

FINAL BUDGET OUTCOME

2012-13

SEPTEMBER 2013

CIRCULATED BY

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AND

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FOR THE INFORMATION OF HONOURABLE MEMBERS

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ISBN 978-0-642-74930-7

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Printed by CanPrint Communications Pty Ltd

FOREWORD

The *Final Budget Outcome 2012-13* has been prepared in a manner consistent with the *Charter of Budget Honesty Act 1998* (the Charter). The Charter requires that, inter alia, the Government provide a final budget outcome report no later than three months after the end of the financial year. Consistent with these requirements, this report encompasses Australian Government general government sector fiscal outcomes for the 2012-13 financial year and is based on external reporting standards.

- **Part 1** provides the general government sector budget aggregates for 2012-13 together with an analysis of the 2012-13 Final Budget Outcome. This includes summary analysis of cash flows, revenue, expenses, net capital investment and the balance sheet (net debt, net financial worth and net worth).
- **Part 2** presents the Australian Government financial statements for 2012-13 with the Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) as the basis for accounting policy, except for where the Government has decided to depart because Australian Accounting Standards provide a better conceptual treatment for presenting information of relevance to users of public sector financial reports. This data covers the general government sector as well as the Australian Government public corporations sectors.
- **Part 3** provides details for 2012-13 on Australia's Federal Relations, updated from that contained in the 2013-14 Budget Paper No. 3, *Australia's Federal Relations*.

Appendix A contains expenses data on a functional and sub-functional basis. Historical Australian Government data are presented in **Appendix B**.

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Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator; and
 - one billion is equal to one thousand million.
- (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:
- | | |
|---------|---|
| - | nil |
| na | not applicable (unless otherwise specified) |
| \$m | millions of dollars |
| \$b | billions of dollars |
| nfp | not for publication |
| (e) | estimates (unless otherwise specified) |
| (p) | projections (unless otherwise specified) |
| NEC/nec | not elsewhere classified |

Contents

- (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

- (f) In this paper the term Commonwealth refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term Australian Government is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.

PART 1: AUSTRALIAN GOVERNMENT BUDGET OUTCOME

OVERVIEW

In 2012-13, the Australian Government general government sector recorded an underlying cash deficit of \$18.8 billion (1.2 per cent of gross domestic product (GDP)). The fiscal balance was in deficit by \$23.5 billion (1.6 per cent of GDP).

In cash terms, the Final Budget Outcome for 2012-13 was a \$543 million improvement compared with the underlying cash deficit estimated at the 2013-14 Budget, with total receipts \$642 million higher than expected and total payments \$81 million lower than expected. Net Future Fund earnings were higher than expected by \$181 million.

In fiscal balance terms, the Final Budget Outcome for 2012-13 was a \$3.2 billion deterioration compared to the fiscal balance deficit estimated at the 2013-14 Budget, with higher than expected revenues of \$198 million more than offset by higher than expected expenses of \$1.2 billion and higher than expected net capital investment of \$2.2 billion.

Real GDP grew at a slightly below trend rate in 2012-13, mainly owing to modest growth in household consumption and public final demand. Commodity prices fell in 2012-13 reflecting more moderate growth in China and an expansion in the global supply of commodities. The fall in commodity prices led to a significant decline in the terms of trade. This, alongside low wage growth, saw subdued growth in nominal GDP.

Tax receipts for 2012-13 were broadly in line with the forecast at the 2013-14 Budget, with total tax receipts \$129 million higher than forecast. Tax receipts as a proportion of GDP have increased since 2011-12, but still remain low by historical standards.

Australian Government general government sector net debt was \$153.0 billion (10.1 per cent of GDP), which was \$8.6 billion lower than estimated at the time of the 2013-14 Budget. The change was primarily driven by the lower than expected market value of Commonwealth Government Securities (CGS), owing to higher than expected yields. Australian Government general government sector net financial worth was -\$312.7 billion at the end of 2012-13. Net worth was -\$202.7 billion at the end of 2012-13.

Table 1: Australian Government general government sector budget aggregates

	2011-12 Outcome	2012-13 Estimate at 2013-14 Budget	2012-13 Outcome	Change on 2013-14 Budget
	\$b	\$b	\$b	\$b
Receipts	329.9	350.4	351.1	0.6
Per cent of GDP	22.4	23.0	23.2	
Payments(a)	371.0	367.3	367.2	-0.1
Per cent of GDP	25.2	24.2	24.3	
Net Future Fund earnings	2.2	2.5	2.7	0.2
Underlying cash balance(b)	-43.4	-19.4	-18.8	0.5
Per cent of GDP	-2.9	-1.3	-1.2	
Revenue	338.1	360.0	360.2	0.2
Per cent of GDP	22.9	23.7	23.8	
Expenses	378.0	381.4	382.6	1.2
Per cent of GDP	25.6	25.1	25.3	
Net operating balance	-39.9	-21.5	-22.5	-1.0
Net capital investment	4.9	-1.2	1.0	2.2
Fiscal balance	-44.7	-20.3	-23.5	-3.2
Per cent of GDP	-3.0	-1.3	-1.6	
<i>Memorandum item:</i>				
Headline cash balance	-47.0	-22.2	-21.0	1.2

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

(b) Excludes net Future Fund earnings.

UNDERLYING CASH BALANCE

The 2012-13 underlying cash deficit was \$18.8 billion, an improvement of \$543 million compared with the estimate at the 2013-14 Budget. This was the result of higher receipts of \$642 million, lower payments of \$81 million and higher net Future Fund earnings of \$181 million.

Table 2: Summary of Australian Government general government sector cash flows

	2012-13 Estimate at 2013-14 Budget \$b	2012-13 Outcome \$b	Change on 2013-14 Budget \$b
Cash receipts			
Operating cash receipts	348.8	349.3	0.6
Capital cash receipts(a)	1.6	1.7	0.1
Total cash receipts	350.4	351.1	0.6
Cash payments			
Operating cash payments	359.3	359.2	-0.1
Capital cash payments(b)	7.5	7.6	0.1
Total cash payments	366.9	366.9	0.0
Finance leases and similar arrangements(c)	0.4	0.3	-0.1
GFS cash surplus(+)/deficit(-)	-16.9	-16.2	0.7
Per cent of GDP	-1.1	-1.1	
<i>less</i> Net Future Fund earnings	2.5	2.7	0.2
Underlying cash balance(d)	-19.4	-18.8	0.5
Per cent of GDP	-1.3	-1.2	
<i>Memorandum items:</i>			
Net cash flows from investments in financial assets for policy purposes	-5.3	-4.8	0.5
<i>plus</i> Net Future Fund earnings	2.5	2.7	0.2
Headline cash balance	-22.2	-21.0	1.2

(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 net Future Fund earnings.

Receipts

Total receipts were \$351.1 billion in 2012-13, \$642 million higher than estimated in the 2013-14 Budget. Total receipts (excluding Future Fund earnings) were \$348.0 billion in 2012-13, \$491 million higher than estimated in the 2013-14 Budget.

Total tax receipts for 2012-13 were \$326.4 billion, \$129 million higher than expected in the 2013-14 Budget. Excluding GST, tax receipts were around \$550 million lower than expected in the 2013-14 Budget.

Higher than expected receipts from company tax and GST were somewhat offset by lower than expected receipts from the carbon pricing mechanism, income tax withholding (ITW) and customs duty.

- Company tax receipts were \$911 million above the 2013-14 Budget estimate.
- Receipts from GST were \$678 million above the 2013-14 Budget estimate.
- Carbon pricing mechanism receipts were \$530 million below the 2013-14 Budget estimate, consistent with lower than expected covered emissions.
- ITW receipts were \$493 million below the 2013-14 Budget estimate, consistent with weaker than expected wages growth.
- Excise and customs duty receipts were \$476 million below the 2013-14 Budget estimate, because of weaker than expected imports and fuel excise collections.

Non-tax receipts (excluding Future Fund earnings) were \$21.5 billion in 2012-13, \$363 million higher than estimated at the 2013-14 Budget. This increase largely relates to:

- greater than expected returns of unclaimed monies from banking institutions (\$176 million), following recent reforms that reduced the period before unclaimed amounts are transferred to the Government; and
- greater than expected returns from unclaimed superannuation accounts (\$155 million), following recent reforms that increased the account balance threshold below which inactive accounts are required to be transferred to the Government.

Table 3: Australian Government general government sector (cash) receipts

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Individuals' and other withholding taxes			
Gross income tax withholding	150,300	149,807	-493
Gross other individuals	33,300	33,294	-6
less: Refunds	26,750	26,801	51
Total individuals' and other withholding tax	156,850	156,300	-550
Fringe benefits tax	3,860	3,922	62
Company tax	66,000	66,911	911
Superannuation funds	7,680	7,661	-19
Resource rent taxes(a)	1,710	1,817	107
Income taxation receipts	236,100	236,610	510
Sales taxes			
Goods and services tax	47,918	48,596	678
Wine equalisation tax	720	725	5
Luxury car tax	430	434	4
Total sales taxes	49,068	49,756	688
Excise duty			
Petrol	6,000	5,990	-10
Diesel	8,600	8,513	-87
Beer	1,950	1,929	-21
Other excisable products(b)	9,020	8,980	-40
Of which: Other excisable beverages(c)	900	901	1
Total excise duty receipts	25,570	25,412	-158
Customs duty			
Textiles, clothing and footwear	680	676	-4
Passenger motor vehicles	920	892	-28
Excise-like goods(b)	5,660	5,430	-230
Other imports	1,530	1,499	-31
less: Refunds and drawbacks	330	354	24
Total customs duty receipts	8,460	8,143	-317
Carbon pricing mechanism	4,160	3,631	-530
Other indirect taxation			
Agricultural levies	463	463	-1
Other taxes	2,476	2,412	-64
Total other indirect taxation receipts	2,939	2,875	-65
Indirect taxation receipts	90,197	89,815	-382
Taxation receipts	326,297	326,426	129

**Table 3: Australian Government general government sector (cash) receipts
(continued)**

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Sales of goods and services	9,043	9,071	28
Interest received	3,674	3,561	-112
Dividends	3,186	3,420	234
Other non-taxation receipts	8,211	8,575	364
Non-taxation receipts	24,113	24,627	513
Total receipts	350,410	351,052	642
<i>Memorandum:</i>			
<i>Medicare levy receipts</i>	<i>9,720</i>	<i>9,788</i>	<i>68</i>

- (a) Comprises gross revenue from the PRRT and MRRT. Net revenue from the MRRT was \$0.2 billion in 2012-13 which represents the net impact across different revenue heads. These include offsetting reductions in company tax (through deductibility) and interactions with other taxes.
- (b) Tobacco figures are not separately reported because of taxpayer confidentiality. Since the 2013-14 Budget was published, legislation has been passed that allows for separate reporting of tobacco figures. As the legislation was not retrospective, this does not apply to the 2012-13 outcome.
- (c) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

Payments

Total payments were \$367.2 billion in 2012-13, \$81 million lower than estimated in the 2013-14 Budget. Total payments (excluding Future Fund payments) were \$366.8 billion, broadly in line with the estimate at the 2013-14 Budget.

The outcome for payments (excluding Future Fund payments) largely reflects decreases in:

- the Pharmaceutical Benefits Scheme (\$730 million), primarily due to the greater than expected impact of price disclosure on the average price of medicines and on patient behaviour, and higher than forecast revenue recovered from cost-sharing arrangements;
- the Natural Disaster Relief and Recovery Arrangements (NDRRA) (\$288 million), reflecting lower than expected claims for reimbursement from disasters occurring in previous years from the States and Territories, particularly payments for New South Wales;
- Income Support for Seniors (\$232 million), primarily reflecting an increasing number of new recipients receiving part-rate pensions leading to a lower than projected average payment rate; and
- Department of Defence operations (\$202 million), largely reflecting lower than expected costs related to suppliers, strategic lift and minor facilities.

These decreases in cash payments were broadly offset by higher than forecast payments for the Research and Development Tax Incentive (\$299 million), largely reflecting the higher than expected value of claims and take-up by companies; and the extinguishment of the provision for underspends in the Contingency Reserve.

Net Future Fund Earnings

The underlying cash balance excludes net Future Fund earnings. Net Future Fund earnings were \$2.7 billion in 2012-13, \$181 million higher than estimated in the 2013-14 Budget. This largely reflects higher receipts from dividends of \$222 million, and lower interest receipts of \$71 million.

FISCAL BALANCE

The 2012-13 fiscal balance deficit was \$23.5 billion, a \$3.2 billion deterioration on the deficit of \$20.3 billion estimated in the 2013-14 Budget. The cash receipt and payment variations outlined previously have a similar impact on revenue and expenses since fiscal and cash variances are typically driven by the same factors. However, the deterioration in the fiscal balance of \$3.2 billion, compared with the improvement in the underlying cash balance of \$543 million, is the result of revenue and expenses and

net capital investment variations that do not have a corresponding cash impact in 2012-13, as outlined below.

Revenue

Total revenue was \$360.2 billion in 2012-13, \$198 million higher than estimated in the 2013-14 Budget.

Taxation revenue was \$337.3 billion in 2012-13, \$1.4 billion below the estimate in the 2013-14 Budget.

Carbon pricing mechanism revenue in 2012-13 was \$1.0 billion lower than expected at the 2013-14 Budget, reflecting information from interim emissions reports and an estimate of accrued carbon price revenue based on the audited accounts of the Clean Energy Regulator. The estimate is considered preliminary as certain emitters are not required to report in interim emissions reports, and emitters may base their interim report on the previous year's emissions. Information on actual 2012-13 emissions will become available following the final emissions reporting in October 2013.

Total non-tax revenue was \$22.8 billion in 2012-13, \$1.6 billion higher than estimated at the 2013-14 Budget. Non-tax receipts (excluding Future Fund earnings) were \$21.5 billion, \$363 million higher than estimated at Budget.

The \$1.2 billion difference in outcomes between non-tax revenue (including Future Fund earnings) and non-tax receipts (excluding Future Fund earnings) is largely a result of increases to non-tax revenue, which did not have a corresponding non-tax receipt impact in 2012-13, including:

- additional Department of Defence revenue (\$357 million) that was not budgeted for, arising predominantly from liquidated damages relating to projects in the capital program;
- a special dividend from Medibank Private (\$300 million), which was originally recognised in 2013-14 in the 2013-14 Budget. The dividend was declared in 2012-13 but paid in August 2013; and
- higher Future Fund revenue (\$279 million), largely owing to higher than expected dividends declared in the June quarter.

Table 4: Australian Government general government sector (accrual) revenue

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Individuals' and other withholding taxes			
Gross income tax withholding	151,660	151,069	-591
Gross other individuals	35,940	36,283	343
less: Refunds	26,750	26,801	51
Total individuals' and other withholding taxation	160,850	160,551	-299
Fringe benefits tax	3,890	3,971	81
Company tax	68,132	68,208	75
Superannuation funds	7,800	7,581	-219
Resource rent taxes(a)	1,740	1,927	187
Income taxation revenue	242,412	242,238	-174
Sales taxes			
Goods and services tax	50,220	50,313	93
Wine equalisation tax	730	716	-14
Luxury car tax	430	432	2
Total sales taxes	51,380	51,462	82
Excise duty			
Petrol	6,000	6,079	79
Diesel	8,610	8,640	30
Beer	1,950	1,958	8
Other excisable products(b)	9,030	9,033	3
Of which: Other excisable beverages(c)	900	914	14
Total excise duty revenue	25,590	25,710	120
Customs duty			
Textiles, clothing and footwear	680	676	-4
Passenger motor vehicles	920	892	-28
Excise-like goods	5,660	5,458	-202
Other imports	1,540	1,500	-40
less: Refunds and drawbacks	330	354	24
Total customs duty revenue	8,470	8,172	-298
Carbon pricing mechanism(d)	7,540	6,535	-1,005
Other indirect taxation			
Agricultural levies	463	476	12
Other taxes	2,871	2,730	-141
Total other indirect taxation revenue	3,335	3,206	-129
Indirect taxation revenue	96,315	95,085	-1,229
Taxation revenue	338,727	337,323	-1,403

Table 4: Australian Government general government sector (accrual) revenue (continued)

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Sales of goods and services	8,757	8,886	129
Interest	3,764	3,646	-119
Dividends	2,429	3,079	650
Other non-taxation revenue	6,284	7,226	942
Non-taxation revenue	21,234	22,836	1,602
Total revenue	359,961	360,160	198
<i>Memorandum:</i>			
<i>Medicare levy revenue</i>	<i>9,720</i>	<i>9,788</i>	<i>68</i>

- (a) Comprises gross revenue from the PRRT and MRRT. Net revenue from the MRRT was \$0.2 billion in 2012-13, which represents the net impact across different revenue heads. These include offsetting reductions in company tax (through deductibility) and interactions with other taxes.
- (b) Tobacco figures are not separately reported because of taxpayer confidentiality. Since the 2013-14 Budget was published, legislation has been passed that allows for separate reporting of tobacco figures. As the legislation was not retrospective, this does not apply to the 2012-13 outcome.
- (c) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
- (d) Tax revenue includes carbon accrual revenue measured at the legislated price, with details of the accounting treatment of carbon revenue set out in Note 2 to the General Government Sector Financial Statements.

