286	Australian Financial Centre Taskforce Secretariat	-	0.2	-	-	-
286	Clean Energy Finance Corporation	-	2.7	-	-	-
	Clean Energy Future					
150	– Putting a Price on Pollution – revenue from sale of carbon units(b)	-	-	-	-	-
289	– Supporting Energy Markets – Energy Security Council	-	-	-	-	-
215	– Supporting Energy Markets – Energy Security Fund	-	1.2	0.8	2.0	2.0
253	Delivery of Human Quarantine Services	-	0.6	-	-	-
290	Establishment of a Tax Studies Institute	-	-	1.0	1.0	1.0
283	Extractive Industry Activities – Independent Expert Scientific Committee and National Partnership Agreement	-	10.0	20.0	20.0	-
	Fringe benefits tax					
163	– reform of living-away-from-home allowances and benefits(b)	-	-	-2.0	-3.0	-3.0
164	– reform of the car fringe benefits rules – transitional change(b)	-	-	-	-	-
291	Grant to Australasian Compliance Institute GST	-	..	..	..	-
165	– treatment of appropriations(b)	-	-	-	-	-
165	– treatment of new residential premises: minor changes(b)	*	*	*	*	*
166	GST-free health supplies(b)	-	-	*	*	*
	Health and Hospitals Fund					
253	– Northern Territory BreastScreen Australia project	-	-1.2	-0.6	1.2	0.6
254	– Royal Hobart Hospital – bring forward of funding	170.0	..	-38.6	-50.0	-50.0
266	Majura Parkway – upgrade	-	9.5	-	50.0	64.5
267	Nation Building – modification	-	1,375.9	-1,218.9	-62.0	-50.0
268	Nation Building Programs 1 and 2 – reallocation of funding	-	-9.5	-	-	-114.5
256	National Health Reform Agreement – revised funding arrangements	-	-	-	-	21.0
	Natural Disaster Recovery and Rebuilding					
204	– Adelong Pool	-	-	-	-	-
204	– Victorian Interest Rate Subsidy – Assistance to Businesses in Victoria	-	4.5	0.8	0.8	0.7
260	Positron Emission Tomography (PET) services at Westmead Hospital	-	-1.3	-1.3	-1.3	-1.3
227	Schools – Reward Payments for School Improvement – revised implementation	-	-	-21.3	-49.9	-27.8
245	Stronger Futures in the Northern Territory – Tackling Alcohol Abuse	-	-	-	-	-

Table 2: Expense measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	TREASURY (continued)					
200	Tasmanian Forest Industry – adjustment package	-	50.0	7.0	7.0	7.0
236	Trade Training Centres in Schools Program – rephasing	-	-	-	-17.4	-
	<i>Productivity Commission</i>					
288	Clean Energy Future – Governance – Productivity Commission Reviews	-	3.9	4.4	5.0	4.8
	Portfolio total	-550.0	1,408.8	-2,147.6	-12.3	-348.9
	VETERANS' AFFAIRS					
	<i>Department of Veterans' Affairs</i>					
	Centenary of Anzac					
293	– Anzac Centenary Advisory Board – operational funding	-	-	-	-	-
293	– Anzac Interpretive Centre Albany – design and planning	-	1.3	-	-	-
	Clean Energy Future					
241	– Helping Households – Essential Medical Equipment Payment	-	-	1.8	1.7	1.7
252	– Helping Households – residential aged care	-	-	0.1	0.1	0.1
159	– Helping Households – tax cuts and increased payments(b)	-	94.4	35.9	121.7	118.9
255	Medicare Benefits Schedule – new and revised listings	-	-0.2	-0.6	-0.7	-0.7
169	Personal income tax – 50 per cent tax discount for interest income – deferral(b)	-	-	-0.1	-0.1	-
	Pharmaceutical Benefits Scheme					
258	– new and amended listings	-	0.8	0.7	0.7	0.6
259	– price amendments	-	-1.8	-3.8	-3.7	-3.8
	Student Income Support					
231	– changes to the rate of Student Start-up Scholarships	-	-0.1	-0.1	-0.1	-0.1
232	– Relocation Scholarship – increased payments for regional students	-	0.6	0.2	0.2	0.2
	Portfolio total	-	95.0	34.0	119.9	116.8
	Decisions taken but not yet announced	-	102.1	-32.5	-2.2	64.3
	Depreciation expense	-	-	1.3	1.9	2.1
	Total impact of expense measures(d)	-518.0	4,804.5	1,166.2	6,269.3	6,468.5

* The nature of the measure is such that a reliable estimate cannot be provided.

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

(b) These measures can also be found in the revenue measures summary table.

(c) These measures can also be found in the capital measures summary table.

(d) Measures may not add due to rounding.

AGRICULTURE, FISHERIES AND FORESTRY

Agriculture Advancing Australia — International Agricultural Cooperation Program — reduced funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	-	-0.5	-0.6	-0.6

The Government will reduce funding by \$1.7 million over three years from the Agriculture Advancing Australia (AAA) – International Agricultural Cooperation Program to better reflect the funding needs to deliver the objectives of this program, including the promotion of agricultural exports by building bilateral government-to-government relationships, facilitating improved market access and trade growth for the portfolio industries and providing technical and capacity building assistance to targeted trading partners.

Savings from this measure will be redirected to support other Government priorities.

Clean Energy Future — Creating Opportunities on the Land — extending the benefits of the Carbon Farming Initiative

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	30.9	26.3	95.0	83.0
Department of Climate Change and Energy Efficiency	-	0.1	4.7	5.1	5.1
Australian Taxation Office	-	-	14.0	14.0	15.0
Department of Sustainability, Environment, Water, Population and Communities	-	-	1.4	3.0	2.2
Total - Expense	-	31.0	46.4	117.0	105.3

The Government will provide \$452.3 million over six years from 2011-12 (including \$83.3 million in 2015-16 and \$69.3 million in 2016-17) to extend the Carbon Farming Initiative to include two new programs, Carbon Farming Futures and the Indigenous Carbon Farming Fund.

The Carbon Farming Futures program will provide \$430.0 million over six years from 2011-12 (including \$76.9 million in 2015-16 and \$63.0 million in 2016-17) to help landholders benefit from carbon farming by:

- funding research into abatement technologies and practices;
- developing carbon estimation methodologies;

- enabling primary producers to claim a 15 per cent refundable tax offset for new eligible conservation tillage equipment installed and ready for use between 1 July 2012 and 30 June 2015, provided that they participate in soil carbon sequestration research; and
- implementing new extension officers to help farmers benefit from carbon farming.

The Indigenous Carbon Farming Fund will also provide \$22.3 million over five years from 2012-13 (including \$6.4 million in 2015-16 and \$6.3 million in 2016-17) to assist Indigenous Australians to participate in the Carbon Farming Initiative by providing support for specialists to work within indigenous communities to develop and implement carbon farming projects. The program will also fund the development of research and reporting tools for carbon farming methodologies to enable indigenous participation in carbon markets.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Climate Change Adaptation Partnerships — Community Networks and Capacity Building and Information Services Programs — reduced funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	-0.7	-	-	-

The Government will reduce funding by \$0.7 million in 2011-12 from the Australia's Farming Future – Climate Change Adaptation Partnerships – Community Networks and Capacity Building and Information Services Programs (CCAP) as similar services are available under other elements of Australia's Farming Future program.

The CCAP provides grants to increase the leadership and representative capacity of target groups to strengthen primary industry productivity and build rural, regional and remote community resilience to a changing climate. It also funds projects that encourage primary industries stakeholders to look for information and training on climate change, raise awareness of climate change and encourage behavioural change. No further grants will be available under this program.

Savings from this measure will be redirected to support other Government priorities.

Department of Agriculture, Fisheries and Forestry — rationalisation of corporate functions

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	1.2	-5.6	-5.6	-5.6

The Government will achieve savings of \$15.6 million over four years in the Department of Agriculture, Fisheries and Forestry, to meet other Government priorities, through the rationalisation of corporate functions. These savings will be achieved with minimal impact on the delivery of the Department’s core programs. The expense in 2011-12 relates to implementation costs.

Savings from this measure will be redirected to support other Government priorities.

Drought Assistance — additional funding for Exceptional Circumstances Exit Grants

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	4.4	-	-	-
Department of Human Services	-	..	-	-	-
Total - Expense	-	4.4	-	-	-

The Government will provide additional funding of \$4.4 million in 2011-12 for the Exceptional Circumstances (EC) Exit Grant program.

The additional funding is required to meet unanticipated demand for this program in 2010-11 and 2011-12. To manage demand, 2011-12 EC Exit Grants were closed to new applicants on 10 August 2011.

Further information can be found in the press release of 10 August 2011 issued by the Department of Agriculture, Fisheries and Forestry.

Fisheries Resources Research Fund Program — reduced funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	-1.2	-1.2	-1.3	-1.3

The Government will reduce funding by \$5.0 million over four years from the Fisheries Resources Research Fund (FRRF) to better reflect the funding needs to deliver research that builds on recent developments and supports the development of policies for the ecologically sustainable development of fisheries resources.

Savings from this measure will be redirected to support other Government priorities.

Hendra virus research — support

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Rural Industries Research and Development Corporation	-	1.3	0.5	0.4	-
National Health and Medical Research Council	-	-	-	-	-
Department of Agriculture, Fisheries and Forestry	-	-0.1	-0.1	-0.1	-
Department of Sustainability, Environment, Water, Population and Communities	-	-0.3	-0.3	-0.3	-
Department of Innovation, Industry, Science and Research	-	-0.9	-0.1	-	-
Total - Expense	-	0.0	0.0	0.0	-

The Government will provide up to \$6.0 million to support research into the impact of the Hendra virus on animal, human and environmental health along with research to help better fight the virus.

The research will be overseen by the Rural Industries Research and Development Corporation (RIRDC) and the National Health and Medical Research Council (NHMRC), with funding contributed from across Government.

The Department of Agriculture, Fisheries and Forestry will contribute \$0.1 million in each of 2011-12, 2012-13 and 2013-14 by redirecting departmental funding and RIRDC will contribute \$0.8 million from the Horse Research Program and RIRDC core funds.

The Department of Sustainability, Environment, Water, Population and Communities will contribute \$0.3 million in each of 2011-12, 2012-13 and 2013-14 by redirecting funding from the National Environmental Research Program.

The Department of Innovation, Industry, Science and Research will contribute \$0.9 million in 2011-12 and \$0.1 million in 2012-13 by redirecting funding from the Green Building Fund.

The NHMRC will redirect up to \$3.0 million from existing resources for research into the implications of the Hendra virus on human health.

Further information can be found in the press release of 29 July 2011 issued by the Minister for Agriculture, Fisheries and Forestry and the Acting Minister for Health and Ageing.

Live Animal Exports — Assistance to Individuals

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	3.1	-	-	-
Department of Human Services	-	1.2	-	-	-
Department of Education, Employment and Workplace Relations	-	0.6	0.2	0.1	-
Total - Expense	-	4.9	0.2	0.1	-

The Government will provide \$5.2 million over three years to assist individuals whose income has been directly impacted by the temporary suspension of live cattle trade to Indonesia. Eligible farmers, small business persons and employees will receive an Income Recovery Subsidy and retrenched employees will receive priority assistance through Job Services Australia. Applications for assistance closed 5 September 2011.

Further information can be found in the press release of 27 June 2011 issued by the Minister for Agriculture, Fisheries and Forestry.

Live Animal Exports — Business Assistance

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	24.7	6.9	3.0	3.0
Department of Human Services	-	2.4	-	-	-
Total - Expense	-	27.1	6.9	3.0	3.0

The Government will provide \$30.0 million over four years to support eligible businesses affected by the temporary suspension of live cattle exports to Indonesia and to improve animal welfare outcomes.

The assistance package includes:

- a one-off business assistance payment of \$5,000 for eligible businesses to assist with the immediate costs incurred in activities directly related to live cattle export trade to Indonesia;
- a one-off \$20,000 business hardship payment to further assist businesses that received the business assistance payment and are experiencing hardship meeting ongoing business expenses;
- a two -year subsidised interest rate on new loans of up to \$300,000 for businesses that have been directly affected by the temporary suspension;
- professional advice and training grants of up to \$5,500 for farmers who have received the business assistance payment;

- support to the Australian live animal export industry to deliver improved supply chains in live animal export markets; and
- \$2.4 million to Centrelink for service delivery costs.

The Government will also provide \$10.0 million over four years to improve animal welfare outcomes in Official Development Assistance eligible countries. The funding will assist recipient countries to implement World Organisation for Animal Health standards through the livestock supply chain.

Funding for this measure will also be partially offset from the provision for expanded aid funding held in the Contingency Reserve. This measure is part of the Government's commitment to increase Australia's official development assistance over the long term.

Further information can be found in the press releases of 30 June 2011, 6 September 2011, 7 October 2011 and 21 October 2011 issued by the Minister for Agriculture, Fisheries and Forestry.

Reform of Australia's export certification services — additional funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	nfp	nfp	nfp	nfp

The Government will provide additional funding over four years to support the Australian dairy, fish, grains, horticulture, live animal and meat export industries to make the transition to full cost recovery for export certification services provided by the Australian Quarantine and Inspection Service. The expenditure for this measure is not for publication as negotiations with industry are ongoing.

This funding builds on the \$127.4 million the Government has provided for reform of export certification services to date.

Regional Food Producers' Innovation — Productivity Program — reduced funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	-2.6	-	-	-

The Government will reduce the funds available in the Regional Food Producers' Innovation and Productivity (RFPIP) Program from \$5.8 million to \$3.2 million in 2011-12. The RFPIP program provides grants to food and seafood businesses for projects that increase their productivity and competitiveness through innovation and technology improvements.

Appendix A: Policy decisions taken since the 2011-12 Budget

No further grants will be available under this program; however, grants will still be available to all successful applicants.

The Government will also establish a *Working Group on Water, Soil and Food* that will be tasked to develop an integrated forward work program on agricultural productivity, with particular focus in soil, water and food.

Savings from this measure will be redirected to support other Government priorities.

Tasmanian Forest Industry — adjustment package

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	50.0	7.0	7.0	7.0
Department of Agriculture, Fisheries and Forestry	-	45.0	-	-	-
Department of Regional Australia, Regional Development and Local Government	-	16.0	4.0	6.0	7.0
Department of Education, Employment and Workplace Relations	-	4.2	3.6	3.5	1.4
Department of Innovation, Industry, Science and Research	-8.0	4.0	3.0	1.0	-
Department of Sustainability, Environment, Water, Population and Communities	-	2.0	-	-	-
Department of Health and Ageing	-	-	0.5	-	-
Total - Expense	-8.0	121.2	18.1	17.5	15.4

The Government will provide \$259.9 million over 15 years to assist the Tasmanian forest industry to progressively transition from logging public native forests to a more sustainable and diversified footing and to build regional economic diversity and community resilience.

Assistance will be provided under three broad themes:

Support for contractors and redundant workers

- The Government will provide \$14.0 million over five years to support redundant workers by providing immediate access to intensive employment services through Job Services Australia. Redundant workers will also gain accelerated access to relocation assistance under the Connecting People with Jobs program and attract a higher level of Employment Pathway funding.
- \$45.0 million will be provided to contractors to assist with voluntary exits from public native forest operations for haulage, harvest and or silviculture.

Appendix A: Policy decisions taken since the 2011-12 Budget

- \$0.5 million in 2012-13 will be provided for mental health counselling through the Tasmanian Government Rural Alive and Well program.

Protecting high conservation value forests and ensuring sustainable wood supply

- \$43.0 million will be provided to facilitate protection of new areas of high conservation value forests, and an additional \$2.0 million in 2011-12 for the verification process that will assess and verify stakeholder claims relating to sustainable timber supply requirements, available native forest and plantation volumes and areas and boundaries of reserves.
- \$7.0 million per annum will be provided to assist with the ongoing costs of managing the new reserves.

Economic Diversification

- \$112.0 million over 15 years, including an initial payment of \$16.0 million in 2011-12, will be provided to identify and fund appropriate regional development projects.
- \$8.0 million will be provided for three years from 2011-12 to establish the Tasmanian Innovation and Investment Fund to provide support for investment in new activities and industries that diversify the regional economy and create sustainable new jobs.

See also the related saving measure titled *Employment Pathway Fund – redirection of funding* in the Education, Employment and Workplace Relations portfolio. The cost of this measure will also be partially offset by resources previously allocated to the North West and Northern Tasmania Innovation and Investment Fund which closed on 30 June 2011.

Further information can be found in the joint press releases of 7 August 2011 issued by the Prime Minister and the Premier of Tasmania, the joint press release of 3 October 2011 issued by the Minister for Regional Australia, Regional Development and Local Government, the Minister for Innovation, Industry, Science and Research and the Premier of Tasmania and the press release of 21 October 2011 issued by the Minister for Agriculture, Fisheries and Forestry.

Western Australia Drought Pilot — additional funding for Farm Family Support

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	-	-	-	-

The Government provided an additional \$2.5 million in 2010-11 to increase the cap on the Farm Family Support program, which is a component of the 2010-11 Budget measure titled *Drought policy reform – pilot of new measures in Western Australia*.

The Farm Family Support program assists farmers and their families facing temporary financial hardship to meet basic household expenses.

The cost of this measure was met from within existing resourcing of the Department of Agriculture, Fisheries and Forestry.

Western Australia Drought Pilot Communication and Strategic Review programs — reduced funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Agriculture, Fisheries and Forestry	-	-0.4	-	-	-

The Government will reduce funding by \$0.4 million in 2011-12 from the Communication and Strategic Review programs, which are components of the 2011-12 Budget measure titled *Drought policy reform – pilot of new measures in Western Australia – extension and expansion* as widespread awareness of the 2011-12 extension of the drought reform pilot and the strategic review of the pilot have been achieved.

Savings from this measure will be redirected to support other Government priorities.

ATTORNEY-GENERAL'S

Alice Springs Airport — withdrawal of the Australian Federal Police

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Federal Police	-	-1.0	-2.4	-3.2	-3.2
<i>Related capital (\$m)</i>					
Australian Federal Police	-	-6.6	-	-	-

The Government will achieve savings of \$16.4 million over four years by withdrawing the Australian Federal Police (AFP) from providing aviation security presence at Alice Springs airport. The AFP's Regional Rapid Deployment Team will liaise with airport security stakeholders in the event of heightened risk or threat. However, security at the airport will remain the responsibility of the Northern Territory Police.

Savings from this measure will be redirected to support other Government priorities.

Australia's Anti-Dumping and Countervailing System — enhancements

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Customs and Border Protection Service	-	-	-	-	-

The Government will provide \$10.4 million over four years to implement a package of improvements to Australia's anti-dumping and countervailing system.

The measure is aimed at providing greater accessibility to the anti-dumping system for businesses, improving timeliness and enhancing decision-making. This measure will also provide strengthened compliance mechanisms and introduce a framework to prevent the circumvention of import duties. The package of improvements includes the establishment of an International Trade Remedies Forum comprising parties with an interest in anti-dumping and arrangements to oversee the implementation of reforms and monitor their effectiveness.

The cost of this measure will be met from within the existing resourcing of the Australian Customs and Border Protection Service.

The reform package is consistent with Australia's World Trade Organisation obligations.

Flood Risk Information — enhancement

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Geoscience Australia	-	-	3.9	4.0	2.7
Attorney-General's Department	-	-	-	-	-
Total - Expense	-	-	3.9	4.0	2.7
<i>Related capital (\$m)</i>					
Geoscience Australia	-	-	0.2	0.2	..

The Government will provide \$11.0 million over three years to improve the quality and reporting of flood risk information through the enhancement of the *Australian Flood Studies Database* currently maintained by Geoscience Australia. This will also support the development of a national flood risk information shopfront.

The Attorney-General's Department will be responsible for coordinating and developing national guidelines covering the collection, comparability and reporting of flood risk information.

Natural Disaster Recovery and Rebuilding — Adelong Pool

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Attorney-General's Department	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total - Expense	-	-	-	-	-

The Government will provide \$0.8 million in 2011-12 to jointly fund, with the New South Wales Government and the Tumut Shire Council, the rebuilding of the Adelong public swimming pool. Adelong's swimming pool was damaged by severe flooding and the funding will assist the Tumut Shire Council to construct a public swimming pool in a location less prone to flooding.

The cost of this measure will be met from existing provisions for Natural Disaster Relief and Recovery Arrangements included in the 2011-12 Budget.

Natural Disaster Recovery and Rebuilding — Victorian Interest Rate Subsidy — Assistance to Businesses in Victoria

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	4.5	0.8	0.8	0.7
Attorney-General's Department	-	-	-	-	-
Total - Expense	-	4.5	0.8	0.8	0.7

The Government will provide \$6.8 million over four years to assist businesses adversely affected by severe flooding in Victoria in early 2011.

The Government, through the Natural Disaster Relief and Recovery Arrangements, will provide interest rate subsidies on loans of up to \$650,000 (including a grant component of up to \$50,000) to eligible businesses, primary producers and not-for-profit organisations which suffered extreme damage.

Further information can be found in the media release of 21 June 2011 issued by the Minister for Regional Australia, Regional Development and Local Government.

Reduced Australian Federal Police contribution to the United Nations Mission in Cyprus — deferral

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Federal Police	-	0.9	-	-	-

The Government will defer implementation of the 2011-12 Budget measure *National Security – United Nations Mission in Cyprus – reduced contribution*, at a cost of \$0.9 million. This measure allows Australia’s participation in the UN mission in Cyprus to continue for a further 12 months.

Safer Suburbs Program Expansion

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Attorney-General’s Department	-	0.1	1.7	2.1	1.1

The Government will provide \$5.0 million over four years to expand the Safer Suburbs program. The program will provide grants for community projects such as closed circuit television, lighting and other initiatives to improve safety at taxi ranks.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Digital productivity — Digital Communities — Digital Hubs, Local Government and Community Engagement

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Broadband, Communications and the Digital Economy	-	-	-	-	-

The Government will provide \$40.9 million over three years to assist local communities take advantage of the benefits of the National Broadband Network (NBN).

The funding includes \$23.8 million over three years for the creation of local digital hubs to facilitate community access to and training about the NBN in each of the 40 communities to first benefit from the NBN.

In addition, the funding includes \$17.1 million over three years for a grants program to support local government organisations to deliver online services in each of the 40 communities to first benefit from the NBN. The program aims to develop solutions that can be adopted by other councils as the NBN rolls out.

Provision for this funding has already been included in the forward estimates as a 'decision taken but not yet announced' in the 2011-12 Budget.

Further information can be found in the press releases of 31 May and 22 June 2011 issued by the Minister for Broadband, Communications and the Digital Economy.

Digital productivity — digital enterprises

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Broadband, Communications and the Digital Economy	-	-	-	-	-

The Government will provide \$12.4 million over three years to help small-to-medium businesses and not-for-profit organisations across Australia take advantage of the online opportunities offered by the National Broadband Network (NBN).

The program will provide training, advice and support services to businesses in the NBN early rollout areas to assist them to improve their online presence, transact online, offer new products and services, expand their market, improve their competitiveness and increase their means of communicating with customers and suppliers. It will also assist not-for-profit organisations to engage online to expand their reach into the community and increase their donor pool.

Provision for this funding has already been included in the forward estimates as a 'decision taken but not yet announced' in the 2011-12 Budget.

Further information can be found in the press release of 31 May 2011 issued by the Minister for Broadband, Communications and the Digital Economy.

Independent Inquiry into Australian Media

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Broadband, Communications and the Digital Economy	-	1.4	-	-	-

The Government will provide \$1.4 million in 2011-12 to fund an independent inquiry into the media in Australia.

The review will be conducted by an independent committee and will examine the operation of print media regulation, including online publications and the operation of the Australian Press Council.

The review is expected to be finalised by 28 February 2012, with the findings to be incorporated into the final report of the broader Convergence Review due at the end of March 2012.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Broadband, Communications and the Digital Economy.

National Broadband Network — enhanced commitment for the delivery of the Universal Service Obligation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Broadband, Communications and the Digital Economy	-	-	nfp	nfp	-

The Government will provide additional funding in 2012-13 and 2013-14 to maintain basic universal telecommunication services during the roll out of the National Broadband Network. This funding is in addition to the Government's previously announced commitment to provide funding of \$50 million per annum in 2012-13 and 2013-14.

From 1 July 2012, the Telecommunications Universal Service Management Agency (TUSMA) is expected to be responsible for delivering the Universal Service Obligation (USO) and other public interest services. Until 30 June 2014 the costs of TUSMA will be met through a combination of budget funding and a consolidated industry levy. This additional commitment will ensure contributors to the industry levy, with the exception of Telstra, will not face an increase to their aggregate funding contribution.

Appendix A: Policy decisions taken since the 2011-12 Budget

Arrangements for funding the USO from 1 July 2014 to 1 January 2018 are subject to review. The nature of the USO must be reviewed prior to 1 January 2018.

This funding will be retained in the Contingency Reserve pending the finalisation of the Definitive Agreements between Telstra and NBN Co, regulatory approval by the Australian Competition and Consumer Commission and the passage of TUSMA related legislation.

Further information can be found in the joint press release of 23 June 2011 issued by the Prime Minister, the Minister for Finance and Deregulation and the Minister for Broadband, Communications and the Digital Economy.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Clean Energy Future — Creating Opportunities on the Land — Carbon Farming Initiative

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Climate Change and Energy Efficiency	-	0.1	2.3	50.7	47.4
Clean Energy Regulator	-	-	135.3	118.6	130.9
Total - Expense	-	0.1	137.6	169.2	178.3

The Government will provide \$254.2 million over seven years (including \$61.4 million in 2015-16, \$77.7 million in 2016-17 and \$14.6 million in 2017-18) to facilitate the operation of the Carbon Farming Initiative (CFI). This measure includes:

- \$250.0 million over six years from 2012-13 to establish the Carbon Farming Initiative non-Kyoto Carbon Fund, which will fund the purchase by the Government of CFI credits that are not counted towards meeting Australia's commitments under the Kyoto Protocol, in order to provide incentives for land sector abatement activities such as revegetation and soil carbon projects; and
- \$4.2 million over five years from 2011-12 to establish the Carbon Farming Skills initiative, which will facilitate access by landholders to credible, high quality advice and carbon services, through the development of a new nationally accredited qualification for carbon service providers, the accreditation of carbon brokers and aggregators, and the provision of information workshops.

The Government will also link the CFI with the carbon price, allowing eligible Australian carbon credit units issued under the CFI to be used by businesses that are covered by the carbon pricing mechanism to meet their liabilities. This is expected to reduce permit revenue by \$384.7 million across the forward estimates. This measure has been updated to reflect the inclusion of abatement activities that are eligible to generate credits to meet businesses' liabilities under the carbon price mechanism.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

See also the related revenue measure titled *Clean Energy Future – Putting a Price on Pollution – revenue from sale of carbon units*.

Clean Energy Future — Governance — Clean Energy Regulator

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Clean Energy Regulator	-	38.0	50.1	54.0	57.6
Department of Finance and Deregulation	-	0.1	0.1	0.1	0.1
Total - Expense	-	38.1	50.2	54.1	57.7
<i>Related capital (\$m)</i>					
<i>Clean Energy Regulator</i>	-	30.0	17.7	7.2	0.8

The Government will provide \$255.4 million over four years (including \$55.7 million in capital funding) to establish a Clean Energy Regulator to administer the carbon pricing mechanism. The regulatory functions under the National Greenhouse and Energy Reporting System, the Renewable Energy Target and the Carbon Farming Initiative will also be brought under the Clean Energy Regulator.

The responsibilities of the regulator will include: assessing emissions data to determine each entity's liability; operating the Australian National Registry of Emissions Units; monitoring, facilitating and enforcing compliance with the carbon pricing mechanism; allocating fixed price and auctioned permits; applying legislative rules to determine eligibility for assistance in the form of freely allocated permits; and providing education on the carbon pricing mechanism.

A provision for \$37.0 million of this funding has been made in the Contingency Reserve pending finalisation of a detailed business case for the regulator's information and communications technology requirements.

The Government will provide a further \$0.4 million over four years for the Department of Finance and Deregulation to conduct Gateway reviews of the establishment and operation of the regulator.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Governance — Climate Change Authority

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Climate Change Authority	-	-	6.4	9.1	9.2

The Government will provide \$24.6 million over three years to establish the Climate Change Authority as an independent body to conduct reviews and provide advice to the Government on key aspects of the carbon pricing mechanism and other climate change mitigation initiatives.

The Authority will support nine experts with a particular focus on climate science, economics, climate change mitigation, emissions trading, investment and business.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — implementation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Climate Change and Energy Efficiency	-	31.6	0.6	-	-
Department of Agriculture, Fisheries and Forestry	-	-0.2	-0.1	-	-
Department of Human Services	-	-0.2	-0.1	-	-
Department of Innovation, Industry, Science and Research	-	-0.2	-0.1	-	-
Department of Resources, Energy and Tourism	-	-0.2	-0.1	-	-
Department of Sustainability, Environment, Water, Population and Communities	-	-0.3	-	-	-
Total - Expense	-	30.6	0.1	-	-

The Government will provide \$32.6 million over two years to assist with the implementation of its plan for a clean energy future. This funding includes the establishment of a Clean Energy Future Program Office within the Department of Climate Change and Energy Efficiency to review, assess and support the implementation of the plan, and funding to provide information to Australian households, businesses and communities about the plan.

The cost of this measure will be partially met from within the existing resourcing of various agencies.

Further information relating to the communications campaign can be found in the press release of 16 July 2011 issued by the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Improving Energy Efficiency

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Bureau of Statistics	-	2.8	6.3	1.1	-
Department of Climate Change and Energy Efficiency	-	1.8	0.8	-	-
Department of Resources, Energy and Tourism	-	0.9	0.7	-	-
Total - Expense	-	5.6	7.8	1.1	-

The Government will provide \$14.4 million over three years for further work on improving Australia's energy efficiency performance, consistent with the report of the Prime Minister's Task Group on Energy Efficiency. This measure includes:

- \$4.2 million over two years for further work and consultation on a national energy savings initiative – or 'white certificate' scheme – which would place obligations on energy retailers to help households and businesses find and implement energy savings. The Government will make a final decision on whether to proceed with a national energy saving initiative after considering economic modelling and a regulatory impact analysis. A national energy savings initiative would also be conditional on the agreement of the Council of Australian Governments and the abolition of existing and planned state schemes; and
- \$10.2 million over three years for the Australian Bureau of Statistics to conduct a survey to collect and communicate data on household energy consumption and expenditure. The survey will assist in the design of new energy efficiency policies, including the national energy savings initiative.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Improving Energy Efficiency — household advice

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Climate Change and Energy Efficiency	-	1.4	1.4	1.4	1.4

The Government will provide \$5.8 million over four years to deliver information to households on the impact of the carbon price on electricity bills and on how to improve their energy efficiency in order to manage the impacts of increasing energy costs.

The cost of this measure will be met, in part, from within the existing resourcing of the Department of Climate Change and Energy Efficiency.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Improving Energy Efficiency — Low Carbon Communities

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	4.9	8.2	7.7	9.1
Department of Climate Change and Energy Efficiency	-	0.3	30.4	75.4	80.7
Total - Expense	-	5.3	38.6	83.2	89.8

The Government will provide \$272.9 million over five years (including \$56.1 million in 2015-16) to expand and redesign the Low Carbon Communities program, bringing the total funding for the program to \$352.9 million over six years from 2010-11. The expanded program will provide an additional \$120.0 million to assist local councils and community organisations to improve energy efficiency in council and community-use buildings and facilities. The measure also includes three new initiatives:

- \$100.0 million to establish the Low Income Energy Efficiency Program, to provide funding for consortia of state and local governments, community organisations, energy retailers and energy service companies to trial approaches to improve the energy efficiency of low-income households;
- \$29.9 million to establish the Household Energy and Financial Sustainability Scheme, to help around 100,000 low-income households manage their energy consumption. The package of assistance will include energy and financial sustainability assessments and advice, financial education and money management, and access to the existing community-based No Interest Loans Scheme to assist with the purchase of more energy efficient appliances; and
- \$23.0 million over five years (including \$6.1 million in 2015-16) to establish the Charities Maritime and Aviation Support Program, to assist charitable organisations with Deductible Gift Recipient status to meet increased aviation and maritime fuel costs as a result of the carbon price.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency, and the press release of 13 September 2011 issued by the Minister for Climate Change and Energy Efficiency

Clean Energy Future — Supporting Energy Markets — Energy Security Fund

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Climate Change and Energy Efficiency	-	1,000.0	-	-	-
Department of the Treasury	-	1.2	0.8	2.0	2.0
Clean Energy Regulator	-	-	-	1,007.2	1,059.3
Total - Expense	-	1,001.2	0.8	1,009.1	1,061.3
<i>Related revenue (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	6.1	19.4

The Government will provide \$5.5 billion over six years (including \$1.2 billion in 2015-16 and \$1.3 billion in 2016-17) for transitional assistance to highly emissions-intensive coal-fired power stations in the form of cash assistance in 2011-12 and a limited allocation of free permits thereafter until 2016-17.

