

MID-YEAR ECONOMIC AND FISCAL OUTLOOK

2012-13

STATEMENT BY

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NOTES

- (a) The following definitions are used in this Mid-year Fiscal and Economic Outlook (MYEFO):
- 'real' means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated by the Consumer Price Index (CPI) as the deflator;
 - the Budget year refers to 2012-13, while the forward years refer to 2013-14, 2014-15 and 2015-16; 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| nfp | not for publication |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 |

- (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.

FOREWORD

The *Mid-Year Economic and Fiscal Outlook 2012-13* (MYEFO) has been prepared in accordance with the *Charter of Budget Honesty Act 1998*. The Charter requires that the Government provide a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy.

Consistent with these requirements:

- **Part 1: Overview** — contains summary information on the key fiscal and economic indicators and outlook.
- **Part 2: Economic outlook** — discusses the domestic and international economic forecasts that underpin the budget estimates.
- **Part 3: Fiscal strategy and outlook** — provides a discussion of the fiscal strategy and outlook, in addition to a summary of the factors explaining variations in the cash flow statement, the operating statement and the balance sheet since the 2012-13 Budget. This part also discusses the sensitivity of the forward budget estimates to changes in major economic parameters, expenses by function and tax expenditures.
- **Appendix A: Policy decisions taken since the 2012-13 Budget** — provides details of decisions taken since the 2012-13 Budget that affect revenue, expense and capital estimates.
- **Appendix B: Australian Government Budget Financial Statements** — provides financial statements for the general government, public non-financial corporations and total non-financial public sectors.
- **Appendix C: Statement of risks** — provides details of general developments or specific events that may have an impact on the fiscal position, and contingent liabilities which are costs the government may possibly face, some of which are quantified.
- **Appendix D: Historical Australian Government data** — provides historical data for the Australian Government's key fiscal aggregates.

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PART 1: OVERVIEW

INTRODUCTION

The Government is returning the budget to surplus in 2012-13, notwithstanding a weaker global economy that has weighed heavily on tax receipts. Returning to surplus is appropriate given current economic conditions, with the economy forecast to grow around trend, the unemployment rate forecast to remain low and commodity prices remaining high by historical standards. Returning to surplus provides ongoing scope for monetary policy to respond to economic developments and underpins confidence in Australia's public finances at a time of global economic uncertainty.

Global growth is expected to be lower than forecast at Budget, as the recession in the euro area and the subdued recovery in the United States bear on the growth of key trading partners in the emerging market economies of Asia. While still robust, China's economic growth has moderated more than expected at the 2012-13 Budget and by most official forecasters, reflecting weaker external demand and a deliberate policy-induced slowing in domestic activity. The euro area debt crisis and the impending legislated fiscal contraction in the United States (the 'fiscal cliff') are adding to global economic uncertainty and this is likely to continue into 2013.

Despite a weaker global outlook, the fundamentals of the Australian economy remain strong and the outlook remains positive. The Australian economy continues to outperform every major advanced economy. While some sectors face challenging conditions, the economy is expected to grow around trend, underpinned by a surge in resources investment, strong growth in export volumes and solid growth in household consumption.

While the outlook for the Australian economy is positive, external factors are weighing heavily on parts of the economy and tax receipts. The moderation in world Gross Domestic Product (GDP) growth has contributed to a greater-than-expected easing in global prices of Australia's non-rural bulk commodities. This has been the primary driver of a substantial write-down in total tax receipts of over \$20 billion over the forward estimates.

To return the budget to surplus in 2012-13 and beyond, the Government has made substantial targeted savings, ensuring that Australia's public finances remain strong. These decisions return the budget to surplus ahead of any major advanced economy, contribute to growing surpluses and improve the long-term sustainability of the budget.

The Government has continued its commitment over the past few years to find the savings to fund new priorities and maintain Australia's strong fiscal position. This has been achieved in the face of a substantial write-down in tax receipts of almost \$160 billion over the five years since the beginning of the Global Financial Crisis (GFC).

Part 1: Overview

Since mid-2009 the Government has more than offset all new spending. Savings in this Mid-Year Economic and Fiscal Outlook (MYEFO) total \$16.4 billion, and have funded initiatives such as dental reform, and will help make room for the delivery of new priorities in future years.

Maintaining Australia's strong public finances means getting the long-term settings right, so that the Australian community can take advantage of the significant opportunities of the Asian century from a position of strength. The Government has made clear it will pursue significant new priorities, including school funding reform and a National Disability Insurance Scheme (NDIS). The Government continues to make enduring savings that will help make room for these national priorities in the medium term. The Government will identify further savings to help fund these priorities.

The underlying cash surplus is expected to be \$1.1 billion (0.1 per cent of GDP) in 2012-13, growing to \$2.2 billion (0.1 per cent of GDP) in 2013-14. Table 1.1 presents the fiscal and underlying cash balances for 2012-13 to 2015-16.

Returning to surplus in 2012-13 is appropriate given current economic conditions, reflecting a targeted approach to savings that minimises the impacts of the fiscal consolidation on the economy, and on vulnerable people. The Government will continue to balance these considerations, and will continue to ensure its approach to savings is appropriate for the economic conditions and is fair on the community.

Table 1.1: Budget aggregates

	Estimates			
	2012-13		2013-14	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	1.5	1.1	2.0	2.2
Per cent of GDP	0.1	0.1	0.1	0.1
Fiscal balance(\$b)	2.5	1.2	2.6	4.3
Per cent of GDP	0.2	0.1	0.2	0.3
	Projections			
	2014-15		2015-16	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	5.3	3.3	7.5	6.4
Per cent of GDP	0.3	0.2	0.4	0.4
Fiscal balance(\$b)	7.0	6.9	9.5	9.8
Per cent of GDP	0.4	0.4	0.5	0.5

(a) MYEFO figures report net Future Fund earnings, whereas Budget figures report gross Future Fund earnings. This is further explained in Appendix B.

ECONOMIC OUTLOOK

Against a weaker international backdrop and the structural change taking place domestically, the Australian economy has continued to grow strongly and outperform every major advanced economy. The unemployment rate has remained low and

underlying inflation is at the bottom of the Reserve Bank's target band. However, global economic conditions have weakened since Budget, weighing on confidence and causing a larger-than-anticipated decline in the prices of Australia's key non-rural commodity exports.

Economic growth has slowed in the major advanced economies. The euro area is in recession and new policy interventions have been necessary to prevent the sovereign debt crisis from escalating. The recovery in the United States has remained moderate, despite substantial monetary policy easing, reflecting persistent underlying weakness in the housing and labour markets.

This weakness in the major advanced economies is now having a larger bearing on growth in the emerging market economies of Asia. China's economic growth, while still robust, has eased, reflecting both weaker external demand and a policy-induced slowdown in the property sector. This has been reflected in slower growth in industrial production and investment, reducing demand for resources and driving larger-than-anticipated falls in non-rural commodity prices.

Global growth forecasts have been downgraded from 3½ per cent to 3¼ per cent in 2012 and from 4 per cent to 3¾ per cent in 2013. Growth expectations have been revised down in the euro area for 2013 and across the forecast horizon in the large emerging market economies. However, growth in the emerging market economies of Asia is still expected to be relatively robust, including in China, where the authorities retain significant capacity to support growth. The emerging market economies in aggregate are expected to contribute over three-quarters of total global growth in 2012 and 2013.

Risks to the international growth outlook remain firmly on the downside. The threat of financial contagion from the crisis in the euro area remains significant, while the potential fiscal cliff in the United States threatens an already fragile recovery. In both cases, policy makers face difficult political challenges, but the risks to global economic and financial conditions of not acting decisively are substantial.

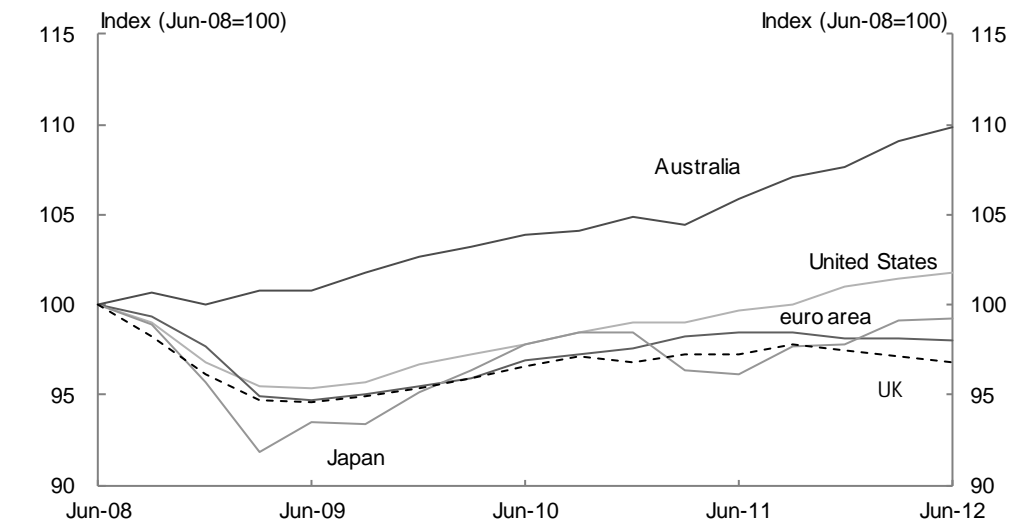
These uncertainties are complicating macroeconomic management elsewhere, including in China, where there is a risk that the combination of weaker-than-anticipated external demand and the authorities' efforts to place their economy on a more sustainable growth path could result in a larger slowdown in economic activity than desired. As seen in recent months, a larger-than-anticipated slowdown in China can have significant implications for global commodities markets and Australia's export revenues.

With few signs of an immediate resolution to the euro area debt crisis or the United States fiscal cliff, the risks and uncertainties surrounding the international outlook are likely to persist into 2013.

Part 1: Overview

In the face of substantial global headwinds, the Australian economy has grown strongly. Australia's level of economic activity is significantly above its pre-GFC level, in stark contrast to the major advanced economies (Chart 1.1). The outlook for the Australian economy also remains positive. Australia's real GDP is expected to grow at around trend over the forecast period, faster than every major advanced economy.

Chart 1.1: GDP levels for advanced economies



Source: ABS cat. no. 5206.0, national statistical agencies, Thomson Reuters and Treasury.

Australia's real GDP is forecast to grow 3 per cent in both 2012-13 and 2013-14. While this is a downgrade of $\frac{1}{4}$ of a percentage point in 2012-13 compared with Budget, this follows stronger-than-anticipated growth in 2011-12. The downward revision to forecast nominal GDP growth since Budget is more significant, primarily because of larger-than-anticipated falls in global prices for some of Australia's key non-rural commodity exports that have already occurred.

Global energy and steel demand growth has eased as world GDP growth has moderated, reducing demand for raw materials such as coal and iron ore. The decline in iron ore and coal prices to mid-September, while consistent with lower demand, appeared to exceed market fundamentals. Iron ore prices have since increased and it is anticipated they will regain further ground over the coming months.

Still, consistent with a weaker international growth outlook, global prices for these commodities are expected to remain below the levels forecast at Budget. Consequently, while Australia's terms of trade are expected to remain high by historical standards, the decline over the forecast period is expected to be greater than anticipated at Budget, driving a downward revision to forecast nominal GDP growth to 4 per cent in 2012-13 from 5 per cent at Budget.

Australia's unemployment rate is forecast to remain low, albeit rising slightly from $5\frac{1}{4}$ per cent in the September quarter 2012 to $5\frac{1}{2}$ per cent by the end of 2012-13,

consistent with moderate employment growth over the forecast period. Australia's low unemployment rate stands in stark contrast with the high unemployment rates in the major advanced economies and is an important measure of Australia's relative economic strength.

Headline and underlying inflation are forecast to remain in the bottom half of the Reserve Bank's target band, abstracting from the one-off impact of introducing the carbon price. This is consistent with the forecast slight rise in Australia's unemployment rate and continued pass-through of the high exchange rate to consumer prices.

Table 1.2 presents the major economic parameters used in preparing the 2012-13 MYEFO.

Table 1.2: Major economic parameters^(a)

	Forecasts		Projections	
	2012-13	2013-14	2014-15	2015-16
Real GDP	3	3	3	3
Employment	1	1 1/4	1 1/2	1 1/2
Unemployment rate	5 1/2	5 1/2	5	5
Consumer Price Index	3	2 1/4	2 1/2	2 1/2
Nominal GDP	4	5 1/2	5 1/4	5 1/4

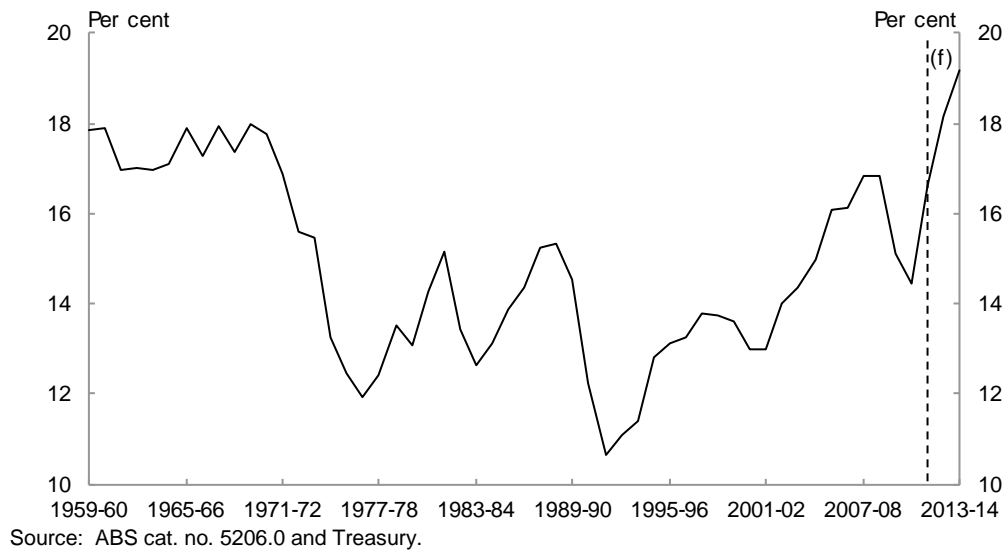
(a) Real and nominal GDP are year-average growth. Employment and CPI are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: Treasury.

The outlook for Australia's real GDP growth continues to be underpinned by a surge of investment in the resources sector, strong growth in the volume of commodity exports and solid household demand.

New business investment is expected to reach 50-year highs as a share of GDP over the forecast period (Chart 1.2), driven by the resources sector. Over \$260 billion of resources investments have received final investment approval and the majority of these projects are already under construction. Resources investment as a share of GDP is expected to peak during the forecast period and remain at historically high levels through to at least the middle of this decade, converting the largest terms of trade boom in Australia's history to an enduring increase in our economic capacity. Following 75 per cent growth in 2011-12, the latest capital expenditure survey suggests a further 45 per cent increase in mining investment in 2012-13.

Chart 1.2: New business investment (share of GDP)



Recent falls in global commodity prices have led to some scaling back of investment plans, largely in the coal sector where the pace of expansions has been slowed and the closure of a few high-cost mines has been brought forward. However, the resources investment pipeline is dominated by large LNG projects where investment decisions are taken over long time horizons, underpinned by projections of the energy needs of the Asian region over a period of decades.

The resources investment peak will coincide with the start of the production and exports phase of many projects, with the resources sector expected to make a significant contribution to real GDP growth over the forecast period. Australia's non-rural commodity exports are expected to grow 15 per cent over the next two years, notwithstanding a modest downgrade to forecast growth in coal exports since Budget, partly reflecting announced production cuts.

Conditions across the economy remain uneven, with some sectors experiencing challenging conditions. Investment intentions outside the resources sector for 2012-13 remain relatively subdued, with the uncertain global environment, household deleveraging, shifting household expenditure patterns and the high exchange rate weighing heavily on some sectors.

Notwithstanding these pressures, household consumption remains solid in aggregate and there are tentative signs that residential building activity may be starting to improve. As resources investment passes its peak, the forecasts are for low interest rates and rising incomes to support modest growth in dwelling construction and non-mining business investment in 2013-14. These forecasts incorporate the 150 basis point reduction in the official cash rate since November 2011 and broadly reflect the market's expectations for future movements in official interest rates.

The key risks to Australia's economic outlook are external. The crisis in the euro area is at risk of further escalation, the imminent fiscal tightening in the United States threatens an already weak recovery and the new Chinese leadership face the challenging task of placing their economy on a more sustainable growth path in the context of a weak and uncertain outlook for external demand. These uncertainties are driving considerable volatility in global commodities markets, with attendant risks to Australia's terms of trade and nominal GDP growth.

Still, with a low unemployment rate, solid GDP growth, a strong financial sector, room to manoeuvre on monetary policy and strong public finances, Australia is well-placed to manage the effects of any further deterioration in the global economy.

RETURNING THE BUDGET TO SURPLUS

The Government is returning the budget to surplus in 2012-13 even though the recent fall in global commodity prices and the weaker global economic outlook have made the task more challenging.

While iron ore prices have recently regained some ground, global non-rural commodity prices are expected to remain below the levels forecast at Budget. Largely because of lower commodity prices, nominal GDP growth in 2012-13 is forecast to be lower than at Budget and this is expected to result in slower growth in tax receipts. In particular, company tax and resource rent taxes have been revised down since the Budget. This results in tax receipts being over \$20 billion lower over the forward estimates.

Notwithstanding the substantial write-down in total tax receipts, the Government will return the budget to surplus in 2012-13, with small but growing surpluses over the forward estimates. Returning to surplus in 2012-13 remains appropriate given current conditions, reflecting a targeted approach to savings that minimises the overall impact of the Government's fiscal consolidation on the economy. The economy is forecast to grow around trend, the unemployment rate is forecast to remain low and commodity prices remain high by historical standards.

In normal circumstances, with fiscal policy focussed on the medium term, monetary policy should play the primary role in managing demand to keep the economy growing at close to capacity consistent with achieving the medium-term inflation target. The Government's fiscal consolidation continues to provide scope for monetary policy to respond to economic developments, as needed.

With global uncertainty likely to persist well into 2013, the Government's ongoing commitment to fiscal discipline will ensure that Australia's public finances remain strong, underpinning confidence in the strength of the Australian economy. The strength of Australia's public finances is a key reason behind Australia being one of only seven countries to have a AAA credit rating with a stable outlook from all three major ratings agencies. This, along with Australia's positive economic outlook, has

Part 1: Overview

made Commonwealth Government Securities relatively attractive for investors, which has contributed to interest rates on these securities recently falling to historic lows. Keeping Australia's public finances strong will also support the Government's capacity to respond to unanticipated events in uncertain global economic times.

Targeted and responsible savings

The Government has announced that it will pursue significant long-term reforms to schools and disabilities. The Government will fundamentally reform the model for school funding, with a new system to be phased in over six years from calendar year 2014. Launch sites for the NDIS will commence from July 2013, the first step towards a better deal for Australians with a disability.

In each of these areas additional resources will be required from the Commonwealth Government and State and Territory Governments. Detailed negotiations are still being progressed in both of these areas.

Funding these new important priorities will require tough budget choices. The Government will continue to build on its record of delivering enduring savings that improve the budget position over the long term in some areas in order to free up the resources necessary to deliver key reforms like reforming the model for school funding and improving support for those with disabilities.

The Government has designed a package of savings worth \$16.4 billion in 2012-13 and over the forward estimates. These measures have been carefully selected to minimise the impact on the economy and on vulnerable people, while still maintaining strong public finances. These savings spread the work of returning to surplus in a fair way, taking into account the ability to pay, and targeting spending to the areas of highest need. These savings are necessary to maintain the budget position, and continue the progress in strengthening the medium-term fiscal position.

Delivering on key priorities while maintaining strong public finances

From 1 January 2014, under the Dental Health Reform Package more than 3 million children and teenagers will be eligible for government-subsidised dental care, as well as more than one million low-income adults and Australians in rural and remote areas. These new programs will replace the Medicare Teen Dental Plan and the poorly targeted Chronic Disease Dental Scheme.

The cost of this important dental health reform will be offset by savings including from changes to private health insurance. The Private Health Insurance rebate will be adjusted to ensure that it grows at a sustainable rate. The Government's contribution to private health insurance will be calculated using commercial premiums as at 1 April 2013 and then indexed annually by the lesser of CPI or the actual increase in commercial premiums. This will be used to determine an individual's private health insurance rebate. These changes will reduce the growth of the rebate, which has been

projected to be one of the fastest growing components of Commonwealth health expenditure over the medium term.

In conjunction with this measure, the Government will streamline arrangements for the 2013 premium setting round for private health insurance. The Government will also undertake discussions with industry and consumer groups on options for further simplification of premium setting which will drive competition and continue to deliver strong consumer protection from 2014.

When fully implemented, the Government's response to the Expert Panel on Asylum Seekers will deter people from making dangerous boat voyages to Australia, including by expanding asylum seekers' options for regular migration to Australia. The response will have initial costs, but will save lives. Arrival numbers to date since the 2012-13 Budget have been higher than estimated, and the additional costs of these arrivals have been provisioned in this MYEFO. Arrival numbers are expected to decline as the new policy is fully implemented, reducing the pressure on the budget from irregular maritime arrivals.

The Government is making changes to the Australian Apprenticeships Incentives Program (AAIP) that will better target spending towards areas of high skill need. Changes to the standard incentive payments will ensure that the focus of the AAIP is on encouraging employers to take on apprentices in high skill need areas and train them through to completion. These changes will ensure the \$3.3 billion funding over the forward estimates provided through the AAIP is best directed to help address skill shortages and does not duplicate other Government funded initiatives including, for example, the National Workforce Development Funding and the National Partnership Agreement on Skills Reform.

From 1 July 2013, the Government will reduce the Baby Bonus payment for second and subsequent children to \$3,000. This will help ensure the sustainability of the family payment system and better reflect the actual up-front costs of a child. Families will continue to benefit from the Government's wide ranging reforms for families, including Paid Parental Leave, the increase in the Child Care Rebate from 30 per cent to 50 per cent of out-of-pocket child care expenses, the SchoolKids bonus, and Family Tax Benefit Part A and B.

The Government's higher education reforms in response to the Bradley Review are now fully implemented and universities are embracing the new demand driven funding system, driving substantially higher costs in higher education and student income support. An additional \$5.3 billion in funding from 2010 to 2015 for universities will be provided to support the growth in student enrolments resulting from the Government's reforms. This funding is supporting the additional 150,000 university students that are enrolled in university in 2012 compared to 2007 (a 27.8 per cent increase). The increase in enrolments will see efficiencies being realised in the delivery of courses, particularly from economies of scale. Longer-term growth in some research funding to universities will be temporarily slowed to ensure that

Part 1: Overview

research funding to universities remains sustainable. Additionally, changes to tertiary education funding and student assistance are being made to ensure that the system operates effectively. The Government will continue to consider how to ensure that the growth in university expenditure will remain sustainable in the future.

Company tax collection arrangements will be reformed to introduce monthly Pay As You Go for large companies. This will ensure that instalments are more closely aligned to fluctuations in these businesses' income. It will better align company tax payments with goods and services tax payments for affected businesses, and will ensure better accounting for company tax collected in a financial year. Many other countries already have monthly instalments, including Canada, Sweden, Finland and the Netherlands. The Government will consult with the business community on the best way to implement this change, ahead of its phased commencement from 1 January 2014.

The ongoing process of improvements to ensure the integrity and fairness of the tax system will be enhanced. In-house fringe benefits provided through salary sacrifice arrangements will no longer be given concessional tax treatment, improving fairness for employees of firms who do not offer these arrangements. The Australian Taxation Office (ATO) will also receive additional funding for compliance activities, including specific targeting of under-reporting of cash transactions and tax avoidance and evasion schemes.

The Government will make changes to the operation of lost superannuation and unclaimed bank account and life insurance provisions. The changes will increase the number of lost superannuation accounts transferred to the ATO, who will be given additional funding to implement this measure and to use their data matching resources to match lost accounts with active accounts. For the first time, the Government will pay interest at the rate of CPI inflation on all unclaimed superannuation monies reclaimed from the ATO and unclaimed monies reclaimed from the Australian Securities and Investments Commission from 1 July 2013, which will preserve their value over time.

FISCAL OUTLOOK

The expected underlying cash surplus for 2012-13 is \$1.1 billion (0.1 per cent of GDP), increasing to \$2.2 billion (0.1 per cent of GDP) in 2013-14.

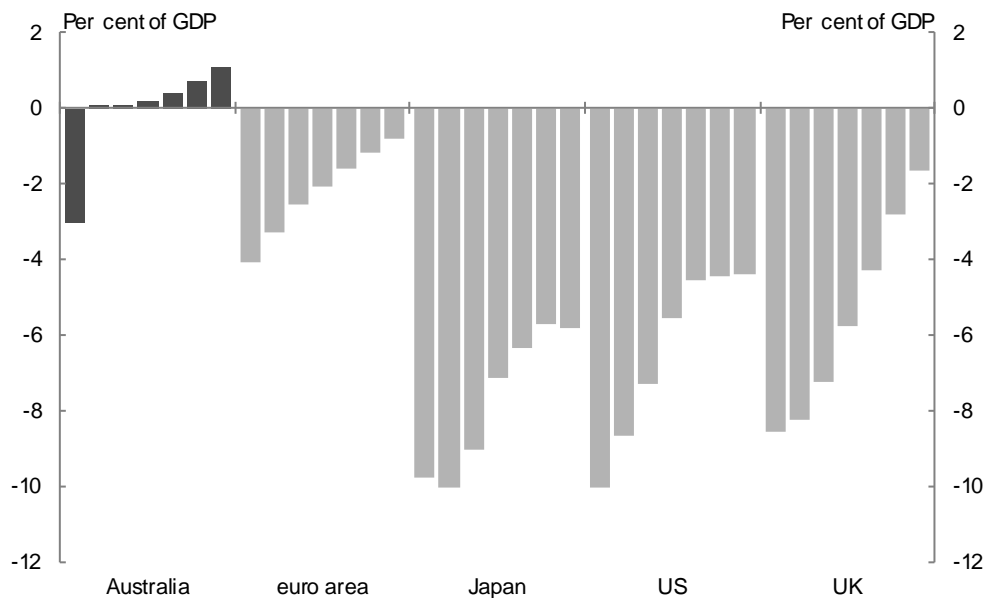
The expected surplus in 2012-13 is smaller than expected at Budget, driven in large part by the weaker global outlook and the consequent substantial write-down in tax receipts. Over the five years since the onset of the GFC there has been a substantial write-down in tax receipts totalling almost \$160 billion.

Total tax receipts have been revised down by around \$4 billion in 2012-13 in large part because of weaker non-rural commodity prices. This was offset in part by non-tax receipts and payments variations of around \$2 billion.

The Government has made a number of savings decisions in response to the write-down in tax receipts across the forward estimates. In total, savings of \$16.4 billion have been made in 2012-13 and across the forward estimates, with the net budget impact of all policy decisions improving the budget bottom line by \$10.5 billion. The savings decisions made by the Government will help to leave Australia in a substantially stronger fiscal position than any of the major advanced economies.

Australia will return the budget to surplus ahead of the major advanced economies (Chart 1.3). The average net debt position of the major advanced economies is projected to peak at 95 per cent of GDP in 2016, almost 10 times higher than the expected peak in Australia's net debt of 10.0 per cent of GDP in 2011-12 (Chart 1.4).

Chart 1.3: International comparison of budget balances, 2011-2017

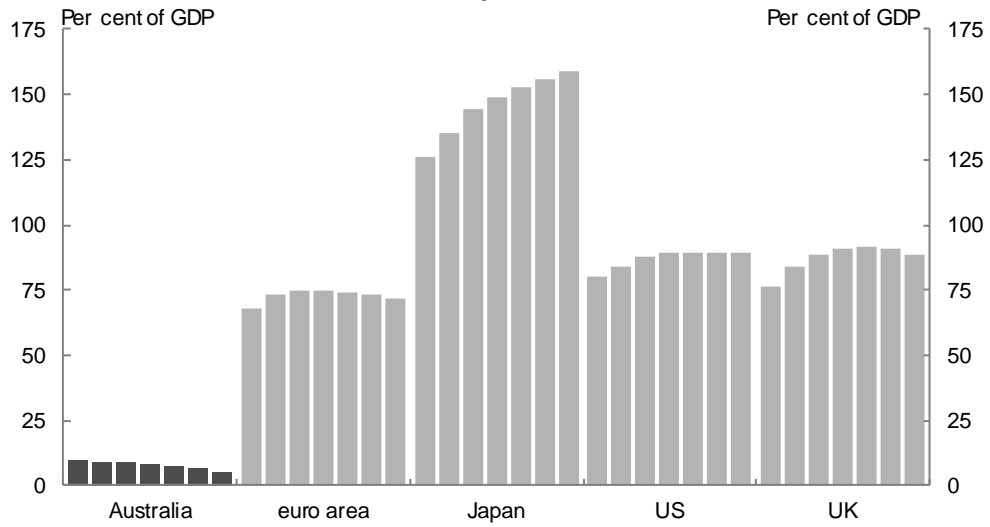


Note: Australian data are for the Australian Government general government sector underlying cash balance and refer to financial years beginning 2011-12. Data for all other economies are total government and refer to calendar years beginning 2011.