Expenses and net capital investment

Total expenses were \$382.6 billion in 2012-13, \$1.2 billion higher than estimated at the 2013-14 Budget. Total net capital investment for 2012-13 was \$987 million, \$2.2 billion higher than the estimate of -\$1.2 billion at the 2013-14 Budget. In comparison, cash payments (excluding Future Fund payments) were \$366.8 billion in 2012-13, broadly in line with estimates at Budget.

The difference between the higher than estimated net outcome for expenses and net capital investment of \$3.4 billion and the outcome for cash payments includes:

- revenue from the May 2013 Digital Dividend spectrum auction (\$2.0 billion) to be recognised in 2014-15 when spectrum licences are issued to successful bidders, rather than at the time of sale in 2012-13, following further advice from the Australian National Audit Office;
- the provision of GST to the States and Territories, reflecting higher than estimated GST collections (\$361 million);¹
- increased accrued expenses in relation to unclaimed monies from banking institutions (\$337 million), reflecting an expected increase in future claims as a result of higher than expected returns of unclaimed monies; and
- the forgiveness of South Australian Government housing debt (\$283 million), subsequent to the 2013-14 Budget, as published in the 2013 Economic Statement.

Further information on expenses by function and sub-function are provided in Appendix A.

1 There will be differences in the amount of GST received and GST paid to the States and Territories, reflecting timing of payments between financial years and other adjustments (see Part 3, Table 30).

Table 5: Australian Government general government sector expenses by function

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
General public services			
Legislative and executive affairs	1,021	959	-61
Financial and fiscal affairs	7,749	7,843	94
Foreign affairs and economic aid	5,896	5,796	-100
General research	2,639	2,651	12
General services	683	759	76
Government superannuation benefits	7,567	7,947	380
Defence	21,122	21,146	24
Public order and safety	4,028	3,923	-105
Education	28,411	28,468	56
Health	62,249	61,302	-947
Social security and welfare	132,388	131,901	-487
Housing and community amenities	6,898	6,766	-131
Recreation and culture	3,641	3,625	-16
Fuel and energy	6,168	5,954	-214
Agriculture, forestry and fishing	2,605	2,407	-198
Mining, manufacturing and construction	2,267	2,920	653
Transport and communication	5,002	5,023	20
Other economic affairs			
Tourism and area promotion	181	190	9
Total labour and employment affairs	4,271	4,156	-115
Immigration	3,575	3,533	-42
Other economic affairs nec	2,337	2,752	414
Other purposes			
Public debt interest	12,209	12,521	312
Nominal superannuation interest	6,778	6,729	-49
General purpose inter-governmental transactions	51,160	51,480	320
Natural disaster relief	1,894	1,893	-1
Contingency reserve	-1,301	0	1,301
Total expenses	381,439	382,644	1,205

Table 6: Australian Government general government sector net capital investment by function

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
General public services	350	358	8
Defence	1,439	1,841	402
Public order and safety	130	21	-109
Education	17	24	7
Health	45	-17	-62
Social security and welfare	-33	33	66
Housing and community amenities	17	-95	-112
Recreation and culture	45	-10	-55
Fuel and energy	-5	4	9
Agriculture, forestry and fishing	123	287	164
Mining, manufacturing and construction	21	2	-19
Transport and communication	-3,495	-1,481	2,014
Other economic affairs	141	20	-122
Other purposes	-6	0	6
Total net capital investment	-1,212	987	2,199

NET DEBT, NET FINANCIAL WORTH AND NET WORTH

At the end of 2012-13, the level of Australian Government net debt was \$153.0 billion (10.1 per cent of GDP), \$8.6 billion lower than estimated at the time of the 2013-14 Budget.

The decrease in net debt compared to the level expected at Budget was primarily driven by a decrease in the market value of the existing stock of Commonwealth Government Securities (CGS) on issue, owing to higher than expected yields. CGS are reported in the general government sector balance sheet in market value terms, consistent with the Australian Accounting Standards. Increases in the value of investments held by the Future Fund and term deposits held with the Reserve Bank of Australia have also contributed to the lower than expected net debt.

- Net financial worth was -\$312.7 billion at the end of 2012-13, compared with -\$271.4 billion estimated at the 2013-14 Budget.
- Net worth was -\$202.7 billion at the end of 2012-13, compared with -\$161.1 billion estimated at the 2013-14 Budget.

The change in the market value of CGS described above also impacts on net financial worth and net worth. In addition to this, changes to net financial worth and net worth since the Budget reflect a significant increase in the Government's superannuation liability. This is the result of a large difference between the long-term discount rate used in the Budget (6.0 per cent per annum) and the actual bond rate as at 30 June 2013 (4.3 per cent per annum) used to value the superannuation liability. The use of two different rates is the usual practice, applied in previous Budgets and Final Budget Outcomes.

Table 7: Australian Government general government sector net worth, net financial worth, net debt and net interest payments

	2012-13 Estimate at 2013-14 Budget \$b	2012-13 Outcome \$b	Change on 2013-14 Budget \$b
Financial assets	242.2	250.8	8.6
Non-financial assets	110.3	110.1	-0.2
Total assets	352.5	360.9	8.4
Total liabilities	513.6	563.5	49.9
Net worth	-161.1	-202.7	-41.5
Net financial worth(a)	-271.4	-312.7	-41.3
Per cent of GDP	-17.8	-20.7	
Net debt(b)	161.6	153.0	-8.6
Per cent of GDP	10.6	10.1	
Net interest payments	8.2	8.3	0.0
Per cent of GDP	0.5	0.5	

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

(b) 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.

PART 2: AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

The 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 (PNFC) sector, the total non-financial public sector (NFPS) and the public financial corporations (PFC) sector. This part also contains notes showing disaggregated information for the GGS.

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the final budget outcome be based on external reporting standards and that departures from applicable external reporting standards be identified.

The Government has produced a single set of financial statements that comply with both the 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 financial statements for the *Final Budget Outcome 2012-13* have been prepared on a basis consistent with the 2013-14 Budget. This enables comparison of the 2012-13 revised estimates published at the 2013-14 Budget and the outcome. 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 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 financial statements are consistent with the requirements of the UPF.

In accordance with the UPF requirements, this part also contains an update of the Australian Government's Loan Council Allocation.

AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Table 8: Australian Government general government sector operating statement

		2012-13 Estimate at 2013-14 Budget	Month of June 2013(d)	2012-13 Outcome	Change on 2013-14 Budget
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	3	338,727	20,278	337,323	-1,403
Sales of goods and services	4	8,757	1,042	8,886	129
Interest income	5	3,764	458	3,646	-119
Dividend income	5	2,429	733	3,079	650
Other	6	6,284	173	7,226	942
Total revenue		359,961	22,685	360,160	198
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	19,355	1,528	18,486	-869
Superannuation	7	8,102	2,553	8,402	300
Depreciation and amortisation	8	6,022	507	6,398	376
Supply of goods and services	9	72,019	6,381	71,616	-403
Other operating expenses(a)	7	5,411	830	5,705	293
<i>Total gross operating expenses</i>		<i>110,910</i>	<i>11,799</i>	<i>110,607</i>	<i>-302</i>
Superannuation interest expense	7	6,778	393	6,729	-49
Interest expenses	10	13,281	1,778	13,768	488
Current transfers					
Current grants	11	109,950	13,894	110,535	585
Subsidy expenses		13,201	2,250	13,733	532
Personal benefits	12	117,397	8,342	117,221	-176
<i>Total current transfers</i>		<i>240,548</i>	<i>24,485</i>	<i>241,489</i>	<i>941</i>
Capital transfers					
Mutually agreed write-downs		1,997	139	2,162	166
Other capital grants		7,926	550	7,888	-38
<i>Total capital transfers</i>		<i>9,923</i>	<i>689</i>	<i>10,051</i>	<i>128</i>
Total expenses		381,439	39,144	382,644	1,205
Net operating balance		-21,478	-16,459	-22,485	-1,007
Other economic flows - included in operating result					
Net write-downs of assets (including bad and doubtful debts)		-7,092	-334	-8,006	-914
Assets recognised for the first time		535	40	344	-191
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		-798	-64	-64	734
Net foreign exchange gains		82	298	-2,283	-2,365
Net swap interest received		256	-175	15	-241
Market valuation of debt		3,467	5,087	11,498	8,032
Other gains/(losses)		12,709	-1,150	14,278	1,569
Total other economic flows - included in operating result		9,159	3,703	15,782	6,623
Operating result(b)		-12,319	-12,756	-6,703	5,617
Non-owner movements in equity					
Revaluation of equity investments		-2,201	3,852	3,835	6,036
Actuarial revaluations		-745	50,122	50,122	50,867
Other economic revaluations		661	-2,882	-2,697	-3,358
Total other economic flows - included in equity		-2,284	51,093	51,261	53,545
Comprehensive result - Total change in net worth		-14,604	38,337	44,558	59,161

Table 8: Australian Government general government sector operating statement (continued)

	2012-13 Estimate at 2013-14 Budget \$m	Month of June 2013(d) \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Net operating balance	-21,478	-16,459	-22,485	-1,007
Net acquisition of non-financial assets				
Purchases of non-financial assets	7,528	1,114	8,046	518
<i>less</i> Sales of non-financial assets	3,661	1,507	1,729	-1,932
<i>less</i> Depreciation	6,022	507	6,398	376
<i>plus</i> Change in inventories	371	348	1,007	636
<i>plus</i> Other movements in non-financial assets	573	-38	62	-511
Total net acquisition of non-financial assets	-1,212	-591	987	2,199
Fiscal balance (Net lending/borrowing)(c)	-20,266	-15,868	-23,472	-3,205

- (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) Operating result under AAS.
- (c) The term fiscal balance is not used by the ABS.
- (d) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.

Table 9: Australian Government general government sector balance sheet

		2012-13 Estimate at 2013-14 Budget	2012-13 Outcome	Change on 2013-14 Budget
	Note	\$m	\$m	\$m
Assets				
Financial assets				
Cash and deposits	19(a)	2,470	2,094	-376
Advances paid	13	35,409	34,472	-937
Investments, loans and placements	14	103,278	111,098	7,820
Other receivables	13	44,464	44,080	-384
Equity investments				
Investments in other public sector entities		22,803	25,072	2,269
Equity accounted investments		330	300	-31
Investments - shares		33,431	33,661	231
Total financial assets		242,184	250,777	8,592
Non-financial assets				
Land	15	8,680	8,918	237
Buildings		23,433	23,500	67
Plant, equipment and infrastructure		53,705	52,916	-788
Inventories		7,317	7,928	610
Intangibles		5,602	5,635	34
Investment property		182	195	14
Biological assets		37	33	-4
Heritage and cultural assets		10,451	10,547	96
Assets held for sale		83	110	28
Other non-financial assets		795	292	-503
Total non-financial assets		110,284	110,074	-210
Total assets		352,469	360,851	8,382
Liabilities				
Interest bearing liabilities				
Deposits held		192	182	-10
Government securities		292,845	285,748	-7,097
Loans	16	8,588	13,567	4,979
Other borrowing		1,134	1,149	15
Total interest bearing liabilities		302,760	300,647	-2,113
Provisions and payables				
Superannuation liability	17	143,509	193,314	49,804
Other employee liabilities	17	14,600	14,798	198
Suppliers payable	18	4,264	6,409	2,145
Personal benefits provisions and payable	18	14,240	14,161	-79
Subsidies provisions and payable	18	3,216	3,557	342
Grants provisions and payable	18	17,030	16,233	-797
Other provisions and payables	18	13,961	14,383	422
Total provisions and payables		210,820	262,855	52,034
Total liabilities		513,580	563,501	49,921
Net worth(a)		-161,112	-202,650	-41,539
<i>Net financial worth(b)</i>		<i>-271,396</i>	<i>-312,724</i>	<i>-41,329</i>
<i>Net financial liabilities(c)</i>		<i>294,198</i>	<i>337,796</i>	<i>43,598</i>
<i>Net debt(d)</i>		<i>161,603</i>	<i>152,982</i>	<i>-8,621</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 10: Australian Government general government sector cash flow statement^(a)

	2012-13 Estimate at 2013-14 Budget \$m	Month of June 2013(d) \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Cash receipts from operating activities				
Taxes received	326,297	27,175	326,426	129
Receipts from sales of goods and services	9,043	1,041	9,071	28
Interest receipts	3,674	375	3,561	-112
Dividends and income tax equivalents	3,186	296	3,420	234
Other receipts	6,574	193	6,846	272
Total operating receipts	348,773	29,079	349,323	550
Cash payments for operating activities				
Payments for employees	-26,156	-1,343	-25,001	1,155
Payments for goods and services	-72,855	-7,618	-72,114	742
Grants and subsidies paid	-126,872	-13,979	-127,754	-882
Interest paid	-11,912	-1,170	-11,846	66
Personal benefit payments	-116,257	-7,823	-116,629	-373
Other payments	-5,288	-1,365	-5,902	-615
Total operating payments	-359,339	-33,297	-359,247	92
Net cash flows from operating activities	-10,566	-4,218	-9,924	643
Cash flows from investments in non-financial assets				
Sales of non-financial assets	1,637	1,507	1,729	92
Purchases of non-financial assets	-7,542	-1,025	-7,644	-101
Net cash flows from investments in non-financial assets	-5,905	482	-5,915	-9
Net cash flows from investments in financial assets for policy purposes	-5,288	62	-4,802	486
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-3,733	943	-6,197	-2,463
Net cash flows from investments in financial assets for liquidity purposes	-3,733	943	-6,197	-2,463
Cash receipts from financing activities				
Borrowing	27,022	1,797	27,985	963
Other financing	0	-67	-39	-39
Total cash receipts from financing activities	27,022	1,731	27,946	924
Cash payments for financing activities				
Borrowing	0	0	0	0
Other financing	-1,583	113	-1,538	45
Total cash payments for financing activities	-1,583	113	-1,538	45
Net cash flows from financing activities	25,439	1,844	26,407	969
Net increase/(decrease) in cash held	-54	-885	-429	-376

Table 10: Australian Government general government sector cash flow statement (continued)^(a)

	2012-13 Estimate at 2013-14 Budget \$m	Month of June 2013(d) \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-16,471	-3,735	-15,838	633
Finance leases and similar arrangements(b)	-404	-271	-314	90
GFS cash surplus(+)/deficit(-)	-16,876	-4,006	-16,152	724
less Net Future Fund earnings	2,501	-118	2,682	181
Equals underlying cash balance(c)	-19,377	-3,888	-18,834	543
plus Net cash flows from investments in financial assets for policy purposes	-5,288	62	-4,802	486
plus Net Future Fund earnings	2,501	-118	2,682	181
Equals headline cash balance	-22,163	-3,944	-20,954	1,209

(a) A positive number denotes a cash inflow; a negative number 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.

(d) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.