The Government will also provide loans to emissions-intensive coal-fired power stations to provide additional working capital for the purchase of future vintage carbon permits at advance auctions, which is estimated to result in interest revenue for the Commonwealth of \$25.5 million over two years. Funding of \$7.9 million over five years (including \$2.0 million in 2015-16) will be provided to the Department of the Treasury to implement and administer the program.

The Government may also provide, on the advice of the Energy Security Council, loans to emissions-intensive coal-fired power stations for the refinancing of existing debt where finance is unable to be obtained from the market on reasonable terms.

Loans will be offered on terms that encourage the use of private finance in the first instance.

This measure delivers on the Government’s plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

See also the related expense measure titled *Clean Energy Future – Supporting Energy Markets – Energy Security Council*.

Clean Energy Future — Supporting Jobs — Energy Efficiency Information Grants

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Climate Change and Energy Efficiency	-	6.3	12.4	11.9	9.5

The Government will provide \$40.0 million over four years to assist industry associations and non-government organisations to deliver information about the implications of a carbon price for small businesses and community organisations, including practical advice on how to reduce energy costs.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Supporting Jobs — Jobs and Competitiveness Program

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Clean Energy Regulator	-	-	2,654.6	2,849.7	3,088.4

The Government will provide assistance to the most emissions-intensive activities in the economy that are highly exposed to international competition. The assistance will be in the form of an administrative allocation of free permits based on production levels and historic emissions intensities. The rate of assistance will be reduced gradually over time, with the program subject to regular review by the Productivity Commission. The structure of the assistance will maintain the incentive for assisted firms to reduce emissions.

This measure is estimated to cost \$8.6 billion over the forward estimates period. The cost over the forward estimates reflects updated estimates of historic production levels for emissions-intensive industries.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

See also the related expense measure titled *Clean Energy Future – Governance – Productivity Commission Reviews*.

CROSS PORTFOLIO

Reducing the cost of Government administration — one-off efficiency dividend

Expense (\$m)

	2010-11	2011-12	2012-13	2013-14	2014-15
Various Agencies	-	-	-500.0	-495.0	-495.0

The Government will apply an additional one-off efficiency dividend of 2.5 per cent in 2012-13 to departmental appropriations excluding departmental capital funding. This measure will not apply to: public sector entities already exempt from the ongoing efficiency dividend, the Australian Communications and Media Authority or to specific cultural agencies; courts and tribunals; and Aboriginal and Torres Strait Islander organisations exempted by the Government. This will result in savings of \$1,490.0 million over the forward estimates.

Savings will be delivered through a range of efficiency reforms including by efforts in reducing use of consultants and contractors; reducing spending on hospitality and entertainment; reducing legal expenses; replacing international and domestic travel with use of the Government’s telepresence facilities and other communication tools; reducing media buy; reducing recruitment advertising expenditure in line with *Guidelines on Non-Campaign Recruitment Advertising*; reducing printing and publication expenditure; delivering more efficient training and in any other specific areas identified by the Minister for Finance and Deregulation. Entities will report annually to Government on their reduced spending. As part of its wider reform process, the Government will establish a working group of stakeholders to advise on issues relating to implementation of the one-off efficiency dividend and Senior Executive Service reforms.

This measure builds on a sustained program of efficiency reforms already being delivered by this Government. This Government is already realising significant savings from procurement reforms, including through establishment of whole-of-government arrangements for air travel, major office machines and stationary and office supplies, advertising, as well as a range of ICT supplies including software, desktop computers and internet services and improved property management.

Savings from this measure will be redirected to support other Government priorities.

Social and Community Services — Equal Remuneration

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Various Agencies	-	nfp	nfp	nfp	nfp

The Government has committed to provide \$2.1 billion over the phase-in period for its share of funding for the costs to the non-government Social and Community Services sector of an Equal Remuneration Order that may be granted by Fair Work Australia in response to the current pay equity claim on behalf of certain workers in the sector. This commitment reflects the Government's support for gender pay equity.

Funding for this measure has been included in the contingency reserve as Fair Work Australia has yet to table a decision.

The Government will work with the sector, and State and Territory Governments on appropriate funding mechanisms.

The estimates assume that pay rises and supplementation would begin from 1 December 2012 and continue until 1 December 2018. Included in the estimates is \$1.2 million over 2 years from 2011-12 for an information and education program to assist providers and employees with transition during the proposed implementation period.

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

Amendments to the Safety, Rehabilitation and Compensation Act 1988 — Fair Protection for Firefighters

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Comcare	-	-	-	-	-

The Government will amend the *Safety, Rehabilitation and Compensation Act 1988* to allow streamlined processing of workers' compensation claims by qualifying firefighters covered by this legislation.

The amendment is to address the unique barriers faced by firefighters in accessing the 'deemed diseases' provision of the *Safety, Rehabilitation and Compensation Act 1988*. Currently, a person relying on the deemed diseases provision must be able to demonstrate that they were exposed to a particular toxic chemical or compound in the course of their employment. However, for firefighters it is likely to be difficult to establish the nature of toxins involved in the various fires they attend and their connection to diseases, in particular, certain types of cancers. The amendments will result in certain cancers contracted by firefighters employed for a qualifying period under the Commonwealth workers' compensation legislation being deemed to be work related.

The estimated increase in compensation expenses of \$11.2 million over four years will be met from within Comcare's premium scheme.

BlueScope Steel workers — assistance

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	5.7	2.3	1.0	0.7
Department of Human Services	-	0.2	-	-	-
Total - Expense	-	5.9	2.3	1.0	0.7

The Government will provide \$9.9 million over four years to support workers made redundant as a result of the restructuring of BlueScope Steel's Port Kembla and Mornington Peninsula manufacturing operations.

The funding includes \$7.9 million over four years to provide workers with immediate access to intensive employment services and to enhanced levels of Employment Pathway funding through Job Services Australia providers in the Illawarra and Mornington Peninsula regions. Funding of \$2.0 million over two years will also be provided through the Local Employment Coordinator Flexible Funding Pool to facilitate the development of local employment projects in the Mornington Peninsula region.

The Employment Pathway Fund is a flexible pool of funds available to Job Services Australia providers to provide assistance to job seekers.

Further information can be found in the press release of 30 August 2011 issued by the Prime Minister.

See also the related measure titled *Illawarra Region Innovation and Investment Fund – establishment* in the Innovation, Industry, Science and Research portfolio.

Building Australia's Future Workforce Measures — consequential amendments

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	1.1	0.1	0.1	0.1
Department of Education, Employment and Workplace Relations	-	-	-1.0	-1.4	-1.4
Total - Expense	-	1.1	-0.9	-1.3	-1.3

The Government will introduce new measures from 1 July 2012 to further refine and strengthen elements of the *Building Australia's Future Workforce* 2011-12 Budget package, resulting in savings of \$2.2 million over five years (including \$106,000 in 2015-16).

The age of eligibility for the Youth Disability Supplement, Long Term Income Support (student rate of payment) and Sickness Allowance will be increased from 21 to 22 years to ensure consistency with the new ages of eligibility for Youth Allowance (Other) and Newstart Allowance.

Newstart Allowance claimants will be able to lodge their claim up to 13 weeks in advance to enable a smoother transition for recipients transferring from another payment, particularly from Parenting Payment to Newstart Allowance due to the age of their youngest child.

Legislation will also be introduced to align new compliance arrangements for Disability Support Pension recipients under 35 years old and teenage parents and jobless families participating in trials to address disadvantage in targeted locations.

In addition to these arrangements, the Government will enhance the 2011-12 Budget measure *Wage Subsidy for the Very Long-Term Unemployed* to allow job seekers who lose their job during the subsidy, and who remain eligible for the subsidy, to fill a subsequent position.

Child Care — Enhanced scrutiny of the financial viability of large long day care providers

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	0.5	0.4	0.3	0.3

The Government will provide \$1.5 million over four years to implement the recently developed framework to enhance the scrutiny of large Long Day Care (LDC) operators. The development of a new framework was originally announced in the 2010-11 Budget, as part of the Government’s response to the collapse of ABC Learning Centres Limited in 2008.

Under this measure, all child care providers operating more than 25 LDC centres will be required to supply financial information to the Department of Education, Employment and Workplace Relations for the purposes of determining their financial viability. Evidence of their financial viability will be a condition of approval for the Child Care Benefit. Additional scrutiny of the largest operators will help provide advance warning of risks to continuity of care posed by providers facing financial difficulties.

Further information can be found in the press release of 19 September 2011 issued by the Minister for Employment Participation and Child Care.

Clean Energy Future — Supporting Jobs — Clean Energy Skills Package

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide up to \$32.0 million over four years to help tradespeople and professionals in key industries to develop the skills required to deliver clean energy services, products and advice to communities and businesses.

This measure delivers on the Government’s plan for a clean energy future.

The cost of the package will be met through reprioritising spending from existing programs.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Department of Education, Employment and Workplace Relations — departmental efficiencies

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-2.0	-1.5	-1.8

The Government will achieve efficiencies in the operations of the Department of Education, Employment and Workplace Relations that will provide savings of \$5.3 million over three years. The savings will be achieved with minimal impact on the delivery of the Department's core programs.

Savings from this measure will be redirected to support other Government priorities.

Digital Education Revolution — project pool — redirection

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-20.0	-20.0	-

The Government will reduce funding for the Digital Education Revolution (DER) project pool by \$40.0 million over two years.

The DER project pool was established to provide funding for national initiatives that support the aims of the DER, such as the National Digital Learning Resources Framework. Remaining funding under the project pool will be sufficient to meet existing commitments under the ICT Innovation Fund and the development of a national student identifier that will enable tracking of individual students enrolment, attendance and progress.

Savings from this measure will be redirected to support other Government priorities.

Digital productivity — enabled education and skills services

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-	-	-
Department of Broadband, Communications and the Digital Economy	-	-	-	-	-
Total - Expense	-	-	-	-	-
<i>Related capital (\$m)</i>					
<i>Department of Education, Employment and Workplace Relations</i>	-	-	-	-	-

The Government will provide \$27.2 million over four years to support the development and trialling of online education and skills services that take advantage of the high speed broadband connections being made available through the National Broadband Network. This measure will provide funding to support innovative projects that have the potential to provide more interactive and effective learning opportunities for Australians. Projects are expected to commence in 2012.

Provision for this funding has already been included in the forward estimates as a 'decision taken but not yet announced' in the 2011-12 Budget.

Further information can be found in the joint press release of 31 May 2011 issued by the Minister for School Education, Early Childhood and Youth, the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the Minister for Broadband, Communications and the Digital Economy.

Education Services for Overseas Students — Tuition Protection Service — implementation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-5.7	5.2	0.2	0.2

The Government will redirect \$5.8 million from the International Education Support program to support the initial operations of the new Tuition Protection Framework for international students. The \$5.8 million was part of the \$10.7 million made available in 2011-12 to support the operation of the Education Services for Overseas Students Assurance Fund.

Establishment of the new framework is part of the Government's response to the review of the *Education Services for Overseas Students Act 2000*. The framework includes the following elements:

- an Overseas Students Tuition Fund (OSTF), which will replace the ESOS Assurance Fund and state based Tuition Protection Services to support international students displaced by provider closure to either finish their training with an alternative provider or provide refunds where this is not possible;
- a Tuition Protection Service (TPS) Levy which will be collected annually from providers from 2013 to support the operation of the OSTF; and
- a TPS Board and Director who will be responsible for making a recommendation to the Government on the TPS Levy.

The measure will provide \$5.0 million in seed funding to the OSTF in 2012-13 to enable it to operate in advance of the first collection of the TPS Levy from 2013. It will also provide \$0.8 million over four years for remuneration for the TPS Director. Any unused seed funding will be returned to the Budget.

See also the related revenue measure titled *Education Services for Overseas Students – Tuition Protection Service Levy*.

Employment Pathway Fund — redirection of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-14.9	-	-	-

The Government will redirect \$14.9 million in 2011-12 from the Employment Pathway Fund to provide employment assistance to eligible individuals covered under the Tasmanian Forests Intergovernmental Agreement and Live Animal Exports initiatives. These individuals will be provided with enhanced employment assistance, including immediate access to intensive employment services available through Job Services Australia.

The Employment Pathway Fund is a flexible pool of funds available to Job Services Australia providers to provide assistance to job seekers.

See also the related measures titled *Tasmanian Forest Industry – adjustment package* and *Live Animal Exports – assistance to individuals* in the Agriculture, Fisheries and Forestry portfolio.

Higher Education — reinstate Band 2 student contributions for mathematics, statistics and science units

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-46.8	-136.1	-216.0
<i>Related revenue (\$m)</i>					
<i>Department of Education, Employment and Workplace Relations</i>	-	-	-	0.8	4.0

The Government will reinstate the Band 2 rate for the annual student contribution for mathematics, statistics and science units of study (estimated at \$8,353 in 2013) in place of the National Priority rate (estimated at \$4,691 in 2013).

The 2009 Bradley Review of Higher Education concluded that there was no evidence that the lower student contributions had a positive impact on student demand. This measure is consistent with the removal of teaching and nursing units of study from the National Priority rate in 2010.

The Band 2 rate will apply for students commencing after 1 January 2013. As a transitional measure, the National Priority rate will remain in place for continuing mathematics, statistics and science students until 31 December 2015. The Maths and Science Transitional Loading, which is paid to universities to compensate them for the lower annual student contribution rate paid by mathematics, statistics and science students will be phased out from 2013. There will be no net impact on university revenues as a result of this measure.

This measure is estimated to provide savings of \$403.6 million over three years which will be redirected to support other Government priorities, including the additional investment the Government has made in supporting the demand driven funding system from 2012 to ensure that more Australian students have the opportunity to attend university.

Higher Education Reward Funding — reduction

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-3.2	-12.4	-105.4	-119.8

The Government will not proceed with funding for the student experience and quality of learning outcomes components of the Higher Education Reward Funding. This will provide savings of \$240.8 million over four years.

Higher Education Reward Funding was introduced in the 2009-10 Budget to reward higher education institutions for the achievement of participation and social inclusion, student experience and quality of learning outcomes.

The Government will continue to reward higher education institutions for the achievement of participation and social inclusion performance targets, including improving the participation of Indigenous students and students from low socio-economic backgrounds and regional and remote areas.

Savings from this measure will be redirected to support other Government priorities.

Job Capacity Assessment — additional funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	40.0	-	-	-	-

The Government provided \$40.0 million in additional funding in 2010-11 to manage greater than expected demand for Job Capacity Assessment services.

Job Capacity Assessments are conducted by qualified allied health professionals and are designed to assess the current and future work capacity of disadvantaged job seekers considered to have existing or potential barriers to employment.

The cost of this measure was met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

Long Day Care services — one-off grants in the transition to the National Quality Framework

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	5.0	-	-	-

The Government will provide \$5.0 million in 2011-12 to assist around 1,000 approved Long Day Care (LDC) services to improve facilities and practices in preparation for implementation of the National Quality Framework for Early Childhood Education and Care and School Aged Services (NQF).

From 1 October 2011 LDC services in the most disadvantaged areas will be eligible to receive a grant of up to \$5,000 to undertake quality improvements related to the achievement of the National Quality Framework. Grants may be used for a range of activities and costs such as investment in new equipment and supporting staff to achieve required qualifications, including funding casual employees to fill in for staff undertaking training.

Appendix A: Policy decisions taken since the 2011-12 Budget

The NQF will be implemented progressively from 1 January 2012. Additional support under this measure will better equip services in disadvantaged areas to meet the requirements of the NQF and will contribute to improved outcomes for vulnerable children.

Further information can be found in the press release of 25 August 2011 issued by the Minister for Employment Participation and Child Care.

National Foundation Skills Strategy — redirect funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-0.5	-1.0	-1.2

The Government will redirect \$2.7 million over three years from the National Foundation Skills Strategy to support other Government priorities.

The National Foundation Skills Strategy was announced in the 2010-11 Budget to improve core employability skills among working age Australians.

The Government will continue to provide \$16.5 million over the forward estimates for the National Foundation Skills Strategy.

Road Safety Remuneration System — establishment

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Fair Work Australia	-	-	2.8	2.5	2.5
Office of the Fair Work Ombudsman	-	-	1.0	1.6	1.4
Total - Expense	-	-	3.8	4.1	3.9

The Government will provide \$11.8 million over three years for a Road Safety Remuneration System aimed at reducing crashes and fatalities involving vehicles in the road transport industry.

This measure includes funding for the establishment of a tribunal and a supporting Secretariat within Fair Work Australia. This tribunal will be responsible for researching and removing any remuneration related incentives to work in an unsafe manner in the road transport industry. The tribunal will have discretionary powers to set and maintain remuneration and related conditions for these drivers.

In addition, the measure includes funding to the Fair Work Ombudsman for education and compliance activities to create awareness of the new system and enforce any determinations of the tribunal.

Further information can be found in the joint media release of 22 November 2011 issued by the Minister for Infrastructure and Transport and the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

Schools — National Rewards for Great Teachers — revised implementation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	10.0	-85.0	-125.0

The Government will phase in reward payments for the first 18 months of the *Rewards for Great Teachers* program and provide additional funding to the states and territories to facilitate the development of a nationally consistent performance management system for teachers.

Following the changes to the program, from 2013 all teachers will have their performance assessed under the new performance management system. In the first semester of 2014 the first tranche of teachers that meet the national standards benchmark will receive a bonus.

The development of a national performance and development system will continue.

In 2012-13, \$10.0 million will be provided to assist education authorities transition to the new performance management system. This is in addition to the \$50.0 million that will be available in 2011-12.

This measure will provide savings of \$200.0 million over three years from 2012-13. Savings from this measure will be redirected to support other Government priorities.

Schools — Reward Payments for School Improvement — revised implementation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-11.8	-27.4	-15.4
Department of the Treasury	-	-	-21.3	-49.9	-27.8
Total - Expense	-	-	-33.1	-77.3	-43.1

The Government will delay the implementation of the *Reward for School Improvement* program to enable consultation with stakeholders and provide additional funding to states and territories to support participation and adoption of a National School Improvement Framework (NSIF).

The implementation of the program will be split into two phases. The first phase will entail increased funding to states and territories to assist their involvement.

Appendix A: Policy decisions taken since the 2011-12 Budget

The second phase will provide reward payments to primary and secondary schools that have shown the most improved performance over 12 months, based on the NSIF. Introduction of the second phase will be delayed until 2014-15 to provide sufficient time to develop the framework and allow for trialling and further consultation on the NSIF.

This measure will provide savings of \$153.5 million over three years from 2012-13. Savings from this measure will be redirected to support other Government priorities.

SkillsConnect — Australian Apprenticeships Mentoring and Accelerated Australian Apprenticeships Programs — broaden eligibility

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will expand access to the Accelerated Australian Apprenticeships and Australian Apprenticeships Mentoring programs by providing greater flexibility to support apprentices and employers impacted by structural adjustments in the economy.

The measure will align the co-contribution arrangements for the Accelerated Australian Apprenticeships program with those applying under the National Workforce Development Fund, requiring large enterprises to contribute 66 per cent of the total cost of training, medium enterprises 50 per cent and small enterprises 33 per cent.

The Accelerated Australian Apprenticeships and the Australian Apprenticeships Mentoring programs were announced in the 2011-12 Budget as part of the *Building Australia's Future Workforce* package. The Accelerated Australian Apprenticeships program will provide \$100.0 million over four years to assist industry to develop and implement strategies that lead to the uptake of competency based progression in Australian Apprenticeships. The Australian Apprenticeships Mentoring program will provide \$79.9 million over four years for targeted mentoring and support services to apprentices facing barriers to workforce participation and in areas experiencing skills shortages.

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

Further information can be found in the press release of 21 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

SkillsConnect — Integration of the Critical Skills Investment Fund with the National Workforce Development Fund — bring forward

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government has brought forward the integration of the \$200 million Critical Skills Investment Fund with the \$359 million National Workforce Development Fund to 1 October 2011, nine months earlier than the original start date of 1 July 2012. This will broaden eligibility for the National Workforce Development Fund to allow it to respond more quickly and flexibly to employers seeking to train workers displaced as a result of structural adjustments in the economy.

The integration of the Funds will allow applicants to submit applications outside of formal funding rounds, and align industry co-contribution arrangements. From 2011-12 large enterprises will be required to contribute 66 per cent of the cost of training, medium enterprises 50 per cent and small enterprises 33 per cent.

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

Further information can be found in the press release of 21 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

Stronger Futures in the Northern Territory — expansion of the School Enrolment and Attendance Measure

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	4.0	5.5	6.4	6.9
Department of Education, Employment and Workplace Relations	-	-	1.1	1.6	0.9
Total - Expense	-	4.0	6.6	7.9	7.8
<i>Related capital (\$m)</i>					
<i>Department of Human Services</i>	-	2.1	0.1	-	-

The Government will provide \$85.6 million over 11 years (including \$57.1 million between 2015-16 and 2021-22) to expand the School Enrolment and Attendance Measure (SEAM) trial from the six current sites in the Northern Territory to Northern Territory Remote Service Delivery communities, Alice Springs, Tennant Creek, Alyangula, Nhulunbuy and the currently uncovered areas of Katherine. The roll-out will be phased commencing from 1 July 2012.

Appendix A: Policy decisions taken since the 2011-12 Budget

Under the measure, parents receiving government income support payments, and who have children of compulsory school age, are required to ensure their children are enrolled in, and attending school. Where parents do not take such steps, they may be required to attend a compulsory conference to discuss their child's school attendance, to enter into a school attendance plan, and to comply with the plan. Support will be available to assist families to meet their responsibilities under these arrangements. If parents fail to meet these responsibilities, their income support payments may be suspended. Income support payments will be reinstated with full back-pay if parents meet the requirements of the measure within a 13 week period.

Under this measure the SEAM and the Northern Territory Government's Every Child, Every Day (ECED) strategy will be integrated. The ECED strategy has a range of goals targeted not only at parents and children but also staff and the community with the aim of improving attendance levels and participation among young people in the Northern Territory.

The Government has also set aside funding in the contingency reserve as part of the National Partnership to be negotiated with the Northern Territory Government.

Further information can be found in the joint press release of 14 November 2011 issued by the Minister for Families, Housing, Community Services and Indigenous Affairs, the Minister for School Education, Early Childhood and Youth, and the Minister for Indigenous Health.

Stronger Futures in the Northern Territory — Indigenous Employment Program — redirection of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-0.7	-1.6	-2.0

The Government will redirect \$6.4 million over four years (including \$2.1 million in 2015-16) from the Indigenous Employment Program to support other Government priorities in the area of Indigenous employment. This saving will be achieved by reprioritising existing initiatives in the program.

Structural Adjustment Fund — redirection

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-21.0	-7.1	-	-

The Government will redirect \$28.1 million over two years from the Higher Education Structural Adjustment Fund to offset the cost of providing additional Commonwealth supported places to the University of Notre Dame Australia, including the cost of providing HECS-HELP loans to students.

The Structural Adjustment Fund was announced in the 2009-10 Budget and provides assistance to higher education institutions to adapt to the introduction of a demand driven funding system from 2012.

See also the related expense measure titled *University of Notre Dame Australia – additional Commonwealth supported places* in the Education, Employment and Workplace Relations portfolio.

Student Income Support — changes to the rate of Student Start-up Scholarships

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Veterans' Affairs	-	-0.1	-0.1	-0.1	-0.1
Department of Education, Employment and Workplace Relations	-	-18.2	-37.9	-38.8	-39.8
Total - Expense	-	-18.3	-38.0	-38.9	-39.9

The Government will re-base the semester rate of the Student Start-up Scholarship from an estimated \$1,127 to \$1,025 from 1 January 2012. The rate will continue to be indexed on 1 January each year according to movements in the Consumer Price Index. This measure will provide savings of \$134.6 million over four years which will be redirected to support students from regional Australia who need to relocate from home to study.

The Student Start-up Scholarship is paid to all students in receipt of student income support and helps with the upfront costs of studying such as textbooks and specialist payments.

This measure forms part of the Government's response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

See also the related expense measures titled *Student Income Support – Workforce Participation Criteria – remove regional distinctions* and *Student Income Support – Relocation Scholarship – increased payments for regional students*.

Student Income Support — delay masters by coursework by two years

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-12.4	-60.3	-35.5	-3.0

The Government will delay by two years to 1 January 2014 the extension of student income support to all coursework Masters program students announced in the 2009-10 Budget as part of the *An Innovation and Higher Education System for the 21st Century* package. This will provide savings of \$111.1 million over four years which will be redirected to support students from regional Australia who need to relocate from home to study.

This measure forms part of the Government’s response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

See also the related expense measures titled *Student Income Support – Workforce Participation Criteria – remove regional distinctions* and *Student Income Support – Relocation Scholarship – increased payments for regional students*.

Student Income Support — Relocation Scholarship — increased payments for regional students

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	2.2	2.9	2.9	3.0
Department of Veterans’ Affairs	-	0.6	0.2	0.2	0.2
Total - Expense	-	2.8	3.1	3.1	3.2
<i>Related capital (\$m)</i>					
Department of Veterans’ Affairs	-	0.5	-	-	-

The Government will provide \$12.7 million over four years to increase Relocation Scholarship payments to higher education students from very remote, remote, outer regional and inner regional areas, as defined by the Australian Standard Geographical Classification (ASGC). The Relocation Scholarship is available to all dependent higher education students in receipt of Student Income Support payments who move away from their family home to study.

From 1 January 2012, the Relocation Scholarship will be set at \$4,000 per annum for all students in the first year of study in which they move away from home irrespective of the geographical location of the parental home. The rate will be increased to \$2,000 per annum in the second and third year away from home for all students with a parental home in a non-metropolitan area, while students with a parental home in a metropolitan area will receive \$1,000 per annum. Students living away from home for a fourth year of study will receive \$1,000 per annum, irrespective of the geographical location of the parental home.

Metropolitan students are those whose family home is in an area classified as Major Cities of Australia under the ASGC.

The increased assistance will also be available to all students in receipt of education assistance through the Department of Veterans' Affairs.

This measure forms part of the Government's response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

Student Income Support — Rural Tertiary Hardship Fund — redirection

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-16.3	-	-	-

The Government will cease funding for the Rural Tertiary Hardship Fund (Fund) from 1 January 2012. This will provide savings of \$16.3 million in 2011-12 which will be redirected to support students from regional Australia who need to relocate from home to study.

The \$20.0 million Fund, announced in the 2010-11 Budget, was established to provide assistance for rural and regional students facing financial hardship in undertaking higher education.

This measure forms part of the Government's response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

See also the related expense measures titled *Student Income Support – Workforce Participation Criteria – remove regional distinctions* and *Student Income Support – Relocation Scholarship – increased payments for regional students*.

Student Income Support — support for reform

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	0.5	0.1	0.4	0.6

The Government will provide \$1.6 million over four years to assist student income support reforms.

This measure includes:

- \$0.4 million over two years, from 2011-12, to undertake an education strategy informing eligible students of their entitlements to income support;
- \$0.2 million in 2011-12 to undertake research on the feasibility and merit of introducing an income contingent loan scheme for those students who need to move away from home to undertake a clinical placement or formal practicum as part of their course of study; and
- \$1.0 million over two years, from 2013-14, to conduct triennial reviews of the student income support system.

This measure forms part of the Government’s response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

Student Income Support — Workforce Participation Criteria — remove regional distinctions

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	28.1	64.9	66.4	68.1

The Government will provide \$227.5 million over four years to extend the range of eligibility criteria applying to inner regional students seeking to establish independence through workforce participation.

From 1 January 2012, full-time students who leave their parental home located in an area defined as inner regional by the Australian Standard Geographical Classification to study, and whose combined annual parental income is less than \$150,000, will be eligible to establish their independence if they:

- have worked part-time for at least 15 hours per week for two years or more since leaving school; or
- have earned, in an 18-month period since leaving school, an amount equivalent to at least 75 per cent of the maximum rate of pay under Wage Level A of the Australian Pay and Classification Scale generally applicable to trainees; or
- have worked at least an average of 30 hours a week for 18-months over a two year period.

This measure will create consistent arrangements for establishing independence for income support students from inner regional, outer regional, remote and very remote areas.

This measure forms part of the Government's response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

Student Income Support — Youth Allowance Regional Advertising Campaign

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	0.7	-	-	-

The Government will provide \$0.7 million in 2011-12 for a public awareness campaign to inform prospective students from regional areas and their families of the changes to income support arrangements made as part of the Government's response to the Review of Student Income Support Reforms.

The changes to income support arrangements will take effect from 1 January 2012.

Trade Training Centres in Schools Program — rephasing

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-	-11.6	-
Department of the Treasury	-	-	-	-17.4	-
Total - Expense	-	-	-	-29.0	-

The Government will reduce the number of projects to be funded from the Trade Training Centres in Schools program in 2013-14. Some projects initially planned for funding in 2013 and 2014 will now be rephased to 2015-16 and 2016-17. The overall number of projects over the life of the program will remain the same. This will provide savings of \$29.0 million.

The Trade Training Centres in Schools program aims to help address national skills shortages in traditional trades and emerging industries by improving trade training programs in secondary schools.

A total of \$2.5 billion over 10 years will continue to be available to fund facilities to enhance vocational education opportunities for students in Years 9 to 12 in government and non-government schools.

Savings from this measure will be redirected to support other Government priorities.

Transitional Australian Apprenticeships Support Services

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$413.4 million over two years for Australian Apprenticeship Centres to continue to deliver apprenticeships support services.

The national network of Australian Apprenticeship Centres provides free information and assistance to apprentices and their employers, including the administration of the Australian Apprenticeships Incentives Program.

Following a competitive tender process, new two year contracts will apply from 1 July 2012 and will require Australian Apprenticeship Centres to adopt more efficient practices including greater use of e-business functionality. This will cover a transition period prior to permanent arrangements being established by July 2014.

Provision for this funding has already been included in the forward estimates.

University of Notre Dame Australia — additional Commonwealth supported places

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	2.3	6.1	9.6	11.7
<i>Related revenue (\$m)</i>					
<i>Department of Education, Employment and Workplace Relations</i>	-	-0.1	-0.2	-0.3	-0.3

The Government will provide \$27.8 million over four years through the Commonwealth Grant Scheme to increase the number of Commonwealth supported places at the University of Notre Dame.

In the 2009-10 Budget, the Government announced the expansion of access to Commonwealth supported university places through the introduction of demand driven enrolment system from 2012 for all universities classified as Table A providers under the *Higher Education Support Act 2003*.

The University of Notre Dame, while not a Table A provider, receives funding for a limited number of Commonwealth supported places in national priority areas such as teaching and nursing and was provided with access to transitional arrangements in 2010 and 2011 allowing Commonwealth funded over enrolment of up to 10 per cent.

The measure will ensure that the University of Notre Dame will not be disadvantaged by the removal of the transitional arrangements in 2012 by providing funding for an additional 1,000 places per year by 2014.

The cost of the measure includes \$2.8 million over four years for the impact on the fiscal balance of providing students with loans under HECS-HELP.

See also the related expense measure titled *Structural Adjustment Fund – redirection* in the Education, Employment and Workplace Relations portfolio.

Workforce Innovation Program — redirect funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Education, Employment and Workplace Relations	-	-	-1.3	-1.6	-0.9

The Government will redirect \$3.8 million over three years from the Workforce Innovation Program to support other Government priorities.

Appendix A: Policy decisions taken since the 2011-12 Budget

The Workforce Innovation Program provides grants to organisations, including industry associations and industry peak bodies, for non-ongoing pilot projects that address current and future workforce and skills development needs.

The Government will continue to provide \$30.7 million over the forward estimates for the Workforce Innovation Program.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

Australian Institute of Family Studies — transfer

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-
Department of the Prime Minister and Cabinet	-	-	-	-	-
Total - Expense	-	-	-	-	-

The Australian Institute of Family Studies (AIFS) has been transferred from the portfolio of the Prime Minister and Cabinet to the Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) portfolio. The work of AIFS is more aligned with the work of the FaHCSIA portfolio now that families policy is a well-established government agenda.

Baby Bonus — reset to \$5,000 and pause indexation for three years

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	0.4	1.5	..	-
Department of Families, Housing, Community Services and Indigenous Affairs	-	0.2	-89.1	-125.1	-145.6
Total - Expense	-	0.5	-87.5	-125.1	-145.6

From 1 July 2012 the Government will pause the indexation of the Baby Bonus payment for three years. The payment rate will also be reset to \$5,000 per child from 1 September 2012. The current rate of the baby bonus is \$5,437. The Baby Bonus is paid in 13 fortnightly instalments.

In addition to the Baby Bonus, eligible families will remain able to claim Family Tax Benefit Part A and/or Part B to help them with the costs of raising their child.

This measure will provide savings of \$357.7 million over four years from 2011-12. Savings from this measure will be redirected to support other Government priorities.