Source: IMF *Fiscal Monitor* October 2012 and Treasury.

Part 1: Overview

Chart 1.4: International comparison of net debt, 2011-2017



Note: Australian data are for the Australian Government general government sector and refer to financial years beginning 2011-12. Data for all other economies are total government and refer to calendar years beginning 2011.

Source: IMF *Fiscal Monitor* October 2012 and Treasury.

PART 2: ECONOMIC OUTLOOK

OVERVIEW

Global growth has weakened since Budget and the international outlook remains highly uncertain. The euro area has fallen back into recession, the recovery in the United States remains subdued and weakness in the major advanced economies is bearing on growth in the large emerging market economies, including China and India.

Against this challenging global backdrop, the fundamentals of the Australian economy remain strong and the outlook remains positive. Economic activity is expected to grow at around its trend rate over the next two years, the unemployment rate is forecast to remain low and inflation is expected to be well-contained.

Australia's favourable economic growth prospects are supported by a surge in business investment, strong growth in non-rural commodity exports and solid growth in household consumption.

The challenging global environment, high Australian dollar, household deleveraging, changed household spending patterns and subdued expectations for asset price increases are weighing heavily on some parts of the economy, consistent with forecasts for moderate employment growth and a slight rise in the unemployment rate.

Weaker global demand has also contributed to larger-than-anticipated declines in global iron ore and coal prices and in Australia's terms of trade. As a result, Australia's nominal GDP growth is expected to be a percentage point weaker in 2012-13 than forecast at Budget, with marked consequences for revenue collections.

While the outlook for the emerging market economies of Asia remains favourable, continued uncertainties about how the European sovereign debt crisis and the impending legislated fiscal contraction in the United States (the 'fiscal cliff') will unfold are undermining global confidence.

While crystallisation of these risks could result in a more pronounced slowdown in the emerging market economies of Asia, the central forecasts are for Australia's major trading partners to record solid growth in aggregate.

Australia's linkages to the still fast-growing Asian region and strong economic fundamentals support our favourable economic growth prospects.

DOMESTIC ECONOMIC OUTLOOK

The Australian economy continues to outperform every major advanced economy. The pace of economic growth accelerated in the first half of 2012, driven by a surge in resources investment and robust growth in household consumption. Above-trend real GDP growth supported rising employment and a low unemployment rate, while underlying inflation remains contained.

Despite a weaker global outlook, Australia's economic growth prospects are favourable, with real GDP forecast to grow 3 per cent in both 2012-13 and 2013-14, underpinned by growth in new business investment, non-rural commodity exports and household consumption. Compared with Budget, the growth forecast has been downgraded slightly (by $\frac{1}{4}$ of a percentage point) in 2012-13, following stronger-than-anticipated growth in 2011-12 and reflecting recent company announcements to defer or cancel some resources projects.

While real GDP is still forecast to grow around trend, sharp falls in the prices of some of Australia's key non-rural export commodities — particularly iron ore and coal — and a more moderate outlook for domestic price inflation have driven a significant downward revision to forecast growth in nominal GDP in 2012-13. Nominal GDP is now forecast to grow 4 per cent in 2012-13 and 5½ per cent in 2013-14.

Recent falls in global commodity prices have led to some scaling back of investment plans in the coal and iron ore sectors. Still, resources investment is expected to reach unprecedented levels, driving new business investment to record highs as a share of GDP over the forecast period. Australia's resources investment pipeline is dominated by LNG projects, where investment decisions are taken over long time horizons and are underpinned by projections of the energy needs of large Asian economies over a period of decades (see Box 2.3).

In value terms, over two-thirds of the large resources projects included in the economic forecasts have received final investment approval, with the majority already under construction. Following 75 per cent growth in 2011-12, the latest capital expenditure survey suggests a further 45 per cent increase in resources investment in 2012-13.

The domestic growth outlook is also supported by strong forecast growth in non-rural commodity export volumes. The surge in investment in the resources sector will drive expansions in production, which will lead to a ramp-up in export volumes as major resources projects increasingly move from the investment phase to the production phase. Australia's non-rural commodity exports are expected to grow 15 per cent over the next two years, notwithstanding a modest downgrade to forecast growth in coal exports since Budget, partly reflecting the early closure of a few high cost mines.

Solid growth in household consumption is also expected to underpin economic growth across the forecast period. Over the past year, the combination of robust growth in disposable income and weak consumer price inflation enabled households to enjoy

above-trend growth in real consumption, while maintaining high rates of saving. Looking ahead, the pace of household consumption growth is expected to remain solid, albeit moderating slightly, consistent with forecasts for moderate employment and wages growth, and subdued expectations for asset price growth. Reflecting this, the household saving ratio is expected to remain elevated across the forecast period.

Conditions in some parts of the economy remain difficult, reflecting weak global conditions, the continued high exchange rate, shifting patterns of household demand and the more restrained approach of households and businesses towards taking on new debt since the global financial crisis. These factors have placed downward pressure on prices and profitability in some sectors, despite solid growth in sales volumes. The retail sector is a case in point, with strong growth in sales volumes over the past year coinciding with below-trend growth in revenue and falling profits across much of the sector.

Notwithstanding these pressures, domestic demand remains solid in aggregate and there are tentative signs that residential building activity may be starting to improve. As resources investment as a share of the economy passes its peak, the forecasts are for low interest rates and rising incomes to support modest growth in dwelling construction and non-mining business investment in 2013-14.

Employment growth is expected to pick up over the forecast period, but is forecast to remain below trend, as the above-mentioned pressures on parts of the domestic economy and the uncertain global outlook continue to weigh on hiring decisions. Through-the-year employment growth is forecast to strengthen to 1 per cent to the June quarter 2013 and to 1¼ per cent to the June quarter 2014.

Australia's unemployment rate is forecast to remain low, albeit rising slightly from 5¼ per cent in the September quarter 2012 to 5½ per cent by the June quarter 2013, unchanged from Budget. The outlook for the unemployment rate is consistent with forecasts for below-trend employment growth and a stable workforce participation rate, which remains high in historical terms despite recent falls. Australia's low unemployment rate stands in stark contrast to most major advanced economies, at around half the rate in the euro area and significantly less than the almost 8 per cent unemployment rate in the United States.

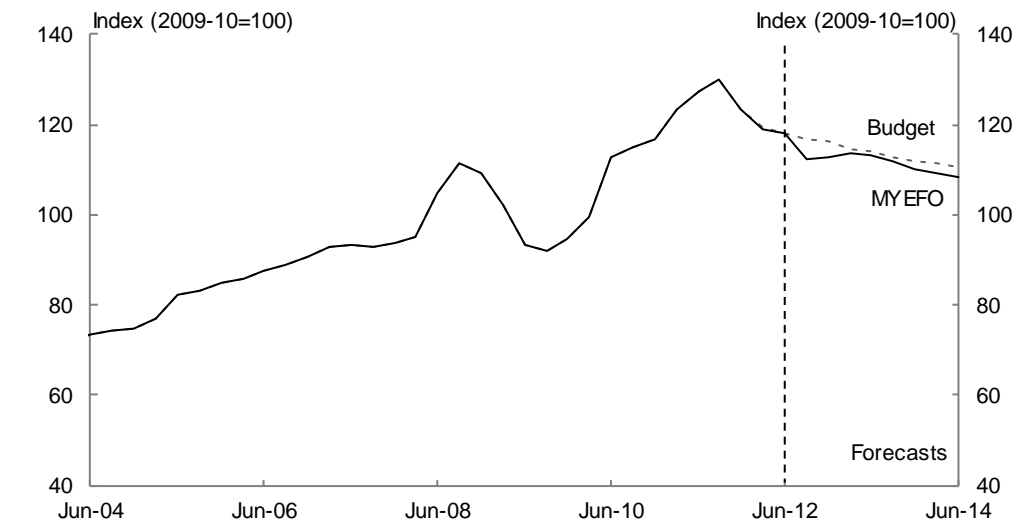
The outlook for trend growth in the Australian economy over the next two years factors in the fiscal consolidation being undertaken by the Commonwealth and state governments. As is standard practice, the forecasts assume policy interest rates move broadly in line with market expectations at the time that the forecasts are finalised, with the market expectation at that time being that policy interest rates would be lower over the coming year. The planned fiscal consolidation should continue to provide scope for monetary policy to be eased, if appropriate, without generating price and wage pressures. The impact of the fiscal consolidation, particularly in 2012-13, should be more than offset by growth in private demand, with the aggregate economy growing around trend.

Part 2: Economic outlook

Domestic inflationary pressures have eased in recent quarters, with underlying consumer price inflation falling to the bottom of the Reserve Bank's target band and investment prices growing at a subdued rate in aggregate. Headline inflation is forecast to rise to 3 per cent through the year to the June quarter of 2013 (including an estimated one-off $\frac{3}{4}$ of a percentage point increase from the introduction of the carbon price), before easing to $2\frac{1}{4}$ per cent through the year to the June quarter of 2014. Likewise, underlying inflation is expected to be moderate, at $2\frac{1}{2}$ per cent through the year to the June quarter of 2013 (including a one-off $\frac{1}{4}$ of a percentage point addition stemming from the carbon price) and $2\frac{1}{4}$ per cent through the year to the June quarter of 2014.

While the Budget factored in a decline in Australia's terms of trade, the fall in global commodity prices over recent months has been larger than anticipated (see Box 2.1). Global commodity prices have been highly volatile in recent months, with spot prices for Australia's key non-rural commodity exports (iron ore and thermal and metallurgical coal) falling between 15 and 33 per cent since Budget. A partial recovery has been built into the near-term forecasts for iron ore and coal prices, largely reflecting an anticipated recovery in iron ore demand as the destocking process in China runs its course. The increase in iron ore prices since mid-September also suggests that prices had fallen below levels consistent with market fundamentals. Even allowing for this near-term recovery, the forecasts for non-rural commodity prices are lower than at Budget, consistent with the weaker economic outlook globally, and for China in particular. Consequently, Australia's terms of trade are expected to be lower over the forecast period than expected at Budget, albeit remaining high by historical standards (Chart 2.1).

Chart 2.1: Terms of trade



The terms of trade are now expected to fall 8 per cent in 2012-13, a larger fall than the decline of $5\frac{3}{4}$ per cent forecast at Budget. In line with the ongoing expansion in global

supply of Australia's key non-rural commodity exports, the terms of trade are expected to continue to ease in 2013-14, with a forecast fall of 2¾ per cent, similar to that forecast at Budget. Notwithstanding these expected falls, Australia's terms of trade are projected to remain above their long-term average in the medium term, consistent with the projected resources needs of the large emerging market economies in the Asian region.

While Australia's economic outlook is positive, the external environment remains fragile and the risks to the global economy are firmly on the downside. The outlook for the euro area remains uncertain, with fears that the sovereign debt crisis could escalate into a major monetary and financial crisis. The impending fiscal cliff in the United States also remains a downside risk to the global economic outlook, with the possibility of a recession in the United States economy if no resolution is reached. In China, the prospects of a weaker contribution from the export sector to economic growth and the risks to global economic and financial stability emanating from the major advanced economies complicate the authorities' already challenging macroeconomic management task, raising the prospect of a sharper-than-planned slowdown in economic growth. In this context, there is a risk that non-rural commodity prices and Australia's terms of trade could decline more rapidly than currently forecast, with attendant risks to nominal GDP growth.

Part 2: Economic outlook

Table 2.1: Domestic economy forecasts^(a)

	Outcomes(b)	Forecasts			
		2012-13		2013-14	
	2011-12	Budget	MYEFO	Budget	MYEFO
Panel A - Demand and output(c)					
Household consumption	3.7	3	3	3	3
Private investment					
Dwellings	-3.3	0	0	2 1/2	4
Total business investment(d)	21.3	12 1/2	11	8	6 1/2
Non-dwelling construction(d)	39.0	14	14	7 1/2	5 1/2
Machinery and equipment(d)	10.6	12 1/2	9	8 1/2	7 1/2
Private final demand(d)	6.7	5	4 3/4	4 1/4	4
Public final demand(d)	1.1	- 1/2	- 1/2	0	- 1/4
Total final demand	5.3	3 3/4	3 1/2	3 1/4	3
Change in inventories(e)	0.2	0	0	0	0
Gross national expenditure	5.5	4	3 3/4	3 1/2	3 1/4
Exports of goods and services	3.7	4 1/2	4 1/2	4 1/2	4
Imports of goods and services	11.8	7 1/2	7	5 1/2	5
Net exports(e)	-1.8	- 3/4	- 3/4	- 1/2	- 1/4
Real gross domestic product	3.4	3 1/4	3	3	3
Non-farm product	3.3	3 1/4	3 1/4	3	3
Farm product	7.5	2	-3	1	6
Nominal gross domestic product	5.0	5	4	5 1/4	5 1/2
Panel B - Other selected economic measures					
External accounts					
Terms of trade	1.8	-5 3/4	-8	-3 1/4	-2 3/4
Current account balance (per cent of GDP)	-2.8	-4 3/4	-5	-6	-5 3/4
Labour market					
Employment(f)	0.7	1 1/4	1	1 1/2	1 1/4
Unemployment rate (per cent)(g)	5.1	5 1/2	5 1/2	5 1/2	5 1/2
Participation rate (per cent)(g)	65.3	65 1/4	65	65 1/4	65
Prices and wages					
Consumer price index(h)	1.2	3 1/4	3	2 1/2	2 1/4
Gross non-farm product deflator	1.7	1 3/4	1	2 1/4	2 1/2
Wage price index(f)	3.7	3 3/4	3 1/2	3 3/4	3 1/2

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

(b) Calculated using original data unless otherwise indicated.

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

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

(e) Percentage point contribution to growth in GDP.

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

(g) Seasonally adjusted rate for the June quarter.

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

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

Note: The forecasts are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade-weighted index of around 75 and a United States dollar exchange rate of around 102 US cents. Interest rates are assumed to move in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$118 per barrel. The farm sector forecasts are based on an assumed return to average seasonal conditions.

Box 2.1: Commodity prices

Spot prices for Australia’s key non-rural commodity exports (iron ore, and thermal and metallurgical coal) have fallen between 15 and 33 per cent since Budget. While coal and iron ore prices remain high by historical standards, the recent falls exceed the declines forecast at Budget and are reflected in weaker forecasts for the terms of trade, nominal GDP and tax receipts.

Thermal coal prices have fallen 15 per cent since Budget, reflecting subdued global demand for coal use in electricity generation, including in response to low gas prices in the United States, and greater global coal supplies becoming available in the Asian market.

Metallurgical coal and iron ore prices, while highly volatile, have also fallen significantly since the start of the financial year. The iron ore spot price fell around 38 per cent in US dollar terms between Budget and the first week of September, before recovering around two thirds of this fall by the second week of October (Chart A).



Iron ore and metallurgical coal are the main inputs to steel production and the price falls largely reflect weaker demand for steel, consistent with subdued conditions in the major advanced economies and recent moderation of steel demand growth in the emerging market economies of Asia (Chart B).

Lower steel prices in China also reflect overcapacity in the Chinese steel industry, which has added to the seasonal destocking of iron ore and coal that takes place in the third quarter. Restocking generally picks up in the fourth quarter. Nevertheless, the outlook for steel demand is uncertain and sensitive to developments in the steel-intensive Chinese property market and the form and size of any further Chinese policy stimulus.



Box 2.1: Commodity prices (continued)

Lower commodity prices are putting pressure on higher cost mining operations. The marginal sources of iron ore are largely overseas, with Australian mines generally having comparatively low costs of production.

Some Australian coal mines are under pressure at current prices, with isolated closures already taking place. While not the central forecast, a prolonged period of low prices could have a further impact on production.

A fall in supply and some recovery in demand are expected to generate a modest near-term recovery in prices for metallurgical coal and iron ore. However, iron ore and metallurgical coal prices are expected to remain below the Budget estimates across the forecast period, consistent with a more moderate outlook for China's economic growth and resources demand. Thermal coal spot prices have stabilised recently and are expected to remain around their current levels, although a large proportion of Australia's exports of thermal coal are priced using annual contracts that were set in March 2012 (Chart C). This contract price is significantly above the current spot price and will prevail until March 2013.

Chart C: Thermal coal spot price



Source: Bloomberg.

Considered from a medium-term perspective, commodity prices are still expected to be elevated by historical standards, and will still provide an incentive to continue the expansion of low cost supplies in Australia and around the world. In Australia, around \$65 billion of coal and iron ore projects are committed or have already commenced construction. While substantial, this represents around a quarter of the advanced pipeline of resources investment, which is dominated by LNG projects (see Box 2.3). The medium-term projections for the terms of trade are based on a gradual decline in commodity prices as the supply of iron ore and coal steadily comes on line. This medium-term methodology has been retained from the 2012-13 Budget.

International economic outlook

The global financial crisis continues to cast a shadow over the international economy, with economic activity remaining weak in the major advanced economies and global financial conditions still highly volatile. An already subdued global outlook has weakened further since Budget, with the recession in Europe and soft recovery in the United States impinging on growth outcomes and prospects for emerging market economies. The European crisis continues to weigh on global confidence, despite a number of welcome policy announcements recently that have led to an easing in financial market turbulence.

Conditions in the major advanced economies have weakened further since Budget. While the contraction in the euro area is expected to be slightly less severe in 2012 than forecast at Budget, a weaker recovery in euro area growth is now forecast in 2013 as financial stress, ongoing fiscal consolidation, and bank deleveraging drag on growth. Although broadly in line with expectations, growth in the United States remains weak, amid concerns over the impending fiscal cliff. If new legislation to avert the fiscal cliff is not passed, the United States could fall back into recession in early 2013.

Since the end of the global recession, growth across emerging market economies, particularly in Asia, has been relatively robust on the back of strong domestic demand. While still strong, a number of major emerging market economies, including China and India, have recently experienced a slowing in their growth rates. This reflects the effect of previous policy tightening in some economies, particularly in China, as well as a reduction in export demand as growth in advanced economies has weakened.

The further weakening in the global economic outlook means that world GDP is now expected to grow 3¼ per cent in 2012 and 3¾ per cent in 2013, compared with Budget forecasts of 3½ per cent and 4 per cent respectively.

Table 2.2: International GDP growth forecasts^(a)

	Actuals	Forecasts		
	2011	2012	2013	2014
United States	1.8	2	2 1/4	2 1/2
Euro area	1.5	- 1/2	1/4	1 1/4
Japan	-0.8	2 1/2	1 3/4	1 1/4
China(b)	9.3	7 3/4	8	7 3/4
India(b)	7.1	5 1/2	7	7 1/2
Other East Asia(c)	4.3	3 3/4	4 1/2	4 3/4
Major trading partners	4.4	4 1/4	4 3/4	4 3/4
World	3.8	3 1/4	3 3/4	4

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

(b) Production-based measure of GDP.

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

Source: National statistical agencies, IMF *World Economic Outlook* October 2012, Thomson Reuters and Treasury.

Part 2: Economic outlook

The global recovery remains vulnerable to shocks, most notably stemming from Europe, but also the threat of the fiscal cliff occurring in the United States. Growth in emerging market economies, while slowing, has the potential to be boosted by policy action, although the policy response in China to date has been modest. A sharper-than-expected deterioration in Europe or the United States would have spillover effects on emerging market economies, including through lower export demand, disruption in financial markets, and lower confidence.

Although growth in Australia's major trading partners (MTPs) is forecast to be lower than at Budget, it is nonetheless expected to remain solid. MTP growth is expected to be 4¼ per cent in 2012 and then forecast to be 4¾ per cent in both 2013 and 2014, as conditions in Europe and the United States gradually improve. This is expected to lead to an increase in external demand flowing through to China's growth, and to the global economy more broadly. The more robust growth prospects for Australia's MTPs compared with the global economy overall reflects the composition of our MTPs, which is increasingly weighted towards the fast-growing Asian emerging market economies.

Conditions in the euro area have continued to deteriorate, with output declining in the June quarter, credit markets remaining impaired, business and consumer confidence continuing to weaken, and the unemployment rate rising to new euro-era highs. Following recession in 2012, the euro area is assumed to make incremental progress towards resolving the crisis and gradually recover over the forecast horizon. However, growth over this period is expected to be anaemic, with remaining fiscal consolidation requirements and bank deleveraging expected to continue to drag on growth.

Uncertainty persists over Greece's European Union/IMF bailout program and its planned path to fiscal sustainability, notwithstanding the significant debt write-down negotiated with private creditors in early 2012. Throughout the year, Spain has come under increasing pressure as a result of its troubled banking sector and more recently from the fiscal difficulties of both its central and regional governments. Markets are also concerned about Italy, the third largest economy in the euro area, given its significantly larger sovereign debt and poor growth prospects.

The recent European Central Bank (ECB) announcement that it is prepared to purchase short-term sovereign debt of troubled euro area economies through Outright Monetary Transactions as long as governments commit to fiscal and structural reforms has, at least for now, eased financial market turbulence and appears to have bought the region much needed time. However, the ECB can only relieve the immediate funding pressures facing the troubled euro area sovereigns. A lasting resolution to the European sovereign debt crisis will only be achieved through a firm political commitment to a closer fiscal and banking union in the euro area. It will also require the euro area's economies to continue to implement structural reforms in order to boost their competitiveness and growth potential.

The forecasts for the euro area assume a gradual and partial adoption of policies sufficient to stem any further escalation in the crisis, but without enabling any significant improvement in economic growth in the near term. A more substantial and comprehensive policy response would be expected to impact on the region's growth prospects beyond the forecast horizon. However, the risk that progress toward a resolution fails to occur remains significant.

Unlike Europe, the United States economy continues to grow, albeit at a subdued rate by historical standards, with persistent underlying weaknesses in labour and housing markets constraining growth. Notwithstanding recent signs of improvement in the United States housing market, persistent oversupply and the impact of lower house prices on household wealth will continue to weigh on growth prospects. The United States continues to be dependent on very accommodative monetary policy, and is still yet to achieve a self-sustaining recovery. Consequently, it remains vulnerable to further negative shocks.

While the United States is assumed to avoid the fiscal cliff, it remains a key risk to the outlook. A variety of tax provisions, including the 'Bush' tax cuts, expire at the end of 2012, while discretionary spending cuts are currently legislated to commence at the end of 2012. If Congress is unable to come to an agreement to avoid the fiscal cliff, this would have a severely detrimental impact on the United States economy in 2013. Even if the fiscal cliff is avoided, the longer it takes for Congress to reach any agreement, the more likely businesses and households will defer investment and consumption decisions. It also remains crucial that the United States craft a credible medium-term fiscal consolidation plan.

Growth in economic activity in China has eased in recent months due to a weakening external sector and the effects of previous policy tightening. The larger-than-expected moderation in growth has led to a cautious shift in Government policy towards supporting growth. Chinese authorities have eased monetary policy, accelerated the approval of infrastructure projects, provided consumption incentives to households, and lowered taxes for small and medium-sized enterprises.

The magnitude of any policy stimulus is likely to be smaller than that undertaken in 2008-09, with Chinese officials mindful of avoiding the asset quality issues and substantial inflationary pressures that resulted from that round of stimulus. The more supportive policy settings being implemented this year are expected to see growth pick up later in the year and into early 2013.

Over the forecast horizon, China's growth is expected to remain relatively robust, albeit lower than anticipated at Budget. While the projected growth rates are more modest compared with those recorded over much of the past 30 years, the Chinese economy is now around 40 per cent larger than in 2008, and its growth is still making a very substantial contribution to global growth. Furthermore, the more moderate outlook is also more consistent with a maturing economy on a sustainable and

Part 2: Economic outlook

balanced growth path and with the growth target under the 12th Five-Year Plan (as discussed in Box 2.2).

A further deterioration in economic conditions in Europe or a more significant slowing in growth in the United States poses the main risk to China's growth outlook. If global conditions were to deteriorate further, the Chinese authorities retain significant capacity to adopt further measures to support growth.

Elsewhere in the region, the boost to Japan's growth from earthquake reconstruction activity peaked in the first half of 2012, with Japan's growth in the medium term likely to return to very subdued rates with a reliance on exports. The weakening in external demand has adversely affected the highly trade-exposed newly industrialised economies (NIEs), particularly Taiwan and Hong Kong.

In contrast, the economies in the ASEAN-5 such as Indonesia, Thailand and the Philippines have generally continued to record more robust growth rates due to healthy domestic demand. A key risk across a number of East Asian economies is their vulnerability to the threat of a sharp outflow of capital if global conditions deteriorate.

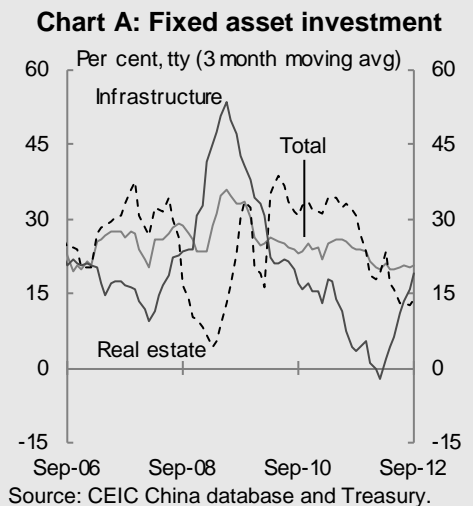
In India, economic growth is forecast to be lower than expected at Budget, particularly for 2012, reflecting a slowing in investment and a delay in monsoon conditions. Over the remainder of the forecast horizon, India's growth is expected to improve, reflecting a gradual recovery in private investment and a return to normal seasonal conditions.

A lingering additional risk to the global outlook is the potential for a spike in global oil prices as political tensions in the Middle East remain unresolved. While global oil prices fell in the three months to June, they have since risen noticeably despite the softening in global economic conditions, suggesting that market concerns over geopolitical risks are a major factor. While the possibility of an oil price spike persists, if conditions in the euro area were to deteriorate and global growth was to slow sharply, then conversely oil prices could decline substantially.

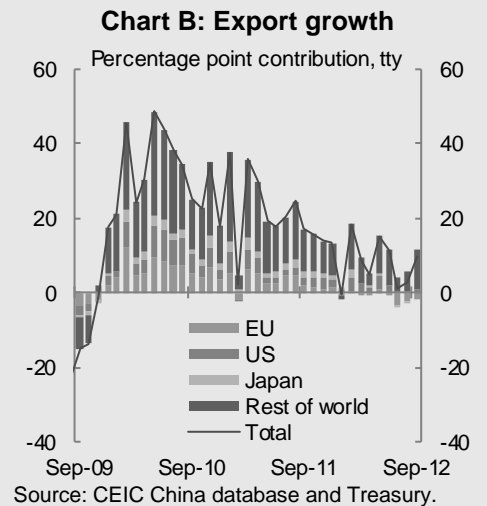
Box 2.2: China's medium-term outlook

The slowdown in the Chinese economy has been more pronounced than expected at Budget, although growth remains relatively robust. In the September quarter, through-the-year (tty) growth decelerated for the seventh consecutive quarter to 7.4 per cent, reflecting a policy-induced slowdown in the property sector and deteriorating external demand. In response, the Chinese Government has enacted policies intended to stabilise growth.

Measures include the bringing forward of infrastructure projects and modest monetary policy easing. The percentage of Chinese bank deposits that must be held in reserve has been cut by 150 basis points since December and, since June, one-year benchmark lending rates have been cut by 56 basis points. In the short term, investment activity may receive a mild policy-induced boost from a pickup in construction, providing some support to broader economic activity (Chart A).



The recent shift towards policy easing is yet to gain traction and stimulus has not been as large as first anticipated by many analysts. China also remains vulnerable to further weakness in advanced economies (Chart B) and softness in the domestic property sector. Nevertheless, with inflation under control (and likely to remain subdued in the short term) and the Government's solid fiscal position, China retains the capacity to use macroeconomic policy to further support growth should conditions deteriorate markedly.