Table 11: Australian Government public non-financial corporations sector operating statement

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Revenue			
Current grants and subsidies	28	46	18
Sales of goods and services	8,951	8,692	-259
Interest income	75	84	9
Other	1	41	40
Total revenue	9,055	8,863	-192
Expenses			
Gross operating expenses			
Wages and salaries(a)	3,378	3,232	-146
Superannuation	275	260	-14
Depreciation and amortisation	714	635	-79
Supply of goods and services	4,403	4,251	-152
Other operating expenses(a)	472	545	73
<i>Total gross operating expenses</i>	<i>9,241</i>	<i>8,923</i>	<i>-319</i>
Interest expenses	168	166	-2
Other property expenses	284	289	6
Current transfers			
Tax expenses	135	37	-99
<i>Total current transfers</i>	<i>135</i>	<i>37</i>	<i>-99</i>
Total expenses	9,828	9,415	-414
Net operating balance	-773	-551	222
Other economic flows	-540	-205	335
Comprehensive result - Total change in net worth excluding contribution from owners	-1,314	-757	557
Net acquisition of non-financial assets			
Purchases of non-financial assets	2,485	3,787	1,302
<i>less</i> Sales of non-financial assets	<i>33</i>	<i>109</i>	<i>76</i>
<i>less</i> Depreciation	<i>714</i>	<i>635</i>	<i>-79</i>
<i>plus</i> Change in inventories	<i>15</i>	<i>11</i>	<i>-5</i>
<i>plus</i> Other movements in non-financial assets	<i>617</i>	<i>585</i>	<i>-32</i>
Total net acquisition of non-financial assets	2,370	3,638	1,269
Fiscal balance (Net lending/borrowing)(b)	-3,143	-4,189	-1,047

(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 12: Australian Government public non-financial corporations sector balance sheet

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Assets			
Financial assets			
Cash and deposits	1,409	891	-518
Investments, loans and placements	98	100	2
Other receivables	1,869	2,411	542
Equity investments	11	11	0
<i>Total financial assets</i>	<i>3,386</i>	<i>3,412</i>	<i>26</i>
Non-financial assets			
Land and fixed assets	12,553	12,538	-15
Other non-financial assets(a)	1,629	1,634	5
<i>Total non-financial assets</i>	<i>14,182</i>	<i>14,173</i>	<i>-9</i>
Total assets	17,568	17,585	17
Liabilities			
Interest bearing liabilities			
Loans(b)	0	2,508	2,508
Other borrowing(b)	3,694	1,341	-2,353
<i>Total interest bearing liabilities</i>	<i>3,694</i>	<i>3,849</i>	<i>155</i>
Provisions and payables			
Superannuation liability	0	59	59
Other employee liabilities	1,795	1,239	-556
Other provisions and payables(a)	2,462	2,514	52
<i>Total provisions and payables</i>	<i>4,257</i>	<i>3,812</i>	<i>-445</i>
Total liabilities	7,951	7,662	-290
Shares and other contributed capital	9,617	9,923	307
Net worth(c)	9,617	9,923	307
<i>Net financial worth(d)</i>	<i>-4,565</i>	<i>-4,249</i>	<i>316</i>
<i>Net debt(e)</i>	<i>2,187</i>	<i>2,858</i>	<i>671</i>

(a) Excludes the impact of commercial taxation adjustments.

(b) From 2012-13 FBO, loans are separated from other borrowing consistent with the General Government Sector.

(c) 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.

(d) 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.

(e) Net debt equals the sum of interest bearing liabilities (deposits held, advances received, loans and other borrowing), minus the sum of cash and deposits and investments, loans and placements.

Table 13: Australian Government public non-financial corporations sector cash flow statement^(a)

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	9,901	9,556	-346
Grants and subsidies received	0	4	4
GST input credit receipts	235	56	-179
Other receipts	77	101	25
Total operating receipts	10,213	9,716	-497
Cash payments for operating activities			
Payments to employees	-4,040	-3,914	126
Payments for goods and services	-5,053	-5,323	-270
Interest paid	-60	-72	-12
GST payments to taxation authority	-501	-104	397
Other payments	-93	-71	22
Total operating payments	-9,746	-9,484	263
Net cash flows from operating activities	467	233	-234
Cash flows from investments in non-financial assets			
Sales of non-financial assets	34	50	15
Purchases of non-financial assets	-3,099	-3,284	-184
Net cash flows from investments in non-financial assets	-3,065	-3,234	-169
Net cash flows from investments in financial assets for policy purposes	138	0	-138
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	-1,044	-902	142
Net cash flows from investments in financial assets for liquidity purposes	-1,044	-902	142
Net cash flows from financing activities			
Borrowing (net)	462	681	219
Other financing (net)	2,913	2,574	-339
Distributions paid (net)	-294	-293	0
Net cash flows from financing activities	3,081	2,961	-119
Net increase/(decrease) in cash held	-424	-941	-518
Cash at the beginning of the year	1,832	1,832	0
Cash at the end of the year	1,409	891	-518
Net cash from operating activities and investments in non-financial assets	-2,599	-3,001	-402
Distributions paid	-294	-293	0
Equals surplus(+)/deficit(-)	-2,892	-3,294	-402
Finance leases and similar arrangements(b)	0	-1,074	-1,074
GFS cash surplus(+)/deficit(-)	-2,892	-4,369	-1,476

(a) A positive number denotes a cash inflow; a negative number 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 14: Australian Government total non-financial public sector operating statement

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Revenue			
Taxation revenue	338,591	337,287	-1,305
Sales of goods and services	16,391	16,252	-139
Interest income	3,820	3,710	-110
Dividend income	2,146	2,790	644
Other	6,285	7,267	982
Total revenue	367,233	367,306	73
Expenses			
Gross operating expenses			
Wages and salaries(a)	22,733	21,718	-1,015
Superannuation	8,377	8,663	286
Depreciation and amortisation	6,736	7,033	297
Supply of goods and services	75,105	74,542	-564
Other operating expenses(a)	5,883	6,250	367
<i>Total gross operating expenses</i>	<i>118,834</i>	<i>118,205</i>	<i>-630</i>
Superannuation interest expense	6,778	6,729	-49
Interest expenses	13,428	13,915	486
Current transfers			
Current grants	109,950	110,535	585
Subsidy expenses	13,174	13,687	513
Personal benefits	117,397	117,221	-176
<i>Total current transfers</i>	<i>240,521</i>	<i>241,443</i>	<i>922</i>
Capital transfers	9,923	10,051	128
Total expenses	389,484	390,342	858
Net operating balance	-22,251	-23,036	-785
Other economic flows	7,485	69,281	61,796
Comprehensive result - Total change in net worth	-14,766	46,245	61,011
Net acquisition of non-financial assets			
Purchases of non-financial assets	10,013	11,832	1,820
<i>less</i> Sales of non-financial assets	<i>3,694</i>	<i>1,838</i>	<i>-1,856</i>
<i>less</i> Depreciation	<i>6,736</i>	<i>7,033</i>	<i>297</i>
<i>plus</i> Change in inventories	<i>386</i>	<i>1,017</i>	<i>631</i>
<i>plus</i> Other movements in non-financial assets	<i>1,190</i>	<i>647</i>	<i>-543</i>
Total net acquisition of non-financial assets	1,158	4,625	3,467
Fiscal balance (Net lending/borrowing)(b)	-23,409	-27,661	-4,252

(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 15: Australian Government total non-financial public sector balance sheet

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Assets			
Financial assets			
Cash and deposits	3,879	2,985	-893
Advances paid	35,409	34,472	-937
Investments, loans and placements	103,092	110,894	7,803
Other receivables	46,206	45,472	-735
Equity investments	44,622	48,634	4,012
<i>Total financial assets</i>	<i>233,207</i>	<i>242,458</i>	<i>9,250</i>
Non-financial assets			
Land and fixed assets	116,139	116,347	208
Other non-financial assets	8,327	7,900	-427
<i>Total non-financial assets</i>	<i>124,466</i>	<i>124,247</i>	<i>-219</i>
Total assets	357,673	366,704	9,031
Liabilities			
Interest bearing liabilities			
Deposits held	192	182	-10
Government securities	292,845	285,748	-7,097
Loans	8,304	15,772	7,468
Other borrowing	4,828	2,490	-2,338
<i>Total interest bearing liabilities</i>	<i>306,170</i>	<i>304,193</i>	<i>-1,977</i>
Provisions and payables			
Superannuation liability	143,509	193,372	49,863
Other employee liabilities	16,395	16,037	-358
Other provisions and payables	55,047	56,239	1,192
<i>Total provisions and payables</i>	<i>214,951</i>	<i>265,648</i>	<i>50,697</i>
Total liabilities	521,121	569,841	48,720
Shares and other contributed capital	9,617	9,923	307
Net worth(a)	-163,448	-203,136	-39,689
<i>Net financial worth(b)</i>	<i>-287,913</i>	<i>-327,383</i>	<i>-39,470</i>
<i>Net debt(c)</i>	<i>163,790</i>	<i>155,841</i>	<i>-7,950</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 16: Australian Government total non-financial public sector cash flow statement^(a)

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Cash receipts from operating activities			
Taxes received	326,206	326,195	-11
Receipts from sales of goods and services	17,292	16,500	-793
Interest receipts	3,729	3,627	-102
Dividends and income tax equivalents	2,892	3,126	234
Other receipts	6,575	6,861	286
Total operating receipts	356,694	356,309	-385
Cash payments for operating activities			
Payments to employees	-30,196	-28,915	1,281
Payments for goods and services	-76,522	-75,198	1,324
Grants and subsidies paid	-126,872	-127,750	-879
Interest paid	-11,952	-11,898	54
Personal benefit payments	-116,257	-116,629	-373
Other payments	-5,289	-5,903	-614
Total operating payments	-367,087	-366,293	794
Net cash flows from operating activities	-10,393	-9,984	409
Cash flows from investments in non-financial assets			
Sales of non-financial assets	1,672	1,779	107
Purchases of non-financial assets	-10,642	-10,928	-286
Net cash flows from investments in non-financial assets	-8,970	-9,149	-178
Net cash flows from investments in financial assets for policy purposes	-2,286	-2,189	97
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	-4,777	-7,099	-2,321
Net cash flows from investments in financial assets for liquidity purposes	-4,777	-7,099	-2,321
Net cash flows from financing activities			
Borrowing (net)	27,483	28,666	1,182
Other financing (net)	-1,534	-1,617	-83
Net cash flows from financing activities	25,949	27,049	1,100
Net increase/(decrease) in cash held	-477	-1,371	-893
Cash at the beginning of the year	4,356	4,356	0
Cash at the end of the year	3,879	2,985	-893
Net cash from operating activities and investments in non-financial assets	-19,363	-19,132	231
Distributions paid	0	0	0
Equals surplus(+)/deficit(-)	-19,363	-19,132	231
Finance leases and similar arrangements(b)	-404	-1,388	-984
GFS cash surplus(+)/deficit(-)	-19,768	-20,521	-753

(a) A positive number denotes a cash inflow; a negative number 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 17: Australian Government public financial corporations sector operating statement

	2012-13 Outcome \$m
Revenue	
Current grants and subsidies	170
Sales of goods and services	6,140
Interest income	1,842
Other	90
Total revenue	8,242
Expenses	
Gross operating expenses	
Wages and salaries(a)	874
Superannuation	129
Depreciation and amortisation	66
Other operating expenses(a)	5,438
<i>Total gross operating expenses</i>	<i>6,507</i>
Interest expenses	782
Other property expenses	677
Current transfers	
Tax expenses	73
<i>Total current transfers</i>	<i>73</i>
Total expenses	8,039
Net operating balance	202
Other economic flows	3,162
Comprehensive result - Total change in net worth excluding contribution from owners	3,364
Net acquisition of non-financial assets	
Purchases of non-financial assets	25
<i>less</i> Sales of non-financial assets	<i>1</i>
<i>less</i> Depreciation	<i>66</i>
<i>plus</i> Change in inventories	<i>-12</i>
<i>plus</i> Other movements in non-financial assets	<i>3</i>
Total net acquisition of non-financial assets	-51
Fiscal balance (Net lending/borrowing)(b)	253

(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 18: Australian Government public financial corporations sector balance sheet

	2012-13 Outcome \$m
Assets	
Financial assets	
Cash and deposits	1,095
Investments, loans and placements	102,796
Other receivables	571
Equity investments	740
<i>Total financial assets</i>	<i>105,201</i>
Non-financial assets	
Land and other fixed assets	999
Other non-financial assets(a)	54
<i>Total non-financial assets</i>	<i>1,053</i>
Total assets	106,255
Liabilities	
Interest bearing liabilities	
Deposits held	83,126
Borrowing	7,596
<i>Total interest bearing liabilities</i>	<i>90,723</i>
Provisions and payables	
Superannuation liability	30
Other employee liabilities	1,311
Other provisions and payables(a)	2,059
<i>Total provisions and payables</i>	<i>3,400</i>
Total liabilities	94,122
Shares and other contributed capital	12,132
Net worth(b)	12,132
<i>Net financial worth(c)</i>	<i>11,079</i>
<i>Net debt(d)</i>	<i>-13,168</i>

(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 deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 19: Australian Government public financial corporations sector cash flow statement^(a)

	2012-13 Outcome \$m
Cash receipts from operating activities	
Receipts from sales of goods and services	5,893
Grants and subsidies received	170
GST input credit receipts	18
Interest receipts	1,898
Other receipts	76
Total operating receipts	8,055
Cash payments for operating activities	
Payments to employees	-669
Payments for goods and services	-4,796
Interest paid	-838
GST payments to taxation authority	0
Other payments	-1,002
Total operating payments	-7,305
Net cash flows from operating activities	749
Cash flows from investments in non-financial assets	
Sales of non-financial assets	1
Purchases of non-financial assets	-26
Net cash flows from investments in non-financial assets	-24
Net cash flows from investments in financial assets for policy purposes	0
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-10,757
Net cash flows from investments in financial assets for liquidity purposes	-10,757
Net cash flows from financing activities	
Advances received (net)	0
Borrowing (net)	7,966
Deposits received (net)	0
Other financing (net)	3,341
Distributions paid (net)	-1,082
Net cash flows from financing activities	10,224
Net increase/(decrease) in cash held	192
Cash at the beginning of the year	903
Cash at the end of the year	1,095
Net cash from operating activities and investments in non-financial assets	725
Distributions paid	-1,082
Equals surplus(+)/deficit(-)	-357
Finance leases and similar arrangements(b)	0
GFS cash surplus(+)/deficit(-)	-357

(a) A positive number denotes a cash inflow; a negative number 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 20: Australian Government general government sector purchases of non-financial assets by function

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
General public services	445	969	524
Defence	4,920	5,068	148
Public order and safety	439	377	-62
Education	38	40	2
Health	103	62	-41
Social security and welfare	277	369	93
Housing and community amenities	160	56	-103
Recreation and culture	326	261	-65
Fuel and energy	-4	6	10
Agriculture, forestry and fishing	150	310	161
Mining, manufacturing and construction	29	8	-21
Transport and communication	77	64	-13
Other economic affairs	574	455	-119
Other purposes	-6	0	6
Total Government purchases of non-financial assets	7,528	8,046	518

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 final budget outcome be based on external reporting standards and that departures from applicable external reporting standards be identified.

The external standards used for final budget outcome 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*, (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- the Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards (IFRS) as adopted in Australia and the public sector specific standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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 22 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.

Fiscal 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 the public financial corporations (PFC) sector, are disclosed in Table 21 of Attachment A.

The statements for the GGS are based on audit-cleared financial statements for the material agencies, with the exception of the Department of Defence and the Department of Veterans' Affairs.

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 these ABS GFS aggregates, the Uniform Presentation Framework (UPF) requires disclosure of net debt, net financial worth and net financial liabilities.

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The 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 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. 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.

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 the 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 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 that is written back over the life of the loan.

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.

ABS GFS treats the issuance and registration of Renewable Energy Certificates (RECs) under the Renewable Energy Target and Australian Carbon Credit Units (ACCU) under the Carbon Farming Initiative as government financial transactions resulting in the recognition of assets, liabilities, tax revenue and expenses.

Under the interpretation of the AAS, issuance and registration of such certificates is considered to be an administrative function and does not result in the recognition of an asset or liability and therefore no tax revenue or expense is recognised. The AAS treatment has been adopted in the financial statements.

Departures from AAS

AAS requires the advances paid to the International Development Association, African Development Fund and Asian Development Fund to be recognised at fair value. Under ABS GFS these advances are recorded at nominal value. The ABS GFS treatment is adopted in the financial statements.

Under AAS, prepayments are classified as non-financial assets. In accordance with ABS GFS, prepayments have been classified as financial assets in the financial statements. This treatment is consistent with the exclusion of prepayments from net acquisition of non-financial assets in the calculation of the fiscal balance.

In 2012-13, during the first year of the fixed price period, the price of carbon units was set under the *Clean Energy Act 2011*. A preliminary interpretation based on the AASB issued staff paper recognises transactions under the carbon pricing mechanism in the financial statements where they are expected to result in a receipt or payment of cash by the government at the amount of the expected cash settlement. The issuance and surrender of free carbon units and ACCUs used in the settlement of emissions liabilities do not qualify for recognition by the government as assets, liabilities, revenues or expenses. The audited accounts of the Clean Energy Regulator apply the AAS treatment.

The published outcome for carbon pricing mechanism revenue adopts the ABS GFS treatment as used in the 2013-14 Budget. Under ABS GFS, the issuance of free carbon units that are expected to be used to settle an emitter's obligation are treated as an expense on issue and revenue when emissions occur. The ABS GFS outcome was

derived by adjusting the AAS revenue and expense from the audited accounts of the Clean Energy Regulator, which includes AAS revenue of \$5,047 million, for free carbon units. This adjustment had no net impact on the fiscal balance.

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 to be attributed to functions. In accordance with ABS GFS, disaggregated information for expenses and net acquisition of non-financial assets by function is disclosed in Part 1. 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. Differences from the AAS measurement of items outlined above and reconciliation have not been included as they would effectively create different 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 major variances for the 2012-13 year from the 2012-13 Budget to the 2012-13 Mid-Year Economic and Fiscal Outlook (MYEFO) are discussed in Part 3 of the 2012-13 MYEFO. Explanations of variances for the 2012-13 year from MYEFO to the 2013-14 Budget are disclosed in Statement 3 of 2013-14 Budget Paper No. 1, *Budget Strategy and Outlook*. Explanations of variances from the 2013-14 Budget to the *Final Budget Outcome 2012-13* are disclosed in Part 1.