Better Targeting of Immunisation Incentives

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	10.9	6.5	2.2	1.1
Department of Health and Ageing	-	1.4	2.9	6.7	7.2
Department of Families, Housing, Community Services and Indigenous Affairs	-	0.4	-79.8	-82.8	-86.0
Total - Expense	-	12.8	-70.5	-73.9	-77.7
<i>Related capital (\$m)</i>					
Department of Human Services	-	-	0.2	-	-

The Government will introduce reforms to strengthen incentives for parents to have their children immunised which aim to improve immunisation coverage rates over time.

From 1 July 2012, the Government will make payment of the Family Tax Benefit (FTB) Part A supplement conditional on a child being fully immunised. From 1 July 2013, children will also be required to receive vaccines for meningococcal C, pneumococcal and varicella (chicken pox) to be assessed as fully immunised. Immunisation is already a condition of the Child Care Benefit. These arrangements will replace the Maternity Immunisation Allowance which will cease from 1 July 2012.

This will strengthen the financial incentives for parents to immunise their young children because parents will need to have had their children fully vaccinated during the financial years that each child turns one, two and five years of age to receive the FTB Part A supplement in those years.

From 1 July 2013 Priorix – Tetra®, a combination vaccine which will replace individual doses of the measles, mumps and rubella vaccine and the varicella vaccine, will also be added to the National Immunisation Program. This addition will cost \$15.7 million over four years.

This measure will provide savings of \$209.1 million over four years.

Savings from this measure will be redirected to support other Government priorities.

Clean Energy Future — Helping Households — Essential Medical Equipment Payment

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	15.3	15.7	16.2
Department of Veterans' Affairs	-	-	1.8	1.7	1.7
Total - Expense	-	-	17.1	17.5	17.9

The Government will provide \$52.5 million over three years to assist eligible people to meet the additional carbon price related electricity costs incurred through operating essential medical equipment.

The Essential Medical Equipment Payment will be an annual, tax-exempt payment of \$140 available from 1 July 2012 to people who require specified medical equipment due to a medical condition or disability, who either hold, or care for someone in their household who holds, a Commonwealth concession card.

This measure delivers on the Government's plan for a clean energy future.

See also the related measures titled *Clean Energy Future – Helping Households – tax cuts and increased payments* and *Clean Energy Future – Helping Households – residential aged care*.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer, and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Renewable Energy — Remote Indigenous Energy Program

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	0.2	3.6	12.3	12.0

The Government will provide \$40.0 million over five years (including \$11.9 million in 2015-16) to assist remote Indigenous communities to access clean, affordable and reliable 24-hour power supply and manage their energy efficiently. This will contribute to improvements in health, education and long-term economic viability.

The program will provide financial support for around 50 communities to install renewable energy systems, such as solar panels and wind turbines, and to repair and maintain up to 260 existing systems. The program will also provide communities with training in basic system maintenance and information on energy efficiency.

Appendix A: Policy decisions taken since the 2011-12 Budget

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Community Development Employment Projects Program — redirection

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-10.0	-10.2	-10.4

The Government will reduce funding under the Community Development Employment Projects (CDEP) program by \$30.6 million over four years from 2011-12 (and in addition \$79.0 million from 2015-16 to 2021-22). CDEP will retain \$779.4 million over four years from 2011-12 to continue to provide access to work readiness activities and community development projects.

Savings from this measure will be redirected to support other Government priorities.

Community Investment Program — redirection of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	6.0	-3.8	-4.6	-4.8

The Government will provide \$6.0 million in 2011-12 to the Community Investment Program to respond to unanticipated community needs.

The Government will also redirect \$15.1 million over four years from 2012-13 (including \$2.1 million in 2015-16) from the Community Investment Program to support other Government priorities.

Remaining funding for the Community Investment Program of \$233.2 million over five years from 2011-12 will still be available to provide grants to community organisations to undertake local community projects.

Disability Care and Support — Laying the foundations for a National Disability insurance scheme

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-

The Government will provide \$9.7 million in 2011-12 to lay the foundation for a National Disability Insurance Scheme (NDIS) following the recommendations of the Productivity Commission's final Report on Disability Care and Support.

This measure will support technical policy work to lay the foundations for reform as recommended by the Productivity Commission as a necessary precursor to the establishment of a national scheme. A Council of Australian Governments Select Council of Ministers is leading the reform in this area and is being supported by an Advisory Group of disability experts and advocates, that is providing expert advice on delivering the foundations for reform.

The cost of this measure will be met from within the existing resourcing of the Families, Housing, Community Services and Indigenous Affairs portfolio.

Further information can be found in the press release of 10 August 2011 issued by the Minister for Families, Housing, Community Services and Indigenous Affairs.

Family Tax Benefit — Cease fortnightly payments to families who have zero entitlement for two consecutive years

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	5.8	0.5	..	..
Department of Families, Housing, Community Services and Indigenous Affairs	-	0.1	-0.9	-1.2	-1.2
Australian Taxation Office	-	-	-	-	-
Department of Health and Ageing	-	-	-0.3	-1.0	-0.7
Total - Expense	-	5.9	-0.7	-2.1	-1.9

The Government will cease fortnightly payments of Family Tax Benefit (FTB) instalments to customers who claim FTB but are found to have no actual entitlement for two consecutive years following the end-of-year reconciliation with their income tax return.

Families no longer receiving FTB Part A or Part B instalments would still be able to make a lump sum claim at the end of the financial year, and exceptions will be made in special circumstances to ensure that families are not put at risk of hardship.

National Carer Strategy

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	10.5	9.2	9.7	10.0
Department of Human Services	-	1.7	0.3	0.2	0.3
Department of Health and Ageing	-	0.2	0.2	0.2	0.2
Total - Expense	-	12.4	9.7	10.1	10.5

The Government will provide \$60.4 million over four years to implement a number of initiatives as part of the Government's National Carer Strategy, which aims to improve recognition and support for carers. The Government will allocate:

- \$42.6 million over four years to provide carers of children with Type 1 Diabetes under the age of 16 years with automatic eligibility for Carer Allowance (child).
- \$10.3 million over four years to continue the Carer Adjustment Payment. This one-off payment of up to \$10,000 assists families to adjust following a catastrophic event involving a child aged 0-6 years.
- \$2.9 million over four years to provide the Carer Supplement to carers who currently fail to qualify for the supplement, as they or their partner worked during the fortnight of 1 July.
- \$2.0 million over four years to allow certain Carer Allowance (adult) recipients to qualify for a bereavement payment. Carers who receive an income support payment other than Carer Payment will be eligible for a lump sum bereavement payment (14 weeks of Carer Allowance) on the death of the person they are caring for.
- \$1.6 million over two years to deliver a national campaign to raise public awareness of the role and contribution of carers, focusing on Indigenous carers, carers from culturally and linguistically diverse backgrounds and young carers.
- \$1.0 million in 2011-12 to host a young carer festival in each state and territory recognising the contribution made by young carers.

Funding of \$17.8 million for this measure was included as a 'decision taken but not yet announced' in the 2011-12 Budget. An additional \$42.6 million was agreed by the Government after the 2011-12 Budget.

Further information can be found in the press release of 3 August 2011, issued by the Minister for Families, Housing, Community Services and Indigenous Affairs, the Minister for Health and Ageing, and the Parliamentary Secretary for Disabilities and Carers.

Stronger Futures in the Northern Territory — Food security — strengthening remote stores

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	4.5	4.7	4.4

The Government will provide \$40.9 million over 11 years (including \$27.3 million from 2015-16 to 2021-22) to support food security in remote Indigenous communities.

This measure will strengthen the licensing of stores in remote areas of the Northern Territory. The scheme will be expanded to cover businesses located outside of major centres that are an important source of food or grocery items for remote Indigenous communities. The previous scheme only licensed remote stores that were participating in income management.

The program will assist remote stores, particularly those with limited financial capacity, with governance and retail training, point-of-sale technology, and essential minor infrastructure to meet acceptable standards.

Stronger Futures in the Northern Territory — Tackling Alcohol Abuse

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	3.2	6.3	5.7
Department of Human Services	-	-	1.4	0.2	-
Department of the Treasury	-	-	-	-	-
Total - Expense	-	-	4.7	6.6	5.7

The Government will provide \$45.6 million over 11 years (including \$28.7 million from 2015-16 to 2021-22) to tackle alcohol abuse in Indigenous communities in the Northern Territory. This includes supporting the development and implementation of community specific alcohol management plans and referrals to income management by the Northern Territory Alcohol and Other Drugs Tribunal.

Further information can be found in the press release of 14 November 2011 issued by the Minister for Families, Housing, Community Services and Indigenous Affairs.

Weekly income support payments to vulnerable Australians — expansion

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-
Department of Education, Employment and Workplace Relations	-	-	-	-	-
Department of Human Services	-	-	-	-	-
Total - Expense	-	-	-	-	-

The Government will provide \$0.1m over four years from 2011-12 to allow more vulnerable people to access their income support payments on a weekly basis to assist them to better budget their income, including to meet their rent payments. In addition, this measure will have an impact on the underlying cash balance of \$1.5 million over four years from 2011-12 that does not impact the fiscal balance, due to the bringing forward by one week of some payments into an earlier financial year.

This measure expands the *Weekly income support payments to vulnerable Australians* measure announced in the 2010-11 Budget.

The cost of this measure will be absorbed by the Department of Human Services.

Western Australia’s Appealathon and Telethon — contribution

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-

The Government will provide \$3.0 million in 2011-12 to support two Western Australian television charity appeals. The Channel Nine Appealathon and the Channel Seven Telethon will both receive \$1.5 million. Funds from the Appealathon and the Telethon will provide assistance to families in need.

Funding for this measure will be provided from the Community Investment Program.

FOREIGN AFFAIRS AND TRADE

Bali Peace Park — contribution

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Foreign Affairs and Trade	-	0.5	-	-	-

The Government will contribute \$450,000 in 2011-12 to the Bali Peace Park Association to assist with the purchase of the Sari Club site in Bali. The site will be used as a memorial for the victims of terrorist attacks, with a park and museum to be constructed on the site.

Ex gratia payments — Families of the victims of September 11 terrorist attacks

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Foreign Affairs and Trade	-	-	-	-	-

The Government provided \$9,600 in ex gratia payments in 2011-12 to support the families of Australian victims of the September 11 terrorist attacks. The funding assisted the families of the victims who travelled to the United States to attend the 10th anniversary memorial ceremonies.

The cost of this measure has been met from within the existing resources of the Foreign Affairs and Trade portfolio.

Ex gratia payments — families of the victims of the 2009 Kokoda plane crash

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Foreign Affairs and Trade	-	-	-	-	-

The Government provided \$27,000 in ex gratia payments in 2011-12 to support the families of Australian victims of the August 2009 Kokoda plane crash. The funding assisted the families of the victims to travel to Port Moresby to attend a ceremony which marked the second anniversary of the crash.

The cost of this measure has been met from within the existing resources of the Foreign Affairs and Trade portfolio.

Expo 2012 Yeosu Korea — Australian participation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Foreign Affairs and Trade	-	8.5	1.5	-	-

The Government will provide up to \$10 million over two years as a contribution towards Australia's participation in the World Expo 2012 in Yeosu, Korea. The funding will contribute to the operation of the Australian pavilion and the management of associated programs.

Further information can be found in the press release of 20 June 2011 issued by the Minister for Foreign Affairs.

Official development assistance — Australian Civilian Corps — deployments to Afghanistan

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
AusAID	-	3.6	3.8	3.6	-
<i>Related revenue (\$m)</i>					
AusAID	-	-	-	-	-
Australian Taxation Office	-	-0.2	-0.2	-0.2	..
<i>Total - Revenue</i>	-	-0.2	-0.2	-0.2	..

The Government will provide \$11.0 million over three years to deploy Australian Civilian Corps (ACC) advisers to Afghanistan. These deployments will assist in identifying development priorities in Uruzgan Province where Australia has its largest presence and assist in building the capacity of Afghanistan's legal and law enforcement professionals.

The ACC was established in 2009 as an initiative to deploy civilian specialists to support stabilisation and recovery efforts to countries experiencing or emerging from natural disasters or conflicts.

Funding for this measure will be offset from the provision for expanded aid funding held in the Contingency Reserve and therefore has no net impact on the budget position.

This measure is also expected to lead to a reduction of revenue of \$1.7 million over four years as ACC personnel are taxed concessionally while on deployment. This includes a reduction in revenue of \$1.0 million over four years for a 'decision taken but not yet announced' in the 2011-12 Budget.

This measure is part of the Government's commitment to increase Australia's official development assistance over the long term.

Official development assistance — Australia’s Contribution to the Global Partnership for Education

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
AusAID	-	5.0	10.0	60.0	95.0

The Government will provide \$270.0 million over four years as part of Australia’s contribution to the Global Partnership for Education (GPE). The GPE was formerly known as the Education for All Fast Track Initiative, which was launched by the World Bank in 2002, and aims to improve education outcomes in developing countries.

Funding for this measure includes \$170.0 million to be offset from the provision for expanded aid funding held in the Contingency Reserve and \$100.0 million from within existing resources of AusAID and therefore has no net impact on the budget position.

This measure is part of the Government’s commitment to increase Australia’s official development assistance over the long term.

Official development assistance — Australia’s Contribution to the Horn of Africa Drought and Famine

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
AusAID	-	30.0	-	-	-

The Government has provided an additional \$30.0 million in immediate assistance to the humanitarian crisis in the Horn of Africa, taking support to \$98.2 million in 2011-12.

This funding will assist in addressing needs arising from the drought and famine in the Horn of Africa. The Government’s assistance will be provided through contributions to the United Nations High Commissioner for Refugees, the World Food Programme and Non-Government Organisations, and is predominantly for food rations and shelter.

Funding for this measure includes \$30.0 million to be offset from the provision for expanded aid funding held in the Contingency Reserve and \$68.2 million from within existing resources of AusAID and therefore has no net impact on the budget position.

This measure is part of the Government’s commitment to increase Australia’s official development assistance over the long term.

Further information can be found in the press releases of 20 July and 3 September 2011 issued by the Prime Minister.

Official development assistance — Commonwealth Heads of Government Meeting — Australia Africa Food Security Initiative

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Centre for International Agricultural Research	-	3.8	9.6	10.1	13.1
AusAID	-	-	2.0	3.0	4.0
Total - Expense	-	3.8	11.6	13.1	17.1
<i>Related capital (\$m)</i>					
Australian Centre for International Agricultural Research	-	0.2	-	-	-

The Government will provide \$46.8 million over four years to strengthen food security in Africa. The measure will establish the Australian International Centre for Food Security, develop an Agricultural Entrepreneurs program and provide funding for an international conference on food security in Africa.

Funding for this measure includes \$45.8 million to be offset from the provision for expanded aid funding held in the Contingency Reserve and \$1.0 million in 2011-12 to be met from within the existing resources of AusAID and therefore has no net impact on the budget position.

This measure is part of the Government's commitment to increase Australia's official development assistance over the long term.

Further information can be found in the press release of 28 October 2011 issued by the Prime Minister.

Official development assistance — Commonwealth Heads of Government Meeting — Australian Mining for Development

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
AusAID	-	10.4	17.3	30.3	33.3

The Government will provide \$127.2 million over four years to fund the establishment of an International Mining for Development Centre, provide scholarships through the Australian Mining Awards program and build regulatory and administrative capacity in Africa.

Funding for this measure includes \$91.2 million to be offset from the provision for expanded aid funding held in the Contingency Reserve and \$36.0 million to be met from within the existing resources of AusAID and therefore has no net impact on the budget position.

This measure is part of the Government's commitment to increase Australia's official development assistance over the long term.

Further information can be found in the press release of 25 October 2011 issued by the Prime Minister and the joint press release of 27 October 2011 issued by the Foreign Minister and the Minister for Resources and Energy.

Official development assistance — Commonwealth Heads of Government Meeting — Global Polio Eradication Initiative

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
AusAID	-	4.0	10.0	15.0	20.0

The Government will provide \$50.0 million over four years to support the eradication of polio through a contribution to the Global Polio Eradication Initiative. Australia's contribution will support activities including procuring vaccines, supporting mass vaccination campaigns, undertaking surveillance and responding to outbreaks.

Funding for this measure includes \$49.0 million to be offset from the provision for expanded aid funding held in the Contingency Reserve and \$1.0 million in 2011-12 to be met from within the existing resources of AusAID and therefore has no net impact on the budget position.

This measure is part of the Government's commitment to increase Australia's official development assistance over the long term.

Further information can be found in the press release of 29 October 2011 issued by the Prime Minister.

Official development assistance — Commonwealth Heads of Government Meeting — Support of Commonwealth Democracy and Development

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
AusAID	-	-	-	-	-

The Government will provide \$16.4 million over three years to support the effectiveness of Commonwealth democracy and development initiatives; strengthening Commonwealth election monitoring; and enhancing the coordination of Commonwealth national human rights institutions. In addition, this measure will provide a contribution to support civil society, education, economic and development outcomes in Commonwealth countries.

The cost of this measure will be met from within the existing resources of AusAID.

HEALTH AND AGEING

Clean Energy Future — Helping Households — residential aged care

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-	0.5	0.4	0.3
Department of Veterans' Affairs	-	-	0.1	0.1	0.1
Total - Expense	-	-	0.6	0.5	0.4

The Government will provide \$1.5 million over four years to ensure that assistance available to aged care residents is shared fairly between the residents and aged care providers, recognising that providers bear many costs for their residents, including electricity and food.

Over 2,700 aged care providers across Australia will receive this financial support through changes being made to the basic daily fee arrangements. From 1 July 2012 the fee that providers can charge residents will be increased from 84 per cent to 85 per cent of the total basic pension amount.

This will mean that around 50 per cent of assistance paid through the pension will flow to the provider and the remaining amount will go to the resident to help with other costs resulting from the introduction of a carbon price.

Aged care residents who are self funded and do not receive assistance through the Commonwealth seniors health care card or tax cuts will be protected from fee increases through the Government providing an additional supplement to aged care providers in respect of these residents.

See also the related measures titled *Clean Energy Future – Helping Households — tax cuts and increased payments* and *Clean Energy Future – Helping Households – Essential Medical Equipment Payment*.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Delivery of Human Quarantine Services

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	0.6	-	-	-
Department of Health and Ageing	-	-0.6	-	-	-
Total - Expense	-	-	-	-	-

The Government will provide \$0.6 million in 2011-12 to the states and territories, to enable a communicable disease expert to be available at all times to support human quarantine services at Australian national borders.

This will strengthen existing efforts to protect the Australian public from serious communicable diseases, particularly exotic, new and re-emerging infectious diseases.

The cost of this measure will be met from within the existing resources of the Department of Health and Ageing.

Health and Hospitals Fund — Northern Territory BreastScreen Australia project

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-	-	-	-
Department of the Treasury	-	-1.2	-0.6	1.2	0.6
Total - Expense	-	-1.2	-0.6	1.2	0.6

The Government is deferring funding of \$1.8 million for the expansion of the BreastScreen NT project from 2011-12 and 2012-13 to 2013-14 and 2014-15. BreastScreen NT will continue to provide free breast screening primarily for women aged between 50 and 69 years who present without symptoms of breast cancer. Screening centres are located in Darwin and Alice Springs and a visiting service travels to Tennant Creek and Katherine annually, and Nhulunbuy (Gove) biennially.

This measure flows on from the 2009-10 Budget measure titled *Health and Hospitals Fund – national cancer statement*.

Health and Hospitals Fund — Royal Hobart Hospital — bring forward of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-	-	-	-
Department of the Treasury	170.0	..	-38.6	-50.0	-50.0
Total - Expense	170.0	..	-38.6	-50.0	-50.0

The Government has brought forward its contribution to the expansion of the Royal Hobart Hospital. The Government provided \$170 million in 2010-11, to facilitate the early stages of the project, and has revised the funding profile to reflect the early injection of funding.

The Government's contribution to the Royal Hobart Hospital is being funded through the Regional Priority Round of the Health and Hospitals Fund.

This funding was originally announced in the 2010-11 MYEFO measure titled *Health and Hospitals Fund – Royal Hobart Hospital*.

Herceptin® Program — additional vial size

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	0.6	-	-	-
Department of Health and Ageing	-	-4.5	-5.1	-5.3	-5.5
Total - Expense	-	-4.0	-5.1	-5.3	-5.5
<i>Related capital (\$m)</i>					
<i>Department of Human Services</i>	<i>-</i>	<i>0.4</i>	<i>-</i>	<i>-</i>	<i>-</i>

The Government has listed an additional vial size of Herceptin® (trastuzumab) on the Herceptin® Program from 1 August 2011, at a saving of \$19.5 million over four years. The availability of this smaller 60mg vial will reduce product wastage. This measure also includes funding of \$1.0 million (including capital funding of \$0.4 million) in 2011-12 for the Department of Human Services (Medicare Australia) to administer this change.

The Herceptin® Program provides free access to Herceptin® for eligible patients affected by late-stage metastatic breast cancer.

Further information can be found in the press release of 21 June 2011 issued by the Minister for Health and Ageing.

Medicare Benefits Schedule — new and revised listings

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-
Department of Health and Ageing	-	-0.1	-0.2	-0.4	-0.6
Department of Veterans' Affairs	-	-0.2	-0.6	-0.7	-0.7
Total - Expense	-	-0.3	-0.8	-1.1	-1.4

The Government will amend the Medicare Benefits Schedule (MBS) and Veterans' Benefits for new and revised listings since the 2011-12 Budget.

The amendments include:

- encouraging ophthalmologists to provide additional comprehensive eye examinations to children by increasing the rebate paid for one paediatric ophthalmology item by 50 per cent and lifting the age eligibility from children up to and including 8 years to children up to and including 9 years;
- aligning an existing ophthalmology item for either the injection of therapeutic substances into the eye or removal of material from the eye for diagnostic purposes with current best clinical practice; and
- removing two orthopaedic items for the injection of bone cement into fractured vertebrae from the MBS in accordance with advice from the Medical Services Advisory Committee.

This measure is expected to save \$3.6 million over four years.

Further information is available in the summary of changes included in the MBS issued by the Department of Health and Ageing.

Savings from this measure will be redirected to support other Government priorities.

Mersey Community Hospital Tasmania — ongoing commitment

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-	2.2	4.5	-

The Government will provide an additional \$17.6 million over three years to 2013-14 for the Tasmanian Government to continue to operate the Mersey Community Hospital on behalf of the Commonwealth. This increases the total commitment by the Government for the operation of Mersey Hospital to \$197.6 million over three years.

Appendix A: Policy decisions taken since the 2011-12 Budget

The additional funding continues the Government's commitment to fund the operation of the Mersey Community Hospital to enable it to provide a comprehensive range of high quality hospital services for public and private patients.

Funding of \$10.8 million for this measure was included as a 'decision taken but not yet announced' in the *2011-12 Budget*.

Further information can be found in the press release of 28 June 2011 issued by the Minister for Health and Ageing.

National Health Reform Agreement — revised funding arrangements

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	-	-	-	21.0
Department of Health and Ageing	-	-	-	-	-
Total - Expense	-	-	-	-	21.0

The National Health Reform Agreement was signed by the Commonwealth and all state and territory governments on 2 August 2011. As part of this new Agreement, the Commonwealth has agreed to enhance the guaranteed funding arrangements for the states, which were originally announced in the 2010-11 Budget Measure *National Health and Hospitals Network – rebalancing financial responsibility in the federation*.

The Commonwealth has committed to meet 45 per cent of efficient growth in public hospital services between 2014-15 and 2017-18, and 50 per cent of efficient growth in public hospital services from 2017-18 onwards.

The Commonwealth has guaranteed that it will provide at least \$16.4 billion in additional funding for efficient growth in public hospital services between 2014-15 and 2019-20. Of that amount, \$9.5 billion will be allocated annually among the states on an equal per capita basis, to provide each state with greater certainty about the minimum amount of additional funding.

This new funding is in addition to the Commonwealth's existing National Healthcare Specific Purpose Payment funding.

The financial impact of the state-specific guarantee is estimated to be \$21 million in 2014-15 and \$45 million in 2015-16, reflecting the fact that the equal per capita allocation for some states is likely to be higher than growth funding based on actual activity.

Further information can be found in the press release of 2 August 2011 issued by the Prime Minister.

National Immunisation Program — listing of Fluarix

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-0.2	-0.2	-0.2	-0.2

The Government will list Fluarix® on the National Immunisation Program, in place of a more expensive alternative, which will provide a saving of \$0.7 million over four years. Fluarix®, a generic seasonal influenza vaccine, has been selected to form part of the seasonal influenza vaccine supply.

Further information can be found in the press release of 21 June 2011 issued by the Minister for Health and Ageing.

National Immunisation Program — Q fever vaccine — revised arrangements

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-	-1.4	-1.4	-1.4

The Government will cease the availability of the publicly-funded Q fever vaccine that was announced in the 2007-08 Budget measure *National Immunisation Program – Q fever vaccine*. The Government will continue to provide Q fever vaccine in response to an emergency situation involving a Q fever outbreak.

Q fever is primarily an occupational health and safety issue, and is appropriately funded by employers and individuals, consistent with the funding of vaccines for other employment groups. The Government will continue to support the availability of Q fever vaccine on the private market.

This measure will provide savings of \$5.7 million over five years (including \$1.4 million in 2015-16).

Pharmaceutical Benefits Scheme — new and amended listings

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	67.4	111.7	127.2	134.6
Department of Veterans' Affairs	-	0.8	0.7	0.7	0.6
Department of Human Services	-	0.4	0.4	0.6	0.7
Total - Expense	-	68.6	112.8	128.6	135.9
<i>Related revenue (\$m)</i>					
Department of Health and Ageing	-	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>
<i>Related capital (\$m)</i>					
Department of Human Services	-	0.2	-	-	-

The Government has agreed to a number of new, and amendments to, listings on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS), at a gross cost of \$446.1 million over four years. This includes funding for administering payments through the Department of Human Services (Medicare Australia). Pricing agreements negotiated between the Government and the drug manufacturers allow for offsets to the gross cost of some of these medicines.

Listings from 1 September 2011 include:

- Erbitux® (cetuximab), for the treatment of metastatic colorectal cancer;
- Risperdal Consta® (risperidone), for the treatment of bipolar disorder; and
- Gilenya® (fingolimod), for the treatment of relapsing-remitting multiple sclerosis.

Listings from 1 October 2011 include:

- Tobi® (tobramycin), for the treatment of infections in patients with cystic fibrosis.

Listings from 1 November 2011 include:

- Revolade® (eltrombopag), for the treatment of a potentially life threatening bone marrow disorder in adults.

Listings from 1 December 2011 include:

- Saphris® (asenapine), for the treatment of both bipolar 1 disorder and schizophrenia;
- Xgeva® (denosumab), for the treatment of bone metastases from breast cancer and hormone resistant prostate cancer;

- Mabthera® (rituximab), for the treatment of a specific form of chronic lymphocytic leukaemia;
- Symbicort® (budesonide with eformoterol), for the treatment of lung disease;
- Fragmin® (dalteparin sodium), for the treatment of blood clots in patients with cancer; and
- Synarel® (nafarelin), for the treatment of patients undergoing in-vitro fertilisation (IVF).

General consumers will pay a \$34.20 co-payment per prescription and concession card holders will pay a \$5.60 co-payment per prescription.

Further information can be found in the press releases of 21 June 2011 and 1 September 2011 issued by the Minister for Health and Ageing, and the press release of 30 September 2011 jointly issued by the Prime Minister and the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — price amendments

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Veterans' Affairs	-	-1.8	-3.8	-3.7	-3.8
Department of Health and Ageing	-	-17.8	-38.7	-38.8	-41.0
Total - Expense	-	-19.6	-42.5	-42.6	-44.8

The Government has agreed to a number of price amendments to medicines already listed on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS), at a net saving of \$149.4 million over four years.

These price amendments include:

- Lanoxin® (digoxin oral solution) for the treatment of serious heart conditions including heart failure in infants and children;
- Rimycin® (rifampicin) for the treatment of rare but serious infections including tuberculosis and as a prophylaxis for close contacts of patients with meningococcal disease; and
- Erythrocin-IV® (erythromycin lactobionate) and E-Mycin 200®, E.E.S200®, E-Mycin 400®, E.E.S Granules® (erythromycin ethyl succinate) for the treatment of bacterial infections.

Appendix A: Policy decisions taken since the 2011-12 Budget

These price amendments were recommended by the Pharmaceutical Benefits Pricing Authority (PBPA). The PBPA is an independent non-statutory body that reviews the price of products supplied under the PBS and vaccines on the National Immunisation Program.

Further information can be found in the press releases of 21 June 2011 and 1 September 2011 issued by the Minister for Health and Ageing, and the press release of 30 September 2011 jointly issued by the Prime Minister and the Minister for Health and Ageing.

Positron Emission Tomography (PET) services at Westmead Hospital

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	-	-	-	-
Department of the Treasury	-	-1.3	-1.3	-1.3	-1.3
Total - Expense	-	-1.3	-1.3	-1.3	-1.3

From 1 July 2011, the Government ceased grant funding for positron emission tomography (PET) services and research at the Westmead Hospital, following its decision to fund access to an extended range of PET items through the Medicare Benefits Schedule (MBS).

Services will be funded through the MBS as PET has been demonstrated to be an effective technology for the diagnosis of a variety of diseases, especially cancer.

See also the related expense measure titled *Medicare Benefits Schedule – new and revised listings* from the 2011-12 Budget.

Savings from this measure will be redirected to support other Government priorities.

Therapeutic products — establishment of the Australia New Zealand Therapeutic Products Agency

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Health and Ageing	-	nfp	-	-	-
<i>Related capital (\$m)</i>					
<i>Department of Health and Ageing</i>	-	nfp	-	-	-

The Government, in partnership with the New Zealand Government, will establish the Australia New Zealand Therapeutic Products Agency. The joint agency will regulate medicines, medical devices and other therapeutic goods in Australia and New Zealand.

The creation of a joint regulatory scheme across both countries is designed to safeguard public health and safety, while encouraging economic integration and benefitting industry in both countries. A staged implementation of the new arrangements will take place over a period of up to five years. The first stage of implementation, which includes sharing information, training and expertise between the Therapeutic Goods Administration (Australia) and Medsafe (New Zealand), commenced in July 2011.

The expenditure for this measure is not for publication (nfp) due to ongoing negotiations with the New Zealand Government.

Further information can be found in the press release of 20 June 2011 issued by the Prime Minister.

HUMAN SERVICES

Early intervention to prevent debts for customers commencing employment

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	-	15.1	15.3	12.9
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-16.6	-12.5	-12.5
Department of Education, Employment and Workplace Relations	-	-	-43.4	-32.5	-32.5
Total - Expense	-	-	-44.9	-29.7	-32.1
<i>Related capital (\$m)</i>					
<i>Department of Human Services</i>	-	-	2.6	-	-
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>	-	-	-	-	-
<i>Department of Education, Employment and Workplace Relations</i>	-	-	-	-	-
Total - Capital	-	-	2.6	-	-

The Government will provide \$59.0 million over five years (including \$13.0 million in 2015-16 and \$2.6 million in capital in 2012-13) to help prevent social welfare recipients from accumulating debt when they commence new employment.

The measure will provide the Department of Human Services with the capability to telephone 250,000 customers who have recently lodged a tax declaration form with an employer. Customers will receive information on how to correctly report employment income.

This measure is expected to reduce welfare overpayments by \$195.0 million over five years (including \$45.0 million in 2015-16), resulting in net savings of \$136.0 million over five years.

Savings from this measure will be redirected to support other Government priorities.

Student Income Support — administrative costs

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Human Services	-	7.0	0.4	2.2	2.2
<i>Related capital (\$m)</i>					
Department of Human Services	-	1.5	-	-	-

The Government will provide \$13.3 million over four years (including \$1.5 million in capital funding in 2011-12) for the administrative costs associated with the Student Income Support reforms, including information technology redesign and communication strategies.

This measure forms part of the Government's response to the Review of Student Income Support Reforms.

Further information can be found in the press release of 14 September 2011 issued by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

See also the related expense measures titled: *Student Income Support – Workforce Participation Criteria – remove regional distinctions*; *Student Income Support – changes to the rate of Student Start-up Scholarships* and *Student Income Support – Relocation Scholarship – increased payments for regional students*.

See also the related savings measure titled: *Student Income Support – delay masters by coursework by two years*.

IMMIGRATION AND CITIZENSHIP

Humanitarian Migration Program — decrease of 4,000 places

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Immigration and Citizenship	-	-30.5	-45.4	-61.5	-79.0

The Government will realise savings of \$216.4 million over four years by reversing the 2011-12 Budget measure *Humanitarian Migration Program – increase of 4,000 places*. Australia will continue to honour its agreement with Malaysia to resettle 4,000 refugees. However, these refugee places will be met from within the existing annual humanitarian cap.