Over the medium term, a more moderate growth path is in line with the Chinese Government's target for sustainable and better quality growth. China is targeting an annual average growth rate of 7 per cent during the 12th Five-Year Plan (FYP) (2011-2015), down ½ a percentage point from the 11th FYP (2006-2010).

Box 2.2: China's medium-term outlook (continued)

This lower target provides China with greater space to take a more measured approach to supporting growth while addressing longer-term challenges associated with the structural biases of its export- and investment-reliant growth model.

Australia is not immune to slower growth in China due to our strong trade links. The recent slowing in Chinese growth has been accompanied by a weakening in the Chinese steel market, which has led to sharper-than-expected declines in prices for Australian exports of iron ore and metallurgical coal.

However, Australia's sensitivity to economic conditions in our major trading partners is not new. The Australian economy has a track record of coping with slowing growth in key export markets (such as Japan) and other external shocks (such as the global financial crisis).

Notwithstanding short-term cyclical developments, China's economic expansion will continue to make an important contribution to the Australian economy. Rapid urbanisation and continuing efforts to promote economic and industrial development outside the relatively wealthy coastal regions will raise China's energy consumption and require ongoing investment in metals-intensive projects, supporting demand for Australian coal and iron ore.

Furthermore, as Chinese consumers grow wealthier they will also demand increased levels of goods and services, with opportunities extending well beyond the resources sector. This will open up new markets for Australian producers and service providers across a broad range of sectors, including in the tourism, education, agriculture and food industries.

Detailed domestic forecasts

Australia's real GDP is forecast to grow 3 per cent in both 2012-13 and 2013-14. Compared with Budget, the growth forecast has been downgraded by $\frac{1}{4}$ of a percentage point in 2012-13, but is unchanged in 2013-14. The downgrade to growth in 2012-13 mainly reflects stronger-than-expected resources-related investment activity in 2011-12, along with recent announcements to defer or cancel resources projects. Australia's favourable real GDP growth outlook is underpinned by a surge in business investment, strong growth in non-rural commodity exports and solid growth in household consumption.

Household consumption is forecast to grow 3 per cent in both 2012-13 and 2013-14, unchanged from Budget. While solid, growth in household consumption is expected to ease from the strong growth recorded in 2011-12, consistent with the outlook for moderate employment and wages growth, continued subdued growth in household wealth and the impact of continued global volatility on consumer confidence. Consistent with this, the household saving ratio is expected to remain elevated over the forecast period, as households continue to rely on saving rather than capital gains to strengthen their balance sheets.

Dwelling investment is forecast to be flat in 2012-13, before growing 4 per cent in 2013-14. Dwelling investment declined 3.3 per cent in 2011-12 on the back of continued weakness in the detached housing market. Conditions across the sector are expected to improve gradually over the remainder of 2012, consistent with the solid growth in dwelling approvals and commencements seen in the June quarter. The recovery is expected to gather momentum into 2013-14, driven by a pickup in homebuyer demand, improved affordability following declines in house prices over the past two years and the assumption that interest rates will remain below average across the forecast period.

New business investment is expected to grow 11 per cent in 2012-13 and 6½ per cent in 2013-14, reflecting strong forecast growth in resources investment and modest growth in investment in other sectors of the economy. **New engineering construction** is expected to grow 19 per cent in 2012-13 and 7 per cent in 2013-14, underpinned by LNG and iron ore projects. The resources sector is also expected to drive higher levels of investment in **new machinery and equipment**, with growth forecast to be 9 per cent in 2012-13 and 7½ per cent in 2013-14. Weakness in the retail sector and the expectation of below-trend employment growth, and therefore subdued demand for new office space, is expected to be reflected in weak growth in **new non-residential building** activity, with growth of just 1 per cent forecast in 2012-13 and 1½ per cent in 2013-14.

Public final demand is forecast to fall $\frac{1}{2}$ of a per cent in 2012-13 and $\frac{1}{4}$ of a per cent in 2013-14, consistent with the planned fiscal consolidations of the Commonwealth and state governments.

Part 2: Economic outlook

Exports are forecast to grow 4½ per cent in 2012-13 and 4 per cent in 2013-14. While the growth outlook remains strong, weaker-than-expected outcomes in 2011-12, coupled with recent coal mine closures and announcements to not proceed with planned expansions, mean that the expected volume of non-rural commodities exports is lower over the forecast period than anticipated at Budget. Manufactured exports are expected to rise only modestly over the next two years and services exports are expected to fall slightly, reflecting the high Australian dollar and forecasts for continued weak external demand. Farm production and rural exports surged to record levels in 2011-12, reflecting favourable weather conditions. In 2012-13, rural output and exports are expected to decline moderately, in line with an assumed return to average weather conditions.

Import growth forecasts have been downgraded slightly for 2012-13 and 2013-14, consistent with lower forecast growth in business investment. Import volumes are forecast to grow 7 per cent in 2012-13 and 5 per cent in 2013-14. Net exports are expected to detract ¾ of a percentage point from real GDP growth in 2012-13 and ¼ of a percentage point in 2013-14.

The **terms of trade** have declined more sharply than anticipated at Budget, reflecting recent sharp falls in the global prices of Australia's key non-rural commodity exports. Following growth of 90 per cent over the past decade, the terms of trade are now expected to decrease 8 per cent in 2012-13 and 2¾ per cent in 2013-14, remaining high by historical standards.

The **current account deficit** is forecast to widen over the next two years. This reflects an expected turnaround in the trade balance from a surplus to a deficit, driven by the decline in the terms of trade. The current account deficit is expected to be 5 per cent of GDP in 2012-13 and 5¾ per cent of GDP in 2013-14. This compares with a long-run average for the current account deficit of 4 per cent of GDP. Considered from a net lending perspective, the key driver of the rising current account deficit is the inflow of capital needed to finance the resources investment boom, with the household sector and Australian Government expected to be net lenders over the forecast period.

Following solid growth in the first half of 2012, **employment** growth has moderated in recent months, with weak global conditions, the high Australian dollar, uneven patterns of demand and continued deleveraging by the household and corporate sectors weighing on employment conditions in many industries. Employment is expected to increase 1 per cent through the year to the June quarter 2013 and 1¼ per cent through the year to the June quarter 2014. The **unemployment rate** is forecast to increase slightly from 5¼ per cent in the September quarter 2012 to 5½ per cent by the June quarter 2013, and remain around that level throughout 2013-14.

Wages growth is expected to slow, consistent with moderate employment growth. Aggregate wages have grown solidly over the past year, with the low unemployment rate supporting solid growth in private sector wages. This has been balanced by weakness in public sector wages growth, which has eased in line with ongoing fiscal consolidation at the state and federal levels of government. Looking ahead, the Wage Price Index is forecast to grow 3½ per cent through the year to the June quarters of both 2013 and 2014, slightly weaker than forecast at Budget.

Inflation is expected to increase in 2012-13 due to the one-off effect of introducing the carbon price, but remain within the Reserve Bank's target band. While the high exchange rate is expected to exert less downward pressure on domestic prices over the forecast period than in the recent past, it is expected that solid productivity growth and subdued wages growth will continue to hold down domestic price pressures. Headline inflation (including the carbon price impact) is expected to be 3 per cent through the year to the June quarter of 2013 and 2¼ per cent through the year to the June quarter of 2014. Underlying inflation (including the carbon price impact) is expected to be 2½ per cent through the year to the June quarter of 2013, and 2¼ per cent through the year to the June quarter of 2014.

Nominal GDP is forecast to grow 4 per cent in 2012-13 and 5½ per cent in 2013-14. Compared with Budget, the growth forecast for nominal GDP in 2012-13 has been downgraded by 1 percentage point. The lower forecast for 2012-13 reflects the ¼ of a percentage point downward revision to real GDP growth, softer expected growth in domestic prices and a sharper forecast decline in the terms of trade.

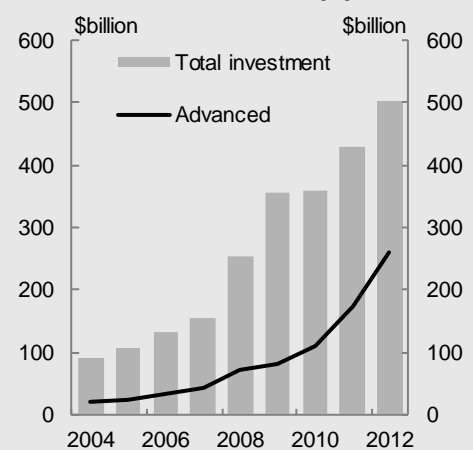
Box 2.3: Resources investment

Over the past two decades, rapid urbanisation and industrialisation in China has driven strong growth in demand for Australia’s key non-rural commodity exports. This strong demand, and expectations that it will continue, have driven commodity prices to high levels and underpinned record investment intentions in Australia’s resources sector.

The outlook for resources investment remains strong despite recent falls in commodity prices. Resources investment decisions are taken over a longer-term horizon where the outlook for the resources and energy needs of Australia’s key export markets remains very positive.

Around \$260 billion of resources projects are at an advanced stage (either under construction or scheduled to commence) and are unlikely to be affected by recent falls in commodity prices (Chart A).

Chart A: Investment pipeline



Source: Bureau of Resource and Energy Economics (BREE).

Of the advanced pipeline, around 70 per cent of the projected capital spending is on petroleum and LNG projects, with seven major LNG projects currently under construction across Western Australia, Queensland and the Northern Territory (Table A).

These projects are underpinned by long-term supply contracts with Asian customers. The completion of these projects will see LNG production in Australia quadruple by 2017, with Australia becoming the world’s largest LNG exporter.

Table A: LNG projects under construction

Project	CAPEX (\$bil)
Gorgon	A 43.0
Ichthys	US 34.0
Wheatstone	US 29.0
Australia Pacific LNG	A 23.0
Queensland Curtis Island LNG	US 20.4
Gladstone LNG	US 18.5
Prelude	A 12.0

Source: Company statements, Deloitte Access Economics and BREE.

Note: Capital expenditure (CAPEX) estimates reflect amounts and denominations at the time of announcement.

In addition to LNG investment, iron ore investment is expected to continue to increase over the next two years, building on previous robust growth.

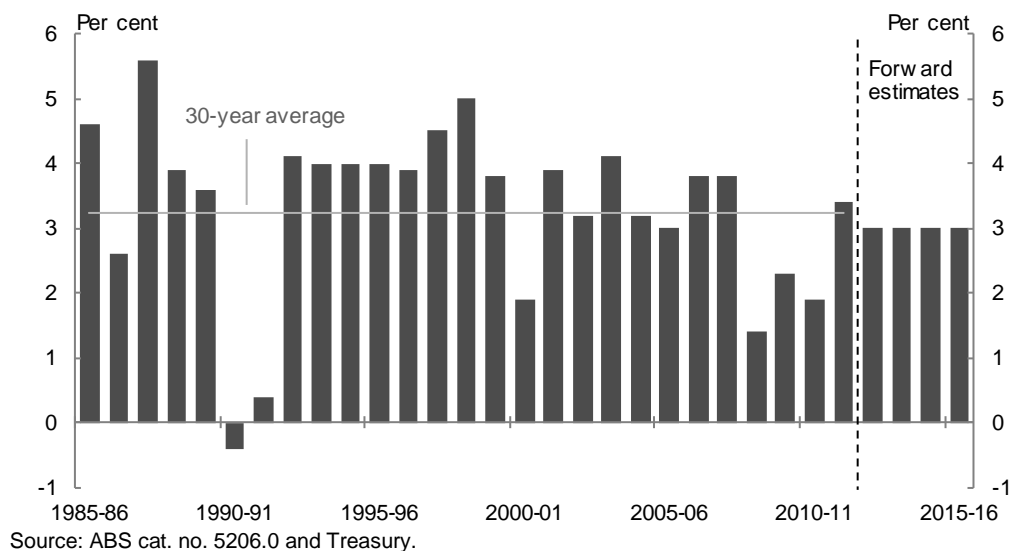
While resources investment as a share of GDP is expected to peak over the forecast period, resources investment is expected to remain at a high level through to the middle of this decade. As investment projects are completed, there will be a significant contribution to economic growth from the ramp-up in resources production and export volumes.

Medium-term economic projections

The fiscal aggregates in the MYEFO are underpinned by a set of forward estimates consisting of short-term economic forecasts and projections based on medium-term assumptions.

Real GDP is projected to grow at its trend rate of around 3 per cent a year over the medium term based on analysis of underlying trends in employment and productivity (Chart 2.2). Trend growth in real GDP is projected to slow from around the end of this decade as the participation rate declines in line with Australia's ageing population profile.

Chart 2.2: Real GDP growth over the forward estimates period



The unemployment rate is projected to be 5 per cent over the medium-term, consistent with Treasury's estimate of the non-accelerating inflation rate of unemployment. Inflation is projected to be 2½ per cent, consistent with the Reserve Bank of Australia's medium-term target band.

The terms of trade are projected to decline by a total of around 20 per cent over a 15-year period, settling around their mid-2000s level. This reflects an expectation that commodity prices will ease in the longer term as supply increases gradually bring down prices over time.

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

PART 3: FISCAL STRATEGY AND OUTLOOK

OVERVIEW

Tax receipts have been revised down by over \$20 billion over the forward estimates, primarily reflecting a weaker global economy and falls in global commodity prices. This substantial write-down in tax receipts has made the return to surplus more difficult.

Returning the budget to surplus in 2012-13 remains appropriate given the current economic conditions, reflecting a targeted approach to savings that minimises the impact of the Government's fiscal consolidation on the economy. The Australian economy is forecast to grow around trend, the unemployment rate is forecast to remain low and global commodity prices remain high by historical standards.

The Government's ongoing commitment to fiscal discipline will ensure that Australia's public finances remain strong and will sustain confidence in the strength of Australia's economy at a time of global economic uncertainty.

It will also leave Australia well placed to withstand external shocks to the economic outlook. This is important given ongoing uncertainty about how key international risks, including the European sovereign debt crisis, will unfold.

In this MYEFO the Government has made \$16.4 billion in targeted and responsible savings to return the budget to a small surplus, fund new services such as the Dental Health Reform Package, and help make room for the delivery of new priorities in future years.

Savings have been achieved through a range of measures including reforms to improve the operation and integrity of the taxation and superannuation systems, reforms to Private Health Insurance (PHI) and reforms to better target training funding to areas of high skill need. These measures will deliver enduring savings, while minimising the impact on the economy.

The underlying cash surplus is expected to be \$1.1 billion (0.1 per cent of GDP) in 2012-13, growing to \$6.4 billion (0.4 per cent of GDP) in 2015-16.

Net debt is expected to be 9.4 per cent of GDP in 2012-13, slightly higher than expected at Budget. The average net debt position of the major advanced economies (G7) is projected to peak at 95 per cent of GDP in 2016, almost ten times higher than the expected peak in Australia's net debt of 10.0 per cent of GDP in 2011-12.

Table 3.1: Budget aggregates

	Estimates			
	2012-13		2013-14	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	1.5	1.1	2.0	2.2
Per cent of GDP	0.1	0.1	0.1	0.1
Fiscal balance(\$b)	2.5	1.2	2.6	4.3
Per cent of GDP	0.2	0.1	0.2	0.3
	Projections			
	2014-15		2015-16	
	Budget	MYEFO	Budget	MYEFO
Underlying cash balance(\$b)(a)	5.3	3.3	7.5	6.4
Per cent of GDP	0.3	0.2	0.4	0.4
Fiscal balance(\$b)	7.0	6.9	9.5	9.8
Per cent of GDP	0.4	0.4	0.5	0.5

(a) MYEFO figures include net Future Fund earnings, whereas Budget figures include gross Future Fund earnings. This is further explained in Appendix B.

Fiscal strategy

The Government's medium-term fiscal strategy is designed to ensure fiscal sustainability, while providing the necessary flexibility for the Budget position to vary in line with economic conditions.

The medium-term fiscal strategy, which has remained unchanged since the Government's first Budget in 2008-09, is to:

- achieve budget surpluses, on average, over the medium-term;
- keep taxation as a share of GDP, on average, below the level for 2007-08 (23.7 per cent); and
- improve the Government's net financial worth over the medium-term.

To ensure a timely return to surplus and recovery in the fiscal position, since the beginning of the global financial crisis the Government has further committed to:

- allow the level of tax receipts to recover naturally as the economy improves, while maintaining the Government's commitment to keep taxation as a share of GDP below the 2007-08 level on average; and
- build growing surpluses by holding real growth in spending to 2 per cent a year, on average, until the budget surplus is at least 1 per cent of GDP, and while the economy is growing at or above trend.

Pressures on the fiscal position since the Budget

The change in global economic conditions and prospects since the Budget has had a significant impact on the fiscal outlook, with a downward revision to tax receipts of around \$4 billion in 2012-13 and over \$20 billion over the four years to 2015-16.

The changed economic conditions are expected to mainly affect company profits, particularly in the resource sector due to lower global commodity prices, with resultant write-downs to company tax receipts. The falls in commodity prices have also caused significant downgrades to resource rent taxes.

Other major variations since the 2012-13 Budget include:

- an increase in payments of \$1.2 billion in 2012-13 associated with a range of immigration-related programs, mainly owing to higher than expected numbers of irregular maritime arrivals in the first quarter of 2012-13;
- an expected increase in payments for Tertiary Student Assistance of \$381 million in 2012-13 (\$2.0 billion over the forward estimates) associated with an increase in current and projected enrolments in higher education and a growing take-up of income support payments by higher education students; and
- an expected increase in Medicare payments of \$358 million in 2012-13, primarily resulting from the extension of the Chronic Disease Dental Scheme (CDDS) to 30 November 2012.

Returning the budget to surplus

Returning to surplus in 2012-13 remains appropriate given current economic conditions, notwithstanding the task becoming more difficult because of further substantial write-downs in tax receipts, driven by a weakening of international growth prospects and falls in global commodity prices.

The economy is forecast to grow at around its trend rate, unemployment is expected to remain low and global commodity prices remain high by historical standards.

While risks to international growth remain firmly on the downside, Australia remains well placed to manage the effects of any further deterioration in the global economy.

The European sovereign debt crisis has highlighted the importance of maintaining strong fiscal discipline and credibility to sustain confidence at a time of heightened instability in financial markets.

The strength of Australia's public finances is a key reason behind Australia's being one of only seven countries to have a AAA rating with a stable outlook from all three major rating agencies.

Part 3: Fiscal strategy and outlook

The Government's fiscal consolidation should continue to provide scope for monetary policy to be eased, if appropriate, without generating price and wage pressures. This recognises that in normal circumstances, monetary policy should play the primary role in managing demand to keep the economy growing at close to capacity, consistent with the medium-term inflation target. The impact of the fiscal consolidation in 2012-13 should be more than offset by growth in private demand, with the aggregate economy growing around trend.

Importantly, the economic impact of the fiscal consolidation in 2012-13 is much smaller than the 3.1 per cent of GDP turnaround in the underlying cash balance. This is because the surplus is being achieved through a combination of targeted and responsible savings and the natural increase in tax receipts associated with a growing economy, assisted by policy measures in this MYEFO to improve the operation and integrity of the tax and superannuation systems.

The fiscal consolidation strengthens Australia's public finances, contributes to the long-term sustainability of the budget and supports Australia's capacity to withstand future shocks.

Savings

In this MYEFO the Government has identified savings of \$16.4 billion in 2012-13 and across the forward estimates. These savings build on previous saves of over \$130 billion identified by the Government in the five budgets since 2008-09. After paying for all new expenditure since the 2012-13 Budget, including the Dental Health Reform Package and the Government's response to the Expert Panel on Asylum Seekers, the Government has achieved a net saving of \$10.5 billion in this MYEFO.

The savings in this MYEFO have been carefully targeted to minimise the overall impact of the fiscal consolidation on the economy and on vulnerable people. The Government will continue to balance these considerations, particularly if there is any further deterioration in economic conditions or in tax receipts. These savings have helped sustain strength in the position of the budget in 2012-13 and over the forward estimates.

Importantly, some of the savings will continue to improve the underlying position of the budget after the end of the forward estimates by reducing the growth of significant areas of expenditure such as the PHI rebate. These enduring savings build on the long-term savings that this Government has made since the 2008-09 Budget and will help make room for emerging priorities over the medium-term.

Box 3.1: Long term savings and the budget position

The Government has made savings decisions since the 2008-09 Budget that will continue to impact on the budget position well beyond the end of the forward estimates. In part, these enduring savings provided the room for significant new priorities, such as the pension increase in the 2009-10 Budget. They have also contributed towards sustaining and improving the budget bottom line over the medium and long-term.

Since the 2008-09 Budget some of the most significant of these savings are:

- Increasing the pension age to 67 by 2023.
- Reforms to the family payments system.
- Means testing of the PHI rebate.
- Reforms to personal tax offsets such as the net medical tax expenses offset and dependent spouse tax offset.
- Fringe benefits tax reforms including changes to the concessions for cars and living away from home allowances.
- Changes to the concessional contribution arrangements for superannuation.
- Means testing for aged care recipients.

In this MYEFO the Government is making further long-term savings to contribute to the budget bottom line beyond the forward estimates. The reforms to the PHI rebate in MYEFO will control one of the fastest growing areas of health expenditure. Other savings include the changes to baby bonus, targeted increases to visa application charges, and the removal of fringe benefits tax concessions for in-house benefits accessed through salary sacrifice.

Without these savings since the 2008-09 Budget, the medium-term budget outlook would be in a much poorer position. Rather than net debt returning to zero in 2020-21, it would be over \$250 billion in that year.

Table 3.2 outlines the net budget impact of policy decisions taken since the 2012-13 Budget. It takes into account amounts that have previously been provided for in the Contingency Reserve (and as a result have no net impact on the budget position).

This is the fourth consecutive MYEFO to deliver policy decisions that make a positive contribution to the fiscal outlook across the forward estimates.

Table 3.2: Delivering fiscal reprioritisation^(a)

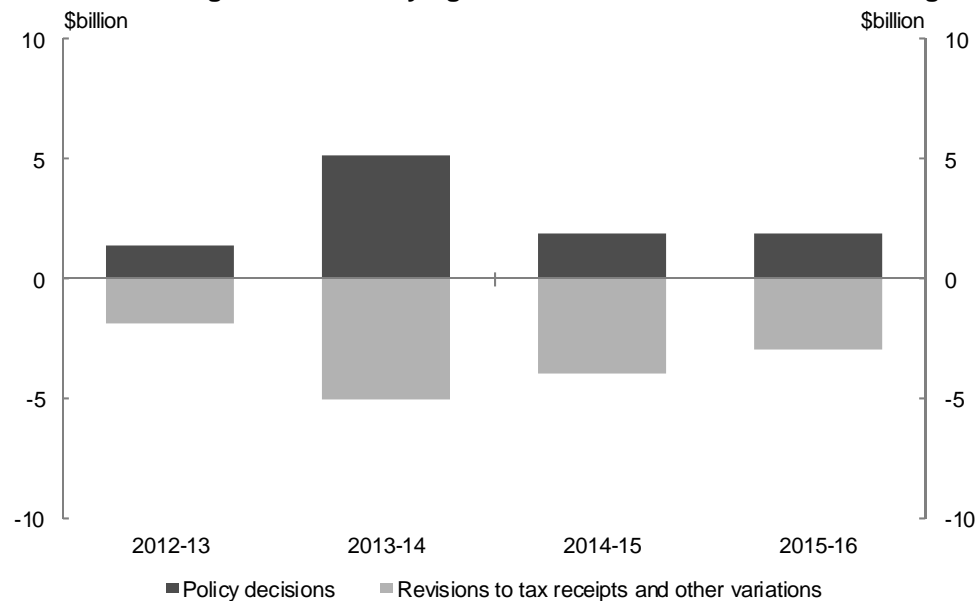
	Estimates		Projections		Total
	2012-13	2013-14	2014-15	2015-16	
	\$m	\$m	\$m	\$m	
Effect of policy decisions since Budget					
Spends	-716	-1,422	-1,875	-2,056	-6,069
Saves	2,127	6,543	3,792	3,953	16,415
Total effect of policy decisions since Budget	1,411	5,121	1,917	1,897	10,346
<i>Add Contingency Reserve offsets to policy decisions (b)</i>	10	20	44	44	119
Net budget impact of policy decisions	1,421	5,141	1,961	1,941	10,465

(a) Underlying cash basis.

(b) Includes the revenue provision for the signing of the Malaysian Free Trade Agreement.

The relative impact of revisions in tax receipts (and other variations in MYEFO) and the Government's discretionary policy decisions on the fiscal outlook is illustrated in Chart 3.1. Policy decisions improve the fiscal position in 2012-13 and each year of the forward estimates.

Chart 3.1: Change to the underlying cash balance since the 2012-13 Budget



Real growth in payments

Since the 2012-13 Budget, the Government has made a further \$16.4 billion in targeted and responsible savings to return the budget to surplus in 2012-13 and deliver small but growing surpluses across the forward estimates. These decisions have contributed to the small change in real growth in payments in 2012-13 compared with the 2012-13 Budget. In total, real growth in payments is estimated to be -4.4 per cent in 2012-13, compared with -4.3 per cent in the 2012-13 Budget.

The Government is delivering on its commitment to restrain real growth in spending to 2 per cent a year on average, until surpluses are at least 1 per cent of GDP, and while the economy is growing at or above trend. Average real growth in payments in 2012-13 and across the forward estimates is around 1.1 per cent (see Table 3.3). In comparison, real payments growth averaged around 3.7 per cent in the decade prior to the global financial crisis.

Table 3.3: Real growth in payments

	2012-13	2013-14	2014-15	2015-16
Real payment growth	-4.4	4.4	1.6	2.7
Average growth in real payments	1.1			

The discipline imposed on real growth in payments means that government spending, as a share of the economy, is projected to fall by 1.5 percentage points in 2012-13 to 23.8 per cent. It is estimated that payments as a share of GDP will remain relatively stable over the forward estimates. This is the longest period payments will remain at 24 per cent or less as a share of GDP in over 30 years.

FISCAL OUTLOOK

The Australian Government's underlying cash surplus for 2012-13 is estimated to be \$1.1 billion (0.1 per cent of GDP). In accrual terms, a fiscal surplus of \$1.2 billion (0.1 per cent of GDP) is estimated for 2012-13.

Table 3.4: Australian Government general government sector budget aggregates

	Estimates			
	2012-13		2013-14	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Receipts(a)	368.8	367.0	392.5	392.6
Per cent of GDP	23.8	24.0	24.0	24.3
Payments(b)	364.2	363.2	387.3	387.8
Per cent of GDP	23.5	23.8	23.7	24.0
Future Fund earnings(c)	3.0	2.7	3.2	2.7
Underlying cash balance(d)	1.5	1.1	2.0	2.2
Per cent of GDP	0.1	0.1	0.1	0.1
Revenue(a)	376.1	373.7	402.2	403.2
Per cent of GDP	24.2	24.4	24.6	25.0
Expenses	376.3	375.0	398.5	397.9
Per cent of GDP	24.3	24.5	24.4	24.7
Net operating balance	-0.2	-1.3	3.7	5.3
Net capital investment	-2.7	-2.5	1.0	1.0
Fiscal balance	2.5	1.2	2.6	4.3
Per cent of GDP	0.2	0.1	0.2	0.3
<i>Memorandum item:</i>				
Headline cash balance	-8.7	-7.3	-6.8	-7.9
	Projections			
	2014-15		2015-16	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Receipts(a)	413.6	410.0	438.4	434.6
Per cent of GDP	24.0	24.1	24.2	24.3
Payments(b)	404.9	403.9	427.3	425.2
Per cent of GDP	23.5	23.8	23.6	23.7
Future Fund earnings(c)	3.4	2.8	3.7	3.0
Underlying cash balance(d)	5.3	3.3	7.5	6.4
Per cent of GDP	0.3	0.2	0.4	0.4
Revenue(a)	424.8	421.9	449.6	446.4
Per cent of GDP	24.7	24.8	24.8	24.9
Expenses	416.4	413.7	439.0	435.8
Per cent of GDP	24.2	24.3	24.2	24.3
Net operating balance	8.4	8.2	10.5	10.6
Net capital investment	1.4	1.2	1.1	0.9
Fiscal balance	7.0	6.9	9.5	9.8
Per cent of GDP	0.4	0.4	0.5	0.5
<i>Memorandum item:</i>				
Headline cash balance	-0.1	-5.5	2.0	-0.7

(a) Includes expected Future Fund earnings.