All decisions taken between the original budget and MYEFO are disclosed in Appendix A of the *Mid-Year Economic and Fiscal Outlook 2012-13*. Decisions taken from MYEFO to the 2013-14 Budget are disclosed in 2013-14 Budget Paper No. 2, *Budget Measures*. In addition, 2013-14 Budget Paper No. 1, *Budget Strategy and Outlook* contains detailed discussion on the estimates of revenue (Statement 5), expenses (Statement 6) and assets and liabilities (Statement 7).

AASB 1049 also requires the Final Budget Outcome (FBO) and Consolidated Financial Statements (CFS) to be released at the same time. The Charter requires the FBO to be released before the end of three months after the end of the financial year, whereas the CFS is not released until it is audit-cleared, generally around November each year.

In addition to above adjustments, there are specific adjustments made to the corporations sectors as outlined below.

Public non-financial corporations (PNFC) sector, public financial corporations (PFC) sector and total non-financial public sector (NFPS)

Departures from ABS GFS

AASB 1049 defines net worth for the PNFC sector, PFC 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 and PFC sectors). Similarly, AASB 1049 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 sector, PFC sector and NFPS financial statements.

Departures from AAS

The financial statements for the PNFC sector, PFC 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 PFC and PNFC sectors 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. The 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 Government sectors, the ABS removes tax effect adjustments. The ABS GFS treatment has been adopted in the financial statements.

Note 3: Taxation revenue by type

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Individuals' and other withholding taxes			
Gross income tax withholding	151,660	151,069	-591
Gross other individuals	35,940	36,283	343
/less: Refunds	26,750	26,801	51
Total individuals' and other withholding taxation	160,850	160,551	-299
Fringe benefits tax	3,890	3,971	81
Company tax	68,132	68,208	75
Superannuation funds	7,800	7,581	-219
Resource rent taxes(a)	1,740	1,927	187
Income taxation revenue	242,412	242,238	-174
Sales taxes			
Goods and services tax	50,220	50,313	93
Wine equalisation tax	730	716	-14
Luxury car tax	430	432	2
Total sales taxes	51,380	51,462	82
Excise duty			
Petrol	6,000	6,079	79
Diesel	8,610	8,640	30
Beer	1,950	1,958	8
Other excisable products(b)	9,030	9,033	3
Of which: Other excisable beverages(c)	900	914	14
Total excise duty revenue	25,590	25,710	120
Customs duty			
Textiles, clothing and footwear	680	676	-4
Passenger motor vehicles	920	892	-28
Excise-like goods	5,660	5,458	-202
Other imports	1,540	1,500	-40
/less: Refunds and drawbacks	330	354	24
Total customs duty revenue	8,470	8,172	-298
Carbon pricing mechanism(d)	7,540	6,535	-1,005
Other indirect taxation			
Agricultural levies	463	476	12
Other taxes	2,871	2,730	-141
Total other indirect taxation revenue	3,335	3,206	-129

Note 3: Taxation revenue by type (continued)

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Mirror taxes	485	484	0
<i>less</i> Transfers to States in relation to mirror tax revenue	485	484	0
Mirror tax revenue	0	0	0
Indirect taxation revenue	96,315	95,085	-1,229
Taxation revenue	338,727	337,323	-1,403
<i>Memorandum:</i>			
<i>Medicare levy revenue</i>	9,720	9,788	68

- (a) Comprises gross revenue from the PRRT and MRRT. Net revenue from the MRRT was \$0.2 billion in 2012-13 which represents the net impact across different revenue heads. These include offsetting reductions in company tax (through deductibility) and interactions with other taxes.
- (b) Tobacco figures are not separately reported because of taxpayer confidentiality. Since the 2013-14 Budget was published, legislation has been passed that allows for separate reporting of tobacco figures. As the legislation was not retrospective, this does not apply to the 2012-13 outcome.
- (c) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
- (d) Tax revenue includes carbon accrual revenue measured at the legislated price, with details of the accounting treatment of carbon revenue set out in Note 2 to the General Government Sector Financial Statements.

Note 3(a): Taxation revenue by source

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Taxes on income, profits and capital gains			
Income and capital gains levied on individuals	164,740	164,529	-211
Income and capital gains levied on enterprises	77,672	77,709	37
Total taxes on income, profits and capital gains	242,412	242,238	-174
Taxes on employers' payroll and labour force	529	646	117
Taxes on the provision of goods and services			
Sales/goods and services tax	51,380	51,462	82
Excises and levies	26,053	26,186	133
Taxes on international trade	8,470	8,172	-298
Total taxes on the provision of goods and services	85,903	85,820	-83
Other sale of goods and services	9,882	8,618	-1,264
Total taxation revenue	338,727	337,323	-1,403
<i>Memorandum:</i>			
Medicare levy revenue	9,720	9,788	68

Note 4: Sales of goods and services revenue

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Sales of goods	1,492	1,283	-209
Rendering of services	4,031	3,878	-153
Operating lease rental	53	46	-6
Fees from regulatory services	3,182	3,679	497
Total sales of goods and services revenue	8,757	8,886	129

Note 5: Interest and dividend revenue

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Interest from other governments			
State and Territory debt	10	10	1
Local Government	0	1	1
Housing agreements	160	139	-21
Total interest from other governments	170	150	-20
Interest from other sources			
Advances	44	42	-2
Deposits	100	131	31
Bank deposits	157	181	24
Indexation of HELP receivable and other student loans	503	377	-126
Other	2,790	2,763	-27
Total interest from other sources	3,594	3,495	-99
Total interest	3,764	3,646	-119
Dividends			
Dividends from other public sector entities	691	972	281
Other dividends	1,739	2,107	369
Total dividends	2,429	3,079	650
Total interest and dividend revenue	6,194	6,725	531

Note 6: Other sources of non-taxation revenue

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Industry contributions	39	56	17
Royalties	1,785	1,798	13
Seigniorage	136	134	-2
Other	4,324	5,238	914
Total other sources of non-taxation revenue	6,284	7,226	942

Note 7: Employee and superannuation expense

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Wages and salaries expenses	19,355	18,486	-869
Other operating expenses			
Leave and other entitlements	2,514	2,624	109
Separations and redundancies	126	261	135
Workers compensation premiums and claims	700	843	143
Other	2,072	1,977	-95
Total other operating expenses	5,411	5,705	293
Superannuation expenses			
Superannuation	8,102	8,402	300
Superannuation interest cost	6,778	6,729	-49
Total superannuation expenses	14,880	15,131	251
Total employee and superannuation expense	39,646	39,322	-324

Note 8: Depreciation and amortisation expense

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Depreciation			
Specialist military equipment	2,579	2,688	109
Buildings	1,273	1,351	78
Other infrastructure, plant and equipment	1,320	1,430	111
Heritage and cultural assets	36	50	14
Total depreciation	5,208	5,520	312
Total amortisation	815	879	64
Total depreciation and amortisation expense	6,022	6,398	376

Note 9: Supply of goods and services expense

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Supply of goods and services	22,931	22,277	-654
Operating lease rental expenses	2,518	2,626	108
Personal benefits - indirect	39,671	39,283	-388
Health care payments	5,391	5,214	-177
Other	1,509	2,216	707
Total supply of goods and services expense	72,019	71,616	-403

Note 10: Interest expense

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Interest on debt			
Government securities	12,200	12,225	25
Loans	9	10	1
Other	550	533	-17
Total interest on debt	12,759	12,769	9
Other financing costs	521	1,000	478
Total interest expense	13,281	13,768	488

Note 11: Current and capital grants expense

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Current grants expense			
State and Territory governments	84,585	84,869	284
Local governments	34	16	-18
Private sector	1,752	1,799	46
Overseas	4,115	4,086	-30
Non-profit organisations(a)(b)	1,740	3,132	1,392
Multi-jurisdictional sector(a)	9,408	9,108	-299
Other(b)	8,316	7,524	-791
Total current grants expense	109,950	110,535	585
Capital grants expense			
Mutually agreed write-downs	1,997	2,162	166
Other capital grants			
State and Territory governments	6,931	7,032	101
Local governments	407	406	-1
Private sector	150	48	-102
Multi-jurisdictional sector	95	92	-3
Other	344	311	-33
Total capital grants expense	9,923	10,051	128
Total grants expense	119,873	120,586	713

(a) Includes reallocation of some programs between grants to non-profit organisations and grants to the multi-jurisdictional sector since the 2013-14 Budget.

(b) Includes reallocation of some programs between grants to non-profit organisations and grants to other since the 2013-14 Budget.

Note 12: Personal benefits expense

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Social welfare - assistance to the aged	37,282	37,164	-118
Assistance to veterans and dependants	6,202	6,085	-116
Assistance to people with disabilities	21,204	21,386	182
Assistance to families with children	34,328	34,176	-152
Assistance to the unemployed	8,559	8,518	-42
Student assistance	3,349	3,460	111
Other welfare programs	1,396	1,311	-85
Financial and fiscal affairs	359	352	-7
Vocational and industry training	274	277	3
Other	4,444	4,492	49
Total personal benefits expense	117,397	117,221	-176

Note 13: Advances paid and other receivables

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Advances paid			
Loans to State and Territory governments	2,805	2,486	-319
Higher Education Loan Program	22,349	21,575	-774
Student Financial Supplement Scheme	653	677	24
Other	9,628	9,759	130
less Provision for doubtful debts	26	24	-2
Total advances paid	35,409	34,472	-937
Other receivables			
Goods and services receivable	976	782	-194
Recoveries of benefit payments	2,940	3,242	302
Taxes receivable	22,344	20,491	-1,852
Prepayments	2,439	2,463	24
Other	19,131	20,291	1,160
less Provision for doubtful debts	3,366	3,189	-177
Total other receivables	44,464	44,080	-384

Note 14: Investments, loans and placements

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Investments - deposits	30,103	32,455	2,352
IMF quota	4,830	5,247	417
Other	68,345	73,395	5,051
Total investments, loans and placements	103,278	111,098	7,820

Note 15: Non-financial assets

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Land and buildings			
Land	8,680	8,918	237
Buildings	23,433	23,500	67
Total land and buildings	32,113	32,418	305
Plant, equipment and infrastructure			
Specialist military equipment	40,794	40,306	-488
Other	12,911	12,610	-301
Total plant, equipment and infrastructure	53,705	52,916	-788
Inventories			
Inventories held for sale	1,144	1,183	39
Inventories not held for sale	6,173	6,745	571
Total inventories	7,318	7,928	610
Intangibles			
Computer software	3,402	3,579	176
Other	2,199	2,056	-143
Total intangibles	5,602	5,635	34
Total investment properties	182	195	14
Total biological assets	37	33	-4
Total heritage and cultural assets	10,451	10,547	96
Total assets held for sale	83	110	28
Total other non-financial assets	795	292	-503
Total non-financial assets	110,284	110,074	-210

Note 16: Loans

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Promissory notes	3,176	3,167	-9
Special drawing rights	4,586	4,999	413
Other	827	5,401	4,574
Total loans	8,588	13,567	4,979

Note 17: Employee and superannuation liabilities

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Total superannuation liability(a)	143,509	193,314	49,804
Other employee liabilities			
Leave and other entitlements	7,378	7,397	19
Accrued salaries and wages	628	654	27
Workers compensation claims	2,594	3,087	493
Separations and redundancies	63	100	37
Other	3,936	3,558	-378
Total other employee liabilities	14,600	14,798	198
Total employee and superannuation liabilities	158,109	208,111	50,002

(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 AAS, the long-term government bond rate as at 30 June is used to calculate the superannuation liability for the purpose of actuals reporting.

Note 18: Provisions and payables

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Suppliers payable			
Trade creditors	3,744	4,009	265
Operating lease rental payable	202	209	8
Other creditors	318	2,191	1,873
Total suppliers payable	4,264	6,409	2,145
Total personal benefits provisions and payable	14,240	14,161	-79
Total subsidies provisions and payable	3,216	3,557	342
Grants provisions and payable			
State and Territory governments	339	807	468
Non-profit organisations	218	112	-106
Private sector	488	393	-96
Overseas	1,502	1,390	-112
Local governments	7	12	5
Other	14,476	13,519	-957
Total grants provisions and payable	17,030	16,233	-797
Other provisions and payables			
Provisions for tax refunds	2,970	3,391	420
Other	10,991	10,992	2
Total other provisions and payables	13,961	14,383	422

Note 19: Reconciliation of cash

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Operating balance (revenues less expenses)	-21,478	-22,485	-1,007
<i>less</i> Revenues not providing cash			
Other	735	559	-176
Total revenues not providing cash	735	559	-176
<i>plus</i> Expenses not requiring cash			
Increase / (decrease) in employee entitlements	8,184	7,882	-302
Depreciation / amortisation expense	6,046	6,429	383
Mutually agreed write-downs	1,997	2,162	166
Other	90	361	271
Total expenses not requiring cash	16,317	16,834	517
<i>plus</i> Cash provided / (used) by working capital items			
Decrease / (increase) in inventories	-260	-797	-537
Decrease / (increase) in receivables	-8,501	-8,317	185
Decrease / (increase) in other financial assets	1,280	921	-358
Decrease / (increase) in other non-financial assets	64	32	-31
Increase / (decrease) in benefits, subsidies and grants payable	4,212	4,786	574
Increase / (decrease) in suppliers' liabilities	-757	107	865
Increase / (decrease) in other provisions and payables	-706	-447	259
Net cash provided / (used) by working capital	-4,670	-3,714	956
<i>equals</i> (Net cash from / (to) operating activities)	-10,566	-9,924	643
<i>plus</i> (Net cash from / (to) investing activities)	-14,926	-16,913	-1,987
Net cash from operating activities and investment	-25,492	-26,837	-1,344
<i>plus</i> (Net cash from / (to) financing activities)	25,439	26,407	969
equals Net increase / (decrease) in cash	-54	-429	-376
Cash at the beginning of the year	2,523	2,523	0
Net increase / (decrease) in cash	-54	-429	-376
Cash at the end of the year	2,470	2,094	-376

Note 19(a): Consolidated Revenue Fund

	2012-13 Estimate at 2013-14 Budget \$m	2012-13 Outcome \$m	Change on 2013-14 Budget \$m
Total general government sector cash	2,470	2,094	-376
<i>less</i> CAC Agency cash balances	1,800	1,952	152
<i>plus</i> Special public monies	382	311	-71
Balance of Consolidated Revenue Fund at 30 June	1,052	453	-599

The cash balances reflected in the balance sheet for the Australian Government GGS (Table 9) 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.

Attachment A

FINANCIAL REPORTING STANDARDS AND BUDGET CONCEPTS

The *Charter of Budget Honesty Act 1998* (the Charter) requires the Final Budget Outcome (FBO) to be based on external reporting standards.

The Government has produced a single set of financial statements that comply with both ABS GFS and AAS, meeting the requirement of the Charter, with departures disclosed. The financial statements for the *Final Budget Outcome 2012-13* have been prepared on a basis consistent with the 2013-14 Budget. This enables comparison of the 2012-13 revised estimates published at the 2013-14 Budget and the outcome. 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 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 FBO 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 and budget outcome 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 and 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 borrowing) 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 net 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. 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>
Net Future Fund earnings
<i>equals</i>
Underlying cash balance

The Government has excluded net Future Fund earnings from the calculations of the underlying cash balance. Previously, the underlying cash balance only excluded the gross earnings of the Future Fund. Under the *Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector

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 liabilities. The Future Fund becomes available to meet the Government's superannuation liabilities from 2020.

In contrast, net Future Fund earnings are included in the fiscal balance because superannuation expenses relating to future cash payments are recorded in the fiscal balance.

Net Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table 10 of this statement and the historical tables in Appendix B.