While offshore processing of Irregular Maritime Arrivals such as the Malaysia agreement remains the Government's preferred policy, onshore processing arrangements will be put in place until offshore processing becomes possible.

See also the related savings measure *Malaysia transfer agreement – Removal of funding for implementation costs*.

Malaysia transfer agreement — Removal of funding for implementation costs

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Immigration and Citizenship	-	-23.8	-18.2	-15.6	-13.3

The Government will realise savings of \$70.9 million over four years by reversing the 2011-12 Budget measure *Regional Cooperation Framework – Transfer of Irregular Arrivals to Malaysia*.

While offshore processing of Irregular Maritime Arrivals such as the Malaysia agreement remains the Government's preferred policy, onshore processing arrangements will be put in place until offshore processing becomes possible.

See also the related savings measure *Humanitarian Migration Program – decrease of 4,000 places*.

Regional Cooperation Framework — establishment of a regional support office

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Immigration and Citizenship	-	0.7	1.5	1.5	1.5

The Government will provide \$5.2 million over four years to establish a support office in a regional country. The office will take a lead role in coordinating a common approach to tackling irregular migration in the region as well as providing ongoing assistance to regional countries.

Student Visa Simplification

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Immigration and Citizenship	-	-	-	-	-
Department of Education, Employment and Workplace Relations	-	-	-	-	-
Total - Expense	-	-	-	-	-

The Government will provide \$3.6 million over four years for a number of measures that will improve the integrity of the Student Visa Program and increase the competitiveness of Australia's international education sector.

A new temporary entrant criterion will be introduced to determine whether visa applicants are genuine temporary entrants who intend to return to their country of origin at the completion of their studies.

A review of the risk assessment level framework will be undertaken. A voluntary streamlined student visa processing system for Australian universities will be established as a first step ahead of the finalisation of the review in mid-2013. A mandatory requirement will also be introduced for education providers to report details of agents who recruit international students to their institutions.

Access to a post-study temporary work visa will be made available to international university graduates at Bachelor or higher degree level, with work rights commensurate with the duration of study.

The cost of this measure will be met through the existing resources of the Department of Immigration and Citizenship and the Department of Education, Employment and Workplace Relations.

INFRASTRUCTURE AND TRANSPORT

Cloncurry Community Precinct — contribution

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Infrastructure and Transport	-	2.4	-	-	-

The Government will provide \$2.4 million in 2011-12 as a contribution to establish a multiple use community hub in Cloncurry, Queensland. The project will establish a library, gallery space for local and touring exhibitions, function rooms with multi-media connections, commercial grade kitchen, amenities, community open space and refurbishment of the existing 1939 Shire Hall.

The total cost of the project is estimated to be \$8.7 million, with partner funding contributions by the Queensland Government, the Xstrata North Queensland Partnership Program and the Cloncurry Shire Council.

Majura Parkway — upgrade

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	9.5	-	50.0	64.5
Department of Infrastructure and Transport	-	-	-	-	-
Total - Expense	-	9.5	-	50.0	64.5

The Government will provide \$144.0 million over five years (including \$20.0 million in 2015-16) as a contribution towards the upgrade of the Majura Parkway in the Australian Capital Territory (ACT).

Completion of the Majura Parkway project will connect the Federal Highway and Monaro Highway with a divided dual carriageway and enable better access to the Canberra International Airport and industrial estates in the ACT and regional areas of New South Wales. This development will remove bottlenecks that currently limit efficient freight movement, ease local traffic movement, and provide a safer road for the community.

Funding for this measure will be provided from the Building Australia Fund and will match a contribution from the ACT Government.

See also the related measure titled *Nation Building Programs 1 and 2 – reallocation of funding*.

Further information can be found in the press release of 7 July 2011 issued by the Minister for Infrastructure and Transport.

Maldon to Dombarton rail link — additional funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Infrastructure and Transport	-	-	20.0	5.5	-

The Government will provide \$25.5 million over two years from 2012-13 to further develop the Maldon to Dombarton Rail Link project. This funding will enable pre-construction activities, including the detailed design work for civil, structural, geotechnical and track work necessary for the future construction of the project and the finalisation of a construction timetable and cost estimate for the project.

Further information can be found in the press release of 18 October 2011 issued by the Prime Minister.

Nation Building — modification

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	1,375.9	-1,218.9	-62.0	-50.0
Department of Infrastructure and Transport	-	-	-	-	-
Total - Expense	-	1,375.9	-1,218.9	-62.0	-50.0

The Government will bring forward \$1.4 billion to 2011-12 to accelerate construction of a number of major infrastructure projects.

\$1.1 billion is for the following Nation Building Program projects:

- duplication of the Pacific Highway for the Sapphire to Woolgoolga section (\$170.0 million), the Tintenbar to Ewingsdale section (\$220.0 million) and activities related to the full duplication of the remaining sections of the Pacific Highway, including the upgrade of the Frederickton to Eungai section of the highway (\$100.0 million);
- upgrade of the Western Ring Road in Melbourne (\$167.2 million);
- upgrade of Queensland road infrastructure, including upgrading the southern approach to Cairns on the Bruce Highway (\$72.0 million), upgrading the Bruce Highway and Dawson Highway intersection (the Calliope Crossroads) (\$95 million) and upgrading the Mains Road and Kessels Road intersection which forms part of the Brisbane Urban Corridor at McGregor (\$101.2 million); and
- the South Road Superway project in Adelaide (\$146.5 million).

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\$250.0 million is for the following Building Australia Fund projects:

- the Hunter Expressway project (\$200.0 million); and
- the Gawler Line Modernisation project in Adelaide (\$50.0 million).

\$69.0 million is for the following Regional Infrastructure Fund projects:

- the Blacksoil Interchange, at the Warrego Highway and Brisbane Valley Highway intersection, and the Wulkuraka Connection Road and Warrego Highway intersection near Ipswich (\$34.0 million); and
- upgrade of the intersection of the Bruce Highway and the Capricorn Highway south of Rockhampton (\$35.0 million).

Further information can be found in the press releases of 9 November 2011, 14 November 2011, 17 November 2011 and 21 November 2011 issued by the Minister for Infrastructure and Transport.

Nation Building Programs 1 and 2 — reallocation of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Infrastructure and Transport	-	-	-	-	-
Department of the Treasury	-	-9.5	-	-	-114.5
Total - Expense	-	-9.5	-	-	-114.5

The Government will reallocate \$9.5 million of Nation Building Program 1 funding from the Australian Capital Territory (ACT) that has not yet been utilised and will reduce the funding provision for Nation Building Program 2, planned to commence in 2014-15, by \$114.5 million in order to offset the cost of providing a grant to the ACT Government as a contribution towards the construction of the Majura Parkway project from the Building Australia Fund.

See also the related expense measure titled *Majura Parkway – upgrade*.

INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

Clean Energy Future — Supporting Jobs — clean technology focus for supply chain programs

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	0.9	1.4	1.4	1.4

The Government will provide \$5.0 million over four years to enhance the clean technology aspects of the Supplier Advocates and Enterprise Connect programs to improve competitiveness and encourage better linkages between major projects and capable Australian suppliers.

The additional funding will be provided to enhance the role of Supplier Advocates for the clean technologies, water and built environment sectors, as well as engaging further business advisers and providing tailored advisory services, implementation grants and development projects under the Enterprise Connect program.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Supporting Jobs — Clean Technology Program

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	18.7	141.5	244.9	312.3

The Government will provide \$1.2 billion over seven years (including \$306.0 million in 2015-16, \$147.5 million in 2016-17 and \$29.1 million in 2017-18) to assist manufacturing industries transition to a low carbon economy by supporting the adoption and deployment of technologies to improve energy and carbon efficiency at manufacturing facilities. This transitional adjustment assistance will provide:

- \$800.0 million over seven years to manufacturing businesses that have an annual electricity consumption of at least 300 megawatt hours or 5 terajoules of natural gas or are directly liable under the carbon price mechanism in the year prior to application. The program will offer competitive grants expected to range between \$25,000 and \$10.0 million.
- \$200.0 million over six years to the food and beverage processing and metal forging and foundry industries as these industries are trade exposed and have somewhat higher exposure to energy costs than general manufacturing businesses. Targeted

Appendix A: Policy decisions taken since the 2011-12 Budget

assistance for these sectors will assist businesses to improve the energy and carbon efficiency of production processes in the short term while remaining competitive. The program will offer competitive grants expected to range between \$25,000 and \$10.0 million.

- \$200.0 million over five years to support business investment in low-emissions research and development in the areas of renewable energy, low-emissions technologies and energy efficiency. The program will offer grants of between \$50,000 and \$5.0 million to businesses and to companies controlled by universities and public sector organisations, with recipients expected to match the Government’s contribution on a dollar for dollar basis.

This measure delivers on the Government’s plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Supporting Jobs — Steel Transformation Plan

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	164.6	0.5	0.3	23.7
Clean Energy Regulator	-	-	-	-	-
Total - Expense	-	164.6	0.5	0.3	23.7
<i>Related capital (\$m)</i>					
Department of Innovation, Industry, Science and Research	-	0.3	-	-	-
Clean Energy Regulator	-	-	-	-	-
Total - Capital	-	0.3	-	-	-

The Government will provide \$302.5 million over six years (including \$75.3 million in 2015-16 and \$37.8 million in 2016-17) to encourage investment and innovation in the Australian steel manufacturing industry to assist the sector to transform into an increasingly efficient and economically sustainable industry in a low carbon economy. Assistance will be provided for eligible activities, including investment in capital, innovation, research and development, and production.

The Steel Transformation Plan will be implemented as a legislated entitlement scheme and delivered in two parts:

- Part 1 – a discretionary advance payment for the purpose of competitiveness assistance up to the value of \$164.0 million for 2011-12 only; and

- Part 2 – a \$300.0 million entitlement scheme over five years from 2012-13, with entitlements under this part to be reduced by the value of any restructuring assistance advance payments under Part 1.

Funding of \$2.5 million over six years will be provided to the Department of Innovation, Industry, Science and Research to administer the scheme.

The Government will provide further assistance through a ten per cent increase in permit allocations for crude steel under the Jobs and Competitiveness program, commencing in 2016-17.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

This measure delivers on the Government’s plan for a clean energy future.

See also the related expense measure titled *Clean Energy Future – Supporting Jobs – Jobs and Competitiveness Program* in the Climate Change and Energy Efficiency portfolio.

Commercial Ready — redirect funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	-1.1	-	-	-

The Government will redirect \$1.1 million in 2011-12 from the Commercial Ready program to partially offset the cost of establishing the Illawarra Region Innovation and Investment Fund.

Commercial Ready is a competitive, merit-based grants program that supports small to medium sized firms to undertake research and development, proof-of-concept and early-stage commercialisation projects. The program closed for applications on 14 May 2008, with funding for existing projects terminating in 2011-12.

See also the related expense measure titled *Illawarra Region Innovation and Investment Fund – establishment* in the Innovation, Industry, Science and Research portfolio.

Commercialisation Australia — redirect funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	-7.5	-1.4	-	-

The Government will redirect \$8.9 million over two years from the Commercialisation Australia program to partially offset the cost of establishing the Illawarra Region Innovation and Investment Fund.

Commercialisation Australia aims to build the capacity of, and opportunities for, Australia's researchers, entrepreneurs and innovative firms to convert intellectual property into commercial ventures. Funding of \$276.7 million over four years remains available to continue to provide assistance under the program.

See also the related measure titled *Illawarra Region Innovation and Investment Fund – establishment* in the Innovation, Industry, Science and Research portfolio.

Enterprise Connect — extension to tourism

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	0.6	1.3	2.0	-

The Government will provide \$5.9 million over four years to extend the Enterprise Connect program to the tourism sector. The extension is designed to improve long-term productivity by providing access for small and medium sized tourism firms to the Enterprise Connect Business Adviser network and to a range of tailored products and services to support their capability and competitiveness.

Funding of \$2.0 million in 2014-15 will be met from within the existing resourcing of the Department of Innovation, Industry, Science and Research.

Illawarra Region Innovation and Investment Fund — establishment

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	6.9	12.0	1.1	-

The Government will provide \$20.0 million over three years from 2011-12 to establish, together with contributions from the New South Wales Government (\$5.0 million) and BlueScope Steel (\$5.0 million), a \$30.0 million Illawarra Region Innovation and Investment Fund (the Fund).

The aim of the Fund is to ameliorate the impact of significant job losses arising from the downsizing and restructuring of the BlueScope Steel operations at Port Kembla in the Illawarra region, New South Wales. The Fund will be established as a regional structural adjustment program that will provide support for investment in new activities and industries that diversify the regional economy and create sustainable new jobs.

Further information can be found in the press release of 22 August 2011 issued by the Minister for Innovation, Industry, Science and Research.

See also the related measures titled *Commercialisation Australia – redirect funding* and *Commercial Ready – redirect funding* in the Innovation, Industry, Science and Research portfolio and *Sustainable Australia – Suburban Jobs – reduction in funding* in the Sustainability, Environment, Water, Population and Communities portfolio.

Square Kilometre Array — initial contribution

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	-	-	-	-

The Government will provide \$6.5 million over four years to make a non-host nation contribution to the pre-construction phase of the international Square Kilometre Array (SKA) project. The SKA will comprise many thousands of antennas, across a range of at least 3,000 kilometres, which will be utilised for research into areas of fundamental astronomy and astrophysics by domestic and international scientists. Announcement of the successful site is expected in 2012, with construction to commence in 2016.

The \$6.5 million, which is not contingent on selection of the Australia-New Zealand site, will be released from the \$34.0 million provision that was included in the Contingency Reserve in the 2011-12 Budget.

Strengthening Opportunities for Australian Industry Participation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	-	-	-	-

The Government will strengthen opportunities for Australian industry by:

- extending the requirement for Australian Industry Participation Plans to projects involving Commonwealth grants of \$20.0 million or more, including grants to the States and Territories; and
- requiring future developers of projects greater than \$2.0 billion to publish more extensive details on opportunities available to Australian businesses in order to

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receive a five per cent tariff exemption on imports under the Enhanced Project By-law Scheme.

The Government will appoint a working group of stakeholders to advise on the implementation of these measures.

Further information can be found in the press release of 6 October 2011 issued by the Prime Minister and the Minister for Innovation, Industry, Science and Research.

PRIME MINISTER AND CABINET

National Police Service Medal and National Emergency Medal

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Office of the Official Secretary to the Governor-General	-	0.5	0.6	0.7	0.8

The Government will provide \$2.6 million over four years to introduce a National Emergency Medal and a National Police Service Medal in the Australian system of honours and awards. The National Emergency Medal will recognise extraordinary or sustained services to others in national emergencies such as the Victorian bushfires and the Queensland floods. The National Police Service Medal will recognise police officers who have provided the highest standards of ethical and diligent service over a period of 15 years or more.

Further information can be found in the press releases of 26 January 2011 and 19 September 2011 issued by the Prime Minister.

REGIONAL AUSTRALIA, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Clean Energy Future — Supporting Jobs — helping communities and regions

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Regional Australia, Regional Development and Local Government	-	-	10.0	50.0	30.0

The Government will provide \$200.0 million over seven years (including \$110.0 million beyond the forward estimates) to support regions that are either strongly affected by the Government's Contracts for Closure program or where there are unforeseen adverse impacts of carbon pricing in regions. Assistance will be subject to a demonstrated need and the Department of Regional Australia, Regional Development and Local Government will monitor the impacts of the carbon price on regions to determine whether and where structural adjustment assistance is needed.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Natural Disaster Recovery and Rebuilding — Queensland Environmental Recovery Projects

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Regional Australia, Regional Development and Local Government	-	-	-	-	-

The Government will reallocate up to \$4.2 million to help establish a joint funding pool that will allow the Queensland Government to undertake additional environmental recovery projects for riparian, coastal, flood plain and farm clean-up activities resulting from the natural disasters in 2010-11.

The cost of this measure will be met from within the existing provisions for the *Natural Disaster Recovery and Rebuilding — assistance to Queensland local governments* measure which was included in the 2011-12 Budget.

Natural Disaster Recovery and Rebuilding — Strengthening Grantham Initiative

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Regional Australia, Regional Development and Local Government	-	-	-	-	-

The Government will reallocate up to \$9.0 million to jointly fund the Strengthening Grantham Initiative with the Queensland Government.

This initiative will offer residents affected by severe flooding in the Lockyer Valley an opportunity to move to a more flood resilient location.

The cost of this measure will be met from within the existing resources of *Natural Disaster Recovery and Rebuilding – assistance to Queensland local governments* measure which was included in the 2011-12 Budget.

Further information can be found in the press release of 17 October 2011 issued jointly by the Prime Minister and the Acting Premier of Queensland.

Norfolk Island — emergency assistance and further reform

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Regional Australia, Regional Development and Local Government	-	nfp	-	-	-

The Government will provide additional funding in 2011-12 to support the Norfolk Island Government, which is experiencing serious difficulties in meeting commitments for the provision of essential services. The amount of this assistance is not for publication (nfp) as negotiations with service providers are commercial-in-confidence.

All funding provided will be contingent on the Norfolk Island Government undertaking further reforms to improve the efficiency and effectiveness of government administration on the island. The Commonwealth will provide specialist advisors in 2011-12 and 2012-13 to assist in implementing reforms. The related costs will be met from within the existing resources of contributing agencies.

RESOURCES, ENERGY AND TOURISM

Carbon Capture and Storage Flagships — deferral of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	-38.5	-25.8	-2.8	-11.5

The Government will defer funding of \$78.6 million for the Carbon Capture and Storage Flagships program. Total program funding will remain unchanged, with \$78.6 million to be restored to the program beyond the forward estimates to better match the expected spending profile of the program.

Savings from this measure will be redirected to support other Government priorities.

Clean Energy Future — closure of emissions-intensive electricity generation capacity

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	7.4	-	-	-

The Government will seek to negotiate the closure of around 2,000 megawatts of highly emissions-intensive coal-fired electricity generation capacity by 2020. A voluntary expression of interest process, open to generators with an emissions intensity greater than 1.2 tonnes of carbon dioxide equivalent per megawatt hour of electricity on an ‘as generated’ basis, will be conducted in 2011-12. Following this process, the Government will seek to negotiate a contract for closure with one or more generators. Entering into a particular contract will be subject to an assessment that energy security will not be put at risk by the proposed closure. Payments will be contingent on the payment of workers’ entitlements and appropriate arrangements for remediation of the power station site (and of a related coal mine where appropriate).

The Government will provide \$7.4 million in 2011-12 for the Department of Resources, Energy and Tourism to manage the expression of interest and contracting process. A provision has been made in the Contingency Reserve beyond 30 June 2016 for the cost of the contracts for closure.

This measure delivers on the Government’s plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Minister for Climate Change and Energy Efficiency and the Minister for Resources and Energy.

Clean Energy Future — Improving Energy Efficiency — Energy Efficiency Opportunities Program

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	-	1.4	7.9	7.7

The Government will provide \$31.6 million over five years from 2012-13 (including \$7.6 million in 2015-16 and \$7.0 million in 2016-17) to continue and expand the Energy Efficiency Opportunities Program by:

- enhancing assessment and verification requirements and expanding coverage to include energy transmission and distribution networks and major greenfield and expansion projects; and
- establishing a voluntary scheme for medium energy use corporations that use less than 0.5 petajoules of energy per annum.

The program encourages large and medium energy-using businesses to improve their energy efficiency. It does this by requiring them to identify, evaluate and report publicly on cost effective energy savings opportunities.

This measure delivers on the Government’s plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Innovation in Renewable Energy — Australian Renewable Energy Agency

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	0.5	1.0	-0.5	-1.0

The Government will establish an independent statutory body, the Australian Renewable Energy Agency (ARENA), to provide grants and other financial assistance for the research and development, demonstration and commercialisation of renewable energy and related technologies, including enabling technologies and renewable energy related transmission infrastructure. It will work closely with the new Clean Energy Finance Corporation to provide coordinated support to technologies at different stages of development.

Appendix A: Policy decisions taken since the 2011-12 Budget

ARENA will administer \$3.2 billion in existing funding through the consolidation of programs currently delivered by the Australian Centre for Renewable Energy, the Department of Resources, Energy and Tourism, the Australian Solar Institute and the proposed Australian Biofuels Research Institute. It may also receive future funding from discretionary dividends paid by the Clean Energy Finance Corporation and a share of future carbon price revenue should the Jobs and Competitiveness Program be modified following reviews by the Productivity Commission.

The Government will provide \$2.5 million over three years (\$0.5 million in 2011-12 and \$1.0 million per annum in 2012-13 and 2013-14) for the Department of Resources, Energy and Tourism to manage the transition to ARENA. This cost will be met through a reallocation and reprofiling of the Department's existing resourcing.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer, the Minister for Climate Change and Energy Efficiency, the Minister for Resources and Energy and the Minister for Innovation, Industry, Science and Research.

Clean Energy Future — Supporting Jobs — coal mining

Expense (\$m)

	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	222.4	10.5	246.7	257.2

The Government will provide \$1.3 billion over six years (including \$291.7 million in 2015-16 and \$305.6 million in 2016-17) to assist the most emissions intensive coal mines to transition to a carbon price. This measure includes:

- \$1.3 billion over six years for a Coal Sector Jobs Package, to provide financial assistance to existing mines that had a fugitive emissions intensity in 2008-09 above 0.1 tonne of carbon dioxide equivalent per tonne of saleable coal. Assistance will be based on the level and emissions intensity of production. Payments will be subject to a cap, based on production levels (the higher of 2007-08 or 2008-09); and
- \$70.0 million over six years for a Coal Mining Abatement Technology Support Package, to support the research, development and deployment of abatement technologies in the coal industry.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Minister for Climate Change and Energy Efficiency and the Minister for Resources and Energy.

**Commonwealth Heads of Government Meeting — Extractive Industries
Transparency Initiative — domestic pilot**

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	-	-	-	-

The Government will provide \$0.5 million over two years (\$0.3 million in 2012-13 and \$0.2 million in 2013-14) to conduct a domestic pilot of the Extractive Industries Transparency Initiative (EITI). The pilot will be conducted across the Commonwealth, possibly a number of state and territory jurisdictions and a sample of Australian extractive resource companies to help determine how the EITI methodology could be applied effectively in Australia.

The EITI is a global standard that promotes revenue transparency through the publication of independently audited information on material payments made by oil, gas and mining companies to governments, and the revenues received by governments from these companies.

The cost of this measure will be met from within the existing resourcing of the Department of Resources, Energy and Tourism.

TQUAL Grants — redirection of funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Resources, Energy and Tourism	-	-0.6	-1.3	-2.0	-

The Government will redirect \$3.8 million over three years from the TQUAL Grants program to support the extension of the Enterprise Connect initiative to the Australian tourism sector. The TQUAL Grants program seeks to encourage additional private sector investment in the development of Australia's tourism industry products, services and experiences.

See also the related expense measure titled *Enterprise Connect – extension to tourism* in the Innovation, Industry, Science and Research portfolio.

SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES

Clean Energy Future — Creating Opportunities on the Land — Biodiversity Fund

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	36.6	34.6	249.8	250.8

The Government will provide \$946.2 million over six years (including \$199.8 million in 2015-16 and \$174.8 million in 2016-17) to establish a Biodiversity Fund. The fund will support the establishment, restoration, protection and management of biodiverse carbon stores including: reforestation and revegetation in areas of high conservation value including wildlife corridors, rivers and wetlands; management and protection of biodiverse ecosystems, including publicly owned native forests and land under conservation covenants or subject to land clearing restrictions; and action to prevent the spread of invasive species across connected landscapes.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Creating Opportunities on the Land — natural resource management for climate change

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	0.9	6.3	19.6	2.7
Department of Climate Change and Energy Efficiency	-	-	7.9	3.9	1.6
Total - Expense	-	0.9	14.2	23.5	4.3

The Government will provide \$48.4 million over six years (including \$5.1 million in 2015-16 and \$0.5 million in 2016-17) to provide assistance to natural resource management organisations to plan for the impacts of climate change and to establish an independent Land Sector Carbon and Biodiversity Advisory Board.

This measure includes \$44.0 million over five years to assist natural resource management organisations to update regional plans for the impact of climate change, including to guide the implementation of carbon farming projects. The funding will also support research and analysis to develop scenarios of regional climate change impacts for use in natural resource management and land use planning.

Funding of \$4.4 million over six years will be provided to enable the Land Sector Carbon and Biodiversity Advisory Board to review, oversee and provide advice to the Government on the implementation of the clean energy future land sector initiatives.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Extractive Industry Activities — Independent Expert Scientific Committee and National Partnership Agreement

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	50.0	25.0	25.0	25.0
Department of the Treasury	-	10.0	20.0	20.0	-
Total - Expense	-	60.0	45.0	45.0	25.0

The Government will provide \$200.0 million over five years (including \$25.0 million in 2015-16) to support the management of extractive industry activities, particularly coal seam gas and major coal mining developments.

This measure aims to build scientific evidence and understanding of the impacts on water resources of coal seam gas extraction and large coal mines. The measure is supported by:

- the establishment of an Independent Expert Scientific Committee to advise on research priorities, commission and coordinate research, and engage with relevant stakeholders on coal seam gas and large coal mines; and
- a National Partnership Agreement with the States and Territories to improve regulations and standards relating to coal seam gas and large coal mines.

Further information can be found in the press release of 21 November 2011 issued by the Prime Minister and the Deputy Prime Minister and Treasurer.

Stormwater Harvesting and Reuse Program — reduction in funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	-50.0	-	-	-

The Government will reduce funding by \$50.0 million in 2011-12 for the Stormwater Harvesting and Reuse Program, a component of the National Urban Water and Desalination Plan.

The program will now provide funding of \$43.8 million for eligible projects which capture, treat and use stormwater to ease the pressure on drinking water supplies and deliver improved water quality to urban waterways.

Savings from this measure will be redirected to support other Government priorities.

Stronger Futures in the Northern Territory — Jobs Package — expansion of Working on Country Indigenous Ranger program

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	-	1.3	3.2	4.1

The Government will provide \$19.1 million over four years from 2012-13 (including \$6.2 million in 2015-16) to expand the Working on Country Indigenous Ranger program in the Northern Territory by 50 positions, to over 330 rangers.

Funding under the program is provided to Indigenous and non-Indigenous organisations that employ Indigenous staff to undertake a range of environmental activities, including control of feral animals and weeds, and protection of important cultural sites and areas of national and international significance.

The Indigenous Ranger program is a component of the Caring for our Country initiative, and the costs of this expansion will be partially met from within the existing resources of that initiative.

Further information can be found in the joint press release of 14 November 2011 issued by the Minister for Families, Housing, Community Services and Indigenous Affairs, the Minister for Sustainability, Environment, Water, Population and Communities, the Minister for Indigenous Employment and Economic Development and the Minister for Indigenous Health.

Sustainable Australia — Suburban Jobs — reduction in funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Sustainability, Environment, Water, Population and Communities	-	-2.5	-18.5	-22.5	-11.5

The Government will reduce funding for the Suburban Jobs program by \$55.0 million over four years.

The remaining program funding of \$45.0 million over four years will continue to be available to assist state and local governments to plan and provide for employment hubs to support local jobs.

Savings from this measure will be redirected to partially offset the *Illawarra Region Innovation and Investment Fund* and to support other Government priorities.

See also the related expense measure titled *Illawarra Region Innovation and Investment Fund – establishment* in the Innovation, Industry, Science and Research portfolio.

TREASURY

Australian Financial Centre Taskforce Secretariat

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	0.2	-	-	-
<i>Related revenue (\$m)</i>					
<i>Department of the Treasury</i>	-	0.2	-	-	-

The Government will provide \$165,000 in 2011-12 for the continued employment of a part-time Executive Director of the Australian Financial Centre Taskforce Secretariat. The Australian Financial Centre Taskforce oversees the development of initiatives to enhance the competitiveness of Australia as a financial centre.

Funding will be sourced from interest revenue earned on unclaimed monies held in the *Companies and Unclaimed Moneys Special Account (CUMSA)*. This has no impact on the budget as the interest earned by CUMSA is not included in Australian Government revenue until a decision has been made for its expenditure.

Clean Energy Finance Corporation

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	2.7	-	-	-
Clean Energy Finance Corporation	-	-	19.6	466.9	543.2
Total - Expense	-	2.7	19.6	466.9	543.2
<i>Related revenue (\$m)</i>					
<i>Clean Energy Finance Corporation</i>	-	-	-	-	88.6

The Government will provide \$2.0 billion a year for five years from 2013-14 into the Clean Energy Finance Corporation (CEFC). The CEFC will provide commercial and concessional loans and equity for the commercialisation and deployment of renewable energy and enabling technologies, energy efficiency and low-emissions technologies. It will also invest in manufacturing businesses that focus on producing inputs required for these technologies.

The Government has appointed an expert review panel to report to the Deputy Prime Minister and Treasurer and the Minister for Finance and Deregulation by mid-March 2012 on: the implementation plan for the establishment of the CEFC; the investment mandate and risk management approach of the CEFC; and governance arrangements of the CEFC. The recommendations of the expert review will inform the drafting of legislation, which will be introduced into Parliament in 2012 to allow the CEFC to commence operations in 2013-14.

The CEFC will have a net impact on the fiscal balance of \$943.8 million over the forward estimates and a net impact on the underlying cash balance of \$312.0 million over the same period. In 2014-15, interest revenue from investments will have a positive impact on the fiscal balance of \$88.6 million and a positive impact on the underlying cash balance of \$60.8 million.

The fiscal and underlying cash balance impacts include: departmental expenses; a prudent recognition that some investments will not be recovered; and interest revenue. The fiscal balance impact also includes the concessional component of concessional loans. This treatment reflects budget accounting standards and is consistent with the treatment of similar investments elsewhere in the budget.

\$60.0 million over four years from 2011-12 will be provided to support the establishment and operating costs for the CEFC, including \$2.7 million in 2011-12 to the Department of the Treasury to assist the expert review panel.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency and the joint press release of 12 October 2011 issued by the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Compliance

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Competition and Consumer Commission	-	2.2	4.4	4.1	2.1
Australian Securities and Investments Commission	-	0.4	2.0	1.2	1.1
Total - Expense	-	2.6	6.3	5.3	3.2
<i>Related revenue (\$m)</i>					
Australian Securities and Investments Commission	-	*	*	*	*

The Government will provide \$12.8 million over four years to the Australian Competition and Consumer Commission (ACCC) to investigate businesses that make false or misleading claims about the impact of a carbon price which contravenes the Australian Consumer Law (ACL). The ACCC will also raise awareness among businesses and consumers of their obligations and rights, respectively, under the ACL.

Appendix A: Policy decisions taken since the 2011-12 Budget

The Government will also provide \$4.6 million over four years to the Australian Securities and Investments Commission for licensing, compliance and deterrence activities in relation to Australian Financial Services license holders dealing in carbon permits. This measure will have an ongoing unquantifiable revenue impact from additional license fees.

This measure delivers on the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Clean Energy Future — Governance — Productivity Commission Reviews

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Productivity Commission	-	3.9	4.4	5.0	4.8

The Government will provide \$18.0 million over four years to the Productivity Commission (PC) to undertake reviews relating to industry assistance, fuel tax arrangements, and undertake ongoing work to quantify mitigation policies in other major economies.

The PC will review the assistance arrangements under the Jobs and Competitiveness Program in the third year of the carbon price (2014-15), including the treatment of the steel industry, and thereafter at regular intervals. A review of assistance provided to a particular activity could be conducted earlier than 2014-15 if requested by the Government. The PC will also review the impact of a carbon price and associated Government assistance measures on the coal mining sector. The review will also examine the practicalities associated with moving to the model described in the Garnaut Climate Change Review – Update 2011, including whether it is the most effective and efficient means of preventing carbon leakage and assisting the industry to transition and whether the Government should adopt this approach.

In addition, once the carbon pricing mechanism has commenced, firms may make a request to the Government to have the impact of the carbon price on their sector assessed. The Government will establish a set of guidelines that set out when such requests would be referred to the PC and the terms of reference for these reviews.

Furthermore, the PC will conduct a review of fuel excise arrangements, including an examination of the merits of a regime based explicitly and precisely on the carbon and energy content of fuels.

This measure delivers on the Government's plan for a clean energy future.

Clean Energy Future — Putting a Price on Pollution — fuel tax credit reductions

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	2.2	-525.8	-49.0	-459.0

The Government will implement an effective carbon charge on the use of liquid and gaseous fuels through the fuel tax system by reducing the business fuel tax credit entitlement for the use of these fuels.

As households and light on-road commercial vehicles are not eligible for fuel tax credits and pay the full rate of fuel tax, they will not also face a carbon price on the fuel they use for transport. The agriculture, forestry and fishing industries are exempt from the fuel tax credit reduction. Heavy on-road transport will be exempted from the beginning of the scheme but will become subject to an effective carbon charge from 1 July 2014.

The Government will also allow large users of fuel to opt into the carbon pricing mechanism instead of paying the equivalent carbon price through the fuel tax system.