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

(c) MYEFO figures report net Future Fund earnings, whereas Budget figures report gross Future Fund earnings. This is further explained in Appendix B.

(d) Excludes expected Future Fund earnings.

Underlying cash balance estimates

The 2012-13 underlying cash surplus is expected to be \$0.5 billion lower than expected in the 2012-13 Budget.

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

	Estimates			
	2012-13		2013-14	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Cash receipts				
Operating cash receipts	363.9	362.2	392.1	392.1
Capital cash receipts(a)	4.9	4.9	0.5	0.5
Total cash receipts(b)	368.8	367.0	392.5	392.6
Cash payments				
Operating cash payments	356.3	355.1	379.8	380.2
Capital cash payments(c)	7.5	7.7	7.0	7.0
Total cash payments	363.8	362.8	386.8	387.3
Finance leases and similar arrangements(d)	0.4	0.4	0.5	0.5
GFS cash surplus(+)/deficit(-)	4.6	3.8	5.2	4.8
Per cent of GDP	0.3	0.2	0.3	0.3
<i>less</i> Future Fund earnings(e)	3.0	2.7	3.2	2.7
Underlying cash balance(f)	1.5	1.1	2.0	2.2
Per cent of GDP	0.1	0.1	0.1	0.1
<i>Memorandum items:</i>				
Net cash flows from investments in financial assets for policy purposes	-13.3	-11.1	-12.0	-12.7
<i>plus</i> Future Fund earnings(e)	3.0	2.7	3.2	2.7
Headline cash balance	-8.7	-7.3	-6.8	-7.9
	Projections			
	2014-15		2015-16	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Cash receipts				
Operating cash receipts	413.4	409.8	436.8	433.0
Capital cash receipts(a)	0.2	0.2	1.6	1.6
Total cash receipts(b)	413.6	410.0	438.4	434.6
Cash payments				
Operating cash payments	397.2	396.3	418.6	416.6
Capital cash payments(c)	7.7	7.6	8.7	8.6
Total cash payments	404.9	403.9	427.2	425.2
Finance leases and similar arrangements(d)	0.0	0.0	0.0	0.0
GFS cash surplus(+)/deficit(-)	8.7	6.2	11.1	9.4
Per cent of GDP	0.5	0.4	0.6	0.5
<i>less</i> Future Fund earnings(e)	3.4	2.8	3.7	3.0
Underlying cash balance(f)	5.3	3.3	7.5	6.4
Per cent of GDP	0.3	0.2	0.4	0.4
<i>Memorandum items:</i>				
Net cash flows from investments in financial assets for policy purposes	-8.8	-11.6	-9.2	-10.1
<i>plus</i> Future Fund earnings(e)	3.4	2.8	3.7	3.0
Headline cash balance	-0.1	-5.5	2.0	-0.7

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

(b) Includes expected Future Fund earnings.

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

(d) 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.

(e) MYEFO figures report net Future Fund earnings, whereas Budget figures report gross Future Fund earnings. This is further explained in Appendix B.

(f) Excludes expected Future Fund earnings.

Table 3.6 provides a reconciliation of the variations in the underlying cash balance since the 2012-13 Budget.

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

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
2012-13 Budget underlying cash balance(a)	1,536	2,044	5,318	7,469
Per cent of GDP	0.1	0.1	0.3	0.4
Changes from 2012-13 Budget to 2012-13 MYEFO				
Effect of policy decisions(b)(c)				
<i>Receipts</i>	1,821	6,176	2,635	2,209
<i>Payments</i>	410	1,055	718	312
Total policy decisions impact on underlying cash balance	1,411	5,121	1,917	1,897
Effect of parameter and other variations(c)				
<i>Receipts</i>	-3,242	-5,595	-5,630	-5,325
<i>Payments</i>	-1,373	-595	-1,719	-2,367
Total parameter and other variations impact on underlying cash balance	-1,869	-5,000	-3,910	-2,958
2012-13 MYEFO underlying cash balance(a)	1,077	2,165	3,325	6,408
Per cent of GDP	0.1	0.1	0.2	0.4

(a) MYEFO figures include net Future Fund earnings, whereas Budget figures include gross Future Fund earnings. This is further explained in Appendix B.

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

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

Total policy decisions since the 2012-13 Budget have had a positive impact on the underlying cash position of \$1.4 billion in 2012-13, and improve the budget position over the forward estimates.

Total parameter and other variations since the 2012-13 Budget have had a negative impact on the underlying cash position of \$1.9 billion in 2012-13.

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

Receipt estimates

Since the 2012-13 Budget, total tax receipts have been revised down by \$3.9 billion in 2012-13 and \$11.4 billion over the four years to 2015-16, leaving the tax-to-GDP ratio broadly unchanged.

While the outlook for the Australian economy is positive, external factors are weighing heavily on parts of the economy and tax receipts. The moderation in world GDP growth has contributed to a greater-than-expected easing in global prices of Australia's

non-rural bulk commodities. This has been the primary driver of the substantial write-down in total tax receipts.

The weak external conditions are expected to affect mainly company profits, largely in the resource sector, resulting in substantial downgrades to company tax receipts. These downgrades have been somewhat offset by the scaling back of some resources investment plans, resulting in lower capital expenses. The falls in commodity prices have also led to significant downgrades to resource rent tax receipts.

Taxes on wages and consumption are expected to be broadly unchanged since the Budget.

Abstracting from policy decisions, tax receipts are expected to be lower by around \$4 billion in 2012-13 and over \$20 billion over the four years to 2015-16 relative to Budget.

Table 3.7: Australian Government general government sector cash receipts — 2012-13

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals' and other withholding taxes				
Gross income tax withholding	150,600	151,300	700	0.5
Gross other individuals	35,500	35,000	-500	-1.4
less: Refunds	26,240	26,500	260	1.0
Total individuals' and other withholding taxation	159,860	159,800	-60	0.0
Fringe benefits tax	3,830	3,970	140	3.7
Company tax	73,480	71,170	-2,310	-3.1
Superannuation funds	8,050	8,050	0	0.0
Resource rent taxes(a)	7,160	5,400	-1,760	-24.6
Income taxation receipts	252,380	248,390	-3,990	-1.6
Sales taxes				
Goods and services tax	48,341	48,432	91	0.2
Wine equalisation tax	770	710	-60	-7.8
Luxury car tax	450	450	0	0.0
Total sales taxes	49,561	49,592	31	0.1
Excise duty				
Petrol	5,900	6,000	100	1.7
Diesel	8,700	8,700	0	0.0
Beer	2,035	2,070	35	1.7
Tobacco	5,850	5,200	-650	-11.1
Other excisable products	4,400	4,500	100	2.3
Of which: Other excisable beverages(b)	940	930	-10	-1.1
Total excise duty receipts	26,885	26,470	-415	-1.5
Customs duty				
Textiles, clothing and footwear	730	700	-30	-4.1
Passenger motor vehicles	940	920	-20	-2.1
Excise-like goods	4,370	4,850	480	11.0
Other imports	1,500	1,530	30	2.0
less: Refunds and drawbacks	200	200	0	0.0
Total customs duty receipts	7,340	7,800	460	6.3
Carbon pricing mechanism	4,020	4,020	0	0.0
Other indirect taxation				
Agricultural levies	440	440	0	0.0
Other taxes	2,480	2,497	17	0.7
Total other indirect taxation receipts	2,920	2,937	17	0.6
Indirect taxation receipts	90,727	90,819	93	0.1
Taxation receipts	343,107	339,209	-3,897	-1.1
Sales of goods and services	8,289	8,818	529	6.4
Interest received	4,660	4,390	-270	-5.8
Dividends	2,518	3,268	751	29.8
Other non-taxation receipts	10,201	11,356	1,155	11.3
Non-taxation receipts(c)	25,667	27,832	2,165	8.4
Total receipts(c)	368,774	367,041	-1,733	-0.5
<i>Memorandum:</i>				
<i>Capital gains tax</i>	10,200	8,400	-1,800	-17.6
<i>Medicare levy receipts</i>	9,640	9,700	60	0.6

(a) Resource rent taxes include PRRT and gross receipts from the MRRT.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Includes expected Future Fund earnings.

Table 3.8: Australian Government general government sector cash receipts — 2013-14

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals' and other withholding taxes				
Gross income tax withholding	163,900	163,900	0	0.0
Gross other individuals	37,900	37,300	-600	-1.6
less: Refunds	26,430	26,700	270	1.0
Total individuals' and other withholding taxation	175,370	174,500	-870	-0.5
Fringe benefits tax	4,310	4,450	140	3.2
Company tax	76,370	78,680	2,310	3.0
Superannuation funds	9,010	9,050	40	0.4
Resource rent taxes(a)	8,190	6,400	-1,790	-21.9
Income taxation receipts	273,250	273,080	-170	-0.1
Sales taxes				
Goods and services tax	51,049	51,189	140	0.3
Wine equalisation tax	820	720	-100	-12.2
Luxury car tax	460	460	0	0.0
Total sales taxes	52,329	52,369	40	0.1
Excise duty				
Petrol	5,900	5,950	50	0.8
Diesel	9,200	9,300	100	1.1
Beer	2,183	2,180	-3	-0.2
Tobacco	5,190	4,800	-390	-7.5
Other excisable products	4,710	4,750	40	0.8
Of which: Other excisable beverages(b)	1,030	990	-40	-3.9
Total excise duty receipts	27,183	26,980	-203	-0.7
Customs duty				
Textiles, clothing and footwear	785	720	-65	-8.3
Passenger motor vehicles	1,020	960	-60	-5.9
Excise-like goods	5,310	5,850	540	10.2
Other imports	1,625	1,670	45	2.8
less: Refunds and drawbacks	200	200	0	0.0
Total customs duty receipts	8,540	9,000	460	5.4
Carbon pricing mechanism	6,610	6,640	30	0.5
Other indirect taxation				
Agricultural levies	436	436	0	0.0
Other taxes	3,060	2,888	-172	-5.6
Total other indirect taxation receipts	3,496	3,324	-172	-4.9
Indirect taxation receipts	98,159	98,313	154	0.2
Taxation receipts	371,409	371,393	-16	0.0
Sales of goods and services	8,696	8,758	63	0.7
Interest received	4,679	4,486	-193	-4.1
Dividends	1,967	2,004	37	1.9
Other non-taxation receipts	5,793	5,954	160	2.8
Non-taxation receipts(c)	21,135	21,201	67	0.3
Total receipts(c)	392,544	392,595	51	0.0
<i>Memorandum:</i>				
<i>Capital gains tax</i>	12,900	11,000	-1,900	-14.7
<i>Medicare levy receipts</i>	10,250	10,390	140	1.4

(a) Resource rent taxes include PRRT and gross receipts from the MRRT.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Includes expected Future Fund earnings.

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Policy decisions

Policy decisions since the 2012-13 Budget have increased receipts by \$1.8 billion in 2012-13 and by \$6.2 billion in 2013-14.

The revenue saving measures include decisions to remove certain inefficient tax expenditures, as well as a package of measures aimed at improving the operation and fairness of the tax system. Major policy decisions that have increased receipts over the budget and forward estimates include:

- a phased introduction of monthly pay-as-you-go (PAYG) instalments for large companies in Australia. This measure is estimated to raise \$8.3 billion on an underlying cash basis over four years;
- provision of \$390 million funding to the Australian Taxation Office (ATO) for further compliance activities to continue to target profit shifting and high wealth individuals and to focus on outstanding income tax lodgements in the micro and small business segments increasing cash receipts by \$1.6 billion over four years;
- changes to the operation of lost superannuation account provisions to help reunite these accounts with their owners and preserve the value of lost accounts. There will be an increased number of lost superannuation accounts transferred to the Australian Taxation Office (ATO) which will be given additional funding to implement this measure and to use their data matching resources to match lost accounts with active accounts. Importantly, this will help keep money in the superannuation system to support individuals' retirement savings. The Government will pay interest on all unclaimed superannuation monies reclaimed from the ATO and these accounts will not be subject to erosion from account fees. The measure will result in increased net receipts of \$738 million over four years;
- removing the concessional fringe benefits tax treatment for in-house fringe benefits accessed by way of salary sacrifice arrangements. This measure is estimated to raise \$445 million over four years;
- reducing the period of time that banks and other deposit taking and life insurance institutions hold unclaimed moneys from seven to three years increasing receipts by \$300 million in 2012-13; and
- targeted increases to a number of Visa Application Charges from 1 January 2013 increasing receipts by \$52 million in 2012-13 (\$520 million over four years). The changes to visa application charges will apply to skilled graduates, partners, working holiday makers and temporary overseas workers.

The impact of these policy decisions on receipts has been partially offset by a number of decisions that have reduced receipts, including signing the Malaysia-Australia Free Trade Agreement under which both parties agreed to eliminate tariffs on a wide range

of goods. This measure has a cost to revenue estimated to be \$80 million on an underlying cash basis over four years.

Parameter and other variations

The key economic parameters that influence revenue are shown in Table 3.9. The table shows effects on the Australian Government's main tax bases of the changed circumstances and outlook since the 2012-13 Budget.

Table 3.9: Key economic parameters^(a)

	Outcome	Estimates		Projections	
	2011-12 %	2012-13 %	2013-14 %	2014-15 %	2015-16 %
Revenue parameters at 2012-13 MYEFO					
Nominal gross domestic product (non-farm)	5.1	4.2	5.5	5 1/4	5 1/4
<i>Change since 2012-13 Budget</i>	-0.7	-0.9	0.1	0	0
Compensation of employees (non-farm)(b)	7.2	5.4	4.9	5 1/2	5 1/2
<i>Change since 2012-13 Budget</i>	0.7	0.4	-0.5	0	0
Corporate gross operating surplus(c)	2.7	1.3	6.8	4 3/4	5 1/4
<i>Change since 2012-13 Budget</i>	-3.4	-2.8	2.1	- 1/2	1/4
Unincorporated business income	-2.6	5.7	4.7	5 1/4	5 1/4
<i>Change since 2012-13 Budget</i>	-5.5	0.4	-0.6	0	0
Property income(d)	2.8	3.5	6.5	5 1/2	5 1/2
<i>Change since 2012-13 Budget</i>	-1.1	-3.0	-0.2	0	0
Consumption subject to GST	5.4	5.2	4.6	5 1/2	5 1/2
<i>Change since 2012-13 Budget</i>	0.3	-0.1	-0.1	0	0

(a) Current prices, per cent change on previous year. Changes since the 2012-13 Budget are percentage points and may not reconcile due to rounding.

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

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

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

Parameter and other variations have decreased tax receipts since the 2012-13 Budget by \$4.0 billion in 2012-13 and \$5.8 billion in 2013-14.

Income tax withholding receipts have been revised up \$790 million in 2012-13, reflecting the higher than expected outcome in 2011-12 for both tax receipts and compensation of employees. Receipts in 2013-14 have been revised down by \$90 million, consistent with the slightly weaker outlook for employment growth.

Gross other individuals' taxation has been revised down by \$580 million in 2012-13 and \$740 million in 2013-14, reflecting weaker than expected income from capital gains. Refunds have been revised up by \$260 million in both 2012-13 and 2013-14 also reflecting weaker capital gains.

Fringe Benefits tax has been revised up by \$120 million in 2012-13 and \$140 million in 2013-14, reflecting higher than expected non-cash wage income.

Receipts from superannuation funds are largely unchanged since Budget.

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Company tax receipts have been revised down by \$2.4 billion in 2012-13 and \$3.3 billion in 2013-14, largely reflecting substantial downgrades to resource sector profitability due to lower global commodity prices. These downgrades have been somewhat offset by the scaling back of some business investment plans, resulting in lower capital expenses, and lower resource rent taxes (that are deductible against company tax).

Resource rent taxes have been revised down by \$1.8 billion in both 2012-13 and 2013-14, mostly from minerals resource rent tax but also from petroleum resource rent tax. This reflects lower global commodity prices, particularly iron ore prices.

GST receipts remain broadly unchanged since Budget.

Excise duty has been revised down by \$400 million in 2012-13 and \$220 million in 2013-14, while customs duty has been revised up by \$470 million in both 2012-13 and 2013-14. These revisions partly reflect an increase in the share of tobacco excise cleared through the customs system.

Wine equalisation tax receipts have been revised down by \$60 million in 2012-13 and \$100 million 2013-14, reflecting greater than expected refunds. Luxury car tax receipts remain unchanged from Budget.

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

Major parameter and other variations that have increased non-taxation receipts since the 2012-13 Budget include dividend receipts received by the Government of \$500 million in 2012-13 from the Reserve Bank of Australia (RBA). In addition the Government will receive a special dividend from Medibank Private of \$300 million in 2012-13 which was already included in the 2012-13 Budget estimates.

Payment estimates

Since the 2012-13 Budget, estimated cash payments for 2012-13 have decreased by \$1.0 billion, reflecting increased payments due to new policy decisions of \$410 million and decreased payments due to parameter and other variations of \$1.4 billion.

Policy decisions

Major policy decisions since the 2012-13 Budget that have increased cash payments in 2012-13 and over the four years to 2015-16 include:

- funding for the Government's Dental Health Reform package which includes initiatives to: establish a Child Dental Benefits Schedule; support the provision of dental health services to adults who rely on the public dental system; and support dental infrastructure and workforce initiatives and redirect the Medicare Teen Dental Plan to offset the package. These measures, which are expected to increase

payments by \$1.8 billion over four years, are broadly funded by savings in other health-related programs;

- funding of \$111 million in 2012-13 (\$497 million over four years) as part of the Government's response to the Report for the Expert Panel on Asylum Seekers, including increases to the Humanitarian Program of an additional 6,250 places per annum from 2012-13, and increases to the Family Reunion Stream of the Permanent Migration Program by 4,000 places. The estimated costs of establishing regional processing centres in Nauru and Manus Island, Papua New Guinea are included in MYEFO in the Contingency Reserve but cannot be published as the contracts to build these facilities are currently subject to commercial negotiations;
- funding of \$39 million in 2012-13 (\$325 million over four years) for the Tasmanian health system to address challenges caused by Tasmania's ageing population, high rates of chronic disease and constraints in their health system; and
- funding to the international contribution to the sustainment of the Afghan National Security Forces (ANSF) with an impact of \$154 million over two years from 2014-15. Australia's contribution is part of international efforts to help sustain and support the ANSF beyond the transition of security responsibility in Afghanistan to the Afghan government.

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

- a reduction and movement in funding to a number of grant programs across a range of Government portfolios by \$157 million in 2012-13 (\$89 million over four years);
- slowing the rate of funding increases for Sustainable Research Excellence by maintaining funding at the 2012 level for the 2013 calendar year, then increasing funding over the three years to a maximum amount of \$300 million in 2016. This will decrease payments by \$79 million in 2012-13 (\$499 million over four years). Funding will then be indexed annually from 2017 by the Higher Education Indexation Factor;
- discontinuing the \$1,500 standard commencement incentive, and reducing the standard completion incentive to \$1,500, for employers of part-time and casual apprenticeships in non-National Skills Needs List occupations, decreasing payments by \$19 million in 2012-13 (\$277 million over four years). This will apply immediately for all commencing apprentices. Employers of ongoing apprentices will continue to be eligible for incentives under the previous arrangements until 30 June 2013;
- changes to the calculation of the Government's contribution to private health insurance, which will now be calculated using commercial premiums as at

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1 April 2013 and then indexed annually by the lesser of CPI or the actual increase in commercial premiums. This will be used to determine an individual's private health insurance rebate. This decision will take effect from 1 April 2014 and will decrease payments by around \$700 million over three years from 2013-14;

- removing the PHI Rebate on the Lifetime Health Cover loading component of PHI premiums decreasing payments from 1 July 2013 and reducing payments by around \$390 million over three years;
- reducing the baby bonus rate from \$5,000 to \$3,000 for second and subsequent children from 1 July 2013 reducing payments by \$461 million over three years;
- extending the Trade Training Centres in Schools program to 2018-19, rephasing funding to evenly distribute projects over the life of the program. This rephasing reduces payments by \$305 million over four years, with overall funding over the life of the program remaining unchanged; and
- ceasing Facilitation Funding for universities from 1 January 2014 reducing payments by \$270 million over three years from 2013-14.

Parameter and other variations

Major increases in cash payments in 2012-13, as a result of parameter and other variations since the 2012-13 Budget, include:

- a range of immigration related programs which are expected to increase payments by \$1.1 billion in 2012-13. These include an update in the number of irregular maritime arrivals to reflect experience to date in 2012-13; the forecast impact of Government policies for Offshore Asylum Seeker Management; the consequential impacts of the increase of the Humanitarian Program by 6,250, to 20,000 places; and an increase to the Family Reunion Stream of the Permanent Migration Program;
- Medicare payments which are expected to increase by \$358 million in 2012-13, primarily resulting from the extension of the Chronic Disease Dental Scheme (CDDS) to 30 November 2012. The closure of the CDDS is an element of the Government's Dental Health Reform package;
- PHI payments which are expected to increase by \$313 million in 2012-13, reflecting a higher than expected increase in the prepayment of PHI policies in June 2012, with a consequent increase in the PHI rebate paid by government in 2012-13;
- Tertiary Student Assistance payments which are expected to increase by \$381 million in 2012-13 (\$2.0 billion over four years), largely reflecting an increase in projected enrolments in higher education and a growing take up of income support payments by higher education students;

- payments related to Family Tax Benefit (FTB) which are expected to increase by \$155 million in 2012-13 (\$111 million over four years), largely reflecting a one-off increase in 2012-13 for the Schoolkids Bonus. The increase in 2012-13 largely reflects a shift in recipient preferences to receive FTB payments within the entitlement year (rather than after the end of the year) which is expected to result in a fall in future FTB liabilities and lump sum payments;
- Child Care Benefit and Child Care Rebate payments which are expected to increase by \$133 million in 2012-13 (\$654 million over four years), largely reflecting higher than expected growth in the hours of childcare utilised;
- employee assistance payments which are expected to increase by \$102 million in 2012-13, reflecting an increase in demand for the General Employee Entitlements and Redundancy Scheme. This scheme provides assistance to employees of bankrupt businesses who are owed certain employee entitlements when their employer is subject to an insolvency event;
- Natural Disaster Relief and Recovery Arrangements which are expected to decrease by \$9 million in 2012-13 (and increase by \$867 million over four years, with the majority of the impact in 2014-15). This largely reflects updated estimates of Australian Government contributions for Queensland disasters that occurred in 2011-12; and
- Residential Care Subsidies, which are expected to increase by \$390 million over four years (with no impact in 2012-13), reflecting revised forecasts for demand based on 2011-12 data.

Major reductions in expected payments in 2012-13, as a result of parameter and other variations since the 2012-13 Budget include:

- changes in the timing of funding to a number of grant programs across a range of Government portfolios to better reflect the expected timing of payments (\$324 million in 2012-13 (\$125 million over four years));
- Australian Government general recurrent grants funding for schools which is expected to be \$317 million lower in 2012-13 (\$1.5 billion over four years) than forecast in the 2012-13 Budget. This reflects lower than previously forecast cost increases in average recurrent expenditure on educating students at government schools;
- National Health Reform Funding, which is expected to be \$254 million lower in 2012-13 (\$1.5 billion over four years), reflecting downward revisions to the weighted population used to calculate hospital utilisation following the 2011 Census and the Australian Institute of Health and Welfare health price index, which has been driven by a higher Australian dollar leading to lower prices for medical equipment that is sourced from overseas;

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- a delay in consideration of reward payment funding of up to \$175 million in 2012-13 for the Improving Teacher Quality National Partnership as a result of performance milestones for 2012-13 being renegotiated with the States. This negotiation process is likely to impact on the COAG Reform Council's ability to complete its assessment before May 2013 and subsequently delay the Australian Government making payment until 2013-14; and
- payments to Job Services Australia which are expected to decrease by \$150 million in 2012-13 (\$376 million over four years) reflecting a reduction in forecast client numbers and a decline in the proportion of jobseekers requiring more intensive employment assistance services.

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

Fiscal balance estimates

The fiscal balance is expected to be in surplus by \$1.2 billion in 2012-13, a deterioration of \$1.3 billion from the expectation in the 2012-13 Budget.

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

Table 3.10: Reconciliation of general government sector fiscal balance estimates

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
2012-13 Budget fiscal balance	2,500	2,646	7,020	9,457
Per cent of GDP	0.2	0.2	0.4	0.5
Changes from 2012-13 Budget to 2012-13 MYEFO				
Effect of policy decisions(a)(b)				
Revenue	839	6,486	2,918	2,499
Expenses	215	530	596	223
Net capital investment	238	104	-120	-149
Total policy decisions impact on fiscal balance	386	5,852	2,442	2,424
Effect of parameter and other variations(a)				
Revenue	-3,171	-5,522	-5,877	-5,620
Expenses	-1,439	-1,179	-3,340	-3,456
Net capital investment	-53	-121	2	-46
Total parameter and other variations impact on fiscal balance	-1,679	-4,222	-2,539	-2,118
2012-13 MYEFO fiscal balance	1,207	4,275	6,923	9,762
Per cent of GDP	0.1	0.3	0.4	0.5

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

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

Revenue estimates

Total revenue has been revised down by \$2.3 billion in 2012-13. While changes in revenue are generally driven by the same factors as receipts, there are differences as not all revenue raised in a given year is actually paid in that year. For example, past tax assessments may be amended as a result of compliance activity or the settlement of legal disputes and taxpayers may accrue new tax debts. These differences exist for most revenue heads, and vary across years.

Movements in non-taxation revenue that are not matched by an equal movement in non-taxation receipts include:

- the dividends expected to be received by the Government from the RBA (\$500 million) and the Australian Reinsurance Pool Commission (\$400 million over four years), which have a significantly different impact on accrual revenue compared to cash receipts. The dividend revenue is recognised when the entitlement to the dividend is established, not when the dividend receipt is received;
- a reduction in the revenue attributable to the Higher Education Loan Program of \$348 million in 2012-13 as a result of revised discount rates used in the valuation of student loans, with no impact on the underlying cash balance. The decrease in revenue is more than offset by a decrease in expenses relating to the revised discount rate; and
- changes to the operation of lost superannuation account provisions where there are differences between the timing of accrual revenue and expenses compared to cash receipts and payments (a difference of \$63 million across the forward estimates).

Detailed Australian Government general sector revenue estimates for 2012-13 and 2013-14, compared with the estimates published in the 2012-13 Budget, are provided in Tables 3.11 and 3.12 respectively.

Table 3.11: Australian Government general government sector accrual revenue — 2012-13

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals' and other withholding taxes				
Gross income tax withholding	151,620	152,590	970	0.6
Gross other individuals	37,670	37,840	170	0.5
less: Refunds	26,240	26,500	260	1.0
Total individuals' and other withholding taxation	163,050	163,930	880	0.5
Fringe benefits tax	3,900	4,040	140	3.6
Company tax	75,032	72,982	-2,050	-2.7
Superannuation funds	8,250	8,250	0	0.0
Resource rent taxes(a)	7,410	5,580	-1,830	-24.7
Income taxation revenue	257,642	254,782	-2,860	-1.1
Sales taxes				
Goods and services tax	50,486	50,790	304	0.6
Wine equalisation tax	780	720	-60	-7.7
Luxury car tax	450	450	0	0.0
Total sales taxes	51,716	51,960	244	0.5
Excise duty				
Petrol	5,900	6,000	100	1.7
Diesel	8,700	8,700	0	0.0
Beer	2,035	2,070	35	1.7
Tobacco	5,850	5,200	-650	-11.1
Other excisable products	4,400	4,520	120	2.7
Of which: Other excisable beverages(b)	940	930	-10	-1.1
Total excise duty revenue	26,885	26,490	-395	-1.5
Customs duty				
Textiles, clothing and footwear	730	700	-30	-4.1
Passenger motor vehicles	940	920	-20	-2.1
Excise-like goods	4,370	4,850	480	11.0
Other imports	1,510	1,540	30	2.0
less: Refunds and drawbacks	180	180	0	0.0
Total customs duty revenue	7,370	7,830	460	6.2
Carbon pricing mechanism	7,690	7,690	-	-
Other indirect taxation				
Agricultural levies	440	440	0	0.0
Other taxes	2,883	2,900	17	0.6
Total other indirect taxation revenue	3,323	3,339	17	0.5
Indirect taxation revenue	96,984	97,309	326	0.3
Taxation revenue	354,626	352,092	-2,534	-0.7
Sales of goods and services	8,264	8,594	330	4.0
Interest	5,113	4,465	-648	-12.7
Dividends	2,485	2,479	-6	-0.2
Other non-taxation revenue	5,583	6,109	526	9.4
Non-taxation revenue(c)	21,445	21,647	202	0.9
Total revenue(c)	376,071	373,739	-2,332	-0.6
<i>Memorandum:</i>				
<i>Capital gains tax</i>	10,200	8,400	-1,800	-17.6
<i>Medicare levy revenue</i>	9,640	9,700	60	0.6

(a) Resource rent taxes include PRRT and gross revenue from the MRRT.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Include Future Fund earnings.