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 (HELP), 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 1. 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 1: Institutional structure of the public sector

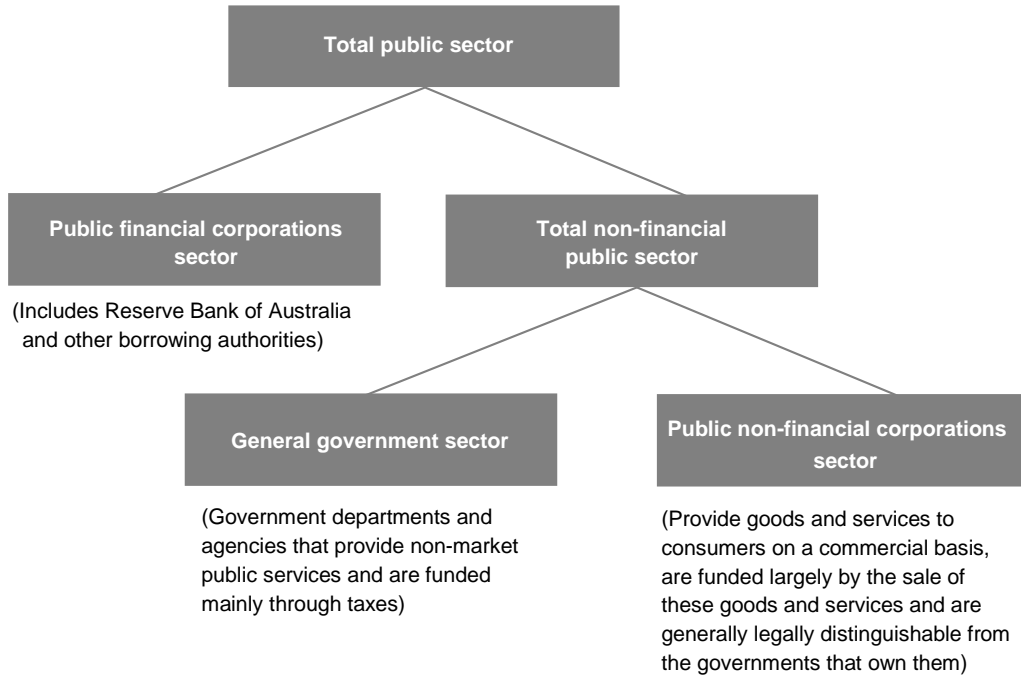


Table 21: Entities within the sectoral classifications

General government sector entities
<p>Agriculture, Fisheries and Forestry Portfolio</p> <p>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, Wine Australia Corporation</p>
<p>Attorney-General's Portfolio</p> <p>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, CrimTrac Agency, Family Court and Federal Circuit Court, Federal Court of Australia, High Court of Australia, Insolvency and Trustee Service Australia, National Native Title Tribunal, Office of the Australian Information Commissioner, Office of the Director of Public Prosecutions, Office of Parliamentary Counsel</p>
<p>Broadband, Communications and the Digital Economy Portfolio</p> <p>Australian Broadcasting Corporation, Australian Communications and Media Authority, Department of Broadband, Communications and the Digital Economy, Special Broadcasting Service Corporation, Telecommunications Universal Service Management Agency</p>
<p>Defence Portfolio</p> <p>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</p>

Table 21: 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, Comcare, Department of Education, Employment and Workplace Relations, Fair Work Commission, Office of the Fair Work Building Industry Inspectorate (Fair Work Building and Construction), Office of the Fair Work Ombudsman, Safe Work Australia, Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority)
Families, Housing, Community Services and Indigenous Affairs Portfolio Aboriginal Hostels Limited, Anindilyakwa Land Council, Australian Institute of Family Studies, Central Land Council, Department of Families, Housing, Community Services and Indigenous Affairs, DisabilityCare Australia (National Disability Insurance Scheme Launch Transition Agency), Indigenous Business Australia, Indigenous Land Corporation, Northern Land Council, Outback Stores Pty Ltd, Tiwi Land Council, Torres Strait Regional Authority, Workplace Gender Equality Agency, 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 Preventative 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, Independent Hospital Pricing Authority, National Blood Authority, National Health Funding Body, National Health and Medical Research Council, National Health Performance Authority, Private Health Insurance Administration Council, Private Health Insurance Ombudsman, Professional Services Review

Table 21: Entities within the sectoral classifications (continued)

General government sector entities (continued)
<p>Human Services Portfolio</p> <p>Department of Human Services</p>
<p>Immigration and Citizenship Portfolio</p> <p>Department of Immigration and Citizenship, Migration Review Tribunal and Refugee Review Tribunal</p>
<p>Industry, Innovation, Climate Change, Science, Research and Tertiary Education Portfolio</p> <p>Australian Institute of Aboriginal and Torres Strait Islander Studies, Australian Institute of Marine Science, Australian Nuclear Science and Technology Organisation, Australian Research Council, Australian Skills Quality Authority (National Vocational Education and Training Regulator), Clean Energy Regulator, Climate Change Authority, Commonwealth Scientific and Industrial Research Organisation, Department of Industry, Innovation, Climate Change, Science Research and Tertiary Education, IIF Investments Pty Limited, IP Australia, Low Carbon Australia Limited, Tertiary Education Quality and Standards Agency</p>
<p>Infrastructure and Transport Portfolio</p> <p>Australian Maritime Safety Authority, Australian Transport Safety Bureau, Civil Aviation Safety Authority, Department of Infrastructure and Transport, National Transport Commission</p>
<p>Prime Minister and Cabinet Portfolio</p> <p>Australian National Audit Office, Australian Public Service Commission, Department of the Prime Minister and Cabinet, National Australia Day Council Limited, National Mental Health Commission, Office of the Commonwealth Ombudsman, Office of the Inspector-General of Intelligence and Security, Office of National Assessments, Office of the Official Secretary to the Governor-General</p>
<p>Regional Australia, Local Government, Arts and Sport Portfolio</p> <p>Australia Business Arts Foundation Ltd, Australia Council, Australian Film, Television and Radio School, Australian National Maritime Museum, Australian Sports Anti-Doping Authority, Australian Sports Commission, Australian Sports Foundation Limited, Bundanon Trust, Department of Regional Australia, Local Government, Arts and Sport, National Archives of Australia, National Capital Authority, National Film and Sound Archive, National Gallery of Australia, National Library of Australia, National Museum of Australia, National Portrait Gallery of Australia, Old Parliament House, Screen Australia</p>

Table 21: Entities within the sectoral classifications (continued)

General government sector entities (continued)
<p>Resources, Energy and Tourism Portfolio</p> <p>Australian Renewable Energy Agency, Department of Resources, Energy and Tourism, Geoscience Australia, National Offshore Petroleum Safety and Environmental Management Authority, Tourism Australia</p>
<p>Sustainability, Environment, Water, Population and Communities Portfolio</p> <p>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</p>
<p>Treasury Portfolio</p> <p>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, Clean Energy Finance Corporation, 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</p>
<p>Parliamentary Departments</p> <p>Department of Parliamentary Services, Department of the House of Representatives, Department of the Senate, Parliamentary Budget Office</p>
Public financial corporations
<p>Education, Employment and Workplace Relations Portfolio</p> <p>Coal Mining Industry (Long Service Leave Funding) Corporation</p>
<p>Finance and Deregulation Portfolio</p> <p>Medibank Private Ltd</p>
<p>Foreign Affairs and Trade Portfolio</p> <p>Export Finance and Insurance Corporation</p>
<p>Treasury Portfolio</p> <p>Australian Reinsurance Pool Corporation, Reserve Bank of Australia</p>

Table 21: Entities within the sectoral classifications (continued)

Public non-financial corporations
Attorney General's Portfolio Australian Government Solicitor
Broadband, Communications and the Digital Economy Portfolio Australian Postal Corporation, NBN Co Ltd
Families, Housing, Community Services and Indigenous Affairs Portfolio Voyages Indigenous Tourism Australia Pty Ltd
Finance and Deregulation Portfolio Albury-Wodonga Development Corporation, Australian River Co. Ltd, ASC Pty Ltd
Human Services Portfolio Australian Hearing Services
Infrastructure and Transport Portfolio Airservices Australia, Australian Rail Track Corporation Ltd, Moorebank Intermodal Company Ltd

Differences between ABS GFS and AAS framework (including AASB 1049)

AASB 1049 has adopted the AAS conceptual framework and principles for the recognition of assets, liabilities, revenues, 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 AAS and the ABS GFS treatments of transactions are outlined in Table 22. 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 22: 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 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 are treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Provisions for bad and doubtful debts	Reported in the balance sheet as an offset to assets. Under AASB 1049, it is included in the operating statement as other economic flows.	Creating provisions for bad and doubtful debts is not considered an economic event and 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
Renewable Energy Certificates (RECs) and Australian Carbon Credit Units (ACCU)	The issuance and registration of such certificates are considered to be an administrative function and does not result in the recognition of an asset or liability and therefore no tax revenue or expense is recognised.	The issuance and registration of such certificates are considered to be government financial transactions resulting in the recognition of assets, liabilities, tax revenue and expenses.	AAS

Table 22: Major differences between AAS and ABS GFS (continued)

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Carbon pricing mechanism	The interpretation of the AAS framework indicates that the transactions are recognised in the financial statements where they are expected to result in a receipt or payment of cash by the government at the amount of the expected cash settlement. The issuance and surrender of free carbon units and ACCUs used in the settlement of emissions liabilities do not qualify for recognition by the government as assets, liabilities, revenues or expenses.	Transactions are recognised at the expected market value at the time of the transaction. In the fixed price period from 1 July 2012 to 30 June 2014, the price of carbon units that the government will pay under the buy-back arrangements and sell to liable emitters to settle their obligations is set by the government at the prevailing fixed price and is regarded as the market value.	ABS GFS
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
Commercial tax effect accounting 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 Taxation Office.	ABS GFS
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.	ABS GFS

Attachment B

AUSTRALIAN LOAN COUNCIL ALLOCATION

Under Loan Council arrangements, every year the Commonwealth and each State and Territory government nominate a Loan Council Allocation (LCA). A jurisdiction's LCA incorporates:

- the estimated non-financial public sector ABS GFS cash surplus/deficit (made up from the balances 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.

As set out in Table 23, the Commonwealth's 2012-13 LCA final budget outcome is a \$25.4 billion deficit. This compares with the Australian Government's 2012-13 LCA Budget estimate of a \$13.6 billion deficit.

A tolerance limit of 2 per cent of non-financial public sector receipts applies between the LCA Budget estimate and the outcome. Tolerance limits recognise that LCAs are nominated at an early stage of the Budget process and may change as a result of policy and parameter changes. The Australian Government's 2012-13 LCA final budget outcome exceeds the 2 per cent tolerance limit. This primarily reflects weaker than expected cash receipts.

Table 23: Australian Government Loan Council Allocation

	2012-13 Budget Estimate	2012-13 Outcome
	\$m	\$m
GGG cash surplus(-)/deficit(+)	-4,971	15,838
PNFC sector cash surplus(-)/deficit(+)	5,137	3,294
NFPS cash surplus(-)/deficit(+)(a)	394	19,132
<i>plus</i> Acquisitions under finance leases and similar arrangements	412	1,388
<i>equals</i> ABS GFS cash surplus(-)/deficit(+)	805	20,521
<i>minus</i> Net cash flows from investments		
in financial assets for policy purposes(b)	-13,281	-4,802
<i>plus</i> Memorandum items(c)	-440	70
Loan Council Allocation	13,646	25,393

- (a) May not directly equate to the sum of the GGS and the PNFC sector 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 LCA outcome, memorandum items include the change in net present value (NPV) of operating leases (with NPV greater than \$5 million), the over-funding of superannuation and the net financing requirement of the Australian National University.

PART 3: AUSTRALIA'S FEDERAL RELATIONS

This part provides information on payments for specific purposes and general revenue assistance, including GST entitlement, provided to the States and Territories (the States).

Commonwealth payments to the States are framed by the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement), in place since 1 January 2009.

The Commonwealth worked in partnership with the States during 2012-13 across a range of policy areas including education, healthcare, disabilities, community services, housing, skills and workforce development and infrastructure.

More detailed information on Australia's Federal Relations is provided in Budget Paper No. 3, *Australia's Federal Relations 2013-14*, and on the Federal Financial Relations website at www.federalfinancialrelations.gov.au.

OVERVIEW OF PAYMENTS TO THE STATES

The States receive substantial financial support from the Commonwealth. In 2012-13, the Commonwealth provided the States with payments totalling \$92.3 billion, comprising specific purpose payments of \$43.1 billion and general revenue assistance, including GST entitlements, of \$49.3 billion, as shown in Table 24. Total payments to the States as a proportion of total Commonwealth expenditure was 24.2 per cent in 2012-13.

Table 24: Commonwealth payments to the States, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068
General revenue assistance	14,766	11,020	9,551	3,969	4,492	1,704	993	2,760	49,256
Total payments to the States	27,782	21,172	19,364	8,477	7,540	2,771	1,625	3,592	92,323

PAYMENTS FOR SPECIFIC PURPOSES

In 2012-13, the Commonwealth provided payments to the States for specific purposes to pursue important national policy objectives in areas administered by the States. These payments cover most functional areas of state and local government activity including health, education, skills and workforce development, community services, affordable housing, infrastructure, and environment.

The Commonwealth provided the following types of specific purpose payments to the States:

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

National SPPs

In 2012-13, the Commonwealth continued to support the States' efforts in delivering services in key service delivery sectors through National SPPs. The Commonwealth currently makes payments under four National SPPs:

- National Schools SPP;
- National Skills and Workforce Development SPP;
- National Disability Services SPP; and
- National Affordable Housing SPP.

The States are required to spend each National SPP in the relevant sector.

The National SPPs are indexed each year by growth factors specified in the Intergovernmental Agreement.

Payments made throughout the year for National SPPs are made in advance, based on Commonwealth estimates of the respective growth factors. A balancing adjustment is made after the end of the financial year once final growth factor data become available.

The National SPPs are distributed among the States in accordance with population shares based on the Australian Statistician's determination as at 31 December of that year. An equal per capita distribution is being phased in over five years from 2009-10.

In the case of the government schools component of the National Schools SPP, the relevant population is each State's share of full-time equivalent student enrolments in government schools.

From 1 July 2012, the National Healthcare SPP was replaced by National Health Reform funding. Under the transitional arrangements in the *National Health Reform Agreement*, the Commonwealth's contribution for National Health Reform funding for 2012-13 and 2013-14 will comprise amounts equivalent to those that would otherwise have been payable through the former National Healthcare SPP, and the SPP indexation arrangements will continue to apply.

Consistent with the former National Healthcare SPP, the State allocation of National Health Reform funding for 2012-13 is determined on an equal per capita basis. The amounts in Table 25 have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

National Partnership payments

Under the Intergovernmental Agreement, National Partnership payments to the States are the key vehicle to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on nationally significant reforms.

There are three types of National Partnership payments; project, facilitation, and reward.

Project payments are a financial contribution to the States to deliver specific projects, including to improve the quality or quantity of service delivery, which support national objectives. To the fullest extent possible, project payments are aligned with the achievement of performance benchmarks or milestones and are made after the States have achieved the outcomes or outputs specified in the relevant agreement.

When a reform is agreed as a national priority, facilitation payments may be paid in advance of the States implementing reforms, in recognition of the administrative and other costs associated with undertaking reform. Reward payments can be used to reward those States that deliver on nationally significant reform or continuous improvement in service delivery.

For reward payments, the COAG Reform Council assesses and publicly reports on the achievement of agreed performance benchmarks. The Commonwealth considers the COAG Reform Council assessments when determining reward payments to the States.

National Partnerships are typically time limited, reflecting the nature of the project or reform involved. National Partnership agreements are publicly available at: www.federalfinancialrelations.gov.au.

Total payments for specific purposes

In 2012-13, the States received \$43.1 billion in payments for specific purposes. Payments to the States for specific purposes constituted 11.3 per cent of total Commonwealth expenditure in 2012-13.

Total payments for specific purposes, including National SPPs, National Health Reform funding and National Partnership payments, are shown in Table 25.

Table 25: Total payments for specific purposes by category, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments(a)	5,047	3,914	3,226	1,616	1,228	360	269	194	15,853
National Health Reform funding (a)(b)	4,308	3,263	2,666	1,408	1,011	294	203	152	13,305
National Partnership									
Payments(c)	3,660	2,975	3,921	1,483	809	414	160	486	13,910
Total payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068

(a) The 2012-13 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocation of National Health Reform funding for 2012-13 is shown on the equal per capita basis provided for under the previous National Healthcare SPP. These amounts have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

(c) Includes financial assistance grants for local government.

Total payments for specific purposes by sector, including National SPPs, National Health Reform funding and National Partnership payments, are shown in Table 26.

Table 26: Total payments for specific purposes by sector, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health	4,800	3,607	3,106	1,531	1,149	361	230	211	14,996
Education	4,289	3,294	2,768	1,374	1,063	310	229	217	13,545
Skills and Workforce									
Development	553	435	340	178	125	39	29	18	1,716
Community Services	579	732	301	302	160	56	24	63	2,216
Affordable Housing	483	343	391	217	113	37	26	182	1,792
Infrastructure	1,183	920	624	568	156	77	28	80	3,636
Environment	237	92	59	36	93	100	3	20	641
Contingent	105	49	1,727	3	..	7	1,893
Other(a)	786	679	496	299	190	81	64	40	2,634
Total payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category, including National SPPs, National Health Reform funding and National Partnership payments, are shown in Table 27.