This measure delivers on the Government’s plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

This measure is estimated to provide savings of \$1,031.6 million over the forward estimates. The Government will provide the Australian Taxation Office \$8.4 million to administer the arrangements.

The estimate for this measure varies from those published in the Explanatory Memorandum for the clean energy legislation as a result of updated data and methodological improvements relating to liquid fuels.

Clean Energy Future — Supporting Energy Markets — Energy Security Council

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	-	-	-	-

The Government will establish a new Energy Security Council to advise it in the event of systemic risks to energy security and on measures to mitigate such risks. The Council will also advise on the provision of loans to electricity generators for the refinancing of existing debt if finance from the market is not available on reasonable terms.

The Department of the Treasury will provide secretariat support to the Council. This cost will be absorbed in 2011-12 but further funding may be sought in later years.

This measure is part of the Government's plan for a clean energy future.

Further information can be found in the joint press release of 10 July 2011 issued by the Prime Minister, the Deputy Prime Minister and Treasurer and the Minister for Climate Change and Energy Efficiency.

Establishment of a Tax Studies Institute

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	-	1.0	1.0	1.0
Australian Taxation Office	-	-	-1.0	-1.1	-1.1
Total - Expense	-	-	-	-0.1	-0.1

The Government will provide \$3.0 million over 3 years to establish an independent tax studies institute. The institute will undertake additional research into Australia's tax and transfer system. The institute will be a centre for research excellence linked to our universities and consider issues including the design and simplification of the tax-transfer system.

Business donations to the Tax Studies Institute (TSI) will be an allowable tax deduction.

The cost of establishing the TSI and the revenue impact from listing the TSI as having deductible gift recipient status will be offset from a corresponding reduction in expenses from the Australian Taxation Office.

The establishment of a TSI was announced by the Deputy Prime Minister and Treasurer on 5 October 2011 at the conclusion of the Tax Forum.

This measure implements a change recommended by the Australia's Future Tax System Review, and continues the process of tax reform started in May last year with the release of the Government's *Stronger, Fairer, Simpler* package of reforms

See also the related revenue measure titled *Philanthropy – updating the list of specifically listed deductible gift recipients*.

Grant to Australasian Compliance Institute

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of the Treasury	-	-
<i>Related revenue (\$m)</i>					
<i>Department of the Treasury</i>	-	-

The Government will provide a grant of \$65,000 over three years from 2011-12 to the Australasian Compliance Institute (ACI) to enable the ACI to engage Standards Australia to initiate the development of an international standard based on Australian Standard 3806 Compliance programs. This will assist in the promotion of a culture of compliance within Australian business.

Funding will be sourced from interest revenue earned on unclaimed monies held in the *Companies and Unclaimed Moneys Special Account (CUMSA)*. This has no impact on the budget as the interest earned by CUMSA is not included in Australian Government revenue until a decision has been made for its expenditure.

Superannuation — low income superannuation contribution — modified eligibility criteria

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-25.6	-26.6	-25.6

The Government will modify the eligibility criteria for the low income superannuation contribution (LISC), saving \$77.8 million over three years to 2014-15.

This measure will restrict eligibility to individuals earning 10 per cent or more of their income from employment or carrying on a business which also applies to the superannuation co-contribution. In addition, the LISC will not be paid if it would be less than \$20 in order to reduce administration costs, or the individual is a temporary resident.

Superannuation Co-contribution — better targeting concession for low income earners

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Australian Taxation Office	-	-	-352.0	-342.0	-329.0

The Government will better target superannuation concessions for low income earners by reducing the superannuation co-contribution from 1 July 2012, when the new low income superannuation contribution commences. This measure is estimated to save \$1.023 billion over three years to 2014-15.

Appendix A: Policy decisions taken since the 2011-12 Budget

Under this measure, the matching rate will be reduced to 50 per cent, with a maximum co-contribution of \$500 for people with incomes up to \$31,920 in 2012-13 (with the amount available phasing down for incomes up to \$46,920).

The low income superannuation contribution announced in the 2010-11 Budget is better targeted and more widely available than the current co-contribution, benefiting more than three times as many low-income earners. The new concession effectively refunds the tax payable on superannuation contributions, including those made under the superannuation guarantee, for individuals earning up to \$37,000.

Savings from this measure will be redirected to support other Government priorities.

VETERANS' AFFAIRS

Centenary of Anzac — Anzac Centenary Advisory Board — operational funding

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Veterans' Affairs	-	-	-	-	-

The Government will provide \$1.1 million in 2011-12 to support the operation of the Anzac Centenary Advisory Board and its six working groups. The Board has been established to provide strategic advice to Government on the planning and implementation of commemorations for the Centenary of Anzac.

The cost of this measure will be met from within the existing resources of the Department of Veterans' Affairs.

Centenary of Anzac — Anzac Interpretive Centre Albany — design and planning

Expense (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Veterans' Affairs	-	1.3	-	-	-

The Government will provide \$1.3 million in 2011-12 for design and planning work on an Anzac Interpretive Centre (the Centre), as part of the commemoration of the Centenary of Anzac.

The Centre will increase community understanding of the service performed by Australian men and women during the First World War, providing an educational resource and a lasting legacy. The Centre will be located in Albany, Western Australia, where the Anzac convoys gathered before departing for Egypt and Gallipoli, and will also have an online presence.

The development of the Centre was a key recommendation of the National Commission on the Commemoration of the Anzac Centenary. This funding is in addition to the \$250,000 already provided in 2011 to undertake a scoping study.

Capital Measures

Table 3: Capital measures since the 2011-12 Budget^(a)

Page	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
ATTORNEY-GENERAL'S					
<i>Attorney-General's Department</i>					
297					
	-	1.8	-	-	-
<i>Australian Federal Police</i>					
203					
	-	-6.6	-	-	-
<i>Insolvency and Trustee Service Australia</i>					
299					
	-	1.0	-	-	-
	-	-3.8	-	-	-
CLIMATE CHANGE AND ENERGY EFFICIENCY					
<i>Clean Energy Regulator</i>					
<i>Clean Energy Future</i>					
210					
	-	30.0	17.7	7.2	0.8
269					
	-	-	-	-	-
<i>Department of Climate Change and Energy Efficiency</i>					
300					
	-	*	*	*	*
	-	30.0	17.7	7.2	0.8
CROSS PORTFOLIO					
<i>Various Agencies</i>					
301					
	-	-	-230.0	-230.0	-250.0
	-	-	-230.0	-230.0	-250.0
DEFENCE					
<i>Department of Defence</i>					
171					
	-	-	-0.8	-0.8	-0.8
	-	-	-0.8	-0.8	-0.8
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
<i>Department of Education, Employment and Workplace Relations</i>					
222					
	-	-	-	-	-

Table 3: Capital measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued)					
262	Early intervention to prevent debts for customers commencing employment(b)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS					
	<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>					
262	Early intervention to prevent debts for customers commencing employment(b)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	FOREIGN AFFAIRS AND TRADE					
	<i>Australian Centre for International Agricultural Research</i>					
250	Official development assistance – Commonwealth Heads of Government Meeting – Australia Africa Food Security Initiative(b)	-	0.2	-	-	-
	Portfolio total	-	0.2	-	-	-
	HEALTH AND AGEING					
	<i>Department of Health and Ageing</i>					
260	Therapeutic products – establishment of the Australia New Zealand Therapeutic Products Agency(b)	-	nfp	-	-	-
	Portfolio total	-	-	-	-	-
	HUMAN SERVICES					
	<i>Department of Human Services</i>					
240	Better Targeting of Immunisation Incentives(b)	-	-	0.2	-	-
159	Clean Energy Future – Helping Households – tax cuts and increased payments(c)	-	1.8	3.7	3.2	0.7
262	Early intervention to prevent debts for customers commencing employment(b)	-	-	2.6	-	-
254	Herceptin Program – additional vial size(b)	-	0.4	-	-	-
258	Pharmaceutical Benefits Scheme – new and amended listings(b)	-	0.2	-	-	-
229	Stronger Futures in the Northern Territory – expansion of the School Enrolment and Attendance Measure(b)	-	2.1	0.1	-	-

Table 3: Capital measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
	HUMAN SERVICES (continued)					
263	Student Income Support – administrative costs(b)	-	1.5	-	-	-
	Portfolio total	-	6.1	6.6	3.2	0.7
	IMMIGRATION AND CITIZENSHIP					
	<i>Department of Immigration and Citizenship</i>					
154	Visa Pricing Transformation(c)	-	9.3	24.5	5.8	0.8
	Portfolio total	-	9.3	24.5	5.8	0.8
	INNOVATION, INDUSTRY, SCIENCE AND RESEARCH					
	<i>Department of Innovation, Industry, Science and Research</i>					
270	Clean Energy Future – Supporting Jobs – Steel Transformation Plan(b)	-	0.3	-	-	-
300	Howe Leather – loan	-	-	-	-	-
	Portfolio total	-	0.3	-	-	-
	RESOURCES, ENERGY AND TOURISM					
	<i>Geoscience Australia</i>					
204	Flood Risk Information – enhancement(b)	-	-	0.2	0.2	..
	Portfolio total	-	-	0.2	0.2	..
	SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES					
	<i>Department of Sustainability, Environment, Water, Population and Communities</i>					
155	Clean Energy Future – Putting a Price on Pollution – synthetic greenhouse gases and ozone depleting substances(c)	-	..	-	-	-
	Portfolio total	-	..	-	-	-
	TREASURY					
	<i>Australian Taxation Office</i>					
	Personal income tax					
169	– 50 per cent tax discount for interest income – deferral(c)	-	-	-4.3	4.3	-
170	– standard deduction for work-related expenses and the cost of managing tax affairs – deferral(c)	-	-	-11.4	11.4	-
176	Tax compliance – increased data matching resources(c)	-	-	-	0.6	-
	Portfolio total	-	-	-15.7	16.3	-
	VETERANS' AFFAIRS					
	<i>Department of Veterans' Affairs</i>					
159	Clean Energy Future – Helping Households – tax cuts and increased payments(c)	-	4.5	-	-	-

Table 3: Capital measures since the 2011-12 Budget^(a) (continued)

Page		2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
VETERANS' AFFAIRS (continued)						
232	Student Income Support – Relocation Scholarship – increased payments for regional students(b)	-	0.5	-	-	-
	Portfolio total	-	5.0	-	-	-
	Decisions taken but not yet announced	-	-222.5	-224.8	-	-
	Depreciation expense	-	-	-1.3	-1.9	-2.1
	Total capital measures(d)	-	-175.5	-423.6	-200.1	-250.6

* The nature of the measure is such that a reliable estimate cannot be provided.

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in capital, no sign before an estimate indicates increased capital.

(b) These measures can also be found in the expense measures summary table.

(c) These measures can also be found in the revenue measures summary table.

(d) Measures may not add due to rounding.

ATTORNEY-GENERAL'S

Personal Property Securities Register — additional funding

Capital (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Attorney-General's Department	-	1.8	-	-	-
Insolvency and Trustee Service Australia	-	1.0	-	-	-
Total - Capital	-	2.8	-	-	-
<i>Related revenue (\$m)</i>					
<i>Attorney-General's Department</i>	-	-	-	-	-
<i>Insolvency and Trustee Service Australia</i>	-	-3.5	0.6	0.6	8.1
Total - Revenue	-	-3.5	0.6	0.6	8.1
<i>Related expense (\$m)</i>					
<i>Attorney-General's Department</i>	-	1.4	-	-	-
<i>Insolvency and Trustee Service Australia</i>	-	-0.4	-	-	-
Total - Expense	-	1.0	-	-	-

The Government will provide \$7.5 million in 2011-12 (including capital of \$2.8 million) to support the finalisation of the Personal Property Securities Register (PPSR). The additional funding will support a delay to the commencement date of the PPSR to allow for further testing and capability upgrades to ensure the PPSR and other necessary systems meet stakeholder expectations. This delay will result in a \$3.5 million reduction of revenue in 2011-12.

The costs of this measure will be offset from an increase to the existing cost recovery arrangements of the PPSR.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Clean Energy Future — cancellation of Kyoto units

Capital (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Climate Change and Energy Efficiency	-	*	*	*	*

The Government will cancel a total of approximately 6.3 million Kyoto units, including cancelling Kyoto units for GreenPower purchases from 1 January 2010 until the commencement of the carbon price mechanism on 1 July 2012. This will ensure that abatement from current GreenPower purchases can be accounted for as voluntary action that is in addition to abatement to meet Australia's Kyoto target.

The Government will also cancel Kyoto units for Greenhouse Friendly™ abatement achieved during the Kyoto commitment period. This will enable Greenhouse Friendly™ credits to be included as an eligible source of offset credits under the National Carbon Offset Standard.

The units slated for cancellation represent between 10 and 20 per cent of Australia's currently projected surplus Kyoto units and their cancellation is not expected to affect Australia's ability to meet its Kyoto target.

At present, the financial impact of cancelling these units cannot be reliably quantified.

Savings from this measure will be redirected to support other Government priorities.

CROSS PORTFOLIO

Departmental Capital Budgets — Savings

Capital (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Various Agencies	-	-	-230.0	-230.0	-250.0

The Government will deliver savings of \$710 million over three years by reducing departmental capital funding by 20 per cent in those agencies that are subject to departmental capital budgeting arrangements. This reduction will take effect from the 2012-13 financial year onwards.

Funding provided under departmental capital budget arrangements is intended to meet the costs associated with the replacement of minor assets (assets valued at \$10 million or less) and costs that are eligible to be capitalised. Affected agencies will accommodate the reduction in funding by reprioritising the replacement or maintenance of IT systems or by delaying activities such as property, plant and equipment works and replacement.

Large capital projects valued at more than \$10 million (including large building and construction works and large IT projects) are not subject to departmental capital budgeting arrangements and are not affected by this measure.

INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

Howe Leather — loan

Capital (\$m)	2010-11	2011-12	2012-13	2013-14	2014-15
Department of Innovation, Industry, Science and Research	-	-	-	-	-
<i>Related revenue (\$m)</i>					
<i>Department of Innovation, Industry, Science and Research</i>	-	-	2.2	1.9	1.7

The Government will provide a loan of \$25.0 million to Howe and Company Proprietary Limited and its parent company Howe Automotive Limited (collectively Howe Leather). The loan is to be fully repaid over ten years with annual interest and principal payments. The provision of the loan is conditional upon Howe Leather repaying two existing loans to the Government, involving principal repayments totalling \$30.7 million and an interest payment of approximately \$2.0 million.

The Government previously provided Howe Leather with a \$25.0 million loan in 1996, followed by an additional \$13.7 million loan in 2000 as part of the company's exclusion from the automotive and textile, clothing and footwear industry support schemes. The existing loans are to be repaid by February 2012.

The provision of loans from the Budget and their repayment affect only the composition of Government assets and as such this loan component has no impact on the fiscal balance. Forecast loan interest payments will have a positive impact on fiscal balance of \$5.8 million over the forward estimates.

APPENDIX B: AUSTRALIAN GOVERNMENT BUDGET FINANCIAL STATEMENTS

The Mid-Year Economic and Fiscal Outlook (MYEFO) financial statements consist of an operating statement, including other economic flows, a balance sheet, and a cash flow statement for the Australian Government general government sector (GGS), the public non-financial corporations sector (PNFC) and the total non-financial public sector (NFPS). This statement also contains notes showing disaggregated information for the GGS.

The *Charter of Budget Honesty Act 1998* (the Charter) requires that MYEFO be based on external reporting standards and for departures from these standards to be disclosed. The Government has produced financial statements that comply with both Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) and Australian Accounting Standards (AAS), meeting the requirement of the Charter, with departures disclosed. The statements for MYEFO have been prepared on a consistent basis with the 2011-12 Budget. The statements reflect the Government's accounting policy that ABS GFS remains the basis of budget accounting policy, except where the Government applies AAS because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

The Australian, State and Territory governments have an agreed framework – the Accrual Uniform Presentation Framework (UPF) – for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standards Board standard AASB 1049. The MYEFO financial statements are consistent with the requirements of the UPF.

In accordance with the UPF requirements, this statement also contains an update of the Australian Government's Loan Council Allocation.

AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Table B1: Australian Government general government sector operating statement

	Note	Estimates		Projections	
		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Revenue					
Taxation revenue	3	323,631	361,679	385,879	406,890
Sales of goods and services	4	8,050	8,295	8,561	8,256
Interest income	5	5,190	5,417	5,463	5,258
Dividend income	5	1,652	1,786	1,931	1,954
Other	6	5,587	5,587	5,709	5,793
Total revenue		344,110	382,764	407,542	428,151
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	19,374	18,707	18,930	19,176
Superannuation	7	4,177	3,376	3,412	3,382
Depreciation and amortisation	8	5,733	5,956	6,110	6,294
Supply of goods and services	9	70,425	70,092	74,244	78,855
Other operating expenses(a)	7	4,624	4,630	4,769	4,760
<i>Total gross operating expenses</i>		<i>104,333</i>	<i>102,761</i>	<i>107,465</i>	<i>112,467</i>
Superannuation interest expense	7	7,351	7,886	8,141	8,398
Interest expenses	10	12,983	13,680	14,165	14,128
Current transfers					
Current grants	11	111,799	117,859	123,587	132,616
Subsidy expenses		9,782	12,808	14,794	14,946
Personal benefits	12	110,787	115,488	121,805	129,837
<i>Total current transfers</i>		<i>232,368</i>	<i>246,156</i>	<i>260,187</i>	<i>277,400</i>
Capital transfers					
Mutually agreed write-downs		2,267	2,403	2,549	2,696
Other capital grants		12,445	7,049	8,116	3,775
<i>Total capital transfers</i>		<i>14,712</i>	<i>9,451</i>	<i>10,666</i>	<i>6,471</i>
Total expenses		371,747	379,935	400,623	418,863
Net operating balance		-27,637	2,829	6,919	9,288
Other economic flows					
Gain/loss on equity and on sale of assets(b)		-1,875	7,889	3,508	3,647
Net write-downs of assets (including bad and doubtful debts)		-5,376	-5,887	-6,284	-6,641
Assets recognised for the first time		517	544	574	609
Actuarial revaluations		-819	0	0	0
Net foreign exchange gains		-527	26	871	68
Net swap interest received		45	0	0	0
Market valuation of debt		-7,628	1,352	1,182	973
Other economic revaluations(c)		-84	-337	-14	450
Total other economic flows		-15,747	3,587	-163	-894
Comprehensive result -					
Total change in net worth	13	-43,383	6,415	6,756	8,394

Table B1: Australian Government general government sector operating statement (continued)

	Note	Estimates		Projections	
		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Net operating balance		-27,637	2,829	6,919	9,288
Net acquisition of non-financial assets					
Purchases of non-financial assets		10,013	8,846	8,730	8,899
<i>less</i> Sales of non-financial assets		612	5,104	403	235
<i>less</i> Depreciation		5,733	5,956	6,110	6,294
<i>plus</i> Change in inventories		638	537	532	458
<i>plus</i> Other movements in non-financial assets		508	-208	10	65
Total net acquisition of non-financial assets		4,813	-1,885	2,760	2,893
Fiscal balance (Net lending/borrowing)(d)		-32,450	4,714	4,159	6,395

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) Reflects changes in the market valuation of investments and any revaluations at the point of disposal or sale.

(c) Largely reflects other revaluation of assets and liabilities.

(d) The term fiscal balance is not used by the ABS.

Table B2: Australian Government general government sector balance sheet

	Note	Estimates		Projections	
		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Assets					
Financial assets					
Cash and deposits	20(a)	2,484	2,511	2,673	2,460
Advances paid	14	29,790	32,683	36,611	40,757
Investments, loans and placements	15	97,990	106,868	106,582	108,448
Other receivables	14	37,011	40,720	42,336	44,929
Equity investments					
Investments in other public sector entities		21,858	26,425	33,040	37,129
Equity accounted investments		318	318	319	321
Investments - shares		29,110	31,781	35,299	38,389
Total financial assets		218,560	241,305	256,861	272,434
Non-financial assets					
Land	16	8,661	8,595	8,531	8,588
Buildings		23,094	23,953	24,352	24,255
Plant, equipment and infrastructure		52,696	54,178	56,039	58,003
Inventories		7,031	7,204	7,328	7,357
Intangibles		5,224	5,388	5,326	5,582
Investment properties		316	316	316	316
Biological assets		36	36	36	36
Heritage and cultural assets		9,498	9,511	9,523	9,536
Assets held for sale		148	148	148	148
Other non-financial assets		3,196	3,022	3,058	3,166
Total non-financial assets		109,901	112,350	114,656	116,987
Total assets		328,461	353,655	371,517	389,421
Liabilities					
Interest bearing liabilities					
Deposits held		209	209	209	209
Government securities		253,455	262,296	268,157	272,424
Loans	17	8,357	11,755	11,760	11,789
Other borrowing		796	1,093	1,453	1,351
Total interest bearing liabilities		262,816	275,353	281,579	285,773
Provisions and payables					
Superannuation liability	18	133,487	137,995	142,565	147,196
Other employee liabilities	18	11,539	11,806	12,122	12,311
Suppliers payable	19	4,478	4,428	4,487	4,493
Personal benefits provisions and payable	19	13,165	14,138	14,428	14,984
Subsidies provisions and payable	19	2,292	2,881	3,145	3,268
Grants provisions and payable	19	10,618	10,914	9,759	8,657
Other provisions and payables	19	12,394	12,053	12,588	13,503
Total provisions and payables		187,973	194,215	199,095	204,411
Total liabilities		450,789	469,568	480,674	490,184
Net worth(a)		-122,328	-115,913	-109,157	-100,763
<i>Net financial worth(b)</i>		<i>-232,229</i>	<i>-228,263</i>	<i>-223,813</i>	<i>-217,750</i>
<i>Net financial liabilities(c)</i>		<i>254,087</i>	<i>254,688</i>	<i>256,854</i>	<i>254,880</i>
<i>Net debt(d)</i>		<i>132,552</i>	<i>133,292</i>	<i>135,713</i>	<i>134,108</i>

(a) Net worth is calculated as total assets minus total liabilities.

(b) Net financial worth equals total financial assets minus total liabilities.

(c) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

(d) Net debt equals the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

Table B3: Australian Government general government sector cash flow statement^(a)

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Cash receipts from operating activities				
Taxes received	315,299	349,161	375,458	395,493
Receipts from sales of goods and services	7,970	8,218	8,523	8,191
Interest receipts	4,902	4,951	4,942	4,617
Dividends and income tax equivalents	2,233	1,785	1,930	1,953
Other receipts	5,417	5,340	5,378	5,469
Total operating receipts	335,820	369,455	396,231	415,724
Cash payments for operating activities				
Payments for employees	-26,171	-25,428	-25,863	-26,270
Payments for goods and services	-71,140	-70,337	-74,405	-79,106
Grants and subsidies paid	-137,057	-135,063	-144,893	-149,344
Interest paid	-10,775	-11,753	-11,721	-11,948
Personal benefit payments	-110,299	-114,526	-121,504	-129,286
Other payments	-4,522	-4,339	-4,491	-4,566
Total operating payments	-359,963	-361,447	-382,878	-400,519
Net cash flows from operating activities	-24,143	8,008	13,353	15,205
Cash flows from investments in non-financial assets				
Sales of non-financial assets	612	5,104	403	235
Purchases of non-financial assets	-10,009	-8,218	-8,249	-8,956
Net cash flows from investments in non-financial assets	-9,397	-3,114	-7,847	-8,721
Net cash flows from investments in financial assets for policy purposes	-9,677	-10,867	-9,073	-7,558
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	1,475	-3,028	-1,959	-3,483
Net cash flows from investments in financial assets for liquidity purposes	1,475	-3,028	-1,959	-3,483
Cash receipts from financing activities				
Borrowing	43,688	10,343	7,057	5,435
Total cash receipts from financing activities	43,688	10,343	7,057	5,435
Cash payments for financing activities				
Other financing	-1,939	-1,314	-1,370	-1,091
Total cash payments for financing activities	-1,939	-1,314	-1,370	-1,091
Net cash flows from financing activities	41,749	9,028	5,687	4,344
Net increase/(decrease) in cash held	7	27	162	-213

Table B3: Australian Government general government sector cash flow statement (continued)^(a)

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Net cash flows from operating activities and investments in non-financial assets (surplus+)/deficit(-)	-33,540	4,894	5,506	6,484
Finance leases and similar arrangements(b)	-117	-404	-469	0
GFS cash surplus(+)/deficit(-)	-33,658	4,490	5,038	6,484
less Future Fund earnings	3,455	3,011	3,174	3,376
Equals underlying cash balance(c)	-37,113	1,479	1,864	3,108
plus Net cash flows from investments in financial assets for policy purposes	-9,677	-10,867	-9,073	-7,558
plus Future Fund earnings	3,455	3,011	3,174	3,376
Equals headline cash balance	-43,334	-6,377	-4,035	-1,074

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash balance.

(c) The term underlying cash balance is not used by the ABS.

Table B4: Australian Government public non-financial corporations sector operating statement

	Estimates
	2011-12
	\$m
Revenue	
Current grants and subsidies	16
Sales of goods and services	7,779
Interest income	83
Other	2
Total revenue	7,880
Expenses	
Gross operating expenses	
Wages and salaries(a)	2,945
Superannuation	250
Depreciation and amortisation	561
Supply of goods and services	3,686
Other operating expenses(a)	404
<i>Total gross operating expenses</i>	<i>7,846</i>
Interest expenses	99
Other property expenses	227
Current transfers	
Tax expenses	62
<i>Total current transfers</i>	<i>62</i>
Total expenses	8,235
Net operating balance	-355
Other economic flows	-619
Comprehensive result - Total change in net worth excluding contribution from owners	-974
Net acquisition of non-financial assets	
Purchases of non-financial assets	3,590
<i>less</i> Sales of non-financial assets	<i>114</i>
<i>less</i> Depreciation	<i>561</i>
<i>plus</i> Change in inventories	<i>22</i>
<i>plus</i> Other movements in non-financial assets	<i>283</i>
Total net acquisition of non-financial assets	3,219
Fiscal balance (Net lending/borrowing)(b)	-3,575

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table B5: Australian Government public non-financial corporations sector balance sheet

	Estimates
	2011-12
	\$m
Assets	
Financial assets	
Cash and deposits	2,549
Investments, loans and placements	342
Other receivables	998
Equity investments	320
<i>Total financial assets</i>	4,209
Non-financial assets	
Land and fixed assets	10,720
Other non-financial assets(a)	896
<i>Total non-financial assets</i>	11,617
Total assets	15,826
Liabilities	
Interest bearing liabilities	
Borrowing	2,178
<i>Total interest bearing liabilities</i>	2,178
Provisions and payables	
Other employee liabilities	1,229
Other provisions and payables(a)	2,236
<i>Total provisions and payables</i>	3,465
Total liabilities	5,644
Shares and other contributed capital	10,182
Net worth(b)	10,182
<i>Net financial worth(c)</i>	-1,434
<i>Net debt(d)</i>	-713

(a) Excludes the impact of commercial taxation adjustments.

(b) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(c) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(d) Net debt equals the sum of interest bearing liabilities (deposits held, advances received and borrowing), minus the sum of cash and deposits and investments, loans and placements.

Table B6: Australian Government public non-financial corporations sector cash flow statement^(a)

	Estimates
	2011-12
	\$m
Cash receipts from operating activities	
Receipts from sales of goods and services	8,661
GST input credit receipts	82
Other receipts	133
Total operating receipts	8,876
Cash payments for operating activities	
Payments to employees	-3,764
Payment for goods and services	-4,186
Interest paid	-87
GST payments to taxation authority	-239
Other payments	-100
Total operating payments	-8,376
Net cash flows from operating activities	500
Cash flows from investments in non-financial assets	
Sales of non-financial assets	158
Purchases of non-financial assets	-3,873
Net cash flows from investments in non-financial assets	-3,715
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	137
Net cash flows from investments in financial assets for liquidity purposes	137
Net cash flows from financing activities	
Borrowing (net)	764
Other financing (net)	3,557
Distribution paid (net)	-244
Net cash flows from financing activities	4,077
Net increase/(decrease) in cash held	999
Cash at the beginning of the year	1,551
Cash at the end of the year	2,549
Net cash from operating activities and investments in non-financial assets	-3,215
Distributions paid	-244
Equals surplus(+)/deficit(-)	-3,459
Finance leases and similar arrangements(b)	0
GFS cash surplus(+)/deficit(-)	-3,459

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table B7: Australian Government total non-financial public sector operating statement

	Estimates
	2011-12
	\$m
Revenue	
Taxation revenue	323,569
Sales of goods and services	14,628
Interest income	5,244
Dividend income	1,424
Other	5,589
Total revenue	350,454
Expenses	
Gross operating expenses	
Wages and salaries(a)	22,319
Superannuation	4,427
Depreciation and amortisation	6,294
Supply of goods and services	72,909
Other operating expenses(a)	5,028
<i>Total gross operating expenses</i>	<i>110,977</i>
Superannuation interest expense	7,351
Interest expenses	13,054
Current transfers	
Current grants	111,799
Subsidy expenses	9,766
Personal benefits	110,787
<i>Total current transfers</i>	<i>232,352</i>
Capital transfers	14,712
Total expenses	378,446
Net operating balance	-27,992
Other economic flows	-14,218
Comprehensive result - Total change in net worth	-42,210
Net acquisition of non-financial assets	
Purchases of non-financial assets	13,603
<i>less</i> Sales of non-financial assets	726
<i>less</i> Depreciation	6,294
<i>plus</i> Change in inventories	660
<i>plus</i> Other movements in non-financial assets	790
Total net acquisition of non-financial assets	8,033
Fiscal balance (net lending/borrowing)(b)	-36,025

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table B8: Australian Government total non-financial public sector balance sheet

	Estimates
	2011-12
	\$m
Assets	
Financial assets	
Cash and deposits	5,033
Advances paid	29,790
Investments, loans and placements	98,050
Other receivables	37,865
Equity investments	41,992
<i>Total financial assets</i>	<i>212,730</i>
Non-financial assets	
Land and fixed assets	111,700
Other non-financial assets	9,817
<i>Total non-financial assets</i>	<i>121,518</i>
Total assets	334,248
Liabilities	
Interest bearing liabilities	
Deposits held	209
Government securities	253,455
Loans	8,075
Other borrowing	2,975
<i>Total interest bearing liabilities</i>	<i>264,713</i>
Provisions and payables	
Superannuation liability	133,487
Other employee liabilities	12,767
Other provisions and payables	45,040
<i>Total provisions and payables</i>	<i>191,294</i>
Total liabilities	456,007
Shares and other contributed capital	10,182
Net worth(a)	-121,759
<i>Net financial worth(b)</i>	<i>-243,277</i>
<i>Net debt(c)</i>	<i>131,839</i>

(a) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(b) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(c) Net debt equals the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

Table B9: Australian total non-financial public sector cash flow statement^(a)

	Estimates
	2011-12
	\$m
Cash receipts from operating activities	
Taxes received	315,207
Receipts from sales of goods and services	14,634
Interest receipts	4,957
Dividends and income tax equivalents	2,006
Other receipts	5,449
Total operating receipts	342,252
Cash payments for operating activities	
Payments to employees	-29,935
Payments for goods and services	-73,485
Grants and subsidies paid	-137,057
Interest paid	-10,833
Personal benefit payments	-110,299
Other payments	-4,529
Total operating payments	-366,138
Net cash flows from operating activities	-23,887
Cash flows from investments in non-financial assets	
Sales of non-financial assets	770
Purchases of non-financial assets	-13,882
Net cash flows from investments in non-financial assets	-13,112
Net cash flows from investments in financial assets for policy purposes	-9,677
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	5,109
Net cash flows from investments in financial assets for liquidity purposes	5,109
Net cash flows from financing activities	
Borrowing (net)	44,453
Other financing (net)	-1,880
Net cash flows from financing activities	42,573
Net increase/(decrease) in cash held	1,006
Cash at the beginning of the year	4,028
Cash at the end of the year	5,033
Net cash from operating activities and investments in non-financial assets	-36,999
Distributions paid	0
Equals surplus(+)/deficit(-)	-36,999
Finance leases and similar arrangements(b)	-117
GFS cash surplus(+)/deficit(-)	-37,116

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

NOTES TO THE GENERAL GOVERNMENT SECTOR FINANCIAL STATEMENTS

Note 1: External reporting standards and accounting policies

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the Mid-Year Economic and Fiscal Outlook (MYEFO) be based on external reporting standards and that departures from applicable external reporting standards be identified.

The major external standards used for MYEFO reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005* (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- Australian Accounting Standards (AAS), being AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049) and other applicable Australian Equivalents to International Financial Reporting Standards (AEIFRS).

As required by the Charter, the financial statements have been prepared on an accrual basis that complies with both ABS GFS and AAS except for departures disclosed at Note 2.