Table 3.12: Australian Government general government sector accrual revenue — 2013-14

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals' and other withholding taxes				
Gross income tax withholding	164,980	165,250	270	0.2
Gross other individuals	40,250	40,080	-170	-0.4
less: Refunds	26,430	26,700	270	1.0
Total individuals' and other withholding taxation	178,800	178,630	-170	-0.1
Fringe benefits tax	4,390	4,530	140	3.2
Company tax	77,901	80,459	2,558	3.3
Superannuation funds	9,220	9,290	70	0.8
Resource rent taxes(a)	8,350	6,560	-1,790	-21.4
Income taxation revenue	278,661	279,469	808	0.3
Sales taxes				
Goods and services tax	53,234	53,730	496	0.9
Wine equalisation tax	830	730	-100	-12.0
Luxury car tax	460	460	0	0.0
Total sales taxes	54,524	54,920	396	0.7
Excise duty				
Petrol	5,380	5,840	460	8.6
Diesel	9,200	9,120	-80	-0.9
Beer	2,183	2,140	-43	-2.0
Tobacco	5,190	4,710	-480	-9.2
Other excisable products	4,710	4,640	-70	-1.5
Of which: Other excisable beverages(b)	1,030	990	-40	-3.9
Total excise duty revenue	26,663	26,450	-213	-0.8
Customs duty				
Textiles, clothing and footwear	785	720	-65	-8.3
Passenger motor vehicles	1,020	960	-60	-5.9
Excise-like goods	5,310	5,850	540	10.2
Other imports	1,635	1,680	45	2.8
less: Refunds and drawbacks	180	180	0	0.0
Total customs duty revenue	8,570	9,030	460	5.4
Carbon pricing mechanism	8,685	8,685	0	0
Other indirect taxation				
Agricultural levies	436	436	0	0.0
Other taxes	3,188	3,033	-155	-4.9
Total other indirect taxation revenue	3,625	3,470	-155	-4.3
Indirect taxation revenue	102,067	102,555	488	0.5
Taxation revenue	380,727	382,023	1,296	0.3
Sales of goods and services	8,641	8,791	149	1.7
Interest	5,209	4,628	-580	-11.1
Dividends	1,966	1,950	-16	-0.8
Other non-taxation revenue	5,654	5,769	115	2.0
Non-taxation revenue(c)	21,470	21,138	-332	-1.5
Total revenue(c)	402,197	403,161	964	0.2
<i>Memorandum:</i>				
<i>Capital gains tax</i>	12,900	11,000	-1,900	-14.7
<i>Medicare levy revenue</i>	10,250	10,390	140	1.4

(a) Resource rent taxes include PRRT and gross revenue from the MRRT.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Include Future Fund earnings.

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Expense and net capital investment

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

- an increase in accrued superannuation expenses for civilian superannuation schemes of \$1.1 billion reflecting differences between the timing of cash payments and accrued expenses;
- a reduction in the expenses attributable to the concessional loans under the Higher Education Loan Program (HELP) of \$736 million in 2012-13 as a result of revised discount rates used in the valuation of student loans, with no impact on the underlying cash balance. This expense reduction is related to the decrease in HELP revenue outlined above; and
- the provision of GST to the States and Territories, reflecting higher than estimated GST entitlements (\$440 million) relating to the 2011-12 financial year. This amount was accrued in 2011-12 and will be paid in 2012-13.

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

Table 3.13 provides a reconciliation of expense estimates.

Table 3.13: Reconciliation of general government sector expense estimates

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
2012-13 Budget expenses	376,273	398,503	416,449	439,044
Changes from 2012-13 Budget to 2012-13 MYEFO				
Effect of policy decisions(a)	215	530	596	223
Effect of economic parameter variations				
Total economic parameter variations	245	576	29	199
<i>Unemployment benefits</i>	-197	186	-59	-67
<i>Prices and wages</i>	391	288	-113	-60
<i>Interest and exchange rates</i>	1	1	1	1
<i>GST payments to the States</i>	50	100	200	325
Public debt interest	0	-313	-377	-527
Program specific parameter variations	1,299	-631	-1,522	-1,742
Other variations	-2,984	-810	-1,470	-1,386
Total variations	-1,224	-649	-2,744	-3,233
2012-13 MYEFO expenses	375,049	397,854	413,704	435,811

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

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

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

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
2012-13 Budget net capital investment	-2,701	1,048	1,361	1,059
Changes from 2012-13 Budget to 2012-13 MYEFO				
Effect of policy decisions(a)	238	104	-120	-149
Effect of parameter and other variations	-53	-121	2	-46
Total variations	185	-17	-118	-194
2012-13 MYEFO net capital investment	-2,517	1,032	1,244	865

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

Net debt, net financial worth and net worth

Net debt for the Australian Government general government sector is expected to be \$144.0 billion (or 9.4 per cent of GDP) in 2012-13, slightly higher than the level expected in the 2012-13 Budget (\$143.3 billion or 9.2 per cent of GDP).

The increase in the expected level of net debt since the Budget is primarily driven by an increase in the market value of the stock of Commonwealth Government Securities (CGS) on issue, owing to lower yields (interest rates) than were assumed at the time of the Budget.

The impact on net debt from the increase in the market value of CGS has been partially offset by an increase in the value of some financial assets, including an increase in the value of HELP assets.

Net debt is expected to have peaked, as a percentage of GDP, at 10 per cent in 2011-12, and is expected to reduce to 7.7 per cent of GDP in 2015-16. Australia's level of net debt remains low by international standards. Based on the latest IMF forecasts, the average level of net debt for the major advanced economies (G7), measured for all levels of government, was 84.1 per cent of GDP in 2011. The average net debt position of the major advanced economies is projected to peak at 95 per cent of GDP in 2016, almost ten times higher than the expected peak in Australia's net debt.

Net financial worth for the Australia Government general government sector is expected to be -\$257.9 billion (16.9 per cent of GDP) in 2012-13, compared to the Budget estimate of -\$248.6 billion (16.0 per cent of GDP). Net worth for the Australian Government general government sector is expected to be -\$145.3 billion (9.5 per cent of GDP) in 2012-13, compared to the Budget estimate of -\$137.8 billion (8.9 per cent of GDP).

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The changes to net debt described above also impact on net financial worth and net worth. Other factors impacting on the value of net financial worth and net worth in 2012-13 since the Budget include increases in the provisions for military workers compensation and university superannuation as a result of actuarial revaluations.

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

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

	Estimates			
	2012-13		2013-14	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Financial assets	238.5	245.7	255.4	263.8
Non-financial assets	110.9	112.6	111.5	113.2
Total assets	349.4	358.4	366.8	377.0
Total liabilities	487.2	503.7	499.6	515.3
Net worth	-137.8	-145.3	-132.8	-138.3
Net financial worth(a)	-248.6	-257.9	-244.3	-251.5
Per cent of GDP	-16.0	-16.9	-15.0	-15.6
Net debt(b)	143.3	144.0	144.9	144.6
Per cent of GDP	9.2	9.4	8.9	9.0
Net interest payments	7.0	7.1	6.8	6.6
Per cent of GDP	0.5	0.5	0.4	0.4
	Projections			
	2014-15		2015-16	
	Budget \$b	MYEFO \$b	Budget \$b	MYEFO \$b
Financial assets	269.6	281.1	283.4	294.8
Non-financial assets	112.2	113.9	114.0	115.5
Total assets	381.9	395.0	397.4	410.3
Total liabilities	505.5	524.1	509.1	527.2
Net worth	-123.6	-129.1	-111.8	-116.9
Net financial worth(a)	-235.9	-243.0	-225.8	-232.4
Per cent of GDP	-13.7	-14.3	-12.4	-13.0
Net debt(b)	140.1	144.3	131.6	137.7
Per cent of GDP	8.1	8.5	7.3	7.7
Net interest payments	7.0	6.7	8.2	7.8
Per cent of GDP	0.4	0.4	0.4	0.4

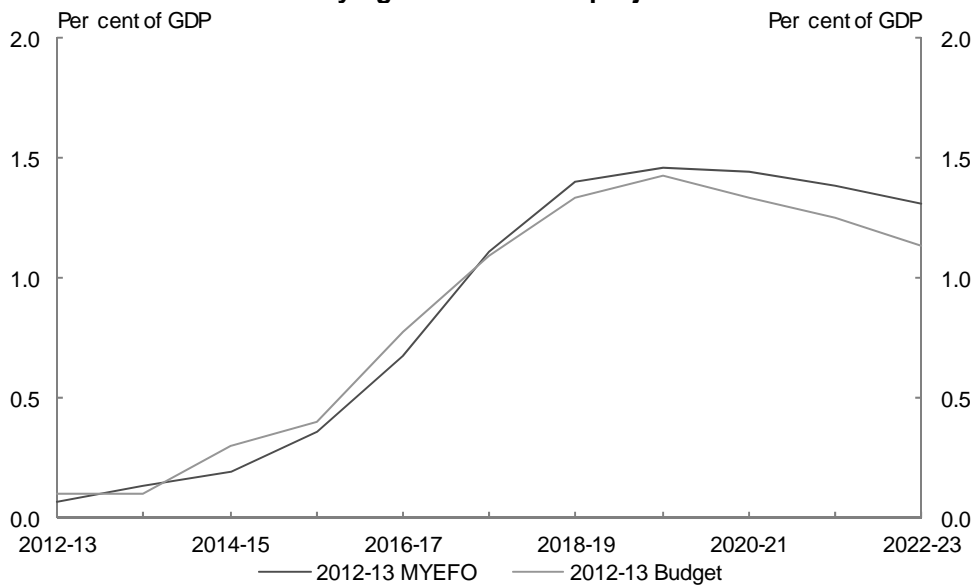
(a) Net financial worth equals total financial assets minus total liabilities.

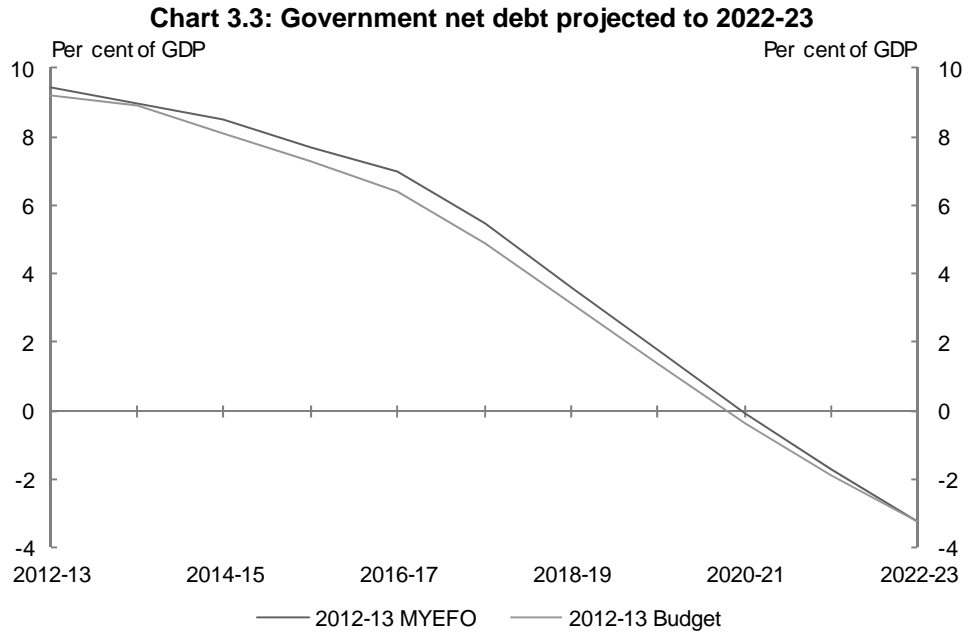
(b) Net debt equals the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Medium term

The budget position is projected to continue to strengthen over the medium term. The underlying cash balance is projected to reach a surplus of 1 per cent of GDP in 2017-18, the same year as projected in Budget. This reflects the natural recovery in tax receipts as the economy continues to grow and the application of the Government’s commitment to hold real growth in spending to 2 per cent a year, on average, until the budget surplus is at least 1 per cent of GDP, and while the economy is growing at or above trend (Chart 3.2). Net debt is projected to return to zero in 2020-21, also unchanged from Budget (Chart 3.3).

Chart 3.2: Underlying cash balances projected to 2022-23





Attachment A

SENSITIVITY OF BUDGET ESTIMATES TO ECONOMIC DEVELOPMENTS

The estimates contained in the 2012-13 Mid-Year Economic and Fiscal Outlook (MYEFO) are based on forecasts of the economic outlook. Changes to the economic assumptions underlying the estimates will impact on receipts and payments, and hence the size of the underlying cash balance.

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

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

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

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

Scenario 1

The first scenario involves a permanent fall in world prices of non-rural commodity exports in 2012-13 consistent with a fall in the terms of trade of around 4 per cent, which causes a 1 per cent fall in nominal GDP by 2013-14. The sensitivity analysis evaluates the flow-on effects on the economy, the labour market and prices. The impacts in Table 3.16 are stylised and refer to per cent deviations from the baseline levels of the economic parameters.

Table 3.16: Illustrative impact of a permanent non-rural commodity price fall consistent with a 1 per cent fall in nominal GDP by 2013-14 (per cent deviation from the baseline level)

	2012-13 per cent	2013-14 per cent
Real GDP	0	- 1/4
Non-farm GDP deflator	- 3/4	- 3/4
Employment	- 1/4	- 1/2
Wages	0	- 1/4
CPI	0	- 1/4
Company profits	-3	-3
Consumption	- 1/4	- 1/2

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

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

Given these assumptions, the overall impact of the fall in the terms of trade is a decrease in the underlying cash balance of around \$2.8 billion in 2012-13 and around \$6.7 billion in 2013-14 (Table 3.17).

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

	2012-13 \$b	2013-14 \$b
Receipts		
Individuals and other withholding taxation	-0.5	-1.6
Superannuation taxation	-0.1	-0.2
Company tax	-1.7	-4.0
Resource rent taxes	-0.4	-0.5
Goods and services tax	-0.1	-0.3
Excise and customs duty	0.0	-0.1
Other taxation	0.0	0.0
Total receipts	-2.8	-6.7
Payments		
Income support	-0.1	-0.2
Other payments	0.0	0.1
Goods and services tax	0.1	0.3
Total payments	0.0	0.2
PDI	0.0	-0.2
Underlying cash balance impact	-2.8	-6.7

On the receipts side, a fall in the terms of trade results in a fall in nominal GDP which reduces tax collections. The largest impact is on company tax receipts as the fall in export income decreases company profits. Owing to lags in the tax system, the effect on company tax is larger in 2013-14. Lower company profits are assumed to flow through to lower Australian equity prices, therefore reducing capital gains tax from individuals, companies and superannuation funds.

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

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

The overall estimated expenditure on income support payments (including pensions and allowances) increases in both years because of a higher number of unemployment benefit recipients. The increase in unemployment benefit payments in 2013-14 is partly offset by reduced expenditure on pensions and allowances reflecting lower growth in benefit rates resulting from lower wages growth and lower inflation (through indexation arrangements). At the same time other payments linked to inflation fall in line with the reduced growth in prices.

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

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

Scenario 2

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

The 1 per cent increase in real GDP increases nominal GDP by slightly less, but the magnitude of the effects on receipts, payments and the underlying cash balance differ

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from the first scenario because different parts of the economy are affected in different ways.

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

	2012-13 per cent	2013-14 per cent
Nominal GDP	3/4	3/4
Non-farm GDP deflator	- 1/4	- 1/4
Employment	1/2	1/2
Wages	1/4	1/4
CPI	- 1/4	- 1/4
Company profits	1 3/4	1 3/4
Consumption	1	1

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

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

The overall impact of the increase in labour productivity and participation is an increase in the underlying cash balance of around \$3.5 billion in 2012-13 and around \$4.3 billion in 2013-14 (Table 3.19).

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

	2012-13 \$b	2013-14 \$b
Receipts		
Individuals and other withholding taxation	1.7	1.6
Superannuation taxation	0.1	0.2
Company tax	1.4	2.1
Goods and services tax	0.4	0.4
Excise and customs duty	0.3	0.3
Other taxation	0.0	0.0
Total receipts	3.9	4.6
Payments		
Income support	-0.1	-0.1
Other payments	0.0	0.0
Goods and services tax	-0.4	-0.4
Total payments	-0.5	-0.5
PDI	0.1	0.2
Underlying cash balance impact	3.5	4.3

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

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

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

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

TAX EXPENDITURES

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

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

Table 3.20 contains estimates of aggregate tax expenditures for the period from 2008-09 to 2015-16. These estimates are consistent with tax expenditure data reported in the *2011 Tax Expenditures Statement*. Changes in GDP forecasts have been reflected in the revised estimates of tax expenditures as a proportion of GDP.

Table 3.20: Total measured tax expenditures

Year	Housing \$m	Superannuation \$m	Other tax expenditures \$m	Total \$m	Tax expenditure as a proportion of GDP (%)
2008-09 (est)	29,500	33,117	49,294	111,911	8.9
2009-10 (est)	43,500	25,413	47,509	116,422	9.0
2010-11 (est)	35,500	27,226	48,938	111,664	8.0
2011-12 (proj)	35,500	30,216	46,991	112,707	7.7
2012-13 (proj)	36,000	32,116	51,223	119,339	7.8
2013-14 (proj)	36,000	35,056	54,966	126,022	7.8
2014-15 (proj)	36,500	40,226	59,438	136,164	8.0
2015-16 (proj)	36,500	45,096	66,013	147,609	8.2

Updated tax expenditure estimates will be published in the *2012 Tax Expenditures Statement*. This will include estimates for any new, revised or modified tax expenditures since the *2011 Tax Expenditures Statement*.

Care needs to be taken when analysing tax expenditure data: see Section 2.5 of the *2011 Tax Expenditures Statement* for a detailed discussion.

Attachment C

SUPPLEMENTARY EXPENSES TABLE AND THE CONTINGENCY RESERVE

Expenses

Table 3.21 shows estimates of Australian Government general government expenses by function and sub-function for 2012-13 and the forward years.

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

	Estimates						Projections					
	2012-13			2013-14			2014-15			2015-16		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
General public services												
Legislative and executive affairs	974	990	2	1,206	1,228	2	1,176	1,203	2	991	1,018	3
Financial and fiscal affairs	7,770	7,880	1	7,683	7,874	2	7,917	8,076	2	8,148	8,299	2
Foreign affairs and economic aid	6,254	6,247	0	6,918	6,946	0	7,571	7,557	0	8,537	8,389	-2
General research	2,720	2,721	0	2,598	2,603	0	2,550	2,556	0	2,501	2,508	0
General services	858	858	0	859	879	2	863	886	3	892	918	3
Government superannuation benefits	3,479	5,659	63	3,525	3,528	0	3,564	3,567	0	3,616	3,617	0
Defence	21,559	21,606	0	22,212	22,229	0	23,129	23,224	0	24,453	24,577	1
Public order and safety	3,957	3,976	0	3,935	4,013	2	3,934	4,011	2	3,992	4,046	1
Education	29,572	28,654	-3	29,929	29,342	-2	31,683	30,632	-3	33,846	32,529	-4
Health	61,003	61,024	0	64,088	63,198	-1	67,175	66,680	-1	71,137	70,835	0
Social security and welfare	131,656	131,827	0	138,241	138,378	0	143,085	143,129	0	150,354	150,610	0
Housing and community amenities	7,276	7,262	0	8,972	9,008	0	9,269	9,286	0	9,571	9,639	1
Recreation and culture	3,605	3,608	0	3,432	3,438	0	3,297	3,309	0	3,328	3,326	0
Fuel and energy	6,523	6,531	0	7,832	7,841	0	7,993	7,972	0	8,190	8,108	-1
Agriculture, fisheries and forestry	2,609	2,588	-1	2,576	2,550	-1	2,662	2,635	-1	3,114	3,085	-1
Mining, manufacturing and construction	2,084	2,093	0	2,128	2,166	2	2,224	2,285	3	2,398	2,398	0
Transport and communication	5,048	4,961	-2	6,702	6,794	1	6,973	6,446	-8	5,600	6,125	9
Other economic affairs												
Tourism and area promotion	177	185	5	184	194	5	182	191	5	172	179	4
Labour and employment affairs	4,515	4,420	-2	4,601	4,407	-4	4,573	4,359	-5	4,568	4,384	-4
Immigration	2,383	2,921	23	2,262	2,257	0	2,205	1,876	-15	2,277	1,874	-18
Other economic affairs nec	2,256	2,258	0	2,244	2,376	6	2,274	2,333	3	2,224	2,246	1

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

	Estimates						Projections					
	2012-13			2013-14			2014-15			2015-16		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
Other purposes												
Public debt interest	12,017	12,017	0	12,013	11,700	-3	11,635	11,258	-3	11,416	10,889	-5
Nominal superannuation interest	8,015	6,913	-14	8,295	8,295	0	8,587	8,587	0	8,908	8,908	0
General purpose inter-government transactions	50,519	50,569	0	54,381	54,481	0	57,049	57,249	0	59,726	60,051	1
Natural disaster relief	113	98	-13	105	92	-12	40	50	25	0	0	0
Contingency reserve	-670	-2,818	321	1,583	2,036	29	4,838	4,347	-10	9,083	7,252	-20
Total expenses	376,273	375,049	0	398,503	397,854	0	416,449	413,704	-1	439,044	435,811	-1

Contingency Reserve

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

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

The Contingency Reserve contains an allowance for the tendency for estimates of expenses for existing Government policy to be revised upwards in the forward years, known as the conservative bias allowance. Since the 2012-13 Budget, the allowance has been drawn down to $\frac{1}{4}$ of a per cent of total general government sector expenses (excluding GST payments to the States) in the first forward year (2013-14) and $\frac{3}{4}$ of a per cent of expenses in the second forward year (2014-15), and $1\frac{1}{2}$ per cent of expenses in the third forward year (2015-16). The drawdown of the allowance reduced expenses by \$862 million in 2013-14, \$902 million in 2014-15 and \$1.898 billion in 2015-16. The drawdown of the conservative bias allowance during the MYEFO estimates update is consistent with long standing practice and does not represent a saving or offset to Government spending measures.

The Contingency Reserve also makes allowance in 2012-13 and the forward years for anticipated events, including the following:

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

- provisions for events and pressures that are reasonably expected to affect the budget estimates – for example, a provision for the costs associated with Australia hosting the 2015 Cricket World Cup.

The Contingency Reserve also makes provision for future increases in Australia's Official Development Assistance yet to be allocated to specific aid programs. However, in Table 3.21 in this attachment, these expenses are allocated to the Foreign Affairs and Economic Aid Support sub-function. The provision is currently set at \$201 million in 2014-15 and \$568 million in 2015-16. The provision is increased or decreased in line with the forecasts for the national accounts and when new aid proposals are funded.

AUSTRALIA'S FEDERAL RELATIONS

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

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

Under this framework, the Commonwealth is continuing to work in partnership with the States to implement broad-ranging reforms driven by the overarching goal of enhancing the wellbeing of all Australians. This is seen in an agenda which currently embraces areas such as healthcare, disabilities, skills, education, Indigenous support in the Northern Territory and the adequacy of Australia's economic and social infrastructure.

Through this agenda, the Commonwealth will continue to provide substantial funding to the States through both general revenue assistance and specific purpose payments to assist in the major service delivery sectors, target areas in need of reform, and support delivery of the key social and economic outcomes envisaged under the federal financial relations framework.

More detailed information on the Intergovernmental Agreement and Australia's federal financial relations is provided in Budget Paper No. 3, *Australia's Federal Relations 2012-13* and on the federal financial relations website at www.federalfinancialrelations.gov.au.

Overview of payments to the States

The States receive significant financial support from the Commonwealth. Payments to the States in 2012-13 are estimated to be \$89.7 billion, or 23.9 per cent of total Commonwealth expenditure for the year. This amount comprises payments for specific purposes of \$40.2 billion and general revenue assistance of \$49.4 billion.

Table 3.22 shows payments for specific purposes and general revenue assistance to the States.

Table 3.22: Commonwealth payments to the States, 2012-13 to 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2012-13									
Payments for specific purposes	12,264	9,714	8,220	4,447	3,090	970	585	877	40,223
General revenue assistance	14,824	11,088	9,609	2,946	4,513	1,721	995	2,740	49,431
Total payments to the States	27,089	20,803	17,829	7,392	7,603	2,691	1,581	3,617	89,655
2013-14									
Payments for specific purposes	13,298	11,011	8,849	4,917	2,953	965	679	863	44,100
General revenue assistance	15,836	11,431	11,170	2,278	4,771	1,730	1,050	2,910	52,139
Total payments to the States	29,134	22,441	20,018	7,195	7,724	2,695	1,729	3,773	96,239
2014-15									
Payments for specific purposes	12,886	10,624	8,593	4,638	2,923	929	757	768	43,493
General revenue assistance	16,700	11,912	12,310	1,856	5,086	1,777	1,136	3,101	54,832
Total payments to the States	29,586	22,536	20,903	6,494	8,008	2,706	1,893	3,868	98,325
2015-16									
Payments for specific purposes	13,547	11,162	9,182	4,944	3,370	1,028	774	810	46,667
General revenue assistance	17,471	12,584	12,971	2,085	5,279	1,833	1,192	3,169	57,539
Total payments to the States	31,017	23,745	22,153	7,029	8,649	2,861	1,966	3,979	104,207

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

Payments for specific purposes

The Commonwealth provides payments to the States for specific purposes to pursue important national policy objectives in areas that may be administered by the States. Payments to the States for specific purposes will total \$40.2 billion in 2012-13. Payments to the States for specific purposes are estimated to represent 10.7 per cent of total Commonwealth expenditure in 2012-13.

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

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

Table 3.23 shows total payments for specific purposes by category (National SPPs, NHR funding, and National Partnership payments).

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Table 3.23: Total payments for specific purposes by category, 2012-13 to 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2012-13									
National Specific Purpose Payments	5,021	3,905	3,215	1,622	1,192	358	275	199	15,788
National Health Reform funding	4,291	3,255	2,661	1,401	1,008	294	202	151	13,264
National Partnership payments(b)	2,952	2,554	2,345	1,423	889	318	108	527	11,171
Total payments for specific purposes	12,264	9,714	8,220	4,447	3,090	970	585	877	40,223
2013-14									
National Specific Purpose Payments	5,301	4,189	3,479	1,767	1,239	368	293	201	16,836
National Health Reform funding	4,464	3,484	2,840	1,530	1,010	312	233	142	14,014
National Partnership payments(b)	3,533	3,338	2,529	1,620	704	285	154	520	13,249
Total payments for specific purposes	13,298	11,011	8,849	4,917	2,953	965	679	863	44,100
2014-15									
National Specific Purpose Payments	5,582	4,470	3,762	1,915	1,302	384	310	201	17,926
National Health Reform funding(c)	4,913	3,840	3,174	1,720	1,122	338	269	162	15,537
National Partnership payments(b)	2,391	2,314	1,657	1,003	499	207	178	405	10,029
Total payments for specific purposes	12,886	10,624	8,593	4,638	2,923	929	757	768	43,493
2015-16									
National Specific Purpose Payments	5,899	4,753	4,010	2,092	1,376	402	331	212	19,076
National Health Reform funding(c)	5,399	4,226	3,539	1,928	1,242	367	309	183	17,192
National Partnership payments(b)	2,250	2,182	1,632	924	752	259	134	416	10,400
Total payments for specific purposes	13,547	11,162	9,182	4,944	3,370	1,028	774	810	46,667

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

(b) Includes financial assistance grants for local government.

(c) The efficient growth funding component of National Health Reform funding in 2014-15 and 2015-16 is indicative only. The distribution of efficient growth funding will be determined by efficient growth in each State.

The majority of payments for specific purposes relate to National SPPs, including NHR funding, and total \$29.1 billion in 2012-13, an increase of \$1.4 billion over the \$27.7 billion States received in 2011-12.