Table 27: Total payments for specific purposes by sector and category, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Health</i>									
National Health Reform funding(a)(b)	4,308	3,263	2,666	1,408	1,011	294	203	152	13,305
National Partnerships	492	344	440	123	138	67	27	59	1,691
Total health payments	4,800	3,607	3,106	1,531	1,149	361	230	211	14,996
<i>Education</i>									
National Schools SPP(a)	3,774	2,964	2,449	1,211	921	263	202	141	11,925
National Partnerships	514	330	319	163	141	48	27	77	1,619
Total education payments	4,289	3,294	2,768	1,374	1,063	310	229	217	13,545
<i>Skills and workforce development</i>									
National Skills and Workforce Development SPP(a)	452	344	275	145	102	32	23	14	1,388
National Partnerships	101	91	66	32	23	7	6	4	329
Total skills and workforce development payments	553	435	340	178	125	39	29	18	1,716
<i>Community services</i>									
National Disability SPP(a)(c)	417	306	251	126	109	34	20	13	1,276
National Partnerships	161	426	50	176	51	22	4	49	940
Total community services payments	579	732	301	302	160	56	24	63	2,216
<i>Affordable housing</i>									
National Affordable Housing SPP(a)	403	300	251	134	95	31	24	25	1,264
National Partnerships	80	43	140	83	18	5	2	156	528
Total affordable housing payments	483	343	391	217	113	37	26	182	1,792
<i>Infrastructure</i>									
National Partnerships	1,183	920	624	568	156	77	28	80	3,636
<i>Environment</i>									
National Partnerships	237	92	59	36	93	100	3	20	641
<i>Contingent payments</i>									
National Partnerships	105	49	1,727	3	..	7	1,893
<i>Other</i>									
National Partnerships(d)	786	679	496	299	190	81	64	40	2,634
Total payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068

(a) The 2012-13 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocation of National Health Reform funding for 2012-13 is shown on the equal per capita basis provided for under the previous National Healthcare SPP. These amounts have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

(c) Includes adjustment to the National Disability SPP to achieve budget neutrality under National Health Reform (see footnote to Table 39 in this Part for details).

(d) Includes financial assistance grants for local government.

Natural Disaster Relief and Recovery Arrangements

The Commonwealth provides funding under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to assist the States with relief and recovery assistance following eligible natural disasters.

For accounting purposes, the Commonwealth recognises a liability equal to the present value of future payments expected to be made to the States under the NDRRA. This is regardless of whether a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA. Total cash payments in 2012-13 are presented in Table 28 below (see Table 43 in Attachment A for the expense outcome).

Table 28: NDRRA cash payments, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
NDRRA	-	-	900	52,645	-	7,237	-	16,279	77,061
Total	-	-	900	52,645	-	7,237	-	16,279	77,061

GENERAL REVENUE ASSISTANCE

General revenue assistance is a broad category of payments, including GST entitlement, which is provided to the States without conditions, to spend according to their own budget priorities.

In 2012-13, the States received \$49.3 billion in general revenue assistance from the Commonwealth, as shown in Table 29, comprising \$48.1 billion in GST entitlements and \$1.2 billion of other general revenue assistance. In 2012-13, total general revenue assistance to the States represented 12.9 per cent of total Commonwealth expenditure.

Table 29: General revenue assistance, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	14,733	11,004	9,551	2,866	4,492	1,704	956	2,754	48,061
Other general revenue assistance									
<i>ACT municipal services</i>	-	-	-	-	-	-	37	-	37
<i>Reduced royalties</i>	-	-	-	63	-	-	-	-	63
<i>Royalties</i>	-	-	-	1,040	-	-	-	5	1,045
<i>Snowy Hydro Ltd tax compensation</i>	33	17	-	-	-	-	-	-	50
Total other general revenue assistance	33	17	-	1,103	-	-	37	5	1,195
Total general revenue assistance	14,766	11,020	9,551	3,969	4,492	1,704	993	2,760	49,256

GST PAYMENTS

Reconciling GST revenue and GST payments to the States

Under the Intergovernmental Agreement, the States are entitled to receive payments from the Commonwealth equivalent to the revenue received from the GST.

However, GST revenue for a financial year varies from the amount of GST paid to the States for that year because of:

- GST revenues which are recognised on a Commonwealth whole-of-government basis, but not remitted to the Australian Taxation Office (ATO) by 30 June of each financial year, as the revenues will not be remitted until the following financial year;
- penalties, other than general interest charge (GIC) penalties, which are not included in the definition in the *Federal Financial Relations Act 2009* of GST to be paid to the States;
- 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 ATO, because it is not due to be paid until the next Business Activity Statement is lodged; and
- adjustments to account for any variation in the previous financial year between the Treasurer's final outcome Determination, and GST payment advances made during that financial year.

In 2012-13, GST revenue was \$50.3 billion. A reconciliation of GST revenue and GST entitlement to the States is provided in Table 30.

Table 30: GST revenue and GST entitlement to the States, 2012-13

\$million	Total
GST revenue	50,313
less change in GST receivables(a)	1,717
GST receipts	48,596
less non-GIC penalties collected(b)	210
less net GST collected by Commonwealth agencies but not yet remitted to the ATO(c)	326
GST entitlement to the States(d)	48,061

(a) GST revenue which is recognised on a Commonwealth whole-of-government basis, but not remitted to the ATO as at 30 June of each financial year.

(b) While GST related non-GIC penalties are recognised in the Commonwealth's GST revenue, non-GIC penalties are not defined in the *Federal Financial Relations Act 2009* as being a part of the GST revenue that is paid to the States.

(c) This is the GST component of sales by Commonwealth agencies which has been collected by those agencies but which, as at 30 June in each year, will not have been remitted to the ATO, because it is not due to be paid (or refunded) until the next Business Activity Statement is lodged (typically on 21 July in the following financial year).

(d) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

Advances of GST entitlements were provided to the States throughout the 2012-13 financial year based on the Commonwealth's estimate of GST entitlements as updated at the 2013-14 Budget. The GST entitlement to the States is expected to be \$361 million higher than the advances paid during 2012-13. A balancing adjustment will be made following a Determination by the Treasurer. Table 31 provides a reconciliation of the GST entitlement and GST advances to the States.

Table 31: GST entitlement and GST advances to the States, 2012-13

\$million	Total
GST entitlement to the States(a)	48,061
<i>less</i> advances of GST made throughout 2012-13	47,700
<i>equals</i> following year balancing adjustment	361

(a) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

Distribution of GST entitlements among the States

The Commonwealth distributes GST among the States in accordance with the principle of horizontal fiscal equalisation and having regard to the recommendations of the Commonwealth Grants Commission (the Commission).

GST relativities

The Commission recommends GST revenue sharing relativities to be used in calculating each State's entitlement of the GST pool. The relativities determine how much GST each State receives compared with an equal per capita share and are determined such that, if each State made the same effort to raise revenue from its own sources and operated at the same level of efficiency, each State would have the capacity to provide services and the associated infrastructure at the same standard.

This does not necessarily result in the same standard of government services – rather, it equalises each State's capacity to provide the same standard of services. In calculating GST relativities, the Commission takes into account differences in the States' capacities to raise revenues and differences in the costs the States would incur in providing the same standard of government services, including through acquiring the infrastructure used to deliver those services.

A Determination on the GST Revenue sharing relativities for 2012-13 was made in June 2012. The relativities for 2012-13 are shown in Table 32.

Table 32: GST relativities, 2012-13

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2012-13	0.95312	0.92106	0.98477	0.55105	1.28472	1.58088	1.19757	5.52818

Applying the GST relativities to the GST pool

The GST relativities were applied to estimated State populations to determine an adjusted population for each State. The entitlements are allocated using the population

as at 31 December 2012 as determined by the Australian Statistician. Each State received its adjusted population share of the GST entitlement as shown in Table 33.

Table 33: Calculation of the 2012-13 GST entitlements

	Population as at 31 December 2012 (1)	GST revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	Share of GST pool \$million (5)
NSW	7,348,899	0.95312	7,004,383	30.7	14,733.5
VIC	5,679,633	0.92106	5,231,283	22.9	11,003.8
QLD	4,610,932	0.98477	4,540,708	19.9	9,551.2
WA	2,472,717	0.55105	1,362,591	6.0	2,866.2
SA	1,662,169	1.28472	2,135,422	9.3	4,491.8
TAS	512,422	1.58088	810,078	3.5	1,704.0
ACT	379,554	1.19757	454,542	2.0	956.1
NT	236,869	5.52818	1,309,454	5.7	2,754.4
Total	22,903,195	N/A	22,848,460	100.0	48,061.0

Table 34 provides a summary of advances made in 2012-13 against their estimated final entitlement shown in Table 33 above. The variance between advances paid in 2012-13 and the States' determined entitlement will be paid in the 2013-14 financial year.

Table 34: Summary of advances made in 2012-13 and distribution of following year adjustment across States

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	14,733.5	11,003.8	9,551.2	2,866.2	4,491.8	1,704.0	956.1	2,754.4	48,061.0
2012-13 advances	14,616.8	10,922.5	9,477.9	2,844.2	4,463.1	1,694.2	947.1	2,734.1	47,700.0
Following year adjustment(a)	116.7	81.3	73.3	22.0	28.6	9.8	9.0	20.3	361.0

(a) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

GST administration costs

The Commissioner of Taxation administers the GST law and the States compensate the Commonwealth for the costs incurred by the ATO in administering the GST, including costs incurred by the Australian Customs Service, as shown in Table 35.

Table 35: GST administration, 2012-13

\$million	Actual	
	2011-12	2012-13
Australian Taxation Office budget	683.2	694.4
<i>less</i> prior year adjustment	5.9	-13.7
<i>equals</i> State government administration payments	677.4	708.1
<i>less</i> Australian Taxation Office outcome(a)	697.0	705.3
<i>equals</i> Commonwealth budget impact	-19.6	2.8
<i>plus</i> prior year adjustment	5.9	-13.7
<i>equals</i> following year adjustment	-13.7	-10.9

(a) Estimated outcome for 2012-13 pending confirmation by the Australian National Audit Office.

The estimated outcome for the 2012-13 GST administration expenses of \$705.3 million differs from the amount paid by the States and the prior year adjustment by \$10.9 million. Once the outcome for GST administration costs in 2012-13 is audited and confirmed by the Australian National Audit Office, any adjustment required will be incorporated into the States' administration costs for 2013-14.

Attachment A

PAYMENTS TO THE STATES

This attachment provides information on Commonwealth payments to the States and local governments on an accruals basis. Details regarding Commonwealth advances (loans) to the States, including repayments of advances and interest on advances, are available online at www.budget.gov.au (Table 47 refers). Most of these advances were funded from borrowings made on behalf of the States under previous Australian Loan Council arrangements.

The following tables detail payments to the States for 2012-13:

Table 36 – health;

Table 37 – education;

Table 38 – skills and workforce development;

Table 39 – community services;

Table 40 – affordable housing;

Table 41 – infrastructure;

Table 42 – environment;

Table 43 – contingent liabilities;

Table 44 – other purposes;

Table 45 – general revenue assistance; and

Table 46 – payments presented on the Australian Bureau of Statistics Government Finance Statistics functional basis.

Table 36: Payments for specific purposes to support state health services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform funding(a)(b)									
Hospital services	4,208,037	3,187,142	2,603,966	1,375,200	987,687	287,264	198,428	148,533	12,996,257
Public health	100,109	75,823	61,949	32,716	23,497	6,834	4,721	3,534	309,183
National Partnership payments									
National Health Reform									
Improving Public Hospital Services									
Flexible funding for emergency departments, elective surgery and subacute care	7,044	5,591	4,724	2,716	2,075	1,073	944	833	25,000
National emergency access target									
Capital funding	14,482	11,428	9,607	5,390	4,046	1,941	1,669	1,437	50,000
Facilitation and reward funding	16,016	12,416	10,277	5,245	3,614	1,116	796	522	50,002
New subacute beds guarantee funding	145,001	111,100	89,800	45,900	32,800	10,600	7,000	4,300	446,501
Financial assistance for long stay older patients	30,409	12,755	16,822	8,781	13,402	5,823	3,050	1,386	92,428
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	9,400	500	146,620	2,200	-	-	-	7,100	165,820
National cancer system	41,418	26,328	62,307	6,200	31,442	13,784	6,000	-	187,479
Regional priority round	43,800	34,908	9,810	1,051	16,700	-	468	-	106,737
Other Health infrastructure payments									
Funding for Grafton Hospital	2,000	-	-	-	-	-	-	-	2,000
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	400	-	-	400
Health services									
Early intervention pilot program	222	-	-	-	-	-	-	-	222
National antimicrobial utilisation surveillance program	-	-	-	-	150	-	-	-	150
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,212	2,212

Table 36: Payments for specific purposes to support state health services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services (continued)									
BreastScreen Australia radiography workforce initiatives	-	-	46	-	46	46	46	20	204
Health care grants for the Torres Strait	-	-	5,289	-	-	-	-	-	5,289
Improving Health Services in Tasmania									
Better access to community based palliative care services	-	-	-	-	-	5,810	-	-	5,810
Cradle Coast Connected Care Clinical Repository	-	-	-	-	-	250	-	-	250
Innovative flexible funding for mental health	-	-	-	-	-	1,050	-	-	1,050
Reducing Elective Surgery Waiting Lists in Tasmania	-	-	-	-	-	8,831	-	-	8,831
Walk-in centres in Hobart and Launceston	-	-	-	-	-	4,744	-	-	4,744
National bowel cancer screening program									
– participant follow-up function	-	452	363	186	145	108	91	78	1,423
National perinatal depression initiative	1,735	1,439	1,214	749	417	186	158	192	6,090
OzFoodNet	332	245	243	189	190	176	131	138	1,644
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	14,756	14,756
Torres Strait health protection strategy – mosquito control	-	-	924	-	-	-	-	-	924
Vaccine-preventable diseases surveillance	187	178	155	79	76	31	31	44	781
Victorian cytology service	-	8,085	-	-	-	-	-	-	8,085

Table 36: Payments for specific purposes to support state health services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Indigenous Health									
Health services									
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	1,290	1,290
Closing the Gap in the Northern Territory – Indigenous health and related services	-	-	-	-	-	-	-	437	437
Improving ear health services for Indigenous Australian children	855	234	1,364	1,329	770	-	-	1,836	6,388
Improving trachoma control services for Indigenous Australians	70	-	179	912	1,048	-	-	1,712	3,921
Indigenous early childhood development – antenatal and reproductive health	5,740	1,325	7,146	3,760	1,261	705	240	4,080	24,257
Reducing acute rheumatic heart fever among Indigenous children	-	-	841	841	-	-	-	841	2,523
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,600	1,600
Stronger Futures in the Northern Territory									
Hearing health services	-	-	-	-	-	-	-	1,329	1,329
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,300	4,300
Oral health services	-	-	-	-	-	-	-	1,265	1,265
Torres Strait health protection strategy – Saibai Island Health Clinic	-	-	1,500	-	-	-	-	-	1,500
Mental health									
Supporting National Mental Health Reform	13,559	9,164	8,853	5,275	3,295	1,645	620	887	43,298
Preventive health									
Enabling infrastructure	811	611	510	260	183	57	42	26	2,500
Healthy children	7,739	5,829	4,866	2,484	1,741	544	396	252	23,851
Healthy communities	3,490	3,224	3,073	2,121	1,760	581	286	446	14,981
Healthy workers	6,863	5,169	4,315	2,202	1,544	482	351	224	21,150
Social marketing	1,947	1,466	1,224	625	438	137	100	63	6,000

Table 36: Payments for specific purposes to support state health services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Other									
East Kimberley Development									
Package – health-related projects	-	-	-	2,830	-	-	-	-	2,830
Essential vaccines	100,331	67,593	25,076	13,770	10,020	3,735	2,446	2,708	225,679
Hospital and health workforce reform – activity based funding	16,450	6,770	9,380	2,540	4,800	760	610	1,660	42,970
National Coronial Information System	-	407	-	-	-	-	-	-	407
Treating more public dental patients	22,299	17,169	13,538	5,816	5,572	2,470	1,102	1,233	69,199
Total	4,800,346	3,607,351	3,105,981	1,531,367	1,148,719	361,183	229,726	211,274	14,995,947
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	3,490	3,224	3,073	2,121	1,760	581	286	446	14,981
Total	3,490	3,224	3,073	2,121	1,760	581	286	446	14,981

(a) The 2012-13 National Health Reform funding outcome will be finalised following a Determination by the Treasurer.