A more detailed description of the AAS and ABS GFS frameworks, in addition to definitions of key terms used in these frameworks, can be found in Attachment A. Table B11 in Attachment A explains the key differences between the two frameworks. Detailed accounting policies, as required by AAS, are disclosed in the annual consolidated financial statements.

Budget reporting focuses on the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies. In preparing financial statements for the GGS, all material transactions and balances between entities within the GGS have been eliminated. A list of entities within the GGS, as well as entities within and a description of the public non-financial corporations (PNFC) sector and public financial corporations (PFC) sector, are disclosed in Table B10 in Attachment A.

The Government's key fiscal aggregates are based on ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit and the derivation of the underlying cash balance and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including net operating balance, net lending/borrowing (fiscal balance) and net worth. In addition to the ABS GFS

aggregates, the Accrual Uniform Presentation Framework (UPF) requires net debt, net financial worth and net financial liabilities.

Comprehensive guidance has not been issued under either Australian Accounting Standards or Government Finance Statistics for the measurement of accrual revenue and expenses under the carbon price. Current estimates measure revenue and expenses at the market price for carbon in the year that emissions occur. Finance and Treasury will continue to review this treatment in consultation with the ABS and the Australian National Audit Office (ANAO).

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The MYEFO financial statements depart from the external reporting standards as follows.

General government sector

Departures from ABS GFS

ABS GFS requires that provisions for bad and doubtful debts be excluded from the balance sheet. This treatment has not been adopted in the financial statements or in any reconciliation notes because excluding such provisions would overstate the value of Australian Government assets in the balance sheet. The financial statements currently adopt AAS treatment for provisions for bad and doubtful debts.

ABS GFS treats coins on issue as a liability and no revenue is recognised. The ABS GFS treatment of circulating coins as a liability has not been adopted in the financial statements or in any reconciliation notes. Instead, the financial statements adopt AAS treatment for circulating coins (seigniorage). Under this treatment seigniorage revenue is recognised upon the issue of coins and no liability is recorded.

Under ABS GFS prepayments are classified as financial assets. In accordance with AAS, prepayments have been classified as non-financial assets in the financial statements. This is a classification difference that impacts on net financial worth.

ABS GFS records defence weapons platforms (DWP) as a non-financial asset on a market value basis (fair value), rather than expensing at time of acquisition. The value used by ABS is consistent with the National Accounts statistical methodology, and represents an early adoption of changes to the *System of National Accounts 2008*. ABS GFS treatment of DWP is consistent with AAS, as non-financial assets can be valued at fair value as long as they can be reliably measured, otherwise cost is permissible. DWP will be valued at cost in the budget financial statements, as they have in previous budgets, while the Australian Government ascertains if a relevant and reliable fair value can be sourced.

Under ABS GFS, concessional loans are recognised at their nominal value, that is, they are not discounted to fair (market) value as there is not considered to be a secondary market. This treatment has not been adopted for the financial statements. Consistent with AAS, loans issued at below market interest rates or with long repayment periods are recorded at fair value (by discounting them by market interest rates). The difference between the nominal value and the fair value of the loan is recorded as an expense. Over the life of the loan the interest earned is recognised at market rates.

ABS GFS requires investments in unlisted public sector entities to be valued based on their net assets. Under AAS, investments in public sector entities can be valued at fair value as long as a fair value can be reliably measured, otherwise net assets is permissible. The AAS treatment has been adopted in the financial statements.

Movements in the provision for restoration, decommissioning and make-good of assets have been included in the calculation of the fiscal balance capital adjustment because in many cases they involve legal obligations to expend resources. ABS GFS does not recognise adjustments for such provisions because they are considered a constructive obligation that may not materialise for many years.

Departures from AASB 1049

AAS requires the advances paid to the International Development Association and Asian Development Fund to be recognised at fair value. Under ABS GFS these advances are recorded at nominal value. ABS GFS treatment is adopted in the financial statements.

AASB 1049 requires the disclosure of the operating result and its derivation on the face of the operating statement. However, as this aggregate is not used by the Australian Government (and is not required by the UPF), it has been disclosed in Note 13 rather than on the face of the operating statement.

AASB 1049 requires disaggregated information, by ABS GFS function, for expenses and total assets to be disclosed where they are reliably attributable. ABS GFS does not require total assets attributed to functions. In accordance with ABS GFS, disaggregated information for expenses and net acquisition of non-financial assets by function is disclosed in Attachment C of Part 3. In accordance with the UPF, purchases of non-financial assets by function are also disclosed.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to ABS GFS measurement of items, where different, in notes to the financial statements. Reconciliation notes have not been included as they would effectively create two measures of the same aggregate.

AASB 1049 requires major variances between original budget estimates and outcomes to be explained in the financial statements. Explanations of variances for the 2011-12 year from the 2011-12 Budget are disclosed in Part 3. All decisions taken between the 2011-12 Budget and MYEFO are disclosed in Appendix A.

In addition to above adjustments, there are specific adjustments made to the corporations sectors as outlined below.

Public non-financial corporations (PNFC) sector and total non-financial public sector (NFPS)

Departures from ABS GFS

AASB 1049 defines net worth for the PNFC sector and NFPS as total assets less total liabilities, however ABS GFS defines net worth as total assets less total liabilities less shares and contributed capital (which is equal to zero for the PNFC sector). Similarly, AASB1049 defines net financial worth for these sectors as financial assets less total liabilities, whereas under ABS GFS it is equal to financial assets less total liabilities less shares and contributed capital. The AASB 1049 treatment has been adopted in the PNFC and NFPS sector financial statements.

Departures from AASB 1049

The financial statements for the PNFC sector and NFPS comply with the UPF but do not include all the line item disclosures required by AASB 1049. Disaggregated outcome notes for the PNFC sector will be disclosed in the consolidated financial statements.

AAS requires dividends paid to be classified as a distribution of equity. Under ABS GFS, dividends paid are classified as an expense. ABS GFS treatment has been adopted for use in the financial statements.

Australian government public corporations use commercial tax effect accounting to determine their net tax liability while the ATO determines their tax liability on a due and payable basis. To ensure symmetry in treatment between Australian governments sectors the ABS remove tax effect adjustments. The GFS treatment has been adopted in the financial statements.

Note 3: Taxation revenue by type

	Estimates		Projections	
	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m
Income taxation				
Individuals and other withholding taxes				
Gross income tax withholding	143,520	151,190	164,170	176,050
Gross other individuals	32,910	37,350	40,240	44,080
less Refunds	26,600	27,200	28,000	30,700
Total individuals and other withholding taxation	149,830	161,340	176,410	189,430
Fringe benefits tax	3,530	3,870	4,360	4,760
Company tax	71,800	77,620	79,690	83,050
Superannuation funds	8,990	10,060	11,100	12,220
Resource rent taxes(a)	2,030	8,000	8,400	6,700
Total income taxation revenue	236,180	260,890	279,960	296,160
Indirect taxation				
Sales taxes				
Goods and services tax	49,750	53,560	56,620	59,410
Wine equalisation tax	750	790	830	880
Luxury car tax	480	510	540	570
Total sales taxes	50,980	54,860	57,990	60,860
Excise duty				
Petrol	6,080	5,800	5,140	5,660
Diesel	7,980	8,480	8,900	9,000
Beer	2,050	2,200	2,300	2,400
Tobacco	6,250	6,250	5,600	5,770
Other excisable products	4,600	5,150	5,400	5,650
Of which: Other excisable beverages(b)	950	1,000	1,050	1,100
Total excise duty revenue	26,960	27,880	27,340	28,480
Customs duty				
Textiles, clothing and footwear	650	700	750	600
Passenger motor vehicles	750	700	750	800
Excise-like goods	4,000	4,250	5,490	5,610
Other imports	1,460	1,710	1,810	1,910
less Refunds and drawbacks	120	120	120	120
Total customs duty revenue	6,740	7,240	8,680	8,800
Carbon pricing mechanism(c)	-	7,690	8,610	9,200
Other indirect taxation				
Agricultural levies	427	432	424	429
Other taxes	2,344	2,687	2,875	2,961
Total other indirect taxation revenue	2,771	3,119	3,299	3,390
Mirror taxes	461	492	523	545
less Transfers to States in relation to mirror tax revenue	461	492	523	545
Mirror tax revenue	0	0	0	0
Total indirect taxation revenue	87,451	100,789	105,919	110,730
Total taxation revenue	323,631	361,679	385,879	406,890
<i>Memorandum:</i>				
Capital gains tax	7,300	11,000	14,300	16,400
Medicare levy revenue	8,930	9,620	10,270	10,940

(a) Resource rent taxes include the PRRT and gross revenue from the MRRT. The net revenue from the MRRT is \$3.7 billion in 2012-13, \$3.8 billion in 2013-14 and \$3.1 billion in 2014-15, which represents the net impact on revenue across several different revenue heads. This includes the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.

(c) Tax revenue includes carbon accrual revenue measured at market price, with details of the accounting treatment of carbon revenue set out in Note 1 to the General Government Sector Financial Statements.

Note 3(a): Taxation revenue by source

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Taxes on income, profits and capital gains				
Income and capital gains levied on individuals	153,380	165,240	180,800	194,220
Income and capital gains levied on enterprises	82,800	95,650	99,160	101,940
Total taxes on income, profits and capital gains	236,180	260,890	279,960	296,160
Taxes on employers' payroll and labour force	497	517	538	559
Taxes on the provision of goods and services				
Sales/goods and services tax	50,980	54,860	57,990	60,860
Excises and levies	27,550	28,475	27,926	29,071
Taxes on international trade	6,740	7,240	8,680	8,800
Total taxes on the provision of goods and services	85,270	90,575	94,596	98,731
Other sale of goods and services	1,684	9,697	10,785	11,440
Total taxation revenue	323,631	361,679	385,879	406,890
<i>Memorandum:</i>				
<i>Medicare levy revenue</i>	<i>8,930</i>	<i>9,620</i>	<i>10,270</i>	<i>10,940</i>

Note 4: Sales of goods and services revenue

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Sales of goods	1,322	1,538	1,569	1,652
Rendering of services	4,115	3,946	3,843	3,377
Operating lease rental	41	42	42	42
Fees from regulatory services	2,572	2,769	3,106	3,185
Total sales of goods and services revenue	8,050	8,295	8,561	8,256

Note 5: Interest and dividend revenue

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Interest from other governments				
State and Territory debt	15	18	23	24
Housing agreements	165	160	155	150
Total interest from other governments	180	178	178	174
Interest from other sources				
Advances	40	43	45	48
Deposits	103	96	99	101
Bank deposits	205	201	198	198
Indexation of HELP receivable and other student loans	410	460	517	584
Other	4,252	4,440	4,425	4,154
Total interest from other sources	5,010	5,239	5,285	5,085
Total interest	5,190	5,417	5,463	5,258
Dividends				
Dividends from other public sector entities	397	444	429	312
Other dividends	1,255	1,342	1,501	1,641
Total dividends	1,652	1,786	1,931	1,954
Total interest and dividend revenue	6,842	7,203	7,394	7,212

Note 6: Other sources of non-taxation revenue

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Industry contributions	50	50	34	35
Royalties	1,874	1,825	1,806	1,751
Seigniorage	122	118	119	119
Other	3,541	3,594	3,750	3,888
Total other sources of non-taxation revenue	5,587	5,587	5,709	5,793

Note 7: Employee and superannuation expense

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Wages and salaries expenses	19,374	18,707	18,930	19,176
Other operating expenses				
Leave and other entitlements	2,195	2,135	2,182	2,143
Separations and redundancies	59	43	45	41
Workers compensation premiums and claims	678	712	734	767
Other	1,692	1,740	1,807	1,809
Total other operating expenses	4,624	4,630	4,769	4,760
Superannuation expenses				
Superannuation	4,177	3,376	3,412	3,382
Superannuation interest cost	7,351	7,886	8,141	8,398
Total superannuation expenses	11,529	11,262	11,553	11,780
Total employee and superannuation expense	35,527	34,600	35,252	35,716

Note 8: Depreciation and amortisation expense

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Depreciation				
Specialist military equipment	2,435	2,556	2,685	2,787
Buildings	1,201	1,242	1,275	1,328
Other infrastructure, plant and equipment	1,271	1,319	1,367	1,419
Heritage and cultural assets	38	39	39	39
Total depreciation	4,944	5,155	5,365	5,573
Total amortisation	788	801	745	721
Total depreciation and amortisation expense	5,733	5,956	6,110	6,294

Note 9: Supply of goods and services expense

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Supply of goods and services	21,141	19,901	20,606	21,027
Operating lease rental expenses	2,575	2,566	2,654	2,705
Personal benefits - indirect	39,626	40,274	42,958	46,058
Health care payments	5,298	5,375	5,499	5,604
Other	1,784	1,975	2,528	3,460
Total supply of goods and services	70,425	70,092	74,244	78,855

Note 10: Interest expense

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Interest on debt				
Government securities(a)	11,623	12,318	12,453	12,257
Loans	14	9	9	9
Other	60	46	42	39
Total interest on debt	11,697	12,374	12,503	12,305
Other financing costs	1,286	1,306	1,662	1,823
Total interest expense	12,983	13,680	14,165	14,128

(a) Public debt interest estimates are calculated using the contract interest rates incurred on existing Commonwealth Government Securities (CGS) when issued and technical assumptions, based on prevailing market interest rates across the yield curve, for yields on future CGS issuance.

Note 11: Current and capital grants expense

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Current grants expense				
State and Territory governments(a)	84,569	88,609	92,730	98,009
Local governments	73	32	0	0
Private sector	2,257	2,051	2,478	2,235
Overseas	4,077	4,712	5,222	5,481
Non-profit organisations	1,929	1,659	1,756	1,624
Multi-jurisdictional sector	9,177	9,594	9,878	10,138
Other	9,716	11,201	11,523	15,129
Total current grants expense	111,799	117,859	123,587	132,616
Capital grants expense				
Mutually agreed write-downs	2,267	2,403	2,549	2,696
Other capital grants				
State and Territory governments(a)	11,112	6,090	7,111	3,035
Local governments	565	398	429	10
Private sector	273	0	0	0
Multi-jurisdictional sector	93	97	100	102
Other	402	464	477	628
Total capital grants expense	14,712	9,451	10,666	6,471
Total grants expense	126,511	127,311	134,253	139,087

(a) Natural Disasters Relief payments to the States and Territory governments is reclassified from current to capital grants.

Note 12: Personal benefits expense

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Social welfare - assistance to the aged	35,695	37,723	40,063	42,822
Assistance to veterans and dependants	6,385	6,224	6,235	6,156
Assistance to people with disabilities	20,004	20,990	22,327	23,772
Assistance to families with children	31,986	33,438	34,428	35,267
Assistance to the unemployed	7,608	8,528	8,140	8,628
Student assistance	4,167	3,809	3,782	3,869
Other welfare programmes	687	521	550	578
Financial and fiscal affairs	271	282	293	305
Vocational and industry training	243	274	276	271
Other	3,741	3,698	5,711	8,168
Total personal benefits expense	110,787	115,488	121,805	129,837

Note 13: Operating result and comprehensive result (total change in net worth)

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Opening net worth	-95,386	-122,328	-115,913	-109,157
Opening net worth adjustments(a)	16,442	0	0	0
Adjusted opening net worth	-78,945	-122,328	-115,913	-109,157
Net operating balance	-27,637	2,829	6,919	9,288
Other economic flows – Included in operating result				
Foreign exchange gains	1	26	871	68
Gains from sale of assets	43	4,882	232	111
Other gains	-8,012	5,592	5,262	5,193
Swap interest revenue	104	0	0	0
Net write-down and impairment of assets and fair value losses	-5,376	-5,887	-6,284	-6,641
Foreign exchange losses	-527	0	0	0
Losses from sale of assets	15	5	5	3
Swap interest expense	-59	0	0	0
Total other economic flows	-13,812	4,618	87	-1,265
Operating result(b)	-41,449	7,447	7,005	8,023
Other economic flows – other movements in equity(c)	-1,935	-1,031	-249	371
Comprehensive result	-43,383	6,415	6,756	8,394

(a) Reflects a decrease in the superannuation liability mainly due to a difference in the estimated and actual discount rate. Refer to Note 18 for further details.

(b) Operating result under AEIFRS accounting standards.

(c) Other economic flows not included in the AEIFRS accounting standards operating result.

Note 14: Advances paid and other receivables

	Estimates		Projections	
	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m
Advances paid				
Loans to State and Territory governments	2,926	2,975	2,932	2,845
Higher Education Loan Program	17,582	20,092	22,817	25,730
Student Financial Supplement Scheme	656	598	533	464
Other	8,665	9,056	10,367	11,756
less Provision for doubtful debts	38	38	39	39
Total advances paid	29,790	32,683	36,611	40,757
Other receivables				
Goods and services receivable	964	996	993	1,018
Recoveries of benefit payments	2,942	2,937	2,894	2,923
Taxes receivable	19,364	23,202	25,381	27,458
Other	17,126	17,089	16,704	17,300
less Provision for doubtful debts	3,385	3,504	3,635	3,769
Total other receivables	37,011	40,720	42,336	44,929

Note 15: Investments, loans and placements

	Estimates		Projections	
	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m
Investments - deposits	28,234	31,557	28,403	26,822
IMF quota	4,571	9,680	10,575	10,666
Other	65,184	65,630	67,604	70,960
Total investments, loans and placements	97,990	106,868	106,582	108,448

Note 16: Total non-financial assets

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Land and buildings				
Land	8,661	8,595	8,531	8,588
Buildings	23,094	23,953	24,352	24,255
Total land and buildings	31,755	32,548	32,883	32,843
Plant, equipment and infrastructure				
Specialist military equipment	40,309	41,352	43,133	45,614
Other	12,387	12,826	12,905	12,389
Total plant, equipment and infrastructure	52,696	54,178	56,039	58,003
Inventories				
Inventories held for sale	1,033	1,087	1,144	1,104
Inventories not held for sale	5,998	6,117	6,184	6,253
Total inventories	7,031	7,204	7,328	7,357
Intangibles				
Computer software	3,151	3,087	2,899	2,821
Other	2,074	2,300	2,426	2,761
Total intangibles	5,224	5,388	5,326	5,582
Total investment properties	316	316	316	316
Total biological assets	36	36	36	36
Total heritage and cultural assets	9,498	9,511	9,523	9,536
Total assets held for sale	148	148	148	148
Other non-financial assets				
Prepayments	2,440	2,473	2,499	2,542
Other	757	549	559	624
Total other non-financial assets	3,196	3,022	3,058	3,166
Total non-financial assets	109,901	112,350	114,656	116,987

Note 17: Loans

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Promissory notes	3,204	6,647	6,670	6,694
Special drawing rights	4,355	4,365	4,407	4,449
Other	798	744	683	646
Total loans	8,357	11,755	11,760	11,789

Note 18: Employee and superannuation liabilities

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Total superannuation liability(a)	133,487	137,995	142,565	147,196
Other employee liabilities				
Leave and other entitlements	6,648	6,761	6,896	7,038
Accrued salaries and wages	334	326	337	345
Workers compensation claims	1,913	1,952	1,996	2,033
Separations and redundancies	50	51	51	51
Other	2,593	2,718	2,842	2,843
Total other employee liabilities	11,539	11,806	12,122	12,311
Total employee and superannuation liabilities	145,026	149,802	154,687	159,506

(a) For budget reporting purposes, a discount rate applied by actuaries in preparing Long Term Cost Reports is used to value the superannuation liability. This reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. Consistent with Australian Accounting Standards, the long-term government bond rate as at 30 June is used to calculate the superannuation liability for the purpose of actuals reporting.

Note 19: Provisions and payables

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Suppliers payable				
Trade creditors	3,340	3,287	3,347	3,353
Operating lease rental payable	193	198	196	197
Other creditors	946	944	944	943
Total suppliers payable	4,478	4,428	4,487	4,493
Total personal benefits provisions and payable	13,165	14,138	14,428	14,984
Total subsidies provisions and payable	2,292	2,881	3,145	3,268
Grants provisions and payable				
State and Territory governments	274	267	267	266
Non-profit organisations	102	102	102	102
Private sector	482	480	477	469
Overseas	1,020	1,019	1,171	882
Local governments	18	18	18	18
Other	8,722	9,028	7,726	6,920
Total grants provisions and payable	10,618	10,914	9,759	8,657
Other provisions and payables				
Provisions for tax refunds	2,243	2,251	2,294	2,294
Other	10,151	9,801	10,294	11,209
Total other provisions and payables	12,394	12,053	12,588	13,503

Note 20: Reconciliation of cash

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Net operating balance (revenues less expenses)	-27,637	2,829	6,919	9,288
<i>less</i> Revenues not providing cash				
Other	955	1,070	1,201	1,383
Total revenues not providing cash	955	1,070	1,201	1,383
<i>plus</i> Expenses not requiring cash				
Increase/(decrease) in employee entitlements	4,792	4,778	4,884	4,822
Depreciation/amortisation expense	5,733	5,956	6,110	6,294
Mutually agreed write-downs	2,267	2,403	2,549	2,696
Other	939	739	1,035	1,470
Total expenses not requiring cash	13,730	13,876	14,578	15,282
<i>plus</i> Cash provided / (used) by working capital items				
Decrease/(increase) in inventories	-522	-415	-403	-322
Decrease/(increase) in receivables	-6,237	-9,336	-7,948	-8,429
Decrease/(increase) in other financial assets	582	747	1,383	441
Decrease/(increase) in other non-financial assets	-381	8	23	7
Increase/(decrease) in benefits, subsidies and grants payable	-2,640	2,057	-415	-229
Increase/(decrease) in suppliers' liabilities	-108	-54	73	-32
Increase/(decrease) in other provisions and payables	25	-634	345	584
Net cash provided / (used) by working capital	-9,282	-7,627	-6,943	-7,981
<i>equals</i> (Net cash from/(to) operating activities)	-24,143	8,008	13,353	15,205
<i>plus</i> (Net cash from/(to) investing activities)	-17,599	-17,009	-18,878	-19,762
Net cash from operating activities and investment	-41,742	-9,001	-5,525	-4,557
<i>plus</i> (Net cash from/(to) financing activities)	41,749	9,028	5,687	4,344
equals Net increase/(decrease) in cash held	7	27	162	-213
Cash at the beginning of the year	2,477	2,484	2,511	2,673
Net increase/(decrease) in cash	7	27	162	-213
Cash at the end of the year	2,484	2,511	2,673	2,460

Note 20(a): Consolidated Revenue Fund

	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Total general government sector cash	2,484	2,511	2,673	2,460
<i>less</i> CAC Agency cash balances	1,735	1,718	1,705	1,732
<i>plus</i> Special public monies	382	382	382	382
Balance of Consolidated Revenue Fund at 30 June	1,131	1,175	1,350	1,110

The estimated and projected cash balances reflected in the balance sheet for the Australian Government GGS (Table B2) include the reported cash balances controlled and administered by Australian Government agencies subject to the *Financial Management and Accountability Act 1997*, and the reported cash balances controlled and administered by entities subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act), that implement public policy through the provision of primarily non-market services.

Revenues or monies raised by the Executive Government automatically form part of the Consolidated Revenue Fund by force of section 81 of the Australian Constitution. For practical purposes, total Australian Government GGS cash, less cash controlled and administered by CAC Act entities, plus special public monies, represents the Consolidated Revenue Fund referred to in section 81 of the Australian Constitution. On this basis, the balance of the Consolidated Revenue Fund is shown above.

FINANCIAL REPORTING STANDARDS AND BUDGET CONCEPTS

The *Charter of Budget Honesty Act 1998* (the Charter) requires the Mid-Year Economic and Fiscal Outlook (MYEFO) to be based on external reporting standards.

The Government has produced financial statements that comply with both ABS GFS and AAS, meeting the requirement of the Charter, with departures disclosed. The financial statements for the *Mid-Year Economic and Fiscal Outlook 2011-12* have been prepared on a basis consistent with the 2011-12 Budget. The statements reflect the Government's accounting policy that ABS GFS remains the basis of budget accounting policy, except where the Government applies AAS because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

AASB 1049 and the Accrual Uniform Presentation Framework (UPF) also provide a basis for reporting of the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors and the total non-financial public sector (NFPS).

General Government Sector Financial Reporting (AASB 1049)

The MYEFO primarily focuses on the financial performance and position of the general government sector (GGS). The ABS defines the GGS as providing public services which are mainly non-market in nature, mainly for the collective consumption of the community, involving the transfer or redistribution of income and financed mainly through taxes and other compulsory levies. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 history and conceptual framework

The Australian Accounting Standards Board (AASB) released AASB 1049 for application from the 2008-09 financial year. AASB 1049 seeks to 'harmonise' ABS GFS and AAS.

The reporting framework for AASB 1049 requires the preparation of accrual-based general purpose financial reports, showing government assets, liabilities, revenue, expenses and cash flows. GGS reporting under AASB 1049 aims to provide users with information about the stewardship of each government in relation to its GGS and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of each government's GGS; and information that facilitates assessments of the macroeconomic impact. While AASB 1049 provides a basis for whole-of-government and GGS outcome reporting (including the PNFC and PFC sectors), budget reporting focuses on the GGS.

There are three main general purpose statements that must be prepared in accordance with ABS GFS and AASB 1049. These are:

- an operating statement, including other economic flows, which shows net operating balance and net lending/borrowing (fiscal balance);
 - to allow the presentation of a single set of financial statements in accordance with AASB 1049, the ABS GFS statement of other economic flows has been incorporated into the operating statement,
- a balance sheet, which also shows net worth, net financial worth, net financial liabilities and net debt; and
- a cash flow statement, which includes the calculation of the underlying cash balance.

In addition to these general purpose statements, notes to the financial statements are required. These notes include a summary of accounting policies, disaggregated information and other disclosures required by AAS. A full set of notes and other disclosures required by AAS are included in the annual consolidated financial statements.

All financial data presented in the financial statements are recorded as either stocks (assets and liabilities) or flows (classified as either transactions or other economic flows). Transactions result from a mutually agreed interaction between economic entities. Despite their compulsory nature, taxes are transactions deemed to occur by mutual agreement between the government and the taxpayer. Transactions that increase or decrease net worth (assets less liabilities) are reported as revenues and expenses respectively in the operating statement.¹

A change to the value or volume of an asset or liability that does not result from a transaction is an other economic flow. This can include changes in values from market prices, most actuarial valuations, exchange rates and changes in volumes from discoveries, depletion and destruction. All other economic flows are reported in the operating statement.

Consistent with the ABS GFS framework, and in general AAS, the financial statements record flows in the period in which they occur. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods and can be reliably assigned to the relevant period(s).

1 Not all transactions impact on net worth. For example, transactions in financial assets and liabilities do not impact on net worth as they represent the swapping of assets and liabilities on the balance sheet.

Operating statement

The operating statement presents details of transactions in revenues, expenses, the net acquisition of non-financial assets (net capital investment) and other economic flows for an accounting period.

Revenues arise from transactions that increase net worth and expenses arise from transactions that decrease net worth. Revenues less expenses gives the net operating balance. The net operating balance is similar to the National Accounts concept of government saving plus capital transfers.

The net acquisition of non-financial assets (net capital investment) measures the change in the Australian Government's stock of non-financial assets owing to transactions. As such, it measures the net effect of purchases, sales and consumption (for example, depreciation of fixed assets and use of inventory) of non-financial assets during an accounting period.

Net acquisition of non-financial assets equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets.

Other economic flows are presented in the operating statement and outline changes in net worth that are driven by economic flows other than revenues and expenses. Revenues, expenses and other economic flows sum to the total change in net worth during a period. The majority of other economic flows for the Australian Government GGS arise from price movements in its assets and liabilities.

Fiscal balance

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. Thus, the fiscal balance includes the impact of net expenditure (effectively purchases less sales) on non-financial assets rather than consumption (depreciation) of non-financial assets.²

The fiscal balance measures the Australian Government's investment-saving balance. It measures in accrual terms the gap between government savings plus net capital transfers, and investment in non-financial assets. As such, it approximates the contribution of the Australian Government GGS to the balance on the current account in the balance of payments.

2 The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation also forms part of net capital investment, which (in the calculation of fiscal balance) offsets the inclusion of depreciation in the net operating balance.

Balance sheet

The balance sheet shows stocks of assets, liabilities and net worth. In accordance with the UPF, net debt, net financial worth and net financial liabilities are also reported in the balance sheet.

Net worth

The net worth of the GGS, PNFC and PFC sectors is defined as assets less liabilities. This differs from the ABS GFS definition for the PNFC and PFC sectors where net worth is defined as assets less liabilities less shares and other contributed capital. Net worth is an economic measure of wealth, reflecting the Australian Government's contribution to the wealth of Australia.

Net financial worth

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities. This differs from the ABS GFS definition of net financial worth for the PNFC and PFC sectors, defined as financial assets, less liabilities, less shares, less other contributed capital. Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as holdings of equity. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

Net financial liabilities

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the jurisdiction. Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements. Excluding the net worth of other sectors of government results in a purer measure of financial worth than net financial worth as, in general, the net worth of other sectors of government, in particular the PNFC sector, is backed up by physical assets.

Net debt

Net debt is the sum of selected financial liabilities (deposits held, advances received, government securities, loans, and other borrowings) less the sum of selected financial assets³ (cash and deposits, advances paid, and investments, loans and placements).

3 Financial assets are defined as cash, an equity instrument of another entity, a contractual right to receive cash or financial asset, and a contract that will or may be settled in the entity's own equity instruments.

This includes financial assets held by the Future Fund which are invested in these asset classes, including term deposits and investments in collective investment vehicles. Net debt does not include superannuation related liabilities. Net debt is a common measure of the strength of a government's financial position. High levels of net debt impose a call on future revenue flows to service that debt.

Cash flow statement

The cash flow statement identifies how cash is generated and applied in a single accounting period. The cash flow statement reflects a cash basis of recording (rather than an accrual basis) where information is derived indirectly from underlying accrual transactions and movements in balances. This, in effect, means that transactions are captured when cash is received or when cash payments are made. Cash transactions are specifically identified because cash management is considered an integral function of accrual budgeting.

Underlying cash balance

The underlying cash balance plus Future Fund earnings (ABS GFS cash surplus/deficit) is the cash counterpart of the fiscal balance, reflecting the Australian Government's cash investment-saving balance. This measure is conceptually equivalent under the current accrual framework and the previous cash framework. For the GGS, the underlying cash balance is calculated as shown below:

Net cash flows from operating activities
<i>plus</i>
Net cash flows from investments in non-financial assets
<i>less</i>
Net acquisitions of assets acquired under finance leases and similar arrangements ⁴
<i>equals</i>
ABS GFS cash surplus/deficit
<i>less</i>
Future Fund earnings
<i>equals</i>
Underlying cash balance

The Government is reporting the underlying cash balance net of Future Fund earnings from 2005-06 onwards because the earnings will be reinvested to meet future

4 The underlying cash balance treats the acquisition and disposal of non-financial assets in the same manner regardless of whether they occur by purchase/sale or finance lease – acquisitions reduce the underlying cash balance and disposals increase the underlying cash balance. However, finance leases do not generate cash flows at the time of acquisition or disposal equivalent to the value of the asset. As such, net acquisitions of assets under finance leases are not shown in the body of the cash flow statement but are reported as a supplementary item for the calculation of the underlying cash balance.

superannuation payments and are therefore not available for current spending. However, Future Fund earnings are included in the fiscal balance because superannuation expenses relating to future cash payments are recorded in the fiscal balance estimates.

Expected Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table B3 of this statement and the historical tables in Appendix D.

Headline cash balance

The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes and Future Fund earnings to the underlying cash balance.

Cash flows from investments in financial assets for policy purposes include equity transactions and net advances.⁵ Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Net advances include net loans to the States, net loans to students under the Higher Education Loan Program, and contributions to international organisations that increase the Australian Government's financial assets.

Sectoral classifications

To assist in analysing the public sector, data is presented by institutional sector as shown in Figure B1. ABS GFS defines the GGS and the PNFC and PFC sectors. AASB 1049 has also adopted this sectoral reporting.

5 Cash flows from investments in financial assets for policy purposes were called net advances under the cash budgeting framework.