States will receive increased NHR funding in 2012-13 of \$716.3 million compared to 2011-12, with NHR funding expected to grow at an average of 8.2 per cent across the forward estimates. This reflects the Commonwealth's commitment to provide at least \$16.4 billion of additional funding under NHR over the period 2014-15 to 2019-20.

Compared to the estimates published in the 2012-13 Budget, payments to the States for specific purposes are estimated to be lower by \$765.4 million in 2012-13. This is largely due to revisions to the NHR funding indexation factors which carried over from the National Healthcare SPP, and to the National Schools SPP as a result of movements in indexation parameters.

The indexation arrangements are part of the Intergovernmental Agreement signed by all States and the Commonwealth. These agreed arrangements are designed to provide the States with a secure and growing funding base for the delivery of activities across the major service delivery sectors. The NHR funding indexation rates are derived from three factors — the independent Australian Institute of Health and Welfare (AIHW) calculations of growth rates in the cost of health services, population shifts and a technology factor of 1.2 per cent. Changes to the growth rates for NHR funding at this *Mid-Year Economic and Fiscal Outlook* have been influenced by changes to both the Australian Bureau of Statistics' revisions to the national population arising from the 2011 Census and the AIHW measure of growth in health costs.

Following the results of the most recent 2011 Census, population estimates have been revised down for 2011 and in previous years dating back to the last Census in 2006. Therefore, an adjustment is necessary to correctly assess the appropriate health funding for Australia's population under the terms agreed to by all States and the Commonwealth, given overstated population growth in previous years.

A change in the AIHW health price index has led to a further reduction in the estimates for NHR funding. Lower growth in this index for 2010-11 (the most up-to-date year of data) reflects moderation in medical inflation rates across the sector. A significant contributor to the 2010-11 result were significant falls (up to 20 per cent) in the price of medical and surgical equipment purchased by governments as well as consumers. This is likely to have arisen from a high Australian dollar exerting downward pressure on the prices of foreign-manufactured medical goods. The use of the AIHW price index ensures that growth funding accurately reflects the cost at which health services are growing, rather than applying a factor such as CPI that does not take into account additional costs required in delivering health and medical services.

States will receive an increase in National Schools SPP funding in 2012-13 of \$535.6 million compared to 2011-12, taking total funding to \$11.9 billion, with funding expected to grow at an average of 6.9 per cent across the forward estimates. Compared to the estimates published in the 2012-13 Budget, funding under the National Schools SPP has been revised down by \$317.0 million in 2012-13 (\$82.1 million for government schools and \$234.8 million for non-government schools).

Similar to NHR, indexation rates for education funding are set in the Intergovernmental Agreement and have been agreed to by the States. These indexation rates are derived from two factors, being Australian Government School Recurrent

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Costs (AGSRC) and school enrolments. There have been no changes to enrolments but the growth in AGSRC has fallen from 6.0 per cent to 3.9 per cent in 2012-13.

The AGSRC is determined from underlying costs faced by the government school sector and this downward revision reflects lower costs in schools, not a policy change on the part of the Commonwealth. It is currently growing at a lower rate than previous growth rates and is linked to lower spending by state governments. It is that level of investment that is driving the lower indexation rates.

Growth in subsequent years is estimated at a flat rate, which is projected across the forward estimates. The change in the projected rate (from 6.0 per cent to 5.6 per cent) over the period 2013-14 to 2015-16 reflects a move to update this parameter in accordance with the ten-year rolling weighted average of AGSRC growth. This change does not affect the actual calculation of the AGSRC, or the funding schools will receive. It solely reflects an improved understanding of trends in the costs of delivering schooling.

The Government has announced ambitious goals under the *National Plan for School Improvement* and has committed to work with the States and the non-government school sector to achieve the next wave of education reform.

Estimates variations are an inherent component of the Budget process and also increase funding provided to the States. For example, the GST entitlement in 2011-12 was \$440.1 million higher than forecast at Budget — this funding will be provided to the States in 2012-13. In addition, the GST entitlement has been revised upwards by \$50.0 million in 2012-13 and by \$675.0 million over four years.

Other major changes since the 2012-13 Budget include:

- an additional \$495.0 million in 2014-15 and 2015-16 for the *National Partnership for adult public dental services*;
- the announcement of \$241.2 million for the *National Partnership on improving literacy and numeracy* that continues the Commonwealth's commitment to improving literacy and numeracy rates in Australian schools; and
- the re-profiling of funding into 2013-14 under the *National Partnership on improving teacher quality*, due to a delay in consideration of reward payment funding of up to \$175.0 million for 2012-13, as a result of performance milestones for 2012-13 being renegotiated with the States. This negotiation process is likely to impact on the COAG Reform Council's ability to complete its assessment before May 2013 and subsequently delay the Commonwealth making payment until 2013-14.

Payments for specific purposes cover most functional areas of state and local government activity — including health, education, skills and workforce development,

community services, affordable housing, infrastructure and environment. Table 3.24 shows total payments for specific purposes by sector.

Table 3.24: Payments for specific purposes by sector, 2012-13 to 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2012-13									
Health	4,772	3,612	3,113	1,548	1,250	341	236	240	15,112
Education	4,269	3,296	2,758	1,380	1,038	314	229	236	13,520
Skills and workforce development	550	435	337	176	124	39	29	17	1,706
Community services	582	736	331	304	141	43	24	68	2,228
Affordable housing	464	338	389	209	113	37	26	182	1,807
Infrastructure	962	828	832	594	176	79	4	89	3,570
Environment	159	95	62	46	119	68	3	20	572
Contingent payments	10	5	81	1	..	..	..	1	99
Other(b)	497	371	317	189	129	49	34	25	1,610
Total payments for specific purposes	12,264	9,714	8,220	4,447	3,090	970	585	877	40,223
2013-14									
Health	4,989	3,956	3,260	1,762	1,157	362	261	219	15,966
Education	4,244	3,346	2,801	1,417	1,037	307	231	239	13,623
Skills and workforce development	564	448	354	187	128	40	29	19	1,770
Community services	598	793	353	337	128	39	26	112	2,387
Affordable housing	454	316	437	330	131	33	23	156	1,915
Infrastructure	1,609	1,395	984	576	152	81	52	78	5,459
Environment	43	160	74	6	30	23	2	2	340
Contingent payments	7	3	83	..	..	-	..	..	93
Other(b)	789	593	503	301	190	80	54	38	2,547
Total payments for specific purposes	13,298	11,011	8,849	4,917	2,953	965	679	863	44,100
2014-15									
Health	5,321	4,171	3,399	1,879	1,209	380	291	240	16,890
Education	4,408	3,537	3,004	1,501	1,068	314	246	226	14,306
Skills and workforce development	589	465	378	202	133	41	31	19	1,857
Community services	626	435	372	186	135	41	28	90	1,913
Affordable housing	476	329	423	311	122	31	22	140	1,854
Infrastructure	626	861	406	242	53	14	82	12	3,671
Environment	19	210	41	4	25	24	2	2	326
Contingent payments	3	..	47	..	..	-	..	-	51
Other(b)	817	616	523	312	178	83	56	39	2,625
Total payments for specific purposes	12,886	10,624	8,593	4,638	2,923	929	757	768	43,493
2015-16									
Health	5,885	4,540	3,762	2,043	1,336	451	332	271	18,620
Education	4,814	3,896	3,299	1,707	1,166	339	274	240	15,735
Skills and workforce development	584	461	378	204	132	40	31	19	1,848
Community services	653	457	392	198	142	42	29	95	2,007
Affordable housing	437	336	411	274	114	32	22	132	1,758
Infrastructure	316	642	336	190	284	14	28	12	3,672
Environment	12	190	60	4	12	24	1	2	304
Contingent payments	1	-	-	..	..	-	..	-	1
Other(b)	846	640	544	325	185	85	58	41	2,723
Total payments for specific purposes	13,547	11,162	9,182	4,944	3,370	1,028	774	810	46,667

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

(b) Includes financial assistance grants for local government.

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Total payments for specific purposes by sector, and category (National SPPs, NHR funding, and National Partnership payments) are shown in Table 3.25.

Table 3.25: Payments for specific purposes by sector and category, 2012-13 to 2015-16

\$million	2012-13	2013-14	2014-15	2015-16
<i>Health</i>				
National Health Reform funding	13,264	14,014	15,537	17,192
National Partnerships	1,848	1,952	1,353	1,428
<i>Education</i>				
National Schools SPP	11,871	12,801	13,761	14,784
National Partnerships	1,649	822	545	951
<i>Skills and workforce development</i>				
National Skills and Workforce Development SPP	1,389	1,415	1,443	1,471
National Partnerships	317	355	415	377
<i>Community services</i>				
National Disability SPP(a)	1,264	1,332	1,410	1,484
National Partnerships	964	1,054	503	523
<i>Affordable housing</i>				
National Affordable Housing SPP	1,265	1,288	1,312	1,337
National Partnerships	542	627	541	420
<i>Infrastructure</i>				
National Partnerships	3,570	5,459	3,671	3,672
<i>Environment</i>				
National Partnerships	572	340	326	304
<i>Contingent payments</i>				
National Partnerships	99	93	51	1
<i>Other</i>				
National Partnerships(b)	1,610	2,547	2,625	2,723
Total payments for specific purposes	40,223	44,100	43,493	46,667

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

(b) Includes financial assistance grants for local government.

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

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 or not a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA.

The estimated NDRRA cash payments are shown in Table 3.26 below (see Table A.8 in Annex A for accrual estimates).

Table 3.26: Estimated NDRRA cash payments, 2012-13 to 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13	125,035	92,666	32,004	52,964	3,071	6,637	-	16,419	328,796
2013-14	169,089	107,136	1,505,361	-	-	-	-	2,188	1,783,774
2014-15	113,224	5,641	1,943,472	-	-	-	-	-	2,062,337
2015-16	-	-	-	-	-	-	-	-	-

GST and general revenue assistance

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

In 2012-13, the States will receive \$49.4 billion in general revenue assistance from the Commonwealth, comprising \$48.3 billion in GST entitlements and \$1.2 billion in other general revenue assistance. This is a 4.8 per cent increase in general revenue assistance, compared with the \$47.1 billion the States received in 2011-12. Total general revenue assistance to the States is estimated to represent 13.2 per cent of total Commonwealth expenditure in 2012-13.

GST entitlement in 2012-13 has been revised up by \$50.0 million since Budget and by \$675.0 million over the four years to 2015-16.

Table 3.27 summarises GST and general revenue assistance payments to the States. Detailed tables of GST and general revenue assistance, including state shares of each payment, are provided in Annex A.

Table 3.27: GST and general revenue assistance, 2012-13 to 2015-16

\$million	2012-13	2013-14	2014-15	2015-16
GST entitlement	48,250.0	51,000.0	53,700.0	56,400.0
Other payments				
ACT municipal services	36.8	37.5	38.2	38.9
Reduced royalties	75.4	64.1	64.0	69.7
Royalties	994.7	963.1	955.5	956.2
Snowy Hydro Ltd tax compensation	74.4	74.4	74.4	74.4
Total other	1,181.3	1,139.1	1,132.0	1,139.2
Total GST and other payments	49,431.3	52,139.1	54,832.0	57,539.2

GST

GST revenue variations since the 2012-13 Budget

Table 3.28 provides a reconciliation of the GST revenue estimates since the 2012-13 Budget. The reconciliation accounts for policy decisions and parameter and other variations.

Table 3.28: Reconciliation of GST revenue estimates since 2012-13 Budget

\$million	2012-13	2013-14	2014-15	2015-16
GST revenue at 2012-13 Budget	50,486	53,234	56,056	58,730
<i>Changes between 2012-13 Budget and MYEFO</i>				
Effect of policy decisions	8	39	74	74
Effect of parameter and other variations	296	457	460	626
Total variations	304	496	534	700
GST revenue at 2012-13 MYEFO	50,790	53,730	56,590	59,430

Specific policy decisions taken since Budget that affect GST revenue are shown in Table 3.29. These decisions increase the amount of GST revenue by \$194.4 million over four years.

Detailed information on policy decisions since the 2012-13 Budget are included in Appendix A.

Table 3.29: Policy decisions since Budget that affect GST revenue

\$million	2012-13	2013-14	2014-15	2015-16
Commonwealth penalty unit – increase in value to reflect inflation	2.0	10.0	13.0	13.0
Customs' compliance assurance system – expansion	-	7.6	7.6	7.6
Fringe benefits tax – reform of living-away-from-home allowances and benefits	0.7	-	-	-
Fringe benefits tax – removal of concessional treatment of 'in-house' fringe benefits if accessed through a salary sacrifice arrangement	5.0	10.0	35.0	35.0
GST – restrictions on GST refunds – revisions and changed start date	-	..	6.0	6.0
Indirect Tax Concession Scheme – diplomatic and consular concessions	..	..	..	..
Tax compliance – maintaining the integrity of the tax and superannuation system	-	11.7	12.0	12.2
Tax laws – miscellaneous amendments	..	..	..	..
Total GST revenue policy decisions	7.7	39.3	73.6	73.8

Reconciling GST revenue and GST entitlements to the States

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

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

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

- accrual GST revenues where the cash amounts have not yet been remitted to the ATO;
- penalties, other than general interest charge penalties, which are not included in the definition in the Intergovernmental Agreement of GST to be paid to the States; and
- the net GST component of sales (and associated input tax credits) by Commonwealth agencies which has been collected by those agencies but which, as

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at 30 June in each year, will not have been remitted to (or refunded by) the ATO, because it is not due to be paid (or refunded) until the next Business Activity Statement is lodged.

The reconciliation of GST revenue and GST entitlements to the States is provided in Table 3.30.

Table 3.30: Reconciling GST revenue and GST entitlements to the States

\$million	Outcome	Estimates			
	2011-12	2012-13	2013-14	2014-15	2015-16
GST revenue	48,849	50,790	53,730	56,590	59,430
<i>less</i> change in GST receivables	2,987	2,358	2,541	2,690	2,819
GST receipts	45,861	48,432	51,189	53,900	56,611
<i>less</i> non-GIC penalties collected	165	180	190	200	210
<i>less</i> net GST collected by Commonwealth agencies but not yet remitted to the ATO	-343	2	-1	..	1
GST entitlements to the States	46,040	48,250	51,000	53,700	56,400

Table 3.31 below provides information on the balancing adjustment relating to 2011-12 which will be paid in 2012-13.

Table 3.31: Balancing adjustment relating to 2011-12

\$million	Total
GST entitlements to the States in 2011-12	46,040.1
<i>less</i> advances of GST revenues made throughout 2011-12	45,600.0
<i>equals</i> following year balancing adjustment	440.1

Distribution of GST entitlement pool among the States

As agreed by all parties in the Intergovernmental Agreement, GST payments are distributed among the States in accordance with the principle of horizontal fiscal equalisation and having regard to the recommendations of the Commonwealth Grants Commission. The calculations for the distribution of the GST pool in 2012-13 are shown in Table 3.32.

Table 3.32: Distribution of the GST entitlement pool, 2012-13

	Estimated 31 December 2012 population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population % (4)	2012-13 GST entitlement \$million (5)
NSW	7,316,776	0.95312	6,973,766	30.6	14,774.5
VIC	5,669,647	0.92106	5,222,085	22.9	11,063.4
QLD	4,605,716	0.98477	4,535,571	19.9	9,609.0
WA	2,458,567	0.55105	1,354,793	5.9	2,870.2
SA	1,658,218	1.28472	2,130,346	9.4	4,513.3
TAS	513,830	1.58088	812,304	3.6	1,720.9
ACT	377,726	1.19757	452,353	2.0	958.3
NT	233,964	5.52818	1,293,395	5.7	2,740.2
Total	22,834,444	na	22,774,613	100.0	48,250.0

The calculations for the distribution of the 2011-12 balancing adjustment are shown in Table 3.33. This adjustment will be paid to each State in 2012-13 following the upwards revision to the States' 2011-12 GST entitlement of \$440.1 million.

Table 3.33: Distribution of the GST balancing adjustment, 2011-12^(a)

	31 December 2011 population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population % (4)	2011-12 GST entitlement \$million (5)	2011-12 GST advances \$million (6)	Balancing adjustment \$million (5) - (6) (7)
NSW	7,247,669	0.95776	6,941,527	30.9	14,231.9	14,104.9	127.0
VIC	5,574,455	0.90476	5,043,544	22.5	10,340.6	10,273.6	66.9
QLD	4,513,009	0.92861	4,190,825	18.7	8,592.3	8,600.7	-8.4
WA	2,387,232	0.71729	1,712,338	7.6	3,510.7	3,419.6	91.1
SA	1,645,040	1.27070	2,090,352	9.3	4,285.8	4,239.2	46.6
TAS	511,718	1.59942	818,452	3.6	1,678.0	1,643.4	34.7
ACT	370,729	1.11647	413,908	1.8	848.6	825.1	23.5
NT	232,365	5.35708	1,244,798	5.5	2,552.2	2,493.6	58.6
Total	22,482,217	na	22,455,744	100.0	46,040.1	45,600.0	440.1

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

GST administration costs

Given that all GST revenue is provided to the States, the States compensate the Commonwealth for the agreed costs incurred by the ATO in administering the GST, as shown in Table 3.34.

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Table 3.34: GST administration budget, 2011-12 to 2015-16

\$million	Actual	Estimates			
	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office budget	683.2	680.9	681.9	688.3	695.3
<i>less</i> prior year adjustment	5.9	-13.7			
<i>equals</i> State government payments	677.4	694.7	681.9	688.3	695.3
<i>less</i> Australian Taxation Office outcome(a)	697.0				
<i>equals</i> Commonwealth budget impact	-19.6				
<i>plus</i> prior year adjustment	5.9				
<i>equals</i> following year adjustment	-13.7				

(a) Estimated outcome for 2011-12 pending confirmation by the Australian National Audit Office.

The preliminary outcome for the 2011-12 GST administration expenses of \$697.0 million differs from the amount paid by the States and the prior year adjustment by \$13.7 million. Once the outcome for GST administration in 2011-12 is audited, the final adjustment will be incorporated into the States' administration costs for 2012-13.

Annex A

PAYMENTS TO THE STATES

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

Each table presents estimated payments to the States for the period 2012-13 to 2015-16 as follows:

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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Health Reform funding									
Hospital services	4,191,627	3,179,714	2,598,869	1,368,667	984,994	287,381	197,582	147,328	12,956,162
Public health	99,720	75,646	61,828	32,561	23,433	6,837	4,700	3,505	308,230
National Partnership payments									
National Health Reform									
Financial assistance for long stay older patients(a)	28,653	11,092	18,486	13,865	15,712	2,773	924	924	92,429
Improving Public Hospital Services									
Flexible funding pool 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
National elective surgery target									
Facilitation and reward funding	-	-	-	-	-	-	-	-	-
New subacute beds guarantee funding	145,000	111,100	89,800	45,900	32,800	10,600	7,000	4,300	446,500
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	9,400	300	142,120	300	103,000	1,000	-	7,500	263,620
National cancer system	45,351	40,428	73,180	14,291	34,460	3,656	10,300	-	221,666
Regional priority round	31,388	12,625	3,766	4,420	7,843	-	935	16,222	77,199
Translational research and workforce training	-	-	-	-	-	-	-	-	-
Other Health infrastructure payments									
Funding for Grafton Hospital	2,000	-	-	-	-	-	-	-	2,000
Tasmanian health package									
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	400	-	-	400

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Health services									
BreastScreen Australia radiography workforce initiatives	-	-	46	46	46	46	46	19	249
Early intervention pilot program	222	-	-	-	-	-	-	-	222
Health care grants for the Torres Strait	-	-	5,289	-	-	-	-	-	5,289
Healthy kids health checks	502	403	418	227	158	99	71	98	1,976
National antimicrobial utilisation surveillance program	-	-	-	-	150	-	-	-	150
National Bowel Cancer Screening Program – participant follow-up function	602	444	357	183	143	106	89	76	2,000
National perinatal depression initiative	1,735	1,439	1,214	749	417	186	158	192	6,090
National public health – human quarantine services	153	83	87	52	31	22	22	31	481
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,212	2,212
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	-	-	929	-	-	-	-	-	929
Vaccine-preventable diseases surveillance	187	178	155	79	76	31	31	44	781
Victorian cytology service	-	8,085	-	-	-	-	-	-	8,085

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Indigenous health									
Health services									
Reducing acute rheumatic heart fever among Indigenous children	-	-	841	841	-	-	-	841	2,523
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	1,290	1,290
Family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory	-	-	-	-	-	-	-	9,000	9,000
Improving ear health services for Indigenous Australian children(b)	855	295	1,364	1,368	770	-	-	1,879	6,531
Improving trachoma control services for Indigenous Australians	70	-	179	916	1,048	-	-	1,712	3,925
Indigenous early childhood development – antenatal and reproductive health	5,740	1,325	7,146	3,760	1,261	705	240	4,080	24,257
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,600	1,600
Stronger Futures in the Northern Territory									
Hearing health services	-	-	-	-	-	-	-	2,416	2,416
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,300	4,300
Oral health services	-	-	-	-	-	-	-	2,343	2,343
Torres Strait health protection strategy – Saibai Island Health Clinic	-	-	1,500	-	-	-	-	-	1,500

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Mental health									
Expanding the Early Psychosis Prevention and Intervention Centre model(c)	3,525	3,525	3,525	3,525	3,525	3,525	3,525	3,525	28,200
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	7,738	5,829	4,866	2,484	1,741	544	396	252	23,850
Healthy communities	3,666	3,224	2,932	2,191	1,760	581	286	586	15,226
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
Other health									
Adult public dental services	-	-	-	-	-	-	-	-	-
East Kimberley Development Package									
Health related projects	-	-	-	2,830	-	-	-	-	2,830
Essential vaccines	94,253	78,450	31,758	15,034	10,959	3,336	2,305	1,968	238,063
Hospital and health workforce reform – activity based funding	16,450	14,730	9,380	5,520	4,800	1,660	1,320	1,660	55,520
Improving health services in Tasmania									
Reducing elective surgery waiting lists	-	-	-	-	-	8,831	-	-	8,831
Public dental waiting list program	22,299	17,169	13,538	5,816	5,572	2,470	1,102	1,234	69,200
Total	4,772,190	3,612,174	3,113,326	1,547,527	1,250,084	341,416	235,685	240,023	15,112,425
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Healthy communities	3,666	3,224	2,932	2,191	1,760	581	286	586	15,226
Total	3,666	3,224	2,932	2,191	1,760	581	286	586	15,226

(a) Amounts shown are indicative distributions.

(b) Amounts for New South Wales are indicative only as the National Partnership is under negotiation with this State.

(c) Amounts shown are indicative distributions and have been allocated on an equal State split.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Health Reform funding									
Hospital services	4,359,925	3,403,490	2,773,898	1,494,061	986,603	304,501	227,131	139,029	13,688,638
Public health	103,723	80,970	65,992	35,544	23,471	7,244	5,403	3,308	325,655
National Partnership payments									
National Health Reform									
Financial assistance for long stay older patients(a)	24,252	9,387	15,646	11,734	13,299	2,347	783	783	78,231
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care	-	-	-	-	-	-	-	-	-
National emergency access target									
Capital funding	-	-	-	-	-	-	-	-	-
Facilitation and reward funding	15,895	12,393	10,394	5,326	3,534	1,094	810	553	49,999
National elective surgery target									
Facilitation and reward funding	15,750	12,326	10,550	5,425	3,400	873	673	493	49,490
New subacute beds guarantee funding	203,800	154,700	125,900	64,300	46,000	14,000	9,900	6,900	625,500
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	200	55,080	62,800	16,000	-	-	-	134,080
National cancer system	4,030	75,600	36,138	8,000	3,506	980	200	1,200	129,654
Regional priority round	71,143	28,612	17,973	4,642	9,417	-	-	16,369	148,156
Translational research and workforce training	-	20,000	-	-	-	-	-	-	20,000
Other Health infrastructure payments									
Funding for Grafton Hospital	-	-	-	-	-	-	-	-	-
Tasmanian health package									
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	-	-	-	-

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Health services									
BreastScreen Australia radiography workforce initiatives	-	-	-	-	-	-	-	-	-
Early intervention pilot program	-	-	-	-	-	-	-	-	-
Health care grants for the Torres Strait	-	-	4,467	-	-	-	-	-	4,467
Healthy kids health checks	501	403	421	231	160	102	72	100	1,990
National antimicrobial utilisation surveillance program	-	-	-	-	150	-	-	-	150
National Bowel Cancer Screening Program – participant follow-up function	815	601	483	248	193	124	83	100	2,647
National perinatal depression initiative	3,221	2,673	2,254	1,391	775	346	294	356	11,310
National public health – human quarantine services	153	83	88	57	31	26	22	31	491
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,250	2,250
OzFoodNet	335	248	249	192	193	179	134	140	1,670
Royal Darwin hospital – equipped, prepared and ready	-	-	-	-	-	-	-	15,007	15,007
Torres Strait health protection strategy – mosquito control	-	-	946	-	-	-	-	-	946
Vaccine-preventable diseases surveillance	192	183	157	80	77	32	33	45	799
Victorian cytology service	-	8,489	-	-	-	-	-	-	8,489

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Indigenous health									
Health services									
Reducing acute rheumatic heart fever among Indigenous children	-	-	857	857	-	-	-	857	2,571
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	-	-
Family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory	-	-	-	-	-	-	-	1,000	1,000
Improving ear health services for Indigenous Australian children(b)	95	31	151	152	86	-	-	162	677
Improving trachoma control services for Indigenous Australians	-	-	-	82	117	-	-	190	389
Indigenous early childhood development – antenatal and reproductive health	5,501	1,423	7,648	3,928	1,120	736	250	3,757	24,363
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,700	1,700
Stronger Futures in the Northern Territory(c)									
Hearing health services	-	-	-	-	-	-	-	2,816	2,816
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,386	4,386
Oral health services	-	-	-	-	-	-	-	2,564	2,564
Torres Strait health protection strategy – Saibai Island Health Clinic	-	-	500	-	-	-	-	-	500

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Mental health									
Expanding the Early Psychosis Prevention and Intervention Centre model(d)	6,275	6,275	6,275	6,275	6,275	6,275	6,275	6,275	50,200
Supporting National Mental Health Reform	13,559	9,345	15,256	5,993	3,357	1,587	620	887	50,604
Preventive health									
Enabling infrastructure	-	-	-	-	-	-	-	-	-
Healthy children	9,345	7,022	5,915	3,011	2,082	670	482	333	28,860
Healthy communities	2,905	2,490	2,210	1,523	1,383	276	-	271	11,058
Healthy workers	7,983	5,998	5,053	2,572	1,778	572	412	284	24,652
Social marketing	-	-	-	-	-	-	-	-	-
Other health									
Adult public dental services	-	-	-	-	-	-	-	-	-
East Kimberley Development Package									
Health related projects	-	-	-	-	-	-	-	-	-
Essential vaccines	89,126	74,919	64,701	30,522	21,680	6,571	4,635	4,211	296,365
Hospital and health workforce reform – activity based funding	-	-	-	-	-	-	-	-	-
Improving health services in Tasmania									
Reducing elective surgery waiting lists	-	-	-	-	-	8,345	-	-	8,345
Public dental waiting list program	50,012	38,507	30,362	13,045	12,496	5,540	2,471	2,767	155,200
Total	4,988,536	3,956,368	3,259,564	1,761,991	1,157,183	362,420	260,683	219,124	15,965,869
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Healthy communities	2,905	2,490	2,210	1,523	1,383	276	-	271	11,058
Total	2,905	2,490	2,210	1,523	1,383	276	-	271	11,058

(a) Amounts shown are indicative distributions.

(b) Amounts for New South Wales are indicative only as the National Partnership is under negotiation with this State.