(b) State allocation of National Health Reform funding for 2012-13 is shown on the equal per capita basis provided for under the previous National Healthcare SPP. These amounts have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

Table 37: Payments for specific purposes to support state education services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Schools SPP(a)	3,774,494	2,964,085	2,449,022	1,210,727	921,433	262,812	202,036	140,741	11,925,350
National Partnership payments									
Digital Education Revolution	63,441	47,529	42,495	20,881	15,084	4,842	3,803	1,924	199,999
Early Childhood Education – universal access to early education	142,655	113,079	100,674	49,189	31,915	10,742	7,313	6,132	461,699
East Kimberley development package – education-related projects	-	-	-	4,210	-	-	-	-	4,210
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	214	202	-	110	105	-	74	-	705
Improving literacy and numeracy	49,928	27,358	40,356	19,711	13,125	4,553	1,752	4,415	161,198
Indigenous early childhood development – children and family centres	14,106	2,959	15,388	5,807	11,328	1,482	1,110	3,409	55,589
More support for students with disabilities	25,219	19,151	16,372	8,083	5,807	1,846	1,359	886	78,723
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	4,881	1,230	5,661	1,310	3,619	1,253	1,194	1,704	20,852
Rewards for great teachers	3,137	1,780	325	1,062	727	237	177	159	7,604
School Pathways Program	-	-	-	530	1,175	-	-	-	1,705
Secure Schools Program	2,877	958	469	255	103	-	-	338	5,000
Smarter Schools(b)									
Improving teacher quality	5,696	4,550	3,603	1,862	1,303	429	320	237	18,000
Low socio-economic status school communities	143,863	66,748	55,358	23,462	38,739	17,005	728	17,005	362,908
Stronger Futures in the Northern Territory(b)									
Building a quality school workforce – Additional Teachers(c)	-	-	-	-	-	-	-	23,450	23,450
Quality Teaching	-	-	-	-	-	-	-	12,550	12,550
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	1,769	1,769
Trade training centres in schools	48,628	39,632	36,618	25,596	15,703	4,913	9,097	1,713	181,900
Total	4,288,734	3,294,400	2,767,935	1,373,960	1,062,614	310,417	229,190	217,289	13,544,539

Table 37: Payments for specific purposes to support state education services, 2012-13 (continued)

Memorandum item - payments for non-government schools included in payments above(d)

National Schools SPP	2,483,088	2,042,866	1,632,174	804,949	631,600	160,888	142,459	82,335	7,980,359
Digital Education Revolution	23,195	17,967	15,324	8,150	5,720	1,448	1,614	580	73,998
Improving literacy and numeracy	10,656	7,773	7,884	4,507	3,220	801	581	756	36,178
More support for students with disabilities	6,038	4,257	3,187	1,915	1,012	280	280	96	17,065
Rewards for great teachers	538	1,780	325	183	132	34	34	20	3,046
Secure Schools Program	1,413	958	186	255	-	-	-	-	2,812
Trade training centres in schools	16,784	14,461	11,651	2,330	4,068	1,017	1,546	30	51,887
Total	2,541,712	2,090,062	1,670,731	822,289	645,752	164,468	146,514	83,817	8,165,345

- (a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.
 (b) Includes government and non-government schools. Payments to non-government schools are not shown in the Memorandum item.
 (c) Includes payments previously committed under the Closing the Gap in the Northern Territory National Partnership.
 (d) While actual cash payments to non-government schools may be inclusive of GST, Final Budget Outcome figures are reported exclusive of GST.

Table 38: Payments for specific purposes to support state skills and workforce development services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills & Workforce									
Development SPP(a)	451,875	343,871	274,967	145,337	102,177	31,624	23,298	14,383	1,387,532
National Partnership payments									
Building Australia's Future Workforce									
Skills Reform	76,590	59,303	48,669	24,858	17,314	5,332	3,820	2,465	238,351
Training places for single and teenage parents	6,390	4,747	4,283	1,922	1,670	575	186	227	20,000
Commonwealth/State and Territory joint group training program	824	3,151	3,273	2,216	1,097	-	293	215	11,069
Education Investment Fund	3,769	-	-	-	-	-	-	-	3,769
Industry and Indigenous Skills centres	-	229	616	359	210	176	127	335	2,052
TAFE fee waivers for childcare qualifications	4,762	6,840	3,080	161	320	228	560	39	15,990
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions	8,493	17,040	5,595	2,811	1,937	606	662	358	37,502
Total	552,703	435,181	340,483	177,664	124,725	38,541	28,946	18,022	1,716,265

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

Table 39: Payments for specific purposes to support state community services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP(a)	414,458	305,906	250,593	125,797	109,090	33,712	19,933	13,386	1,272,875
Changed roles and responsibilities – adjustment to achieve budget neutrality(b)	2,935	-	-	-	-	-	291	-	3,226
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	-	350,783	-	149,973	-	-	-	-	500,756
Specialist disability services	57,261	-	-	-	22,934	12,772	787	-	93,754
Aged care assessment	2,943	2,117	1,528	877	782	229	95	115	8,686
Assisting preparation towards the launch of the National Disability Insurance Scheme	-	-	-	-	-	596	500	-	1,096
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	94,080	67,254	46,961	23,649	26,756	8,590	1,911	1,307	270,508
National reciprocal transport concessions	5,929	1,643	3,799	407	367	113	170	73	12,501
Home and Community Care – services for veterans	958	3,912	1,324	1,501	291	143	149	29	8,307
Social and Community Services – Queensland pay equity regulation – back pay(c)	-	-	-3,702	-	-	-	-	-	-3,702

Table 39: Payments for specific purposes to support state community services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Stronger Futures in the Northern Territory									
Alice Springs Transformation Plan	-	-	-	-	-	-	-	2,247	2,247
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	13,157	13,157
Community safety and justice	-	-	-	-	-	-	-	21,406	21,406
Municipal and essential services	-	-	-	-	-	-	-	5,000	5,000
Remote engagement and coordination	-	-	-	-	-	-	-	3,305	3,305
Tackling alcohol abuse	-	-	-	-	-	-	-	2,746	2,746
Total	578,564	731,615	300,503	302,204	160,220	56,155	23,836	62,771	2,215,868

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

(b) The Commonwealth makes 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.

(c) This amount represents a return of unused funds relating to the back pay component of the Queensland pay equity regulation.

Table 40: Payments for specific purposes to support state affordable housing services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP(a)	403,034	299,734	251,197	134,379	94,921	31,456	23,559	25,447	1,263,727
National Partnership payments									
Building Better Regional Cities	19,200	4,380	3,500	7,500	-	-	-	-	34,580
First Home Owners Boost	1,103	5,156	67	91	140	-7	63	-	6,613
Homelessness	41,408	31,192	39,745	19,608	11,969	2,575	2,401	7,602	156,500
Remote Indigenous Housing	18,535	2,521	96,889	55,357	5,650	2,520	-	121,502	302,974
Stronger Futures in the Northern Territory Housing	-	-	-	-	-	-	-	27,335	27,335
Total	483,280	342,983	391,398	216,935	112,680	36,544	26,023	181,886	1,791,729
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Building Better Regional Cities	19,200	4,380	3,500	7,500	-	-	-	-	34,580
Total	19,200	4,380	3,500	7,500	-	-	-	-	34,580

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

Table 41: Payments for specific purposes to support state infrastructure services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Abt Railway	-	-	-	-	-	6,000	-	-	6,000
Community Infrastructure Grants –									
Glenbrook Precinct Upgrade	1,750	-	-	-	-	-	-	-	1,750
East Kimberley Development Package –									
Other infrastructure projects	-	-	-	625	-	-	-	-	625
Interstate road transport	34,966	20,345	7,204	3,010	9,168	379	379	379	75,830
Liveable cities	2,598	943	1,089	1,280	200	570	250	50	6,980
Local Government and Regional Development									
Infrastructure employment projects	-	700	-	-	-	2,000	-	-	2,700
Managed motorways	1,150	1,500	-	-	-	-	-	-	2,650
Nation Building Plan for the Future									
Building Australia Fund									
Rail	-	622,000	-	-	13,200	-	-	-	635,200
Road	323,000	-	-	-	-	-	23,410	-	346,410
Major Cities									
Rail	-	-	-	101,200	-	-	-	-	101,200
Nation Building Program									
Black spot projects	18,898	15,523	12,679	8,759	4,655	1,418	992	876	63,800
Heavy vehicle safety and productivity	1,986	19	-	231	58	51	-	-	2,345
Improving local roads	-	-	-	-	1,028	-	-	-	1,028
Improving the national network	-	-	-	-	1,015	-	-	-	1,015
Investment									
Rail	94,705	-	-	1,498	552	31,676	-	-	128,431
Road	538,910	158,395	411,725	267,088	86,703	12,073	588	66,800	1,542,282
Off-network projects									
Rail	4,663	1,780	34,624	64,111	-	6,200	-	-	111,378
Road	32,239	25,046	8,334	40,703	-	2,071	-	-	108,393
Supplementary	-	-	-	794	-	-	-	-	794
Roads to Recovery	108,354	73,840	59,764	49,917	31,528	13,977	1,905	10,530	349,815

Table 41: Payments for specific purposes to support state infrastructure services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National transport regulator reforms									
National Heavy Vehicles Regulator	-	-	14,828	-	-	-	-	-	14,828
National Rail Safety Regulator	-	-	-	-	7,985	-	-	-	7,985
Parliament House Walk	-	-	-	-	-	-	100	-	100
Regional Infrastructure Fund	-	-	74,000	28,440	-	550	-	1,200	104,190
Upgrade of Parramatta Stadium	20,000	-	-	-	-	-	-	-	20,000
Total	1,183,219	920,091	624,247	567,656	156,092	76,965	27,624	79,835	3,635,729
<i>Memorandum item - payments direct to local governments included in payments above</i>									
East Kimberley Development Package –									
other infrastructure projects	-	-	-	625	-	-	-	-	625
Liveable cities	2,598	243	1,089	280	200	460	-	50	4,920
Local Government and Regional Development –									
infrastructure employment projects	-	700	-	-	-	-	-	-	700
Nation Building Program									
Off-network projects									
Rail	-	1,780	-	-	-	-	-	-	1,780
Road	-	-	4,200	-	-	-	-	-	4,200
Supplementary	-	-	-	794	-	-	-	-	794
Roads to Recovery	108,014	73,769	59,764	49,917	28,936	13,977	-	7,125	341,502
Total	110,612	76,492	65,053	51,616	29,136	14,437	-	7,175	354,521

Table 42: Payments for specific purposes to support state environment services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Caring for our Country	35,251	27,520	23,020	24,103	17,346	12,431	1,359	3,687	144,717
Coal seam gas and large coal mining development	3,500	2,030	3,700	-	620	-	-	-	9,850
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	1,474	1,474
Great Artesian Basin Sustainability Initiative	4,211	-	5,377	-	1,324	-	-	-	10,912
Implementing Water Reform in the Murray-Darling Basin	-	2,040	-	-	446	-	98	-	2,584
Natural Disaster Recovery and Rebuilding – donation to Queensland flood appeal	-	-	1,000	-	-	-	-	-	1,000
Natural disaster resilience	6,785	4,176	3,002	1,566	2,088	3,805	1,305	1,305	24,032
Northern Australia Sustainable Futures	-	-	125	-	-	-	-	148	273
Pest and Disease Preparedness and Response Programs									
Animal and plant pest and disease eradication	400	213	9,326	-	-	-	-	-	9,939
Exotic Disease Preparedness Program	367	12	10	-	25	-	-	-	414
Sustainable Australia – Sustainable regional development	360	-	-	-	-	-	-	-	360
Tasmanian Forests Intergovernmental Agreement									
Implementation of the Intergovernmental Agreement	-	-	-	-	-	37,717	-	-	37,717
Economic diversification projects	-	-	-	-	-	3,000	-	-	3,000
Water for the Future									
National Urban Water and Desalination Plan	-	4,360	-	1,000	46,550	-	-	-	51,910
National Water Security Plan for Cities and Towns	12,732	3,000	1,250	7,649	3,445	1,205	-	13,435	42,716
Sustainable Rural Water Use and Infrastructure	173,530	49,054	11,968	1,732	20,761	41,657	701	449	299,852
Total	237,136	92,405	58,778	36,050	92,605	99,815	3,463	20,498	640,750

Table 42: Payments for specific purposes to support state environment services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Sustainable Australia – Sustainable regional development	360	-	-	-	-	-	-	-	360
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	950	-	-	-	950
National Water Security Plan for Cities and Towns	10,732	-	-	500	655	1,205	-	-	13,092
Sustainable Rural Water Use and Infrastructure	3,368	-	-	-	-	-	-	-	3,368
Total	14,460	-	-	500	1,605	1,205	-	-	17,770

Table 43: Payments for specific purposes to support contingent state services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Hepatitis C settlement fund	115	-	-	-	-	-	32	22	169
Natural Disaster Relief and Recovery Arrangements(a)	105,250	49,191	1,727,473	2,671	78	7,324	-	443	1,892,430
Total	105,365	49,191	1,727,473	2,671	78	7,324	32	465	1,892,599

(a) Figures in the table above reflect the expense outcome. Total cash payments made in 2012-13 are presented in Table 28.

Table 44: Payments for specific purposes to support other state services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Australian Capital Territory emergency services	-	-	-	-	-	-	4,000	-	4,000
Centenary of Canberra 2013 – joint national program	-	-	-	-	-	-	2,040	-	2,040
Digital Regions Initiative	3,983	1,102	1,521	441	1,396	1,758	-	1,325	11,526
Financial assistance grants									
General purpose financial assistance	491,950	378,196	306,245	161,964	111,597	34,704	25,144	15,772	1,525,572
Untied local roads grants	196,402	139,561	126,834	103,505	37,202	35,873	21,706	15,857	676,940
Supplementary road funding to South Australia for local roads	-	-	-	-	16,862	-	-	-	16,862
Legal assistance services	62,649	44,388	41,174	19,917	15,695	5,936	4,420	3,908	198,087
Local Government and Regional Development									
Local Government Reform Fund	-	-	208	1,225	137	157	-	150	1,877
Pilot of drought reform measures in Western Australia	-	-	-	7,772	-	-	-	-	7,772
Provision of fire services	3,846	2,709	2,729	1,217	908	238	4,612	1,473	17,732
Remote Indigenous public internet access	269	-	409	85	338	-	-	807	1,908
Seamless National Economy	26,637	6,883	17,194	2,891	6,105	1,874	1,610	860	64,054
Sinking fund on State debt	20	1	-	-	-	-	-	-	21
Victorian Local Hospitals Network	-	106,000	-	-	-	-	-	-	106,000
Total	785,756	678,840	496,314	299,017	190,240	80,540	63,532	40,152	2,634,391

Table 45: General revenue assistance payments to the States, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	14,733,482	11,003,827	9,551,225	2,866,163	4,491,787	1,703,971	956,115	2,754,393	48,060,963
Other payments									
ACT Municipal Services	-	-	-	-	-	-	36,760	-	36,760
Reduced royalties	-	-	-	63,325	-	-	-	-	63,325
Royalties	-	-	-	1,039,668	-	-	-	5,318	1,044,986
Snowy Hydro Ltd tax compensation	33,016	16,508	-	-	-	-	-	-	49,524
Total	14,766,498	11,020,335	9,551,225	3,969,156	4,491,787	1,703,971	992,875	2,759,711	49,255,558

(a) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

Table 46: Total payments to the States by GFS function, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
General public services	26,637	6,883	17,194	2,891	6,105	1,874	1,610	860	64,054
Public order and safety	69,372	48,055	44,372	21,389	16,706	6,174	13,032	27,125	246,225
Education	4,809,154	3,715,915	3,081,417	1,540,512	1,168,534	345,744	255,185	228,453	15,144,914
Health	4,803,396	3,713,351	3,105,981	1,531,367	1,148,719	361,183	230,049	211,296	15,105,342
Social security and welfare	599,330	739,713	321,187	309,176	173,996	57,940	24,882	40,631	2,266,855
Housing and community amenities	533,524	378,352	422,334	244,509	132,934	55,350	29,037	193,550	1,989,590
Recreation and culture	20,000	-	-	-	-	6,000	2,040	-	28,040
Fuel and energy	4,881	1,230	5,661	1,310	3,619	1,253	1,194	1,704	20,852
Agriculture, forestry and fishing	191,240	58,679	27,931	18,153	72,551	83,579	799	13,884	466,816
Transport and communication	1,163,123	919,550	625,088	566,277	157,626	70,153	27,274	81,917	3,611,008
Other economic affairs	824	3,380	187	2,575	1,307	176	420	550	9,419
Other purposes (a)	15,560,120	11,587,284	11,712,985	4,238,521	4,657,663	1,782,029	1,039,725	2,791,933	53,370,260
Total payments to the States	27,781,601	21,172,392	19,364,337	8,476,680	7,539,760	2,771,455	1,625,247	3,591,903	92,323,375
<i>less</i> payments 'through' the States	2,692,595	2,318,875	1,772,388	873,494	700,587	179,184	157,227	118,594	8,812,944
<i>less</i> financial assistance grants for local government	688,352	517,757	433,079	265,469	148,799	70,577	46,850	31,629	2,202,512
<i>less</i> payments direct 'to' local government	147,762	84,096	71,626	61,737	32,501	16,223	286	7,621	421,852
<i>equals</i> total payments 'to' the States for own-purpose expenses	24,252,892	18,251,664	17,087,244	7,275,980	6,657,873	2,505,471	1,420,884	3,434,059	80,886,067

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

Table 47: Other financial flows — estimated advances, repayment of advances and interest payments, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Repayments									
Contingent liabilities									
Natural disaster relief	-145	-	-7,282	-	-	-	-	-	-7,427
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-36,263	-	-9,689	-9,167	-14,123	-4,861	-	-725	-74,828
Housing for service personnel	-1,330	-	-819	-227	-42	-	-	-	-2,418
Other housing	-	-	-	-	-	-	-7,630	-2,448	-10,078
Infrastructure									
Railway projects	-9	-9	-	-365	-	-	-	-	-383
Sewerage	-6,370	-	-1,588	-	-1,043	-	-	-	-9,001
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 47: Other financial flows — estimated advances, repayment of advances and interest payments, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-694	-	-	-	-	-	-	-	-694
Natural disaster relief	-14	-	-2,006	-	-	-	-	-	-2,020
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-569	-569
Housing									
Commonwealth-State Housing									
Agreement loans	-31,575	-2	-8,835	-8,437	-13,871	-4,326	-	-1,257	-68,303
Housing for service personnel	-2,068	-	-1,162	-221	-92	-	-	-	-3,543
Other housing	-	-	-	-	-	-	-7,655	-3,173	-10,828
Infrastructure									
Railway projects	-1	-	-	-116	-	-	-	-	-117
Sewerage	-1,897	-	-503	-	-442	-	-	-	-2,842
War service land settlement scheme	-5	-3	-	-	-	-	-	-	-8
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-766	-	-766
Loan Council – housing nominations	-18,854	-	-6,776	-11,577	-11,406	-5,000	-	-6,587	-60,200
Net Financial Flow	-107,230	-98	-41,551	-35,122	-45,724	-16,294	-16,605	-17,511	-280,135

APPENDIX A: EXPENSES BY FUNCTION AND SUB-FUNCTION

Table A1 sets out Australian Government general government sector expenses by function and sub-function for 2012-13.