Figure B1: Institutional structure of the public sector

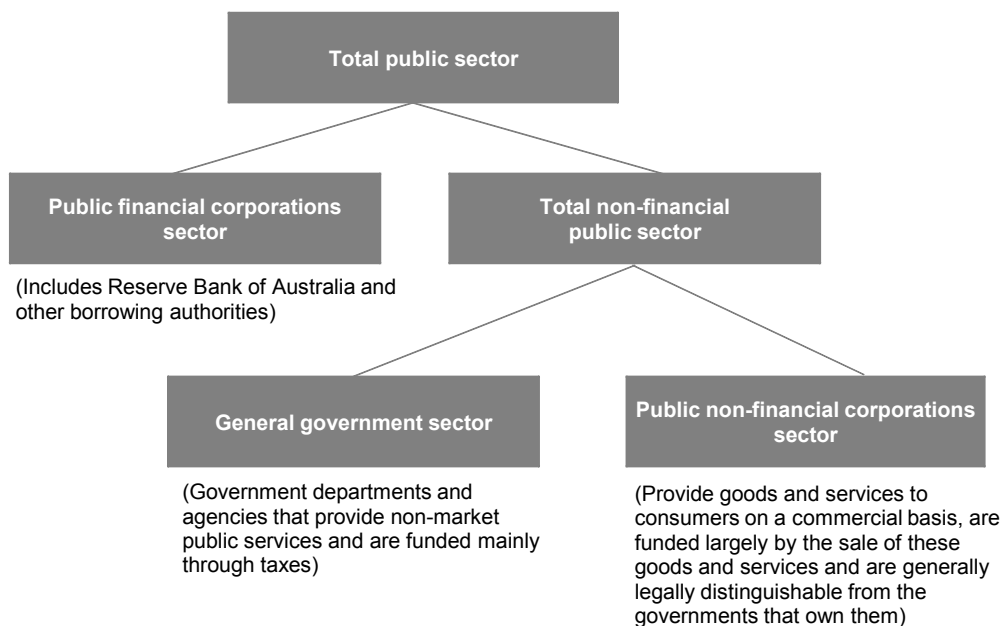


Table B10: Entities within the sectoral classifications

General government sector entities

Agriculture, Fisheries and Forestry Portfolio

Australian Fisheries Management Authority, Australian Pesticides and Veterinary Medicines Authority, Cotton Research and Development Corporation, Department of Agriculture, Fisheries and Forestry, Fisheries Research and Development Corporation, Grains Research and Development Corporation, Grape and Wine Research and Development Corporation, Rural Industries Research and Development Corporation, Sugar Research and Development Corporation, Wheat Exports Australia, Wine Australia Corporation

Attorney-General's Portfolio

Administrative Appeals Tribunal, Attorney-General's Department, Australian Commission for Law Enforcement Integrity, Australian Crime Commission, Australian Customs and Border Protection Service, Australian Federal Police, Australian Human Rights Commission, Australian Institute of Criminology, Australian Law Reform Commission, Australian Security Intelligence Organisation, Australian Transaction Reports and Analysis Centre (AUSTRAC), CrimTrac Agency, Family Court of Australia, Federal Court of Australia, Federal Magistrates Court of Australia, High Court of Australia, Insolvency and Trustee Service Australia, National Native Title Tribunal, Office of Parliamentary Counsel, Office of the Australian Information Commissioner, Office of the Director of Public Prosecutions

Broadband, Communications and the Digital Economy Portfolio

Australian Broadcasting Corporation, Australian Communications and Media Authority, Department of Broadband, Communications and the Digital Economy, Special Broadcasting Service Corporation

Climate Change and Energy Efficiency Portfolio

Clean Energy Regulator, Climate Change Authority, Department of Climate Change and Energy Efficiency, Low Carbon Australia Limited, Office of the Renewable Energy Regulator

Defence Portfolio

AAF Company, Army and Air Force Canteen Service, Australian Military Forces Relief Trust Fund, Australian Strategic Policy Institute Limited, Australian War Memorial, Defence Housing Australia, Defence Materiel Organisation, Department of Defence, Department of Veterans' Affairs, RAAF Welfare Recreational Company, Royal Australian Air Force Veterans' Residences Trust Fund, Royal Australian Air Force Welfare Trust Fund, Royal Australian Navy Central Canteens Board, Royal Australian Navy Relief Trust Fund

Table B10: Entities within the sectoral classifications (continued)

General government sector entities (continued)

Education, Employment and Workplace Relations Portfolio

Australian Curriculum, Assessment and Reporting Authority, Australian Institute for Teaching and School Leadership Limited, Australian Learning and Teaching Council Limited, Comcare, Department of Education, Employment and Workplace Relations, Fair Work Australia, National Vocational Education and Training Regulator, Office of the Australian Building and Construction Commissioner, Office of Fair Work Ombudsman, Safe Work Australia, Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority), Tertiary Education Quality and Standards Agency

Family, Housing, Community Services and Indigenous Affairs Portfolio

Aboriginal Hostels Limited, Anindilyakwa Land Council, Central Land Council, Department of Families, Housing, Community Services and Indigenous Affairs, Equal Opportunity for Women in the Workplace Agency, Indigenous Business Australia, Indigenous Land Corporation, Northern Land Council, Outback Stores Pty Ltd, Tiwi Land Council, Torres Strait Regional Authority, Wreck Bay Aboriginal Community Council

Finance and Deregulation Portfolio

Australian Electoral Commission, Commonwealth Superannuation Corporation, ComSuper, Department of Finance and Deregulation, Future Fund Management Agency

Foreign Affairs and Trade Portfolio

AusAID, Australian Centre for International Agricultural Research, Australian Secret Intelligence Service, Australian Trade Commission, Department of Foreign Affairs and Trade, Export Finance and Insurance Corporation National Interest Account

Health and Ageing Portfolio

Aged Care Standards and Accreditation Agency Ltd, Australian Commission on Safety and Quality in Health Care, Australian Institute of Health and Welfare, Australian National Preventive Health Agency, Australian Organ and Tissue Donation and Transplantation Authority, Australian Radiation Protection and Nuclear Safety Agency, Cancer Australia, Department of Health and Ageing, Food Standards Australia New Zealand, General Practice Education and Training Limited, Health Workforce Australia, Interim Independent Hospital Pricing Authority, National Blood Authority, National Health and Medical Research Council, National Health Performance Authority, Private Health Insurance Administration Council, Private Health Insurance Ombudsman, Professional Services Review Scheme

Table B10: Entities within the sectoral classifications (continued)

General government sector entities (continued)

Human Services Portfolio

Department of Human Services

Immigration and Citizenship Portfolio

Department of Immigration and Citizenship, Migration Review Tribunal and Refugee Review Tribunal

Infrastructure and Transport Portfolio

Australian Maritime Safety Authority, Australian Transport Safety Bureau, Civil Aviation Safety Authority, Department of Infrastructure and Transport, National Transport Commission

Innovation, Industry, Science and Research Portfolio

Australian Institute of Aboriginal and Torres Strait Islander Studies, Australian Institute of Marine Science, Australian Nuclear Science and Technology Organisation, Australian Research Council, Commonwealth Scientific and Industrial Research Organisation, Department of Innovation, Industry, Science and Research, IIF Investments Pty Limited, IP Australia

Prime Minister and Cabinet Portfolio

Australia Business Arts Foundation Ltd, Australia Council, Australian Film, Television and Radio School, Australian Institute of Family Studies, Australian National Audit Office, Australian National Maritime Museum, Australian Public Service Commission, Australian Sports Anti-Doping Authority, Australian Sports Commission, Australian Sports Foundation Limited, Bundanon Trust, Department of the Prime Minister and Cabinet, Department of Regional Australia, Regional Development and Local Government, National Archives of Australia, National Australia Day Council Limited, National Capital Authority, National Film and Sound Archive, National Gallery of Australia, National Library of Australia, National Museum of Australia, Office of the Commonwealth Ombudsman, Office of National Assessments, Office of the Inspector-General of Intelligence and Security, Office of the Official Secretary to the Governor-General, Old Parliament House, Screen Australia

Resources, Energy and Tourism Portfolio

Australian Solar Institute Limited, Department of Resources, Energy and Tourism, Geoscience Australia, National Offshore Petroleum Safety and Environmental Management Authority, Tourism Australia

Table B10: Entities within the sectoral classifications (continued)

General government sector entities (continued)
Sustainability, Environment, Water, Population and Communities Portfolio Bureau of Meteorology, Department of Sustainability, Environment, Water, Population and Communities, Director of National Parks, Great Barrier Reef Marine Park Authority, Murray-Darling Basin Authority, National Water Commission, Sydney Harbour Federation Trust
Treasury Portfolio Australian Bureau of Statistics, Australian Competition and Consumer Commission, Australian Office of Financial Management, Australian Prudential Regulation Authority, Australian Securities and Investments Commission, Australian Taxation Office, Commonwealth Grants Commission, Corporations and Markets Advisory Committee, Department of the Treasury, Inspector-General of Taxation, National Competition Council, Office of the Auditing and Assurance Standards Board, Office of the Australian Accounting Standards Board, Productivity Commission, Royal Australian Mint
Parliamentary Departments Department of Parliamentary Services, Department of the House of Representatives, Department of the Senate
Public financial corporations
Education, Employment and Workplace Relations Portfolio Coal Mining Industry (Long Service Leave Funding) Corporation
Finance and Deregulation Portfolio Medibank Private Ltd
Foreign Affairs and Trade Portfolio Export Finance and Insurance Corporation
Treasury Portfolio Australia Reinsurance Pool Corporation, Reserve Bank of Australia, OzCar

Table B10: Entities within the sectoral classifications (continued)

Public non-financial corporations
<p>Attorney General's Portfolio Australian Government Solicitor</p>
<p>Broadband, Communications and the Digital Economy Portfolio Australian Postal Corporation, NBN Co Ltd</p>
<p>Family, Housing, Community Services and Indigenous Affairs Portfolio Voyages Indigenous Tourism Australia Pty Ltd</p>
<p>Finance and Deregulation Portfolio Albury-Wodonga Development Corporation, Australian River Co. Ltd, ASC Pty Ltd</p>
<p>Human Services Portfolio Australian Hearing Services</p>
<p>Infrastructure and Transport Portfolio Airservices Australia, Australian Rail Track Corporation Ltd</p>

Differences between ABS GFS and AAS framework (AASB 1049)

AASB 1049 has adopted the AAS conceptual framework and principles for the recognition of assets, liabilities, revenues and expenses and their presentation, measurement and disclosure. In addition, AASB 1049 has broadly adopted the ABS GFS conceptual framework for presenting government financial statements. In particular, AASB 1049 requires the GGS to prepare a separate set of financial statements, over-riding AASB 127 *Consolidated and Separate Financial Statements*. AASB 1049 also follows ABS GFS by requiring changes in net worth to be split into either transactions or 'other economic flows' and for this to be presented in a single operating statement. AASB 1049 is therefore broadly consistent with international statistical standards and the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2001*.⁶

Some of the major differences between AASB 1049 and the ABS GFS treatments of transactions are outlined in Table B11. Further information on the differences between

⁶ Additional information on the Australian accrual GFS framework is available in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005* (cat. no. 5514.0).

the two systems is provided in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005* (cat. no. 5514.0).

Table B11: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Acquisition of defence weapons platforms (DWP)	Treated as capital expenditure. DWP appear as a non-financial asset on the balance sheet. Depreciation expense on assets is recorded in the operating statement. AASB 1049 requires cost to be used where fair value of the assets cannot be reliably measured.	ABS has updated its treatment in its GFS reports to record DWP as a non-financial asset on a market value basis. This represents an early adoption of changes to the System of National Accounts.	AAS
Circulating coins — seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins (seigniorage) is treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Provision for bad and doubtful debts	Treated as part of operating expenses and included in the balance sheet as an offset to assets.	Creating provisions is not considered an economic event and is therefore not considered to be an expense or reflected in the balance sheet.	AAS
Advances to the International Development Association and Asian Development Fund	Recorded at fair value in the balance sheet.	Recorded at nominal value in balance sheet.	ABS GFS
Concessional loans	Discounts concessional loans by a market rate of a similar instrument.	Does not discount concessional loans as no secondary market is considered to exist.	AAS
Investment in Other Public Sector Entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Included in the Fiscal Balance capital adjustment.	Excluded from the calculation of net lending capital adjustment.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
Deferred tax assets and liabilities	Corporations in the PNFC and PFC sectors record tax expenses on a commercial basis.	Deferred tax assets and liabilities are reversed so that Corporations record tax expenses on a consistent basis to the Australian Tax Office.	ABS GFS

Appendix B: Australian Government budget financial statements

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Fiscal aggregates differences			
Finance leases	Does not deduct finance leases in the derivation of the cash surplus/deficit.	Deducts finance leases in the derivation of the cash surplus/deficit.	Both are disclosed
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Calculated as assets less liabilities less shares and other contributed capital.	AAS
Classification difference			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	AAS

AUSTRALIAN LOAN COUNCIL ALLOCATION

Under the Loan Council arrangements, the Australian Government and each State and Territory government nominate an annual Loan Council Allocation (LCA). A jurisdiction's LCA incorporates:

- the estimated non-financial public sector GFS cash surplus/deficit (made up from the balance of the general government and public non-financial corporations sectors and total non-financial public sector acquisitions under finance leases and similar arrangements);
- net cash flows from investments in financial assets for policy purposes; and
- memorandum items, which involve transactions that are not formally borrowings but nevertheless have many of the characteristics of borrowings.

LCA nominations are considered by the Loan Council, having regard to each jurisdiction's fiscal position and infrastructure requirements, as well as the macroeconomic implications of the aggregate figure.

In March 2011, the Australian Government nominated, and the Loan Council endorsed, a LCA deficit of \$14,233 million. In the 2011-12 Budget, the Australian Government estimated a LCA deficit of \$35,714 million.

As set out in Table B12, the Australian Government's revised estimate for the 2011-12 LCA is a \$46,262 million deficit.

The Loan Council Allocation mid-year update falls outside the tolerance limit set at budget. This change primarily reflects the weaker outlook for tax receipts.

Table B12: Australian Government Loan Council Allocation

		2011-12 Budget estimate	MYEFO estimate
		\$m	\$m
	GG sector cash surplus(-)/deficit(+)	19,571	33,540
	PNFC sector cash surplus(-)/deficit(+)	4,516	3,215
	NFPS cash surplus(-)/deficit(+)(a)	24,087	36,999
	Acquisitions under finance leases and similar arrangements	117	117
<i>equals</i>	ABS GFS cash surplus(-)/deficit(+)	24,204	37,116
<i>minus</i>	Net cash flows from investments		
	in financial assets for policy purposes(b)	-12,216	-9,677
<i>plus</i>	Memorandum items(c)	-705	-531
	Loan Council Allocation	35,714	46,262

(a) May not directly equate to the sum of the GG sector and the PNFC sector cash surplus/deficit due to intersectoral transfers which are netted out.

(b) Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as they are reported in cash flow statements. Such transactions involve the transfer or exchange of a financial asset and are not included within the cash surplus/deficit. However, the cash flow from investments in financial assets for policy purposes has implications for a government's call on financial markets.

(c) For the Commonwealth's Loan Council Allocation outcome, memorandum items include the change in net present value (NPV) of operating leases (with NPV greater than \$5 million) and the over-funding of superannuation.

APPENDIX C: STATEMENT OF RISKS

OVERVIEW

Full details of fiscal risks and contingent liabilities are provided in Budget Paper No. 1, *Budget Strategy and Outlook 2011-12*. The following statement updates (where necessary) those fiscal risks and contingent liabilities that have changed since the 2011-12 Budget.

The forward estimates of revenue and expenses in the *Mid-Year Economic and Fiscal Outlook 2011-12* (MYEFO) incorporate assumptions and judgements based on the best information available at the time of publication and are based on a range of economic assumptions and other forecasts and projections.

Major taxes such as company and personal tax fluctuate significantly with economic activity. Capital gains tax is particularly volatile and is affected by both the quantum of gains in asset prices and the timing of when those gains are realised. Resource rent taxes may vary quite significantly, particularly with commodity prices, and the level of the Australian dollar. Revenue from carbon permit sales for the flexible price period may also vary owing to changes in the world price of carbon permits.

In addition, revenue forecasting relies heavily on the observed historical relationships between the economy, tax bases and tax revenues. Such relationships may shift as economic conditions change, presenting a further risk to the estimates.

The estimates and projections of revenue are subject to a number of general risks that can affect taxation collections. These general pressures include tax avoidance, court decisions and Australian Taxation Office rulings. These pressures may result in a shift in the composition of taxation collected from the various tax bases and/or a change in the size of the tax base.

DETAILS OF FISCAL RISKS AND CONTINGENT LIABILITIES

New or revised fiscal risks and contingent liabilities with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period, that have arisen or changed since the 2011-12 Budget are described below and summarised in Table C1.

Information on both contingent assets and contingent liabilities is also provided in the annual financial statements of departments, agencies and non-budget entities.

Table C1: Summary of material changes to the Statement of risks since the 2011-12 Budget^a

Fiscal risks	
Prime Minister and Cabinet	
Whole-of-Government — 2018 Commonwealth Games to be hosted by the Gold Coast — government guarantees	Modified
Treasury	
Energy Security Council	New
Contingent liabilities — quantifiable	
Defence and Defence Materiel Organisation	
Indemnities and remote contingencies	Modified
Finance and Deregulation	
Litigation — Davis Samuel case	Modified
Sale of Sydney Airports Corporation Limited	Modified
Foreign Affairs and Trade	
Export Finance and Insurance Corporation	Modified
Immigration and Citizenship	
Education Services to Minors in Alternative Places of Detention — liability limit	New
Treasury	
Australian Taxation Office — tax disputes	Modified
Guarantees under the <i>Commonwealth Bank Sale Act 1995</i>	Modified
International Financial Institutions — uncalled capital subscriptions	Modified
International Monetary Fund	Modified
Reserve Bank of Australia — guarantee	Modified
Contingent liabilities — unquantifiable	
Attorney-General's	
Indemnities relating to the Air Security Officer program	Removed
Broadband, Communications and the Digital Economy	
NBN Co — Equity Agreement	New
NBN Co Limited — Board Members' Insolvency Indemnity	Modified
Optus Financial Guarantee	New
Telstra Financial Guarantee	New
Defence and Defence Materiel Organisation	
Indemnities and remote contingencies	Modified
Finance and Deregulation	
Australian Reward Investment Alliance — immunity and indemnity ^b	Removed
Commonwealth Superannuation Corporation — immunity and indemnity ^b	New
Future Fund Management Agency — indemnity	Modified
Infrastructure and Transport	
Airservices Australia	Removed

(a) Risks appearing in Budget Paper No. 1, *Budget Strategy and Outlook 2011-12*, Statement 8, but not listed in the table above are substantially unchanged.

(b) The *Governance of Australian Government Superannuation Schemes Act 2011* merged the Australian Reward Investment Alliance (ARIA), the Military Superannuation and Benefits Board and the Defence Force Retirement and Death Benefits Authority, to form a single trustee body with effect from 1 July 2011. See 'Commonwealth Superannuation Corporation – immunity and indemnity' in Contingent Liabilities – Unquantifiable.

Contingent liabilities — unquantifiable (continued)	
Sustainability, Environment, Water, Population and Communities	
Murray-Darling Basin Reform — risk assignment	Modified
Treasury	
Financial Claims Scheme	Modified
Guarantee of State and Territory Borrowing	Modified
Guarantee Scheme for Large Deposits and Wholesale Funding	Modified

FISCAL RISKS

Fiscal risks comprise general developments or specific events that may affect the fiscal outlook. Some developments or events raise the possibility of a fiscal impact. In other cases, the likelihood of a fiscal impact may be reasonably certain, but will not be included in the forward estimates because the timing or magnitude is not known.

Prime Minister and Cabinet

Whole-of-Government — 2018 Commonwealth Games to be hosted by the Gold Coast — government guarantees

The Australian Government supported the Gold Coast's bid to host the 2018 Commonwealth Games through the provision of guarantees in areas such as immigration, customs, work permits, taxation, security, protection of commercial rights, and communications and information technology. Costs and timing associated with implementing the guarantees are not available at this time.

Treasury

Energy Security Council

The Energy Security Council was established as part of the *Clean Energy Future* package to advise on support measures to address energy security risks. The Council will assess applications for financial assistance in the form of loans for generator owners who need to refinance their debt if finance on reasonable commercial terms is not otherwise available. The Council will also consider applications for loans or other assistance to address systemic risk to energy security in the event of financial distress on the part of an energy market participant. Factors relevant to the realisation of the risk include the circumstances of the generator owners and their ability to access finance from the commercial market.

CONTINGENT LIABILITIES — QUANTIFIABLE

Defence and Defence Materiel Organisation

Indemnities and remote contingencies

As at 30 September 2011, Defence carried 622 (up from 312) instances of quantifiable remote contingent liabilities, to the value of \$5.5 billion, an increase on the \$3.6 billion reported in the 2011-12 Budget. As at 30 September 2011, the Defence Materiel Organisation carried 105 contingencies that are quantifiable, to the value of \$3.5 billion, a decrease on the \$4.7 billion reported in the 2011-12 Budget. While these contingencies are considered remote, they have been reported in aggregate for completeness.

Finance and Deregulation

Litigation — Davis Samuel case

The Department of Finance and Deregulation (Finance) is involved in litigation in which a counter-claim for damages has been lodged against the Australian Government. The litigation relates to the Davis Samuel case where Finance is engaged in legal action seeking recovery of funds misappropriated during 1998. The counter-claim, which is being vigorously defended by the Government, seeks damages of \$4.3 billion. Hearing of the Government's claim, and the counter-claim, concluded in the ACT Supreme Court in September 2008. Judgment is now expected to be delivered in early 2012.

Sale of Sydney Airports Corporation Limited

An indemnity was provided to Southern Cross Airports Corporation as the purchaser of the Sydney Airports Corporation Ltd (SACL) in the event of a liability arising under Chapter 3 of the *Duties Act 1997* (NSW) by reason of the sale of shares in SACL constituting a relevant acquisition in a land-rich private corporation. The New South Wales Office of State Revenue issued a notice of assessment on 17 November 2006. The Australian Government maintains that there are no grounds for the assessment and action has been initiated in the New South Wales Supreme Court to overturn the assessment. The amount disputed is estimated at \$576.5 million as at 31 October 2011.

Foreign Affairs and Trade

Export Finance and Insurance Corporation

The Australian Government guarantees the due payment by the Export Finance and Insurance Corporation (EFIC) of money that is, or may at any time become, payable by EFIC to any body other than the Government. The Government also has in place a \$200 million callable capital facility available to EFIC on request to cover liabilities, losses and claims. As at 30 September 2011, the Government's total contingent liability was \$3.4 billion, up from \$3.0 billion at the 2011-12 Budget. The \$3.4 billion contingent liability comprises EFIC's liabilities to third parties (\$2.9 billion) and EFIC's overseas investment insurance, contracts of insurance and guarantees (\$0.5 billion). Of the total

contingent liability, \$2.7 billion relates to EFIC's Commercial Account and \$0.7 billion relates to the National Interest Account.

Immigration and Citizenship

Education Services to Minors in Alternative Places of Detention — liability limit

The Australian Government, through the Department of Immigration and Citizenship (DIAC) has entered into a Memorandum of Understanding (MoU) with the State of Western Australia for the provision of an education program to minors in immigration detention at Leonora Alternative Place of Detention. This MoU commenced on 28 July 2010 and was extended for the 2011 school year by way of an exchange of letters (dated 7 October 2010) between DIAC and the Western Australia Government. The Australian Government's liability to the State is limited to the amount of \$20 million in aggregate.

Treasury

Australian Taxation Office — tax disputes

At any point in time, the ATO is involved in litigation relating to tax disputes. The outcome of these disputes is uncertain and will be confirmed at a future date through a court ruling or when an agreement is reached.

As at 30 June 2011, the estimated aggregate value of tax in dispute was \$8.2 billion.

Guarantees under the *Commonwealth Bank Sale Act 1995*

Under the terms of the *Commonwealth Bank Sale Act 1995*, the Australian Government has guaranteed various superannuation and other liabilities amounting to \$4.5 billion as of 30 June 2011. Of this amount, \$0.8 billion is attributable to liabilities of the Commonwealth Bank of Australia and \$3.7 billion is attributable to liabilities of the Commonwealth Bank Officers' Superannuation Corporation.

International Financial Institutions — uncalled capital subscriptions

The Australian Government has held uncalled capital subscriptions in the International Bank for Reconstruction and Development (IBRD) since 1947. The Government will contribute additional resources to the IBRD as part of the general capital increase agreed in 2010. The paid-in component of Australia's contribution was a measure in the 2010-11 Budget. As part of this process, Australia will increase its uncalled capital subscription so that it totals US\$3.6 billion (estimated value of A\$3.6 billion as at 18 November 2011).

Australia has also held uncalled capital subscriptions in the European Bank for Reconstruction and Development (EBRD) since 1991. The Government increased its uncalled capital subscription (effective 20 April 2011) to the EBRD as part of its 2010 general capital increase so that it totals EUR237.5 million (estimated value of A\$320.3 million as at 18 November 2011). The financial implications of the paid-in component were reported as a measure in the 2010-11 MYEFO.

Appendix C: Statement of risks

The Australian Government also held uncalled capital subscriptions in the Asian Development Bank of US\$7.0 billion (estimated value of A\$7.0 billion as at 18 November 2011), and the Multilateral Investment Guarantee Agency of US\$26.5 million (estimated value of A\$26.5 million as at 18 November 2011).

None of these international financial institutions have ever drawn on Australia's uncalled capital subscriptions.

International Monetary Fund

Australia has made a line of credit available to the International Monetary Fund (IMF) under its New Arrangements to Borrow (NAB) since 1998. In line with G20 Leaders' commitments, Australia has joined with other countries to increase its credit line under an expanded NAB. When the expanded NAB came into effect on 11 March 2011, Australia's NAB credit arrangement increased from SDR801.3 million (estimated value of A\$1.2 billion as at 4 October 2011) to SDR4.4 billion (estimated value of A\$6.7 billion). This is a contingent loan to help ensure that the IMF has the resources available to maintain stability and support recovery in the global economy. The funds will be drawn upon by the IMF as needed to supplement the IMF's usual quota resources and will be repaid in full with interest.

Reserve Bank of Australia — guarantee

This contingent liability relates to the Australian Government's guarantee of the liabilities of the Reserve Bank of Australia. It is measured as the Bank's total liabilities excluding capital, reserves, and Australian Government deposits. The major component of the Bank's liabilities is notes (that is, currency) on issue. Notes on issue amounted to \$51.9 billion as at 20 October 2011, and the total guarantee was \$56.7 billion, down from \$58.7 billion at the 2011-12 Budget.

CONTINGENT LIABILITIES — UNQUANTIFIABLE

Broadband, Communications and the Digital Economy

NBN Co. — Equity Agreement

The Australian Government has entered into an Equity Funding Agreement with NBN Co. The Agreement formalises the Australian Government's intention to provide equity to fund the roll out of the National Broadband Network, with such funding being conditional on the annual appropriation processes. It also commits the Australian Government, in the event of a termination of the National Broadband Network roll out, to provide sufficient funds to NBN Co to meet its direct costs arising from that termination. The NBN Co Equity Agreement terminates in 2021.

NBN Co Limited — Board Members' Insolvency Indemnity

The Australian Government has provided each Director of NBN Co with an indemnity against liability as a result of the Government failing to meet its funding obligations to NBN Co. The liabilities covered by this indemnity would be the same as those covered

by the NBN Co Equity Agreement, with the exception of any legal expenses incurred by individual Directors arising from this indemnity. The Directors are also indemnified in relation to claims arising out of their involvement in the negotiation and entry by NBN Co into the Financial Heads of Agreement with Telstra.

Optus Financial Guarantee

The Australian Government has provided a guarantee to Optus in respect of NBN Co's financial obligations to Optus under the NBN Co-Optus Agreement, which is subject to satisfying the conditions precedent to the Agreement. That Agreement covers the period of the NBN roll out in Optus HFC areas. As at 31 October 2011, the conditions precedent in the NBN Co-Optus Agreement had not been satisfied and the Guarantee had therefore not come into effect.

Telstra Financial Guarantee

The Australian Government has provided a guarantee to Telstra in respect of NBN Co's financial obligations to Telstra under the Definitive Agreements, which is subject to satisfying the conditions precedent to the Agreements. The Definitive Agreements are long term contracts and, in the case of the infrastructure component, involve terms of at least 35 years. The liabilities under the Definitive Agreements arise progressively during the roll out of the network as infrastructure is accessed and subscribers to Telstra's existing network are disconnected. As at 31 October 2011, the conditions precedent for the Definitive Agreements had not been satisfied and the Guarantee had therefore not come into effect. The Guarantee will terminate when NBN Co achieves specified credit ratings for a period of two continuous years and either:

- the company is fully capitalised; or
- the Communications Minister declares, under the *National Broadband Network Companies Act 2011*, that, in his or her opinion, the National Broadband Network should be treated as built and fully operational.

Defence and Defence Materiel Organisation

Indemnities and remote contingencies

As at 30 September 2011, Defence carried 9,985 instances of unquantifiable remote contingent liabilities, an increase on the 9,306 reported in the 2011-12 Budget. As at 30 September 2011, the Defence Materiel Organisation carried 565 instances of contingencies (including Foreign Military Sales) that are unquantifiable, a decrease on the 568 reported in the 2011-12 Budget. While these contingencies are considered remote, they have been reported in aggregate for completeness.

Finance and Deregulation

Commonwealth Superannuation Corporation — immunity and indemnity

The *Governance of Australian Government Superannuation Schemes Act 2011* (the Governance Act) provides for specific immunities for activities undertaken in good

faith by directors and delegates of the board of the Commonwealth Superannuation Corporation (CSC), provided these activities relate to the performance of their functions. These immunities do not prevent CSC from being subject to any action, liability, claim or demand. Under the Governance Act, other than in cases where the *Superannuation Industry (Supervision) Act 1993* or regulations under that Act do not so permit, any money that becomes payable by CSC in respect of the superannuation schemes and funds for which it is responsible, is to be paid out of the relevant superannuation fund or if there is no fund, the Consolidated Revenue Fund (CRF). Amounts paid from a superannuation fund are reimbursed to the fund from the CRF.

Future Fund Management Agency — indemnity

The Australian Government has provided certain staff members of the Future Fund Management Agency with a Deed of Indemnity in circumstances where they are appointed to act as directors and officers of Future Fund Board of Guardians investee companies and/or subsidiaries. The indemnity is intended to cover liabilities in excess of the insurance policies of those entities and Agency. Agency staff members are indemnified, to the maximum extent permitted by law, in relation to all acts or omissions in connection with the performance of functions or the exercise of powers in their capacity as a director or officer of the investee companies and/or subsidiaries. However, Agency staff members are not indemnified: to the extent they are indemnified by the investee company or subsidiary or they are paid under a Directors and Officers policy of the investee company or subsidiary; to the extent that they are granted and receive financial assistance under Appendix E of the Legal Services Directions; for conduct they engage in other than in good faith; or in respect of any liability owed to the Board or the Commonwealth. Further, a staff member of the Agency is not indemnified for legal costs incurred by the member in unsuccessfully defending or resisting criminal proceedings. The indemnity is financially limited, in broad terms, to the value of the funds under management by the Future Fund Board.

Sustainability, Environment, Water, Population and Communities

Murray-Darling Basin Reform — risk assignment

The *Water Act 2007* (the Act) provides the mechanism for defining liabilities and making payments to affected entitlement holders for the Australian Government's share of reductions in water allocations, or in the reliability of water allocations, in the Murray-Darling Basin arising from the Basin Plan prepared under the Act.

The Government will provide funding of \$310 million per annum from 2014-15 to bridge any remaining gap between the level of water returned to the Murray-Darling Basin under existing *Water for the Future* initiatives and the level required to be returned under the final Basin Plan. The additional funding will be used to continue buying back water entitlements each year beyond 2014, subject to the availability of water for purchase from willing sellers. This funding has been included in the forward estimates.

The proposed Basin Plan is expected to be released in late November 2011 by the independent Murray-Darling Basin Authority and will be followed by a consultation phase. The final Basin Plan requires Ministerial approval and is subject to the scrutiny of both Houses of Parliament.

The total cost of this commitment is not able to be quantified until the Basin Plan has been finalised.

Treasury

Financial Claims Scheme

The Australian Government established a Financial Claims Scheme to provide depositors of authorised deposit taking institutions and general insurance policyholders with timely access to their funds in the event of a financial institution failure.

The Australian Prudential Regulation Authority (APRA) is responsible for the administration of the Financial Claims Scheme. Under the Financial Claims Scheme any payments to eligible depositors or general insurance policyholders will be made out of APRA's Financial Claims Scheme Special Account.

The Financial Claims Scheme established under the *Banking Act 1959* provides a mechanism for making payments to depositors under the Government's guarantee of deposits in authorised deposit taking institutions.

The Government announced that, from 12 October 2008, deposits up to \$1 million at eligible authorised deposit taking institutions would be eligible for coverage under the Financial Claims Scheme. The Government confirmed in December 2010 that the Financial Claims Scheme will be a permanent feature of the Australian financial system. The Government announced in September 2011 that a new cap of \$250,000 would replace the current \$1 million cap from 1 February 2012.

As at 30 June 2011, deposits eligible for coverage under the Financial Claims Scheme were estimated to be approximately \$780.8 billion, compared to \$731.8 billion at 31 January 2011.

The Financial Claims Scheme established under the *Insurance Act 1973* provides a mechanism for making payments to eligible beneficiaries with a valid claim against a failed general insurer.