(c) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

(d) Amounts shown are indicative distributions and have been allocated on an equal State split.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Health Reform funding(a)									
Hospital services	4,803,872	3,753,897	3,104,392	1,681,489	1,097,060	330,677	263,387	158,391	15,193,165
Public health	108,945	85,672	70,045	38,061	24,615	7,566	5,726	3,464	344,094
National Partnership payments									
National Health Reform									
Financial assistance for long stay older patients	-	-	-	-	-	-	-	-	-
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care	-	-	-	-	-	-	-	-	-
National emergency access target									
Capital funding	-	-	-	-	-	-	-	-	-
Facilitation and reward funding	15,895	12,393	10,394	5,326	3,534	1,094	810	553	49,999
National elective surgery target									
Facilitation and reward funding	15,750	12,326	10,550	5,425	3,400	873	673	493	49,490
New subacute beds guarantee funding	-	-	-	-	-	-	-	-	-
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	-	50,000	-	-	-	-	50,000
National cancer system	-	67,000	-	-	-	4,779	-	600	72,379
Regional priority round	139,813	42,718	30,537	11,964	16,755	-	-	26,023	267,810
Translational research and workforce training	-	-	-	-	-	-	-	-	-
Other Health infrastructure payments									
Funding for Grafton Hospital	-	-	-	-	-	-	-	-	-
Tasmanian health package									
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	-	-	-	-

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Health services									
BreastScreen Australia radiography workforce initiatives	-	-	-	-	-	-	-	-	-
Early intervention pilot program	-	-	-	-	-	-	-	-	-
Health care grants for the Torres Strait	-	-	4,532	-	-	-	-	-	4,532
Healthy kids health checks	501	403	421	231	160	102	72	100	1,990
National antimicrobial utilisation surveillance program	-	-	-	-	-	-	-	-	-
National Bowel Cancer Screening Program – participant follow-up function	829	612	492	252	197	126	85	102	2,695
National perinatal depression initiative	2,478	2,056	1,734	1,070	596	266	226	274	8,700
National public health – human quarantine services	158	88	88	57	31	26	22	31	501
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,297	2,297
OzFoodNet	341	252	253	197	197	183	137	143	1,703
Royal Darwin hospital – equipped, prepared and ready	-	-	-	-	-	-	-	15,307	15,307
Torres Strait health protection strategy – mosquito control	-	-	964	-	-	-	-	-	964
Vaccine-preventable diseases surveillance	199	187	161	81	78	32	33	46	817
Victorian cytology service	-	8,914	-	-	-	-	-	-	8,914

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Indigenous health									
Health services									
Reducing acute rheumatic heart fever among Indigenous children	-	-	874	874	-	-	-	874	2,622
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	-	-
Family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory	-	-	-	-	-	-	-	-	-
Improving ear health services for Indigenous Australian children	-	-	-	-	-	-	-	-	-
Improving trachoma control services for Indigenous Australians	-	-	-	-	-	-	-	-	-
Indigenous early childhood development – antenatal and reproductive health	2,583	-	-	2,010	482	377	-	502	5,954
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,700	1,700
Stronger Futures in the Northern Territory(b)									
Hearing health services	-	-	-	-	-	-	-	3,184	3,184
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,474	4,474
Oral health services	-	-	-	-	-	-	-	2,604	2,604
Torres Strait health protection strategy – Saibai Island Health Clinic	-	-	500	-	-	-	-	-	500

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Mental health									
Expanding the Early Psychosis Prevention and Intervention Centre model(c)	8,775	8,775	8,775	8,775	8,775	8,775	8,775	8,775	70,200
Supporting National Mental Health Reform	13,559	9,474	15,624	6,377	3,377	1,642	620	887	51,560
Preventive health									
Enabling infrastructure	-	-	-	-	-	-	-	-	-
Healthy children	9,345	7,022	5,915	3,011	2,082	670	482	333	28,860
Healthy communities	-	-	-	-	-	-	-	-	-
Healthy workers	7,983	5,998	5,053	2,572	1,778	572	412	284	24,652
Social marketing	-	-	-	-	-	-	-	-	-
Other health									
Adult public dental services	64,476	49,590	40,147	21,236	14,634	4,552	3,298	2,067	200,000
East Kimberley Development Package									
Health related projects	-	-	-	-	-	-	-	-	-
Essential vaccines	87,361	74,255	63,879	30,124	21,312	6,396	4,572	3,992	291,891
Hospital and health workforce reform – activity based funding	-	-	-	-	-	-	-	-	-
Improving health services in Tasmania									
Reducing elective surgery waiting lists	-	-	-	-	-	7,119	-	-	7,119
Public dental waiting list program	38,540	29,673	23,398	10,052	9,631	4,269	1,904	2,133	119,600
Total	5,321,403	4,171,305	3,398,728	1,879,184	1,208,694	380,096	291,234	239,633	16,890,277
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Healthy communities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) The efficient growth funding component of National Health Reform funding in 2014-15 and 2015-16 is indicative only. The distribution of efficient growth funding will be determined by efficient growth in each State.

(b) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

(c) Amounts shown are indicative distributions and have been allocated on an equal State split.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
National Health Reform funding(a)									
Hospital services	5,284,050	4,135,329	3,464,708	1,887,237	1,216,346	358,817	302,864	179,240	16,828,591
Public health	114,452	90,661	74,350	40,751	25,820	7,903	6,069	3,628	363,634
National Partnership payments									
National Health Reform									
Financial assistance for long stay older patients	-	-	-	-	-	-	-	-	-
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care	-	-	-	-	-	-	-	-	-
National emergency access target									
Capital funding	-	-	-	-	-	-	-	-	-
Facilitation and reward funding	15,895	12,393	10,394	5,326	3,534	1,094	810	553	49,999
National elective surgery target									
Facilitation and reward funding	15,750	12,326	10,550	5,425	3,400	873	673	493	49,490
New subacute beds guarantee funding	-	-	-	-	-	-	-	-	-
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	-	600	-	-	-	-	600
National cancer system	-	50,000	-	-	-	-	-	-	50,000
Regional priority round	228,772	49,142	34,491	16,791	25,376	50,000	-	38,948	443,520
Translational research and workforce training	-	-	-	-	-	-	-	-	-
Other Health infrastructure payments									
Funding for Grafton Hospital	-	-	-	-	-	-	-	-	-
Tasmanian health package									
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	-	-	-	-

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Health services									
BreastScreen Australia radiography workforce initiatives	-	-	-	-	-	-	-	-	-
Early intervention pilot program	-	-	-	-	-	-	-	-	-
Health care grants for the Torres Strait	-	-	4,618	-	-	-	-	-	4,618
Healthy kids health checks	514	413	432	237	163	104	73	102	2,038
National antimicrobial utilisation surveillance program	-	-	-	-	-	-	-	-	-
National Bowel Cancer Screening Program – participant follow-up function	984	727	584	299	234	139	91	111	3,169
National perinatal depression initiative	2,478	2,056	1,734	1,070	596	266	226	274	8,700
National public health – human quarantine services	163	92	88	57	31	26	22	31	510
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,341	2,341
OzFoodNet	350	258	257	200	200	186	139	145	1,735
Royal Darwin hospital – equipped, prepared and ready	-	-	-	-	-	-	-	15,598	15,598
Torres Strait health protection strategy – mosquito control	-	-	982	-	-	-	-	-	982
Vaccine-preventable diseases surveillance	203	191	164	83	79	33	34	47	834
Victorian cytology service	-	9,359	-	-	-	-	-	-	9,359

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Indigenous health									
Health services									
Reducing acute rheumatic heart fever among Indigenous children	-	-	893	893	-	-	-	893	2,679
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	-	-
Family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory	-	-	-	-	-	-	-	-	-
Improving ear health services for Indigenous Australian children	-	-	-	-	-	-	-	-	-
Improving trachoma control services for Indigenous Australians	-	-	-	-	-	-	-	-	-
Indigenous early childhood development – antenatal and reproductive health	-	-	-	-	-	-	-	-	-
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	-	-
Stronger Futures in the Northern Territory(b)									
Hearing health services	-	-	-	-	-	-	-	3,114	3,114
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,563	4,563
Oral health services	-	-	-	-	-	-	-	2,535	2,535
Torres Strait health protection strategy – Saibai Island Health Clinic	-	-	-	-	-	-	-	-	-

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Mental health									
Expanding the Early Psychosis Prevention and Intervention Centre model(c)	10,025	10,025	10,025	10,025	10,025	10,025	10,025	10,025	80,200
Supporting National Mental Health Reform	13,559	7,608	10,427	7,004	3,447	1,699	620	887	45,251
Preventive health									
Enabling infrastructure	-	-	-	-	-	-	-	-	-
Healthy children	9,345	7,022	5,915	3,011	2,082	670	482	333	28,860
Healthy communities	-	-	-	-	-	-	-	-	-
Healthy workers	7,983	5,998	5,053	2,572	1,778	572	412	284	24,652
Social marketing	-	-	-	-	-	-	-	-	-
Other health									
Adult public dental services	95,101	73,146	59,217	31,324	21,585	6,714	4,864	3,049	295,000
East Kimberley Development Package									
Health related projects	-	-	-	-	-	-	-	-	-
Essential vaccines	85,045	73,746	67,286	29,823	21,003	6,115	4,317	3,829	291,164
Hospital and health workforce reform – activity based funding	-	-	-	-	-	-	-	-	-
Improving health services in Tasmania									
Reducing elective surgery waiting lists	-	-	-	-	-	6,228	-	-	6,228
Public dental waiting list program	-	-	-	-	-	-	-	-	-
Total	5,884,669	4,540,492	3,762,168	2,042,728	1,335,699	451,464	331,721	271,023	18,619,964
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Healthy communities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

- (a) The efficient growth funding component of National Health Reform funding in 2014-15 and 2015-16 is indicative only. The distribution of efficient growth funding will be determined by efficient growth in each State.
- (b) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.
- (c) Amounts shown are indicative distributions and have been allocated on an equal State split.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Schools SPP	3,743,700	2,952,679	2,427,199	1,216,863	906,026	266,741	207,675	149,863	11,870,746
National Partnership payments									
Digital education revolution	63,440	47,530	42,495	20,881	15,084	4,842	3,804	1,924	200,000
Early childhood education – universal access to early education	137,898	109,534	97,597	47,602	30,927	10,415	7,080	5,947	447,000
East Kimberley Development Package – education related projects	-	-	-	4,210	-	-	-	-	4,210
Empowering local schools	-	-	-	-	-	-	-	-	-
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	214	202	-	110	105	-	74	-	705
Improving literacy and numeracy(a)	49,773	27,273	40,231	19,650	13,084	4,539	1,747	4,401	160,698
Indigenous early childhood development – children and family centres	16,250	3,360	19,244	7,000	2,792	1,180	1,110	5,599	56,535
More support for students with disabilities	25,219	19,152	16,372	8,083	5,808	1,846	1,359	885	78,724
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	9,489	8,234	11,452	5,975	4,458	1,715	1,638	2,731	45,692
Rewards for great teachers	3,137	2,484	2,016	1,063	727	237	177	159	10,000
Reward for school improvement	3,265	2,377	1,798	1,125	819	283	134	199	10,000
School Pathways Program	-	-	-	529	1,175	-	-	-	1,704
Secure Schools Program	2,059	1,716	511	468	42	-	-	204	5,000
Smarter Schools(b)									
Improving teacher quality(c)	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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Stronger Futures in the Northern Territory(b)									
Building a quality school workforce –									
Additional teachers(d)	-	-	-	-	-	-	-	27,950	27,950
Quality teaching	-	-	-	-	-	-	-	14,765	14,765
Teacher housing	-	-	-	-	-	-	-	-	-
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	1,870	1,870
Trade training centres in schools	55,376	44,551	39,000	19,537	14,024	4,383	3,400	1,629	181,900
Total	4,268,974	3,295,529	2,758,470	1,379,585	1,037,561	313,918	229,473	236,225	13,519,735
<i>Memorandum item – payments for non-government schools included in payments above</i>									
National Schools SPP	2,458,572	2,035,087	1,616,436	816,249	617,604	163,618	148,854	91,754	7,948,174
Digital education revolution	23,195	17,968	15,324	8,150	5,720	1,448	1,615	580	74,000
Empowering local schools	-	-	-	-	-	-	-	-	-
Improving literacy and numeracy(a)	10,623	7,749	7,860	4,493	3,210	799	579	753	36,066
More support for students with disabilities	6,038	4,258	3,187	1,915	1,013	280	280	95	17,066
National Solar Schools Program	2,718	2,173	843	461	111	284	108	191	6,889
Rewards for great teachers	538	477	324	184	132	34	34	20	1,743
Reward for school improvement	-	-	-	-	-	-	-	-	-
Secure Schools Program	2,059	1,716	511	468	42	-	-	204	5,000
Trade training centres in schools	22,171	24,432	17,494	10,273	5,777	1,658	1,864	580	84,249
Total	2,525,914	2,093,860	1,661,979	842,193	633,609	168,121	153,334	94,177	8,173,187

(a) State and sectoral splits are indicative distributions only.

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

(c) Reward funding initially expected to be paid in this year has been moved into the subsequent year to better reflect expected reporting and payment timeframes. Earlier payment may be possible if reporting processes can be facilitated earlier. The movement of reward payments does not impact on the timing of any facilitation payments.

(d) Includes \$12.4 million of funding previously committed under the Closing the Gap in the Northern Territory National Partnership.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Schools SPP	3,999,022	3,189,003	2,654,010	1,329,087	967,078	282,660	223,284	156,839	12,800,983
National Partnership payments									
Digital education revolution(a)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Early childhood education – universal access to early education(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
East Kimberley Development Package – education related projects	-	-	-	-	-	-	-	-	-
Empowering local schools	-	-	-	-	-	-	-	-	-
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	-	-	-	-	-	-	-	-	-
Improving literacy and numeracy(c)	24,918	13,655	20,142	9,837	6,550	2,272	875	2,203	80,452
Indigenous early childhood development – children and family centres	24,163	3,351	8,794	10,701	13,820	1,992	1,110	14,093	78,024
More support for students with disabilities	12,561	9,541	8,156	4,028	2,892	920	677	442	39,217
National quality agenda for early childhood education and care	8,474	4,628	1,468	881	2,297	280	212	840	19,080
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Rewards for great teachers	12,635	10,176	7,980	4,133	2,887	938	727	524	40,000
Reward for school improvement	2,926	2,139	1,618	1,013	737	255	121	179	8,988
School Pathways Program	-	-	-	540	746	-	-	-	1,286
Secure Schools Program	2,059	1,716	511	468	42	-	-	204	5,000
Smarter Schools(d)									
Improving teacher quality	56,029	44,500	34,538	17,724	12,790	4,154	3,128	2,137	175,000
Low socio-economic status school communities	88,246	40,943	37,118	14,392	23,763	10,431	446	10,431	225,770

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Stronger Futures in the Northern Territory(d)(e)									
Building a quality school workforce –									
Additional teachers	-	-	-	-	-	-	-	27,079	27,079
Quality teaching	-	-	-	-	-	-	-	14,765	14,765
Teacher housing	-	-	-	-	-	-	-	4,783	4,783
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	2,238	2,238
Trade training centres in schools(f)	13,378	26,502	26,959	24,650	3,158	2,741	907	1,958	100,253
Total	4,244,411	3,346,154	2,801,294	1,417,454	1,036,760	306,643	231,487	238,715	13,622,918
<i>Memorandum item – payments for non-government schools included in payments above</i>									
National Schools SPP	2,649,815	2,209,020	1,767,458	893,766	664,985	175,393	160,793	99,367	8,620,597
Digital education revolution(a)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Empowering local schools	-	-	-	-	-	-	-	-	-
Improving literacy and numeracy(c)	5,318	3,880	3,935	2,249	1,607	400	290	377	18,056
More support for students with disabilities	3,006	2,121	1,588	955	504	140	140	48	8,502
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Rewards for great teachers	4,335	3,876	2,580	1,433	1,052	273	287	129	13,965
Reward for school improvement	-	-	-	-	-	-	-	-	-
Secure Schools Program	2,059	1,716	511	468	42	-	-	204	5,000
Trade training centres in schools(f)	5,190	5,437	4,094	3,071	1,737	337	392	92	20,350
Total	2,669,723	2,226,050	1,780,166	901,942	669,927	176,543	161,902	100,217	8,686,470

- (a) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to the negotiation of a new National Partnership.
- (b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.
- (c) State and sectoral splits are indicative distributions only.
- (d) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.
- (e) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.
- (f) The Commonwealth will extend this program to 2018-19 and has re-profiled funding to more evenly distribute projects over the life of the program. The overall funding allocation for the program will not be changed.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Schools SPP	4,249,952	3,429,321	2,901,413	1,452,729	1,026,511	298,889	239,661	162,561	13,761,037
National Partnership payments									
Digital education revolution(a)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Early childhood education – universal access to early education(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
East Kimberley Development Package – education related projects	-	-	-	-	-	-	-	-	-
Empowering local schools	-	-	-	-	-	-	-	-	-
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	-	-	-	-	-	-	-	-	-
Improving literacy and numeracy	-	-	-	-	-	-	-	-	-
Indigenous early childhood development – children and family centres	-	-	-	-	-	-	-	-	-
More support for students with disabilities	-	-	-	-	-	-	-	-	-
National quality agenda for early childhood education and care(c)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Rewards for great teachers	39,544	31,582	25,081	12,925	9,023	2,973	2,235	1,637	125,000
Reward for school improvement	10,000	7,300	5,525	2,500	3,425	850	550	475	30,625
School Pathways Program	-	-	-	-	-	-	-	-	-
Secure Schools Program	-	-	-	-	-	-	-	-	-
Smarter Schools(d)									
Improving teacher quality	-	-	-	-	-	-	-	-	-
Low socio-economic status school communities	67,235	31,195	30,228	10,965	18,105	7,948	340	7,948	173,964

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Stronger Futures in the Northern Territory(d)(e)									
Building a quality school workforce –									
Additional teachers	-	-	-	-	-	-	-	27,593	27,593
Quality teaching	-	-	-	-	-	-	-	14,765	14,765
Teacher housing	-	-	-	-	-	-	-	5,448	5,448
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	2,302	2,302
Trade training centres in schools(f)	41,671	37,727	41,946	22,169	11,038	3,650	3,512	3,416	165,129
Total	4,408,402	3,537,125	3,004,193	1,501,288	1,068,102	314,310	246,298	226,145	14,305,863
<i>Memorandum item – payments for non-government schools included in payments above</i>									
National Schools SPP	2,834,555	2,379,341	1,923,266	972,735	710,569	187,525	172,641	106,062	9,286,694
Digital education revolution(a)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Empowering local schools	-	-	-	-	-	-	-	-	-
Improving literacy and numeracy	-	-	-	-	-	-	-	-	-
More support for students with disabilities	-	-	-	-	-	-	-	-	-
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Rewards for great teachers	13,548	12,114	8,066	4,478	3,288	854	865	403	43,616
Reward for school improvement	3,500	2,575	2,025	925	1,225	300	175	175	10,900
Secure Schools Program	-	-	-	-	-	-	-	-	-
Trade training centres in schools(f)	19,070	18,737	15,862	9,817	5,532	1,307	1,518	355	72,198
Total	2,870,673	2,412,767	1,949,219	987,955	720,614	189,986	175,199	106,995	9,413,408

- (a) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to the negotiation of a new National Partnership.
- (b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.
- (c) A review of this agreement will be undertaken by COAG in 2014. Provision has been made in the Contingency Reserve subject to negotiations with the States.
- (d) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.
- (e) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.
- (f) The Commonwealth will extend this program to 2018-19 and has re-profiled funding to more evenly distribute projects over the life of the program. The overall funding allocation for the program will not be changed.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
National Schools SPP	4,533,919	3,679,271	3,119,401	1,609,146	1,094,966	315,672	258,857	172,822	14,784,054
National Partnership payments									
Digital education revolution(a)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Early childhood education – universal access to early education(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
East Kimberley Development Package – education related projects	-	-	-	-	-	-	-	-	-
Empowering local schools	131,117	96,486	72,397	45,174	33,319	11,601	5,377	7,959	403,430
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	-	-	-	-	-	-	-	-	-
Improving literacy and numeracy	-	-	-	-	-	-	-	-	-
Indigenous early childhood development – children and family centres	-	-	-	-	-	-	-	-	-
More support for students with disabilities	-	-	-	-	-	-	-	-	-
National quality agenda for early childhood education and care(c)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Rewards for great teachers	79,087	63,163	50,164	25,850	18,047	5,945	4,470	3,274	250,000
Reward for school improvement	20,100	14,600	11,050	5,000	6,850	1,700	1,100	850	61,250
School Pathways Program	-	-	-	-	-	-	-	-	-
Secure Schools Program	-	-	-	-	-	-	-	-	-
Smarter Schools									
Improving teacher quality	-	-	-	-	-	-	-	-	-
Low socio-economic status school communities	-	-	-	-	-	-	-	-	-

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Stronger Futures in the Northern Territory(d)(e)									
Building a quality school workforce –									
Additional teachers	-	-	-	-	-	-	-	28,118	28,118
Quality teaching	-	-	-	-	-	-	-	14,765	14,765
Teacher housing	-	-	-	-	-	-	-	6,142	6,142
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	2,187	2,187
Trade training centres in schools(f)	49,534	42,583	45,976	21,756	13,267	3,951	4,215	3,718	185,000
Total	4,813,757	3,896,103	3,298,988	1,706,926	1,166,449	338,869	274,019	239,835	15,734,946
<i>Memorandum item – payments for non-government schools included in payments above</i>									
National Schools SPP	3,031,815	2,560,058	2,073,171	1,078,531	759,122	198,848	186,468	112,894	10,000,907
Digital education revolution(a)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Empowering local schools	38,780	29,805	19,687	12,532	8,425	2,837	1,863	1,524	115,453
Improving literacy and numeracy	-	-	-	-	-	-	-	-	-
More support for students with disabilities	-	-	-	-	-	-	-	-	-
National Solar Schools Program	-	-	-	-	-	-	-	-	-
Rewards for great teachers	27,095	24,227	16,133	8,956	6,576	1,708	1,730	807	87,232
Reward for school improvement	7,050	5,100	3,925	1,775	2,450	675	425	300	21,700
Secure Schools Program	-	-	-	-	-	-	-	-	-
Trade training centres in schools(f)	22,903	22,488	19,032	11,703	6,639	1,569	1,822	427	86,583
Total	3,127,643	2,641,678	2,131,948	1,113,497	783,212	205,637	192,308	115,952	10,311,875

- (a) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to the negotiation of a new National Partnership.
- (b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.
- (c) A review of this agreement will be undertaken by COAG in 2014. Provision has been made in the Contingency Reserve subject to negotiations with the States.
- (d) Includes government and non-government schools. The payments to non-government schools are not shown in the Memorandum item.
- (e) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.
- (f) The Commonwealth will extend this program to 2018-19 and has re-profiled funding to more evenly distribute projects over the life of the program. The overall funding allocation for the program will not be changed.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Skills and Workforce Development SPP	451,952	344,466	275,552	145,234	102,315	31,763	23,296	14,317	1,388,895
National Partnership payments									
Building Australia's Future Workforce									
Skills reform	76,594	59,304	48,669	24,855	17,313	5,332	3,820	2,464	238,351
Training places for single and teen parents	6,390	4,747	4,283	1,922	1,670	575	186	227	20,000
Education Investment Fund	3,769	-	-	-	-	-	-	-	3,769
TAFE fee waivers for childcare qualifications	2,419	9,069	2,681	879	936	271	847	53	17,155
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions(a)	8,493	17,040	5,595	2,811	1,937	606	662	358	37,502
Year 12 attainment and transitions	-	-	-	-	-	-	-	-	-
Total	549,617	434,626	336,780	175,701	124,171	38,547	28,811	17,419	1,705,672

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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Skills and Workforce Development SPP	454,799	351,562	284,164	151,845	102,891	31,812	23,630	14,442	1,415,145
National Partnership payments									
Building Australia's Future Workforce									
Skills reform	76,594	59,304	48,669	24,855	17,313	5,332	3,820	2,464	238,351
Training places for single and teen parents	8,520	6,330	5,711	2,563	2,227	766	248	302	26,667
Education Investment Fund	-	-	-	-	-	-	-	-	-
TAFE fee waivers for childcare qualifications	3,378	8,628	2,407	1,137	1,090	251	577	95	17,563
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions(a)	4,246	8,520	2,798	1,406	968	303	331	179	18,751
Year 12 attainment and transitions	16,764	13,787	10,263	5,674	3,856	1,158	804	1,026	53,332
Total	564,301	448,131	354,012	187,480	128,345	39,622	29,410	18,508	1,769,809

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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Skills and Workforce Development SPP	456,768	359,192	293,675	159,577	103,204	31,722	24,009	14,523	1,442,670
National Partnership payments									
Building Australia's Future Workforce									
Skills reform	121,213	93,915	77,025	39,311	27,460	8,390	6,044	3,854	377,212
Training places for single and teen parents	8,520	6,330	5,711	2,563	2,227	766	248	302	26,667
Education Investment Fund	-	-	-	-	-	-	-	-	-
TAFE fee waivers for childcare qualifications	2,387	5,112	1,340	558	604	140	536	47	10,724
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions	-	-	-	-	-	-	-	-	-
Year 12 attainment and transitions	-	-	-	-	-	-	-	-	-
Total	588,888	464,549	377,751	202,009	133,495	41,018	30,837	18,726	1,857,273

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
National Skills and Workforce Development SPP									
Development SPP	462,903	366,680	300,712	164,820	104,430	31,964	24,546	14,675	1,470,730
National Partnership payments									
Building Australia's Future Workforce									
Skills reform	121,294	93,849	77,068	39,383	27,355	8,492	6,051	3,947	377,439
Training places for single and teen parents	-	-	-	-	-	-	-	-	-
Education Investment Fund	-	-	-	-	-	-	-	-	-
TAFE fee waivers for childcare qualifications	-	-	-	-	-	-	-	-	-
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions	-	-	-	-	-	-	-	-	-
Year 12 attainment and transitions	-	-	-	-	-	-	-	-	-
Total	584,197	460,529	377,780	204,203	131,785	40,456	30,597	18,622	1,848,169

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Disability SPP	415,652	307,274	251,809	126,036	109,528	33,935	19,984	13,362	1,277,580
Changed roles and responsibilities – adjustment to achieve budget neutrality(a)	6,808	-	8,886	-	-20,425	-5,995	533	-3,582	-13,775
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services(b)	-	352,445	-	150,684	-	-	-	-	503,129
Specialist disability services	57,261	-	17,570	-	22,934	6,011	787	4,805	109,368
Aged care assessment(c)	2,938	2,113	1,525	875	780	229	95	115	8,670
Certain concessions for pensioners and seniors card holders(d)									
Certain concessions for pensioners	94,081	67,254	46,961	23,649	26,756	8,590	1,911	1,307	270,509
National reciprocal transport concessions	4,005	3,104	2,569	1,311	903	279	199	130	12,500
Home and Community Care – services for veterans	958	3,912	1,324	1,501	291	143	149	29	8,307
Stronger Futures in the Northern Territory									
Alice Springs transformation plan	-	-	-	-	-	-	-	2,247	2,247
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	13,363	13,363
Community safety and justice	-	-	-	-	-	-	-	21,326	21,326
Municipal and essential services	-	-	-	-	-	-	-	5,000	5,000
Remote engagement and coordination	-	-	-	-	-	-	-	4,286	4,286
Tackling alcohol abuse	-	-	-	-	-	-	-	5,175	5,175
Total	581,703	736,102	330,644	304,056	140,767	43,192	23,658	67,563	2,227,685

(a) From 2011-12, the Commonwealth is making 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 until 2013-14. From 2014-15 the changed roles and responsibilities in this area will result in additional own purpose expenditure for the Commonwealth. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

(b) Funding reflects payments to Victoria and Western Australia under the Home and Community Care Program Review Agreement.

(c) Funding in 2012-13 is the final payment for deliverables relating to 2011-12.

(d) Estimates will be finalised following negotiations with the States.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Disability SPP	429,008	334,897	272,946	147,013	97,080	29,962	22,349	13,680	1,346,935
Changed roles and responsibilities – adjustment to achieve budget neutrality(a)	8,233	-	9,234	-	-22,581	-6,471	551	-3,704	-14,738
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services(b)	-	381,437	-	163,079	-	-	-	-	544,516
Specialist disability services	58,742	-	17,895	-	24,805	6,283	794	4,956	113,475
Aged care assessment	-	-	-	-	-	-	-	-	-
Certain concessions for pensioners and seniors card holders(c)									
Certain concessions for pensioners	97,495	69,689	48,664	24,505	27,724	8,901	1,981	1,355	280,314
National reciprocal transport concessions	3,987	3,105	2,583	1,320	898	277	199	131	12,500
Home and Community Care – services for veterans	859	3,995	1,226	1,532	261	127	142	27	8,169
Stronger Futures in the Northern Territory(d)									
Alice Springs transformation plan	-	-	-	-	-	-	-	4,653	4,653
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	13,644	13,644
Community safety and justice	-	-	-	-	-	-	-	47,796	47,796
Municipal and essential services	-	-	-	-	-	-	-	20,480	20,480
Remote engagement and coordination	-	-	-	-	-	-	-	4,379	4,379
Tackling alcohol abuse	-	-	-	-	-	-	-	4,531	4,531
Total	598,324	793,123	352,548	337,449	128,187	39,079	26,016	111,928	2,386,654

(a) From 2011-12, the Commonwealth is making 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 until 2013-14. From 2014-15 the changed roles and responsibilities in this area will result in additional own purpose expenditure for the Commonwealth. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

(b) Funding reflects payments to Victoria and Western Australia under the Home and Community Care Program Review Agreement.