Table A1: Australian Government general government sector expenses by function and sub-function

	2011-12 Outcome	2012-13 Estimate at 2013-14 Budget	2012-13 Outcome	Change on 2013-14 Budget
	\$m	\$m	\$m	\$m
General public services				
Legislative and executive affairs	1,003	1,021	959	-61
Financial and fiscal affairs	7,982	7,749	7,843	94
Foreign affairs and economic aid	5,878	5,896	5,796	-100
General research	2,764	2,639	2,651	12
General services	1,432	683	759	76
Government superannuation benefits	4,360	7,567	7,947	380
Total general public services	23,419	25,555	25,956	401
Defence	21,692	21,122	21,146	24
Public order and safety				
Courts and legal services	829	899	852	-47
Other public order and safety	3,170	3,129	3,071	-58
Total public order and safety	3,999	4,028	3,923	-105
Education				
Higher education	8,533	8,724	8,714	-10
Vocational and other education	1,998	1,904	1,887	-17
Schools	12,243	12,419	12,442	22
<i>Non-government schools</i>	7,737	8,094	8,116	22
<i>Government schools</i>	4,505	4,326	4,326	0
Student assistance	4,110	3,532	3,597	65
General administration	263	268	276	8
School education - specific funding	1,903	1,563	1,552	-11
Total education	29,050	28,411	28,468	56
Health				
Medical services and benefits	25,081	25,307	25,342	35
Hospital services	2,944	2,694	2,632	-62
National Health Reform Payment	12,544	13,252	13,309	57
Pharmaceutical benefits and services	10,188	10,689	9,832	-857
Aboriginal and Torres Strait Islander health	736	752	730	-23
Health services	7,359	6,362	6,294	-68
General administration	3,159	3,192	3,164	-29
Total health	62,012	62,249	61,302	-947
Social security and welfare				
Assistance to the aged	48,231	50,984	50,688	-296
Assistance to veterans and dependants	7,090	7,046	6,968	-78
Assistance to people with disabilities	23,016	23,873	24,018	145
Assistance to families with children	34,919	35,256	35,119	-138

Table A1: Australian Government general government sector expenses by function and sub-function (continued)

	2011-12 Outcome	2012-13 Estimate at 2013-14 Budget	2012-13 Outcome	Change on 2013-14 Budget
	\$m	\$m	\$m	\$m
Social security and welfare (continued)				
Assistance to the unemployed and the sick	7,448	8,559	8,518	-42
Other welfare programs	992	1,663	1,555	-107
Assistance for Indigenous Australians nec	1,162	1,145	1,172	27
General administration	3,889	3,861	3,863	2
Total social security and welfare	126,747	132,388	131,901	-487
Housing and community amenities				
Housing	3,387	2,877	2,844	-33
Urban and regional development	595	560	531	-29
Environment protection	2,197	3,460	3,391	-69
Total housing and community amenities	6,180	6,898	6,766	-131
Recreation and culture				
Broadcasting	1,608	1,748	1,665	-83
Arts and cultural heritage	1,221	1,118	1,167	49
Sport and recreation	523	375	403	29
National estate and parks	457	400	389	-12
Total recreation and culture	3,809	3,641	3,625	-16
Fuel and energy	6,464	6,168	5,954	-214
Agriculture, forestry and fishing				
Wool industry	62	54	57	4
Grains industry	169	173	184	11
Dairy industry	51	53	51	-3
Cattle, sheep and pig industry	170	173	168	-6
Fishing, horticulture and other agriculture	228	242	217	-25
General assistance not allocated to specific industries	24	28	25	-3
Rural assistance	256	139	119	-20
Natural resources development	1,327	1,052	951	-101
General administration	667	690	635	-55
Total agriculture, forestry and fishing	2,953	2,605	2,407	-198
Mining, manufacturing and construction	2,245	2,267	2,920	653
Transport and communication				
Communication	861	589	637	49
Rail transport	1,045	1,032	1,025	-7
Air transport	228	208	213	5
Road transport	6,341	2,529	2,521	-8
Sea transport	290	319	310	-9
Other transport and communication	364	326	316	-10
Total transport and communication	9,129	5,002	5,023	20

Table A1: Australian Government general government sector expenses by function and sub-function (continued)

	2011-12 Outcome	2012-13 Estimate at 2013-14 Budget	2012-13 Outcome	Change on 2013-14 Budget
	\$m	\$m	\$m	\$m
Other economic affairs				
Tourism and area promotion	177	181	190	9
Total labour and employment affairs	4,783	4,271	4,156	-115
<i>Vocational and industry training</i>	1,977	1,658	1,628	-30
<i>Labour market assistance to job seekers and industry</i>	2,109	1,803	1,727	-76
<i>Industrial relations</i>	698	809	801	-9
Immigration	2,740	3,575	3,533	-42
Other economic affairs nec	2,354	2,337	2,752	414
Total other economic affairs	10,054	10,365	10,631	266
Other purposes				
Public debt interest	11,421	12,209	12,521	312
<i>Interest on Australian Government's behalf</i>	11,421	12,209	12,521	312
Nominal superannuation interest	7,376	6,778	6,729	-49
General purpose inter-government transactions	49,940	51,160	51,480	320
<i>General revenue assistance - States and Territories</i>	47,149	48,935	49,244	309
<i>Local government assistance</i>	2,791	2,225	2,236	11
Natural disaster relief	1,516	1,894	1,893	-1
Contingency reserve	0	-1,301	0	1,301
Total other purposes	70,253	70,741	72,623	1,883
Total expenses	378,005	381,439	382,644	1,205

APPENDIX B: 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 1998-99 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 Accounting Standards (AAS) which includes International Financial Reporting Standards (IFRS) as adopted in Australia. Prior to 2005-06, underlying GFS data are based on data provided by agencies applying AAS prior to the adoption of IFRS;

Appendix B: Historical Australian Government Data

- most recent accounting classification changes that require revisions to the historical series have been back-cast (where applicable) to 1998-99, ensuring that data are consistent across the accrual period from 1998-99 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 was used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 have been replaced by ABS data derived from the accrual framework.

DEFLATING REAL SPENDING GROWTH BY THE CONSUMER PRICE INDEX

The 2012-13 Final Budget Outcome (FBO), including the historical series, calculates real spending growth using the Consumer Price Index (CPI) as the deflator. Prior to the 2008-09 Budget the non-farm GDP (NFGDP) deflator was used and has therefore been shown in this appendix for comparative purposes. The non-farm GDP deflator incorporates fluctuations in global commodity prices which are not relevant for Government expenditures.

Table B1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a)

	Receipts(b)		Payments(c)				Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth (CPI)	Per cent real growth (NFGDP deflator)(e)	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	4.7	18.6	-	886	2.0
1972-73	9,735	19.6	9,388	7.7	7.8	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	14.5	21.7	-	181	0.3
1975-76	18,727	22.5	20,225	15.7	13.5	24.3	-	-1,499	-1.8
1976-77	21,890	22.8	23,157	0.6	1.9	24.1	-	-1,266	-1.3
1977-78	24,019	22.9	26,057	2.7	3.3	24.8	-	-2,037	-1.9
1978-79	26,129	22.0	28,272	0.3	2.8	23.8	-	-2,142	-1.8
1979-80	30,321	22.5	31,642	1.5	2.1	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	9.7	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	8.4	27.5	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	3.4	27.4	-	-5,122	-2.0
1986-87	74,724	26.2	77,158	-1.1	0.8	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	-4.3	23.2	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	1.7	22.9	-	5,942	1.5
1990-91	100,227	24.1	100,665	3.1	3.8	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	5.9	26.0	-	-18,118	-4.1
1993-94	103,824	22.2	122,009	3.5	4.3	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	3.3	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	-0.6	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	4.7	23.8	-	3,889	0.6
1999-00	166,199	25.1	153,192	1.0	0.8	23.1	-	13,007	2.0
2000-01	182,996	25.9	177,123	9.1	10.7	25.1	-	5,872	0.8
2001-02	187,588	24.8	188,655	3.5	4.2	25.0	-	-1,067	-0.1
2002-03	204,613	25.5	197,243	1.4	1.6	24.6	-	7,370	0.9
2003-04	217,775	25.3	209,785	3.9	2.9	24.4	-	7,990	0.9
2004-05	235,984	25.6	222,407	3.5	1.9	24.1	-	13,577	1.5
2005-06	255,943	25.7	240,136	4.6	2.8	24.1	51	15,757	1.6
2006-07	272,637	25.2	253,321	2.5	0.6	23.4	2,127	17,190	1.6
2007-08	294,917	25.1	271,843	3.8	2.7	23.1	3,319	19,754	1.7
2008-09	292,600	23.3	316,046	12.7	10.3	25.2	3,566	-27,013	-2.2
2009-10	284,662	22.0	336,900	4.2	5.6	26.1	2,256	-54,494	-4.2
2010-11	302,024	21.5	346,102	-0.4	-3.1	24.7	3,385	-47,463	-3.4
2011-12	329,874	22.4	371,032	4.8	5.5	25.2	2,203	-43,360	-2.9
2012-13	351,052	23.2	367,204	-3.2	-0.5	24.3	2,682	-18,834	-1.2

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to cash 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 net Future Fund earnings. For the purposes of consistent comparison with years prior to 2005-06, net Future Fund earnings should be added back to the underlying cash balance.

(e) 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.

Table B2: 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	21.7	19,973	1.6	292,600	23.3
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	21.5
2011-12	309,943	21.0	19,931	1.4	329,874	22.4
2012-13	326,426	21.6	24,627	1.6	351,052	23.2

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets.

Table B3: 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	147,334	10.0	6,609	0.4
2012-13	152,982	10.1	8,285	0.5

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net debt is equal to 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.

(c) Net interest payments are equal to the difference between interest paid and interest receipts.

Table B4: Australian Government general government sector revenue, expenses, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net capital investment		Fiscal balance(b)	
		Per cent		Per cent		Per cent		Per cent
	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP
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	242,334	24.4	2,498	0.3	16,406	1.6
2006-07	278,411	25.7	259,276	23.9	2,333	0.2	16,801	1.6
2007-08	303,729	25.8	280,188	23.8	2,593	0.2	20,948	1.8
2008-09	298,933	23.8	324,612	25.9	4,064	0.3	-29,743	-2.4
2009-10	292,767	22.7	340,208	26.3	6,433	0.5	-53,875	-4.2
2010-11	309,890	22.1	356,353	25.4	5,297	0.4	-51,760	-3.7
2011-12	338,109	22.9	378,005	25.6	4,850	0.3	-44,746	-3.0
2012-13	360,160	23.8	382,644	25.3	987	0.1	-23,472	-1.6

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment.

Table B5: 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	-67,036	-10.1
2000-01	-6,618	-0.9	-71,876	-10.2
2001-02	-11,655	-1.5	-78,032	-10.3
2002-03	-15,330	-1.9	-82,931	-10.4
2003-04	-1,152	-0.1	-72,389	-8.4
2004-05	14,556	1.6	-58,882	-6.4
2005-06	17,971	1.8	-59,763	-6.0
2006-07	46,351	4.3	-35,696	-3.3
2007-08	70,859	6.0	-14,690	-1.2
2008-09	19,427	1.5	-71,490	-5.7
2009-10	-45,938	-3.6	-144,485	-11.2
2010-11	-95,386	-6.8	-198,787	-14.2
2011-12	-247,208	-16.8	-355,834	-24.1
2012-13	-202,650	-13.4	-312,724	-20.7

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net worth is equal to total assets less total liabilities.

(c) Net financial worth is equal to financial assets less total liabilities.

Table B6: 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	24.4	17,500	1.5	303,729	25.8
2008-09	278,653	22.2	20,280	1.6	298,933	23.8
2009-10	268,000	20.7	24,767	1.9	292,767	22.7
2010-11	289,005	20.6	20,885	1.5	309,890	22.1
2011-12	316,779	21.5	21,330	1.4	338,109	22.9
2012-13	337,323	22.3	22,836	1.5	360,160	23.8

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

Table B7: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(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	15,757	30,875	31,874	-999	278,254	263,445	14,759
2006-07	272,637	253,321	17,190	16,882	18,641	-1,759	285,336	267,778	15,431
2007-08	294,917	271,843	19,754	7,758	8,232	-473	300,503	277,903	19,281
2008-09	292,600	316,046	-27,013	7,987	8,960	-973	297,421	321,841	-27,986
2009-10	284,662	336,900	-54,494	8,419	9,341	-922	290,681	343,841	-55,416
2010-11	302,024	346,102	-47,463	8,558	9,733	-1,175	308,258	353,511	-48,638
2011-12	329,874	371,032	-43,360	8,845	10,847	-2,002	336,122	379,282	-45,362
2012-13	351,052	367,204	-18,834	9,766	14,135	-4,369	358,088	378,609	-23,203

(a) Data have been revised in the 2012-13 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to cash payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) These items exclude net Future Fund earnings from 2005-06 onwards. Net Future Fund earnings are shown in Table B1.

na Data not available.

Table B8: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal 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	168,958	3,085
1999-00	167,304	155,558	11,815	25,485	23,542	1,062	188,841	173,996	12,877
2000-01	186,110	180,094	6,007	25,869	24,762	-826	207,372	200,250	5,181
2001-02	190,488	193,041	-2,935	26,638	25,341	793	212,518	213,774	-2,142
2002-03	206,923	201,259	5,377	24,339	22,916	1,975	226,135	219,089	7,311
2003-04	222,168	215,361	6,148	25,449	23,444	2,143	241,873	233,060	8,291
2004-05	242,507	229,245	12,228	26,965	25,191	1,473	263,587	248,552	13,700
2005-06	261,238	242,334	16,406	28,143	29,531	-2,442	282,597	265,080	13,964
2006-07	278,411	259,276	16,801	15,443	16,360	-1,763	290,067	271,850	15,038
2007-08	303,729	280,188	20,948	6,854	6,686	-584	309,215	285,506	20,364
2008-09	298,933	324,612	-29,743	6,998	7,576	-1,495	303,733	329,991	-31,238
2009-10	292,767	340,208	-53,875	7,288	7,297	-1,079	298,412	345,863	-54,954
2010-11	309,890	356,353	-51,760	7,563	7,787	-1,446	315,688	362,375	-53,205
2011-12	338,109	378,005	-44,746	8,046	8,238	-2,158	344,507	384,595	-46,904
2012-13	360,160	382,644	-23,472	8,863	9,415	-4,189	367,306	390,342	-27,661

(a) Data have been revised in the 2012-13 Final Budget Outcome 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.

na Data not available.