In the very unlikely event of a failure, any payments made under the Financial Claims Scheme would be recovered through the liquidation of the failed institution. In the even more unlikely event there were a shortfall, a levy would be applied to industry to recover the difference between the amount expended and the amount recovered in the liquidation. Initial amounts available to meet payments and administer the Financial

Claims Scheme, in the event of activation, are \$20.1 billion per institution, under the legislation.

Guarantee of State and Territory Borrowing

The Australian Government announced on 25 March 2009 that a voluntary, temporary guarantee would be put in place over State and Territory borrowing. The Guarantee of State and Territory Borrowing commenced on 24 July 2009 and closed on 31 December 2010.

Securities covered by the guarantee will continue to be guaranteed until these securities either mature or are bought back and extinguished by the issuer.

The expected liability under the guarantee is remote and unquantifiable. Australian Government expenditure would arise under the guarantee only in the unlikely event that a State or Territory failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant State or Territory at a future date. The impact on the Australian Government's budget would depend upon the extent of the default and the State or Territory's ability to meet the Government's claim.

As at 30 September 2011, the face value of State and Territory borrowings covered by the guarantee was \$36.8 billion, down from \$50.8 billion at 31 March 2011.

Guarantee Scheme for Large Deposits and Wholesale Funding

The Australian Government announced the guarantee of large deposits and wholesale funding for authorised deposit taking institutions from 12 October 2008 under the Guarantee Scheme for Large Deposits and Wholesale Funding.

On 7 February 2010, the Australian Government announced that the Guarantee Scheme would close to new liabilities on 31 March 2010. Since 31 March 2010, Australian authorised deposit taking institutions have been prohibited from issuing any new guaranteed wholesale funding or accepting new guaranteed deposits above \$1 million. Existing guaranteed wholesale funding is guaranteed to maturity. Depositors who covered their balances above \$1 million under the Guarantee Scheme can have those funds covered to maturity for term deposits up to five years, or until October 2015 for at call deposits.

The expected liability for deposits under the Guarantee Scheme is remote and unquantifiable. Australian Government expenditure would arise under the guarantee only in the unlikely event that an institution failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant institution. The impact on the Australian

Government's budget would depend on the extent of the institution's default and its ability to meet the Government's claim.

As at 21 October 2011, total liabilities covered by the Guarantee Scheme were estimated at \$117.0 billion, down from \$129.0 billion at 25 March 2011. This is made up of \$3.2 billion (down from \$3.9 billion) of large deposits and \$113.8 billion (down from \$125.1 billion) of long-term wholesale funding. All guaranteed short-term wholesale funding matured in March 2011.

As at 30 September 2011, institutions participating in the Guarantee Scheme had paid fees of \$3.1 billion since its inception.

APPENDIX D: HISTORICAL AUSTRALIAN GOVERNMENT DATA

This appendix reports historical data for the Australian Government fiscal aggregates across the general government, public non-financial corporations and non-financial public sectors.

DATA SOURCES

Data are sourced from Australian Government *Final Budget Outcomes*, the Australian Bureau of Statistics (ABS) and Australian Government *Consolidated Financial Statements*.

- Accrual data from 1996-97 onwards and cash data, net debt data, net financial worth data and net worth data from 1999-2000 onwards are sourced from Australian Government *Final Budget Outcomes*. Back-casting adjustments for accounting classification changes and other revisions have been made from 1998-1999 onwards where applicable.
- Cash data prior to 1999-2000 are sourced from ABS data, which have been calculated using methodology consistent with that used for later years in ABS cat. no. 5512.0 *Government Finance Statistics*.
- Net debt data prior to 1999-2000 are from ABS cat. no. 5512.0 *Government Finance Statistics 2003-04* in 1998-99, ABS cat. no. 5501.0 *Government Financial Estimates 1999-2000* and ABS cat. no. 5513.0 *Public Sector Financial Assets and Liabilities 1998* in 1987-88 to 1997-98, and Treasury estimates (see Treasury's *Economic Roundup*, Spring 1996, pages 97-103) prior to 1987- 88.

COMPARABILITY OF DATA ACROSS YEARS

The data set contains a number of structural breaks owing to accounting classification differences and changes to the structure of the budget, which cannot be eliminated through back-casting because of data limitations. These breaks can affect the comparability of data across years, especially when the analysis is taken over a large number of years. Specific factors causing structural breaks include:

- from 2005-06 onwards, underlying Government Finance Statistics (GFS) data are provided by agencies in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, underlying GFS data are based on data provided by agencies in accordance with Australian Accounting Standards (AAS);

Appendix D: Historical Australian Government data

- most recent accounting classification changes that require revisions to the historic series have been back-cast (where applicable) to 1998-1999, ensuring that data are consistent across the accrual period from 1998-1999 onwards. However, because of data limitations, these changes have not been back-cast to earlier years;
- prior to 1999-2000, Australian Government general government sector debt instruments are valued at historic cost, whereas from 1999-2000 onwards they are valued at market prices (consistent with accrual GFS standards). This affects net debt and net interest payments;
- cash data up to and including 1997-98 are calculated under a cash accounting framework, while cash data from 1998-99 onwards are derived from an accrual accounting framework.¹ Although the major methodological differences associated with the move to the accrual framework have been eliminated through back-casting, comparisons across the break may still be affected by changes to some data sources and collection methodologies;
- adjustments in the coverage of agencies included in the accounts of the different sectors. These include the reclassification of Central Banking Authorities from the general government to the public financial corporations sector in 1998-99, and subsequent back-casting to account for this change;
- changes in arrangements for transfer payments, where tax concessions or rebates have been replaced by payments through the social security system. This has the effect of increasing both cash receipts and payments, as compared with earlier periods, but not changing cash balances. Changes in the opposite direction (tax expenditures replacing payments) reduce both cash payments and receipts; and
- classification differences in the data relating to the period prior to 1976-77 (which means that earlier data may not be entirely consistent with data for 1976-77 onwards).

REVISIONS TO PREVIOUSLY PUBLISHED DATA

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods, and can be reliably assigned to the relevant period(s).

1 Prior to the 2008-09 Budget, cash data calculated under the cash accounting framework were used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 were replaced by ABS data derived from the accrual framework.

REVISIONS SINCE THE 2011-12 BUDGET

The 2011-12 Mid-Year Economic and Fiscal Outlook (MYEFO) includes revisions to the historical series to reflect the change in accounting treatment for expenditure incurred under the Natural Disaster Relief and Recovery Arrangements program. The change involved the recognition of total expenses in the year when the disaster occurs rather than at the time when the State or Territory lodges a claim for reimbursement following the completion of reconstruction works. This change is now back-cast in the historical series for all published periods and affects expenses, fiscal balance, net worth and net financial worth for the general government sector. The revisions were included in the *Final Budget Outcome 2010-11*.

DEFLATING REAL SPENDING GROWTH BY THE CONSUMER PRICE INDEX

The 2011-12 MYEFO calculates real spending growth using the Consumer Price Index (CPI) as the deflator. This is also the benchmark against which the Government's fiscal strategy is based. Prior to the 2008-09 Budget the non-farm GDP (NFGDP) deflator was used and has therefore been shown in this statement for comparative purposes.

The use of the CPI, rather than the non-farm GDP deflator, provides a more accurate depiction of real government spending growth, especially in the current economic climate. The non-farm GDP deflator incorporates fluctuations in global commodity prices, which are not relevant for Government expenditures. Therefore, deflating government spending by the non-farm GDP deflator distorts trends in real spending growth.

Table D1: Australian Government general government sector receipts, payments and underlying cash balance^(a)

	Receipts(b)		Payments(c)				Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth (CPI)	Per cent real growth (NFGDP deflator)(f)	Per cent of GDP	\$m	\$m	Per cent of GDP
1970-71	8,290	20.6	7,389	na	na	18.3	-	901	2.2
1971-72	9,135	20.5	8,249	4.1	4.5	18.5	-	886	2.0
1972-73	9,735	19.6	9,388	7.7	7.9	18.9	-	348	0.7
1973-74	12,228	20.3	11,078	4.2	3.6	18.4	-	1,150	1.9
1974-75	15,643	22.0	15,463	19.9	15.0	21.7	-	181	0.3
1975-76	18,727	22.5	20,225	15.7	13.0	24.3	-	-1,499	-1.8
1976-77	21,890	22.8	23,157	0.6	2.3	24.1	-	-1,266	-1.3
1977-78	24,019	22.9	26,057	2.7	3.0	24.8	-	-2,037	-1.9
1978-79	26,129	22.0	28,272	0.3	3.0	23.8	-	-2,142	-1.8
1979-80	30,321	22.5	31,642	1.5	2.0	23.5	-	-1,322	-1.0
1980-81	35,993	23.6	36,176	4.6	3.6	23.7	-	-184	-0.1
1981-82	41,499	23.6	41,151	2.9	0.5	23.4	-	348	0.2
1982-83	45,463	24.0	48,810	6.3	6.2	25.8	-	-3,348	-1.8
1983-84	49,981	23.4	56,990	9.4	9.8	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	8.5	27.5	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	3.3	27.4	-	-5,122	-2.0
1986-87	74,724	26.2	77,158	-1.1	0.7	27.0	-	-2,434	-0.9
1987-88	83,491	25.7	82,039	-0.9	-0.3	25.3	-	1,452	0.4
1988-89	90,748	24.7	85,326	-3.1	-4.1	23.2	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	1.6	22.9	-	5,942	1.5
1990-91	100,227	24.1	100,665	3.1	3.7	24.2	-	-438	-0.1
1991-92	95,840	22.6	108,472	5.7	6.0	25.6	-	-12,631	-3.0
1992-93	97,633	22.0	115,751	5.6	6.0	26.1	-	-18,118	-4.1
1993-94	103,824	22.2	122,009	3.5	4.2	26.1	-	-18,185	-3.9
1994-95	113,458	22.9	127,619	1.4	2.6	25.7	-	-14,160	-2.9
1995-96	124,429	23.5	135,538	1.9	3.4	25.6	-	-11,109	-2.1
1996-97	133,592	24.0	139,689	1.7	1.5	25.1	-	-6,099	-1.1
1997-98	140,736	23.9	140,587	0.6	-0.7	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	4.8	23.8	-	3,889	0.6
1999-00	166,199	25.1	153,192	1.0	0.7	23.1	-	13,007	2.0
2000-01	182,996	25.9	177,123	9.1	10.8	25.1	-	5,872	0.8
2001-02	187,588	24.8	188,655	3.5	4.1	25.0	-	-1,067	-0.1
2002-03	204,613	25.5	197,243	1.4	1.7	24.6	-	7,370	0.9
2003-04	217,775	25.3	209,785	3.9	3.0	24.4	-	7,990	0.9
2004-05	235,984	25.6	222,407	3.5	1.9	24.2	-	13,577	1.5
2005-06	255,943	25.7	240,136	4.6	2.8	24.1	51	15,756	1.6
2006-07	272,637	25.2	253,321	2.5	0.6	23.4	2,135	17,182	1.6
2007-08	294,917	25.1	271,843	3.8	2.6	23.1	3,370	19,704	1.7
2008-09	292,600	23.4	316,046	12.7	10.3	25.2	3,633	-27,079	-2.2
2009-10	284,662	22.0	336,900	4.2	5.6	26.0	2,512	-54,750	-4.2
2010-11	302,024	21.6	346,102	-0.4	-3.0	24.7	3,668	-47,746	-3.4
2011-12(e)	336,432	22.6	370,090	3.7	3.9	24.8	3,455	-37,113	-2.5
2012-13(e)	374,559	23.9	370,069	-3.0	-1.9	23.6	3,011	1,479	0.1
2013-14(p)	396,634	24.0	391,596	3.3	3.4	23.7	3,174	1,864	0.1
2014-15(p)	415,959	23.9	409,475	2.0	2.3	23.6	3,376	3,108	0.2

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Receipts are equal to receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) Underlying cash balance is equal to receipts less payments less Future Fund earnings. For the purposes of consistent comparison with years prior to 2005-06, Future Fund earnings should be added back to the underlying cash balance.

(e) Estimates.

(f) Real spending growth using the non-farm GDP deflator has not been used as the relevant measure of real spending growth since 2007-08, and is included for comparative purposes only. Real spending growth using the Consumer Price Index as the deflator is the benchmark against which the Government's fiscal strategy has been based since it was introduced.

(p) Projections.

Table D2: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a)

	Taxation receipts		Non-taxation receipts		Total receipts ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	7,193	17.8	1,097	2.7	8,290	20.6
1971-72	7,895	17.8	1,240	2.8	9,135	20.5
1972-73	8,411	16.9	1,324	2.7	9,735	19.6
1973-74	10,832	18.0	1,396	2.3	12,228	20.3
1974-75	14,141	19.9	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.7	2,720	2.3	26,129	22.0
1979-80	27,473	20.4	2,848	2.1	30,321	22.5
1980-81	32,641	21.4	3,352	2.2	35,993	23.6
1981-82	37,880	21.6	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.0
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.3	8,257	2.9	74,724	26.2
1987-88	75,076	23.1	8,415	2.6	83,491	25.7
1988-89	83,452	22.7	7,296	2.0	90,748	24.7
1989-90	90,773	22.4	7,852	1.9	98,625	24.4
1990-91	92,739	22.3	7,488	1.8	100,227	24.1
1991-92	87,364	20.6	8,476	2.0	95,840	22.6
1992-93	88,760	20.0	8,873	2.0	97,633	22.0
1993-94	93,362	20.0	10,462	2.2	103,824	22.2
1994-95	104,921	21.1	8,537	1.7	113,458	22.9
1995-96	115,700	21.8	8,729	1.6	124,429	23.5
1996-97	124,559	22.4	9,033	1.6	133,592	24.0
1997-98	130,984	22.2	9,752	1.7	140,736	23.9
1998-99	138,420	22.3	13,643	2.2	152,063	24.5
1999-00	151,313	22.9	14,887	2.2	166,199	25.1
2000-01	170,354	24.1	12,641	1.8	182,996	25.9
2001-02	175,108	23.2	12,481	1.7	187,588	24.8
2002-03	192,131	24.0	12,482	1.6	204,613	25.5
2003-04	206,091	24.0	11,683	1.4	217,775	25.3
2004-05	223,314	24.2	12,669	1.4	235,984	25.6
2005-06	241,215	24.2	14,728	1.5	255,943	25.7
2006-07	257,392	23.8	15,245	1.4	272,637	25.2
2007-08	278,376	23.7	16,540	1.4	294,917	25.1
2008-09	272,627	21.8	19,973	1.6	292,600	23.4
2009-10	260,973	20.2	23,689	1.8	284,662	22.0
2010-11	280,839	20.0	21,185	1.5	302,024	21.6
2011-12(e)	315,299	21.2	21,133	1.4	336,432	22.6
2012-13(e)	349,161	22.3	25,398	1.6	374,559	23.9
2013-14(p)	375,458	22.8	21,176	1.3	396,634	24.0
2014-15(p)	395,493	22.8	20,466	1.2	415,959	23.9

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Receipts are equal to receipts from operating activities and sales of non-financial assets.

(e) Estimates.

(p) Projections.

Table D3: Australian Government general government sector receipts

	Actual	Estimates		Projections	
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$m	\$m	\$m	\$m	\$m
Individuals and other withholding taxes					
Gross income tax withholding	129,654	142,500	150,100	163,000	174,800
Gross other individuals	27,795	30,600	34,700	37,500	41,100
less: Refunds	24,711	26,600	27,200	28,000	30,700
Total individuals and other withholding taxation	132,739	146,500	157,600	172,500	185,200
Fringe benefits tax	3,303	3,450	3,800	4,290	4,680
Company tax	56,262	70,000	75,810	77,820	81,110
Superannuation funds	6,519	8,850	9,900	10,920	12,030
Resource rent taxes(a)	806	1,930	8,010	8,410	6,710
Income taxation receipts	199,628	230,730	255,120	273,940	289,730
Sales taxes					
Goods and services tax	46,083	47,663	51,229	54,189	56,850
Wine equalisation tax	722	740	780	820	870
Luxury car tax	483	480	510	540	570
Total sales taxes	47,288	48,883	52,519	55,549	58,290
Excise duty					
Petrol	5,892	6,000	5,800	5,700	5,600
Diesel	7,435	8,000	8,500	8,900	9,000
Beer	1,952	2,050	2,200	2,300	2,400
Tobacco	6,387	6,250	6,250	5,600	5,770
Other excisable products	4,089	4,600	5,150	5,400	5,650
Of which: Other excisable beverages(b)	897	950	1,000	1,050	1,100
Total excise duty receipts	25,756	26,900	27,900	27,900	28,420
Customs duty					
Textiles, clothing and footwear	639	650	700	750	600
Passenger motor vehicles	507	600	700	750	800
Excise-like goods	3,364	4,000	4,250	5,490	5,610
Other imports	1,287	1,450	1,700	1,800	1,900
less: Refunds and drawbacks	368	260	260	260	260
Total customs duty receipts	5,429	6,440	7,090	8,530	8,650
Carbon pricing mechanism	-	-	4,020	6,540	7,220
Other indirect taxation					
Agricultural levies	445	427	432	424	429
Other taxes	2,292	1,919	2,079	2,575	2,755
Total other indirect taxation receipts	2,738	2,346	2,511	2,999	3,184
Indirect taxation receipts	81,211	84,569	94,041	101,518	105,763
Taxation receipts	280,839	315,299	349,161	375,458	395,493
Sales of goods and services	7,522	7,970	8,218	8,523	8,191
Interest received	4,943	4,902	4,951	4,942	4,617
Dividends	3,248	2,233	1,785	1,930	1,953
Other non-taxation receipts	5,472	6,029	10,444	5,781	5,704
Non-taxation receipts(c)	21,185	21,133	25,398	21,176	20,466
Total receipts(c)	302,024	336,432	374,559	396,634	415,959
<i>Memorandum:</i>					
Capital gains tax(d)	6,700	7,300	11,000	14,300	16,400
Medicare levy receipts	8,269	8,930	9,620	10,270	10,940

(a) Resource rent taxes include PRRT and gross receipts from the MRRT. The net receipts from the MRRT are \$3.7 billion in 2012-13, \$3.8 billion in 2013-14 and \$3.1 billion in 2014-15, which represent the net impact on receipts across several different revenue heads. These include the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.

(c) Includes expected Future Fund earnings.

(d) Capital gains tax is part of other individuals, companies and superannuation funds tax. The 2010-11 reported figure is an estimate.

Table D4: Australian Government general government sector net debt and net interest payments^(a)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.6
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.4	3,986	0.9
1993-94	70,223	15.0	5,628	1.2
1994-95	83,492	16.8	7,292	1.5
1995-96	95,831	18.1	8,861	1.7
1996-97	96,281	17.3	9,489	1.7
1997-98	82,935	14.1	8,279	1.4
1998-99	72,065	11.6	8,649	1.4
1999-00	53,869	8.1	7,514	1.1
2000-01	42,719	6.0	6,195	0.9
2001-02	38,180	5.1	5,352	0.7
2002-03	29,047	3.6	3,758	0.5
2003-04	22,639	2.6	3,040	0.4
2004-05	10,741	1.2	2,502	0.3
2005-06	-4,531	-0.5	2,303	0.2
2006-07	-29,150	-2.7	228	0.0
2007-08	-44,820	-3.8	-1,015	-0.1
2008-09	-16,148	-1.3	-1,196	-0.1
2009-10	42,283	3.3	2,386	0.2
2010-11	84,551	6.0	4,608	0.3
2011-12(e)	132,552	8.9	5,873	0.4
2012-13(e)	133,292	8.5	6,802	0.4
2013-14(p)	135,713	8.2	6,779	0.4
2014-15(p)	134,108	7.7	7,331	0.4

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Net debt is equal to the sum of deposits held, advances received, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

(c) Net interest payments are equal to the difference between interest paid and interest receipts.

(e) Estimates.

(p) Projections.

Table D5: Australian Government general government sector revenue, expenses, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net capital investment		Fiscal balance ^(b)	
	Per cent of GDP		Per cent of GDP		Per cent of GDP		Per cent of GDP	
	\$m		\$m		\$m		\$m	
1996-97	141,688	25.4	145,821	26.2	90	0.0	-4,223	-0.8
1997-98	146,820	24.9	148,652	25.2	147	0.0	-1,979	-0.3
1998-99	152,106	24.5	146,772	23.6	1,433	0.2	3,901	0.6
1999-00	167,304	25.3	155,558	23.5	-69	0.0	11,815	1.8
2000-01	186,110	26.3	180,094	25.5	8	0.0	6,007	0.8
2001-02	190,488	25.2	193,041	25.6	382	0.1	-2,935	-0.4
2002-03	206,923	25.8	201,259	25.1	287	0.0	5,377	0.7
2003-04	222,168	25.8	215,361	25.1	660	0.1	6,148	0.7
2004-05	242,507	26.3	229,245	24.9	1,034	0.1	12,228	1.3
2005-06	261,238	26.3	242,173	24.3	2,498	0.3	16,568	1.7
2006-07	278,411	25.7	259,156	23.9	2,333	0.2	16,922	1.6
2007-08	303,729	25.8	280,107	23.8	2,593	0.2	21,029	1.8
2008-09	298,933	23.9	324,557	25.9	4,064	0.3	-29,688	-2.4
2009-10	292,767	22.6	340,035	26.3	6,433	0.5	-53,701	-4.2
2010-11	309,890	22.1	356,100	25.4	5,297	0.4	-51,506	-3.7
2011-12^(e)	344,110	23.1	371,747	25.0	4,813	0.3	-32,450	-2.2
2012-13 ^(e)	382,764	24.5	379,935	24.3	-1,885	-0.1	4,714	0.3
2013-14 ^(p)	407,542	24.7	400,623	24.3	2,760	0.2	4,159	0.3
2014-15 ^(p)	428,151	24.6	418,863	24.1	2,893	0.2	6,395	0.4

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment.

(e) Estimates.

(p) Projections.

Table D6: Australian Government general government sector net worth and net financial worth^(a)

	Net worth(b)		Net financial worth(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-7,046	-1.1	-68,178	-10.3
2000-01	-6,618	-0.9	-73,097	-10.3
2001-02	-11,655	-1.5	-79,012	-10.5
2002-03	-15,330	-1.9	-84,645	-10.6
2003-04	-1,152	-0.1	-74,159	-8.6
2004-05	14,556	1.6	-60,257	-6.5
2005-06	17,971	1.8	-63,440	-6.4
2006-07	46,351	4.3	-39,976	-3.7
2007-08	70,859	6.0	-18,070	-1.5
2008-09	19,427	1.6	-74,094	-5.9
2009-10	-45,938	-3.6	-147,168	-11.4
2010-11	-95,386	-6.8	-200,810	-14.3
2011-12(e)	-122,328	-8.2	-232,229	-15.6
2012-13(e)	-115,913	-7.4	-228,263	-14.6
2013-14(p)	-109,157	-6.6	-223,813	-13.6
2014-15(p)	-100,763	-5.8	-217,750	-12.5

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Net worth is equal to total assets less liabilities.

(c) Net financial worth is equal to financial assets less liabilities.

(e) Estimates.

(p) Projections.

Table D7: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue^(a)

	Taxation revenue		Non-taxation revenue		Total revenue	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	153,408	23.2	13,896	2.1	167,304	25.3
2000-01	175,881	24.9	10,228	1.4	186,110	26.3
2001-02	178,210	23.6	12,278	1.6	190,488	25.2
2002-03	195,203	24.4	11,720	1.5	206,923	25.8
2003-04	209,959	24.4	12,209	1.4	222,168	25.8
2004-05	229,943	25.0	12,564	1.4	242,507	26.3
2005-06	245,716	24.7	15,522	1.6	261,238	26.3
2006-07	262,511	24.2	15,900	1.5	278,411	25.7
2007-08	286,229	24.3	17,500	1.5	303,729	25.8
2008-09	278,653	22.3	20,280	1.6	298,933	23.9
2009-10	268,000	20.7	24,767	1.9	292,767	22.6
2010-11	289,005	20.6	20,885	1.5	309,890	22.1
2011-12(e)	323,631	21.7	20,479	1.4	344,110	23.1
2012-13(e)	361,679	23.1	21,085	1.3	382,764	24.5
2013-14(p)	385,879	23.4	21,663	1.3	407,542	24.7
2014-15(p)	406,890	23.4	21,261	1.2	428,151	24.6

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(e) Estimates.

(p) Projections.

Table D8: Australian Government general government sector accrual revenue

	Actual	Estimates		Projections	
	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Individuals and other withholding taxes					
Gross income tax withholding	130,790	143,520	151,190	164,170	176,050
Gross other individuals	30,642	32,910	37,350	40,240	44,080
less: Refunds	24,660	26,600	27,200	28,000	30,700
Total individuals and other withholding taxation	136,772	149,830	161,340	176,410	189,430
Fringe benefits tax	3,348	3,530	3,870	4,360	4,760
Company tax	57,312	71,800	77,620	79,690	83,050
Superannuation funds	6,693	8,990	10,060	11,100	12,220
Resource rent taxes(a)	806	2,030	8,000	8,400	6,700
Income taxation revenue	204,931	236,180	260,890	279,960	296,160
Sales taxes					
Goods and services tax	48,093	49,750	53,560	56,620	59,410
Wine equalisation tax	747	750	790	830	880
Luxury car tax	489	480	510	540	570
Total sales taxes	49,329	50,980	54,860	57,990	60,860
Excise duty					
Petrol	5,907	6,080	5,800	5,140	5,660
Diesel	7,454	7,980	8,480	8,900	9,000
Beer	1,957	2,050	2,200	2,300	2,400
Tobacco	6,387	6,250	6,250	5,600	5,770
Other excisable products	4,097	4,600	5,150	5,400	5,650
Of which: Other excisable beverages(b)	900	950	1,000	1,050	1,100
Total excise duty revenue	25,803	26,960	27,880	27,340	28,480
Customs duty					
Textiles, clothing and footwear	643	650	700	750	600
Passenger motor vehicles	774	750	700	750	800
Excise-like goods	3,364	4,000	4,250	5,490	5,610
Other imports	1,288	1,460	1,710	1,810	1,910
less: Refunds and drawbacks	241	120	120	120	120
Total customs duty revenue	5,828	6,740	7,240	8,680	8,800
Carbon pricing mechanism	-	-	7,690	8,610	9,200
Other indirect taxation					
Agricultural levies	445	427	432	424	429
Other taxes	2,669	2,344	2,687	2,875	2,961
Total other indirect taxation revenue	3,115	2,771	3,119	3,299	3,390
Indirect taxation revenue	84,074	87,451	100,789	105,919	110,730
Taxation revenue	289,005	323,631	361,679	385,879	406,890
Sales of goods and services	7,680	8,050	8,295	8,561	8,256
Interest	5,169	5,190	5,417	5,463	5,258
Dividends	2,562	1,652	1,786	1,931	1,954
Other non-taxation revenue	5,473	5,587	5,587	5,709	5,793
Non-taxation revenue(c)	20,885	20,479	21,085	21,663	21,261
Total revenue(c)	309,890	344,110	382,764	407,542	428,151
<i>Memorandum:</i>					
Capital gains tax(d)	6,700	7,300	11,000	14,300	16,400
Medicare levy revenue	8,269	8,930	9,620	10,270	10,940

(a) Resource rent taxes include PRRT and gross revenue from the MRRT. The net revenue from the MRRT is \$3.7 billion in 2012-13, \$3.8 billion in 2013-14 and \$3.1 billion in 2014-15, which represents the net impact on revenue across several different revenue heads. These include the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol.

(c) Includes expected Future Fund earnings.

(d) Capital gains tax is part of other individuals, companies and superannuation funds tax. The 2010-11 reported figure is an estimate.

Table D9: Australian Government cash receipts, payments and surplus by institutional sector (a)

	General government				Public non-financial corporations				Non-financial public sector			
	Receipts(b)	Payments(c)	Underlying cash balance(d)		Receipts(b)	Payments(c)	Cash surplus(d)		Receipts(b)	Payments(c)	Underlying cash balance(d)	
1988-89	90,748	85,326	5,421		4,177	6,035	257		93,923	90,312	5,678	
1989-90	98,625	92,684	5,942		3,926	11,322	-5,261		101,495	102,883	681	
1990-91	100,227	100,665	-438		4,804	9,351	-2,139		103,837	108,808	-2,577	
1991-92	95,840	108,472	-12,631		3,899	7,713	101		97,937	114,369	-12,530	
1992-93	97,633	115,751	-18,118		4,385	7,819	-196		100,512	122,042	-18,314	
1993-94	103,824	122,009	-18,185		5,178	6,476	1,482		106,747	126,214	-16,703	
1994-95	113,458	127,619	-14,160		5,262	7,318	1,956		116,751	132,965	-12,204	
1995-96	124,429	135,538	-11,109		4,927	8,190	-527		126,593	140,963	-11,636	
1996-97	133,592	139,689	-6,099		4,782	7,373	473		135,259	143,948	-5,626	
1997-98	140,736	140,587	149		6,238	7,923	1,119		144,517	145,985	1,268	
1998-99	152,063	148,175	3,889		na	na	-353		na	na	3,536	
1999-00	166,199	153,192	13,007		na	na	-2,594		na	na	10,413	
2000-01	182,996	177,123	5,872		na	na	391		na	na	6,264	
2001-02	187,588	188,655	-1,067		na	na	1,210		na	na	143	
2002-03	204,613	197,243	7,370		27,386	26,105	1,280		na	na	8,650	
2003-04	217,775	209,785	7,990		27,718	26,142	1,575		238,236	227,099	9,564	
2004-05	235,984	222,407	13,577		29,621	28,071	1,550		257,946	241,577	15,128	
2005-06	255,943	240,136	15,756		30,875	31,874	-999		278,254	263,445	14,758	
2006-07	272,637	253,321	17,182		16,882	18,641	-1,759		285,336	267,778	15,423	
2007-08	294,917	271,843	19,704		7,758	8,232	-473		300,503	277,903	19,231	
2008-09	292,600	316,046	-27,079		7,987	8,960	-973		297,421	321,841	-28,052	
2009-10	284,662	336,900	-54,750		8,419	9,341	-922		290,681	343,841	-55,672	
2010-11	302,024	346,102	-47,746		8,558	9,733	-1,175		308,258	353,511	-48,920	
2011-12(e)	336,432	370,090	-37,113		9,034	12,493	-3,459		343,022	380,138	-40,572	
2012-13(e)	374,559	370,069	1,479		na	na	na		na	na	na	
2013-14(p)	396,634	391,596	1,864		na	na	na		na	na	na	
2014-15(p)	415,959	409,475	3,108		na	na	na		na	na	na	

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Receipts are equal to receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) These items exclude Future Fund earnings from 2005-06 onwards. Future Fund earnings are shown in Table D1.

(e) Estimates.

(p) Projections.

na Data not available.

Table D10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	Fiscal			Fiscal			Fiscal		
	Revenue	Expenses	balance(b)	Revenue	Expenses	balance(b)	Revenue	Expenses	balance(b)
1996-97	141,688	145,821	-4,223	27,431	26,015	-331	na	na	-4,554
1997-98	146,820	148,652	-1,979	29,618	26,999	2,360	na	na	387
1998-99	152,106	146,772	3,901	27,687	26,088	-816	175,891	168,963	3,080
1999-00	167,304	155,558	11,815	25,485	23,542	1,062	188,841	173,889	12,983
2000-01	186,110	180,094	6,007	25,869	24,762	-826	207,372	200,184	5,248
2001-02	190,488	193,041	-2,935	26,638	25,341	793	212,518	213,693	-2,060
2002-03	206,923	201,259	5,377	24,339	22,916	1,975	226,135	219,129	7,314
2003-04	222,168	215,361	6,148	25,449	23,444	2,143	241,873	233,077	8,275
2004-05	242,507	229,245	12,228	26,965	25,191	1,473	263,587	248,549	13,703
2005-06	261,238	242,173	16,568	28,143	29,531	-2,442	282,597	264,923	14,121
2006-07	278,411	259,156	16,922	15,443	16,360	-1,763	290,067	271,735	15,153
2007-08	303,729	280,107	21,029	6,854	6,686	-584	309,215	285,426	20,443
2008-09	298,933	324,557	-29,688	6,998	7,576	-1,495	303,733	329,948	-31,195
2009-10	292,767	340,035	-53,701	7,288	7,297	-1,079	298,412	344,893	-53,985
2010-11	309,890	356,100	-51,506	7,563	7,787	-1,446	315,688	362,122	-52,952
2011-12(e)	344,110	371,747	-32,450	7,880	8,235	-3,575	350,454	378,446	-36,025
2012-13(e)	382,764	379,935	4,714	na	na	na	na	na	na
2013-14(p)	407,542	400,623	4,159	na	na	na	na	na	na
2014-15(p)	428,151	418,863	6,395	na	na	na	na	na	na

(a) Data have been revised in the 2011-12 MYEFO to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment. Net capital investment is not shown in this table.

(c) Estimates.

(p) Projections.

na Data not available.