(c) Estimates will be finalised following negotiations with the States.

(d) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Disability SPP	451,280	354,878	290,148	157,660	101,964	31,341	23,721	14,349	1,425,341
Changed roles and responsibilities – adjustment to achieve budget neutrality(a)	8,686	-	9,792	-	-23,794	-6,796	584	-3,909	-15,437
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services(b)	-	nfp	-	nfp	-	-	-	-	nfp
Specialist disability services	59,952	-	18,074	-	26,798	6,532	792	5,091	117,239
Aged care assessment	-	-	-	-	-	-	-	-	-
Certain concessions for pensioners and seniors card holders(c)									
Certain concessions for pensioners	101,486	72,549	50,659	25,509	28,861	9,267	2,062	1,411	291,804
National reciprocal transport concessions	3,987	3,105	2,583	1,320	898	277	199	131	12,500
Home and Community Care – services for veterans	859	4,079	1,227	1,565	262	127	142	27	8,288
Stronger Futures in the Northern Territory(d)									
Alice Springs transformation plan	-	-	-	-	-	-	-	4,175	4,175
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	11,293	11,293
Community safety and justice	-	-	-	-	-	-	-	28,245	28,245
Municipal and essential services	-	-	-	-	-	-	-	20,931	20,931
Remote engagement and coordination	-	-	-	-	-	-	-	3,602	3,602
Tackling alcohol abuse	-	-	-	-	-	-	-	4,702	4,702
Total	626,250	434,611	372,483	186,054	134,989	40,748	27,500	90,048	1,912,683

(a) From 2011-12, the Commonwealth is making 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 until 2013-14. From 2014-15 the changed roles and responsibilities in this area will result in additional own purpose expenditure for the Commonwealth. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

(b) Funding is not published past 2013-14. Provision has been made in the Contingency Reserve subject to negotiations with the States.

(c) Estimates will be finalised following negotiations with the States.

(d) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
National Disability SPP	472,038	373,917	306,646	168,073	106,491	32,595	25,031	14,964	1,499,755
Changed roles and responsibilities – adjustment to achieve budget neutrality(a)	9,113	-	10,324	-	-24,932	-7,097	616	-4,103	-16,079
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services(b)	-	nfp	-	nfp	-	-	-	-	nfp
Specialist disability services	60,972	-	18,382	-	28,976	6,643	806	5,178	120,957
Aged care assessment	-	-	-	-	-	-	-	-	-
Certain concessions for pensioners and seniors card holders(c)									
Certain concessions for pensioners	105,789	75,621	52,806	26,589	30,083	9,659	2,149	1,469	304,165
National reciprocal transport concessions	3,987	3,105	2,583	1,320	898	277	199	131	12,500
Home and Community Care – services for veterans	860	4,160	1,228	1,596	262	127	142	27	8,402
Stronger Futures in the Northern Territory(d)									
Alice Springs transformation plan	-	-	-	-	-	-	-	1,796	1,796
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	11,584	11,584
Community safety and justice	-	-	-	-	-	-	-	34,824	34,824
Municipal and essential services	-	-	-	-	-	-	-	21,391	21,391
Remote engagement and coordination	-	-	-	-	-	-	-	3,344	3,344
Tackling alcohol abuse	-	-	-	-	-	-	-	3,965	3,965
Total	652,759	456,803	391,969	197,578	141,778	42,204	28,943	94,570	2,006,604

(a) From 2011-12, the Commonwealth is making 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 until 2013-14. From 2014-15 the changed roles and responsibilities in this area will result in additional own purpose expenditure for the Commonwealth. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

(b) Funding is not published past 2013-14. Provision has been made in the Contingency Reserve subject to negotiations with the States.

(c) Estimates will be finalised following negotiations with the States.

(d) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Affordable Housing SPP	403,095	300,263	251,731	134,288	95,049	31,585	23,559	25,399	1,264,969
National Partnership payments									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	49,500
First Home Owners Boost	1,148	3,778	356	87	109	41	325	6	5,850
Homelessness	41,409	31,192	39,745	19,608	11,969	2,575	2,401	7,602	156,501
Remote Indigenous Housing	18,535	2,521	96,889	55,357	5,650	2,754	-	121,502	303,208
Stronger Futures in the Northern Territory Housing	-	-	-	-	-	-	-	27,327	27,327
Total	464,187	337,754	388,721	209,340	112,777	36,955	26,285	181,836	1,807,355
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	49,500
Total	~	~	~	~	~	~	~	~	49,500
2013-14									
National Affordable Housing SPP	409,510	313,056	258,970	139,199	94,576	30,300	22,695	19,433	1,287,739
National Partnership payments									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	35,000
First Home Owners Boost	-28	-35	-	-21	-	-4	-3	-	-91
Homelessness	-	-	-	-	-	-	-	-	-
Remote Indigenous Housing	44,768	2,500	177,532	191,278	36,414	2,854	-	85,732	541,078
Stronger Futures in the Northern Territory(b) Housing	-	-	-	-	-	-	-	51,188	51,188
Total	454,250	315,521	436,502	330,456	130,990	33,150	22,692	156,353	1,914,914
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Building Better Regional Cities(a)	~	~	~	~	~	~	~	~	35,000
Total	~	~	~	~	~	~	~	~	35,000

(a) State allocations are yet to be finalised.

(b) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Affordable Housing SPP	415,461	326,710	267,117	145,146	93,871	28,853	21,838	13,210	1,312,206
National Partnership payments									
Building Better Regional Cities	-	-	-	-	-	-	-	-	-
First Home Owners Boost	-	-	-	-	-	-	-	-	-
Homelessness	-	-	-	-	-	-	-	-	-
Remote Indigenous Housing	60,654	2,500	155,591	165,649	27,762	2,464	-	70,980	485,600
Stronger Futures in the Northern Territory(a) Housing	-	-	-	-	-	-	-	55,840	55,840
Total	476,115	329,210	422,708	310,795	121,633	31,317	21,838	140,030	1,853,646
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Building Better Regional Cities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
2015-16									
National Affordable Housing SPP	420,856	333,373	273,397	149,849	94,944	29,060	22,317	13,342	1,337,138
National Partnership payments									
Building Better Regional Cities	-	-	-	-	-	-	-	-	-
First Home Owners Boost	-	-	-	-	-	-	-	-	-
Homelessness	-	-	-	-	-	-	-	-	-
Remote Indigenous Housing	16,345	2,500	137,261	124,258	18,722	2,538	-	66,552	368,176
Stronger Futures in the Northern Territory(a) Housing	-	-	-	-	-	-	-	52,285	52,285
Total	437,201	335,873	410,658	274,107	113,666	31,598	22,317	132,179	1,757,599
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Building Better Regional Cities	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) Amounts are indicative only, subject to the finalisation of the National Partnership Agreement.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Partnership payments									
Centenary of Canberra 2013 –									
A gift to the national capital	-	-	-	-	-	-	-	-	-
Interstate road transport	42,692	24,841	8,796	3,676	11,200	463	463	463	92,594
Liveable cities(a)	6,163	1,583	1,504	2,080	700	520	350	100	13,000
Local Government and Regional Development –									
Infrastructure employment projects	-	700	12,000	-	-	2,000	-	-	14,700
Managed motorways	2,148	2,498	4,900	500	-	-	-	-	10,046
Nation Building Plan for the Future									
Major cities	-	-	-	101,200	-	-	-	-	101,200
Building Australia Fund	190,000	542,000	-	-	58,400	-	-	-	790,400
Nation Building Program									
Investment	568,792	137,129	643,527	269,786	58,146	48,468	484	72,429	1,798,761
Black spot projects	20,082	15,702	12,412	7,381	4,740	1,747	888	847	63,799
Off-network projects	29,502	28,312	27,087	94,663	-	13,837	-	5,000	198,401
Supplementary(b)	-	158	-	8,305	-	-	-	-	8,463
Improving the national network(b)	-	-	-	-	1,510	-	-	-	1,510
Heavy vehicle safety and productivity	3,214	2,489	2,122	1,051	902	223	241	102	10,344
Roads to Recovery	99,184	72,219	71,200	52,200	31,480	11,400	1,932	10,200	349,815
Improving local roads(b)	-	-	-	-	1,028	-	-	-	1,028
National transport regulator reforms									
National Heavy Vehicles Regulator	-	-	14,865	-	-	-	-	-	14,865
National Rail Safety Regulator	-	-	-	-	7,985	-	-	-	7,985
Regional Infrastructure Fund									
Stream 1 – Committed infrastructure projects	-	-	24,000	53,300	-	-	-	-	77,300
Stream 2 – Economic infrastructure projects(c)	~	~	~	~	~	~	~	~	6,000
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	961,777	827,631	832,413	594,142	176,091	78,658	4,358	89,141	3,570,211

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Liveable cities	6,163	483	1,414	330	200	410	-	100	9,100
Local Government and Regional Development – Infrastructure employment projects	-	700	12,000	-	-	-	-	-	12,700
Nation Building Program									
Off-network projects	-	270	4,000	-	-	-	-	-	4,270
Supplementary	-	158	-	8,305	-	-	-	-	8,463
Roads to Recovery	98,468	72,200	71,200	52,200	24,140	11,400	-	5,600	335,208
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	104,631	73,811	98,614	60,835	24,340	11,810	-	5,700	379,741

(a) Some amounts remain unallocated. These amounts have been allocated on an equal per capita basis to all States.

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

(c) State allocations have not been finalised for this Stream.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
National Partnership payments									
Centenary of Canberra 2013 –									
A gift to the national capital	-	-	-	-	-	-	-	-	-
Interstate road transport	46,662	27,151	9,614	4,018	12,241	506	506	506	101,204
Liveable cities(a)	2,640	946	105	2,144	630	235	150	150	7,000
Local Government and Regional Development –									
Infrastructure employment projects	-	-	28,000	-	-	-	-	-	28,000
Managed motorways	2,004	9,521	12,418	501	-	-	-	-	24,444
Nation Building Plan for the Future									
Major cities	-	-	-	-	-	-	-	-	-
Building Australia Fund	141,000	858,000	-	-	-	-	50,000	-	1,049,000
Nation Building Program									
Investment(b)	1,231,797	323,178	690,934	336,029	100,662	42,306	469	60,239	3,016,614
Black spot projects	20,244	16,050	12,466	7,528	4,746	1,770	876	822	64,502
Off-network projects	35,578	78,359	83,000	41,672	-	22,863	-	2,673	264,145
Supplementary	-	-	-	-	-	-	-	-	-
Improving the national network	-	-	-	-	-	-	-	-	-
Heavy vehicle safety and productivity	9,612	7,475	6,110	3,174	2,172	665	488	304	30,000
Roads to Recovery	119,685	74,648	66,837	54,583	31,131	12,911	-	13,361	373,156
Improving local roads	-	-	-	-	-	-	-	-	-
National transport regulator reforms									
National Heavy Vehicles Regulator	-	-	-	-	-	-	-	-	-
National Rail Safety Regulator	-	-	-	-	-	-	-	-	-
Regional Infrastructure Fund									
Stream 1 – Committed infrastructure projects	-	-	65,000	126,100	-	-	-	-	191,100
Stream 2 – Economic infrastructure projects(c)	~	~	~	~	~	~	~	~	300,001
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	1,609,222	1,395,328	984,484	575,749	151,582	81,256	52,489	78,055	5,459,166

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Liveable cities	2,640	446	75	144	130	235	-	150	3,820
Local Government and Regional Development – Infrastructure employment projects	-	-	28,000	-	-	-	-	-	28,000
Nation Building Program									
Off-network projects	-	2,250	-	10,584	-	-	-	-	12,834
Supplementary	-	-	-	-	-	-	-	-	-
Roads to Recovery	118,021	74,596	66,837	54,583	23,088	12,911	-	9,604	359,640
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	120,661	77,292	104,912	65,311	23,218	13,146	-	9,754	414,294

(a) Some amounts remain unallocated. These amounts have been allocated on an equal per capita basis to all States.

(b) These figures include \$3.6 billion made available from the Nation Building Program over the period 2013-14 to 2016-17 (including \$900 million in 2016-17). This funding has been made available for the duplication of the Pacific Highway, conditional upon the New South Wales Government agreeing to a 50:50 shared funding agreement.

(c) State allocations have not been finalised for this Stream.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Partnership payments									
Centenary of Canberra 2013 –									
A gift to the national capital	-	-	-	-	-	-	10,000	-	10,000
Interstate road transport	51,002	29,676	10,508	4,391	13,379	553	553	553	110,615
Liveable cities	-	-	-	-	-	-	-	-	-
Local Government and Regional Development –									
Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Managed motorways(a)	6,447	4,972	4,055	2,087	1,461	450	324	204	20,000
Nation Building Plan for the Future									
Major cities	-	-	-	-	-	-	-	-	-
Building Australia Fund	-	500,000	-	-	-	-	64,500	-	564,500
Nation Building Program									
Investment(b)	445,200	198,100	136,300	-	-	-	-	-	1,804,600
Black spot projects	19,259	13,680	12,179	6,539	4,739	1,619	975	1,010	60,000
Off-network projects	-	38,000	-	-	-	-	-	-	38,000
Supplementary	-	-	-	-	-	-	-	-	-
Improving the national network	-	-	-	-	-	-	-	-	-
Heavy vehicle safety and productivity	6,389	4,989	4,082	2,130	1,442	440	326	202	20,000
Roads to Recovery	97,516	71,219	71,200	51,200	31,480	11,400	5,600	10,200	349,815
Improving local roads	-	-	-	-	-	-	-	-	-
National transport regulator reforms									
National Heavy Vehicles Regulator	-	-	-	-	-	-	-	-	-
National Rail Safety Regulator	-	-	-	-	-	-	-	-	-
Regional Infrastructure Fund									
Stream 1 – Committed infrastructure projects	-	-	158,000	175,600	-	-	-	-	333,600
Stream 2 – Economic infrastructure projects(c)	~	~	~	~	~	~	~	~	350,000
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	625,813	860,636	406,324	241,947	52,501	14,462	82,278	12,169	3,671,130

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Liveable cities	-	-	-	-	-	-	-	-	-
Local Government and Regional Development – Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Nation Building Program									
Off-network projects	-	-	-	-	-	-	-	-	-
Supplementary	-	-	-	-	-	-	-	-	-
Roads to Recovery	96,800	71,200	71,200	51,200	24,140	11,400	-	5,600	331,540
Townsville Convention and Entertainment Centre	-	-	10,000	-	-	-	-	-	10,000
Total	96,800	71,200	81,200	51,200	24,140	11,400	-	5,600	341,540

- (a) State splits are indicative distributions only and have been allocated to all States on an equal per capita basis. The actual allocation will be subject to a competitive tendering process.
- (b) These figures include \$3.6 billion made available from the Nation Building Program over the period 2013-14 to 2016-17 (including \$900 million in 2016-17). This funding has been made available for the duplication of the Pacific Highway, conditional upon the New South Wales Government agreeing to a 50:50 shared funding agreement.
- (c) State allocations have not been finalised for this Stream.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
National Partnership payments									
Centenary of Canberra 2013 –									
A gift to the national capital	-	-	-	-	-	-	-	-	-
Interstate road transport	55,745	32,436	11,485	4,800	14,622	604	604	604	120,900
Liveable cities	-	-	-	-	-	-	-	-	-
Local Government and Regional Development –									
Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Managed motorways	-	-	-	-	-	-	-	-	-
Nation Building Plan for the Future									
Major cities	-	-	-	-	-	-	-	-	-
Building Australia Fund	-	500,000	-	-	232,100	-	20,000	-	752,100
Nation Building Program									
Investment(a)	136,800	20,000	88,400	-	-	-	-	-	1,645,200
Black spot projects	19,259	13,680	12,179	6,539	4,739	1,619	975	1,010	60,000
Off-network projects	-	-	59,000	-	-	-	-	-	59,000
Supplementary	-	-	-	-	-	-	-	-	-
Improving the national network	-	-	-	-	-	-	-	-	-
Heavy vehicle safety and productivity	6,370	4,995	4,090	2,144	1,436	436	327	202	20,000
Roads to Recovery	97,516	71,219	71,200	51,200	31,480	11,400	5,600	10,200	349,815
Improving local roads	-	-	-	-	-	-	-	-	-
National transport regulator reforms									
National Heavy Vehicles Regulator	-	-	-	-	-	-	-	-	-
National Rail Safety Regulator	-	-	-	-	-	-	-	-	-
Regional Infrastructure Fund									
Stream 1 – Committed infrastructure projects	-	-	73,000	125,000	-	-	-	-	198,000
Stream 2 – Economic infrastructure projects(b)	~	~	~	~	~	~	~	~	450,000
Townsville Convention and Entertainment Centre	-	-	17,000	-	-	-	-	-	17,000
Total	315,690	642,330	336,354	189,683	284,377	14,059	27,506	12,016	3,672,015

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Liveable cities	-	-	-	-	-	-	-	-	-
Local Government and Regional Development – Infrastructure employment projects	-	-	-	-	-	-	-	-	-
Nation Building Program									
Off-network projects	-	-	-	-	-	-	-	-	-
Supplementary	-	-	-	-	-	-	-	-	-
Roads to Recovery	96,800	71,200	71,200	51,200	24,140	11,400	-	5,600	331,540
Townsville Convention and Entertainment Centre	-	-	17,000	-	-	-	-	-	17,000
Total	96,800	71,200	88,200	51,200	24,140	11,400	-	5,600	348,540

- (a) These figures include \$3.6 billion made available from the Nation Building Program over the period 2013-14 to 2016-17 (including \$900 million in 2016-17). This funding has been made available for the duplication of the Pacific Highway, conditional upon the New South Wales Government agreeing to a 50:50 shared funding agreement.
- (b) State allocations have not been finalised for this Stream.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Animal and plant pest and disease eradication(a)	-	1,715	8,241	-	44	-	-	-	10,000
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	-	-	150	10,000
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	1,474	1,474
Exotic Disease Preparedness Program(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Great Artesian Basin Sustainability Initiative	4,000	-	5,000	-	985	-	-	-	9,985
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Northern Australia Sustainable Futures	-	-	122	-	-	-	-	178	300
Sustainable Australia – sustainable regional development	800	-	-	-	-	-	-	-	800
Tasmanian Forests Intergovernmental Agreement Implementation of the Intergovernmental Agreement	-	-	-	-	-	7,217	-	-	7,217
Water for the Future									
National Urban Water and Desalination Plan	-	4,360	-	1,000	49,100	-	-	-	54,460
National Water Security Plan for Cities and Towns	17,966	4,000	1,000	16,611	295	2,000	-	12,720	54,592
Sustainable Rural Water Use and Infrastructure	90,904	50,769	14,550	1,320	48,955	44,930	251	449	252,128
Total	159,207	94,570	61,636	46,166	119,433	67,883	2,915	19,963	571,773

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Sustainable Australia – sustainable regional development	800	-	-	-	-	-	-	-	800
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	3,500	-	-	-	3,500
National Water Security Plan for Cities and Towns	13,416	-	-	1,000	-	2,000	-	-	16,416
Sustainable Rural Water Use and Infrastructure	2,616	-	-	-	-	-	-	-	2,616
Total	16,832	-	-	1,000	3,500	2,000	-	-	23,332

(a) Funding is allocated to States based on 2011-12 data and represents indicative estimates only. This funding is conditional on agreed national responses to pest or disease incursions.

(b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Animal and plant pest and disease eradication(a)	-	2,573	12,361	-	66	-	-	-	15,000
Caring for our Country	-	-	-	-	-	-	-	-	-
Coal seam gas and large coal mining development	7,000	4,050	7,400	-	1,250	-	-	300	20,000
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	-	-
Exotic Disease Preparedness Program(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Great Artesian Basin Sustainability Initiative	13,681	-	25,133	-	844	-	-	-	39,658
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Northern Australia Sustainable Futures	-	-	-	-	-	-	-	-	-
Sustainable Australia – sustainable regional development	800	-	-	-	-	-	-	-	800
Tasmanian Forests Intergovernmental Agreement Implementation of the Intergovernmental Agreement	-	-	-	-	-	7,405	-	-	7,405
Water for the Future									
National Urban Water and Desalination Plan	-	5,590	-	-	6,000	-	-	-	11,590
National Water Security Plan for Cities and Towns	10,854	1,000	1,284	1,398	-	-	-	-	14,536
Sustainable Rural Water Use and Infrastructure	3,589	142,752	22,176	1,295	19,834	14,457	259	553	204,915
Total	42,710	160,141	74,357	5,825	30,082	23,167	1,564	2,158	340,004

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Sustainable Australia – sustainable regional development	800	-	-	-	-	-	-	-	800
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	6,000	-	-	-	6,000
National Water Security Plan for Cities and Towns	10,254	-	-	-	-	-	-	-	10,254
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	11,054	-	-	-	6,000	-	-	-	17,054

(a) Funding is allocated to States based on 2011-12 data and represents indicative estimates only. This funding is conditional on agreed national responses to pest or disease incursions.

(b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Animal and plant pest and disease eradication(a)	-	2,573	12,361	-	66	-	-	-	15,000
Caring for our Country	-	-	-	-	-	-	-	-	-
Coal seam gas and large coal mining development	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	-	-
Exotic Disease Preparedness Program(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Great Artesian Basin Sustainability Initiative	-	-	-	-	-	-	-	-	-
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Northern Australia Sustainable Futures	-	-	-	-	-	-	-	-	-
Sustainable Australia – sustainable regional development	400	-	-	-	-	-	-	-	400
Tasmanian Forests Intergovernmental Agreement Implementation of the Intergovernmental Agreement	-	-	-	-	-	7,590	-	-	7,590
Water for the Future									
National Urban Water and Desalination Plan	-	1,550	-	-	-	-	-	-	1,550
National Water Security Plan for Cities and Towns	8,000	-	-	-	-	-	-	-	8,000
Sustainable Rural Water Use and Infrastructure	3,570	201,810	22,185	1,329	22,579	15,426	201	510	267,610
Total	18,756	210,109	40,549	4,461	24,733	24,321	1,506	1,815	326,250

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Sustainable Australia – sustainable regional development	400	-	-	-	-	-	-	-	400
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	-	-	-	-	-
National Water Security Plan for Cities and Towns	8,000	-	-	-	-	-	-	-	8,000
Sustainable Rural Water Use and Infrastructure	-	-	-	-	-	-	-	-	-
Total	8,400	-	-	-	-	-	-	-	8,400

(a) Funding is allocated to States based on 2011-12 data and represents indicative estimates only. This funding is conditional on agreed national responses to pest or disease incursions.

(b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Animal and plant pest and disease eradication(a)	-	2,573	12,361	-	66	-	-	-	15,000
Caring for our Country	-	-	-	-	-	-	-	-	-
Coal seam gas and large coal mining development	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	-	-
Exotic Disease Preparedness Program(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Great Artesian Basin Sustainability Initiative	-	-	-	-	-	-	-	-	-
Natural disaster resilience	6,786	4,176	6,003	3,132	2,088	1,305	1,305	1,305	26,100
Northern Australia Sustainable Futures	-	-	-	-	-	-	-	-	-
Sustainable Australia – sustainable regional development	-	-	-	-	-	-	-	-	-
Tasmanian Forests Intergovernmental Agreement Implementation of the Intergovernmental Agreement	-	-	-	-	-	7,780	-	-	7,780
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	-	-	-	-	-
National Water Security Plan for Cities and Towns	2,945	-	-	-	-	-	-	-	2,945
Sustainable Rural Water Use and Infrastructure	2,301	182,812	41,911	671	9,628	14,813	70	240	252,446
Total	12,032	189,561	60,275	3,803	11,782	23,898	1,375	1,545	304,271

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Sustainable Australia – sustainable regional development	-	-	-	-	-	-	-	-	-
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	-	-	-	-	-
National Water Security Plan for Cities and Towns	2,945	-	-	-	-	-	-	-	2,945
Sustainable Rural Water Use and Infrastructure	440	-	-	-	-	-	-	-	440
Total	3,385	-	-	-	-	-	-	-	3,385

(a) Funding is allocated to States based on 2011-12 data and represents indicative estimates only. This funding is conditional on agreed national responses to pest or disease incursions.

(b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
National Partnership Payments									
Hepatitis C settlement fund	500	-	-	50	50	-	50	50	700
Natural Disaster Relief and Recovery Arrangements	9,652	4,915	81,310	1,285	74	161	-	450	97,847
Total	10,152	4,915	81,310	1,335	124	161	50	500	98,547
2013-14									
National Partnership Payments									
Hepatitis C settlement fund	513	-	-	50	100	-	50	-	713
Natural Disaster Relief and Recovery Arrangements	6,783	2,733	82,537	-	-	-	-	53	92,106
Total	7,296	2,733	82,537	50	100	-	50	53	92,819
2014-15									
National Partnership Payments									
Hepatitis C settlement fund	526	-	-	50	100	-	50	-	726
Natural Disaster Relief and Recovery Arrangements	2,747	137	47,155	-	-	-	-	-	50,039
Total	3,273	137	47,155	50	100	-	50	-	50,765
2015-16									
National Partnership Payments									
Hepatitis C settlement fund	540	-	-	50	100	-	50	-	740
Natural Disaster Relief and Recovery Arrangements	-	-	-	-	-	-	-	-	-
Total	540	-	-	50	100	-	50	-	740

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Centenary of Canberra 2013 – joint national program	-	-	-	-	-	-	2,040	-	2,040
Digital Regions Initiative(a)	3,983	1,004	2,211	441	1,396	1,758	-	1,325	12,118
Financial assistance grants									
General purpose financial assistance	249,579	192,438	156,763	81,082	56,539	17,407	12,581	7,845	774,234
Untied local roads grants	99,675	70,828	64,369	52,529	18,879	18,206	11,016	8,047	343,549
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(b)	656	509	657	323	831	121	33	171	3,301
Pilot of drought reform measures in Western Australia	-	-	-	7,772	-	-	-	-	7,772
Remote Indigenous public internet access	146	-	355	710	147	-	-	711	2,069
Seamless national economy	79,911	61,943	51,582	26,021	18,316	5,621	4,026	2,580	250,000
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
Total	496,624	371,111	317,111	188,795	128,667	49,049	34,116	24,587	1,610,060

(a) These figures include payments to local governments made through the States.

(b) State splits are indicative distributions only.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Centenary of Canberra 2013 – joint national program	-	-	-	-	-	-	991	-	991
Digital Regions Initiative	-	-	-	-	-	-	-	-	-
Financial assistance grants									
General purpose financial assistance	517,406	400,693	327,180	169,200	117,055	35,934	26,110	16,361	1,609,939
Untied local roads grants	207,263	147,279	133,848	109,229	39,259	37,857	22,907	16,734	714,376
Supplementary road funding to South Australia for local roads	-	-	-	-	17,531	-	-	-	17,531
Legal assistance services	63,683	45,120	41,853	20,245	15,956	6,033	4,486	3,966	201,342
Local Government and Regional Development									
Local Government Reform Fund	-	-	-	-	-	-	-	-	-
Pilot of drought reform measures in Western Australia	-	-	-	1,157	-	-	-	-	1,157
Remote Indigenous public internet access	153	-	363	723	153	-	-	725	2,117
Seamless national economy	-	-	-	-	-	-	-	-	-
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
Total	788,530	593,093	503,244	300,554	189,956	79,824	54,494	37,786	2,547,481

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Centenary of Canberra 2013 – joint national program	-	-	-	-	-	-	-	-	-
Digital Regions Initiative	-	-	-	-	-	-	-	-	-
Financial assistance grants									
General purpose financial assistance	536,397	417,176	340,983	177,154	121,196	37,083	27,217	16,969	1,674,175
Untied local roads grants	215,533	153,155	139,189	113,588	40,826	39,367	23,821	17,402	742,881
Supplementary road funding to South Australia for local roads	-	-	-	-	-	-	-	-	-
Legal assistance services	64,957	46,024	42,690	20,649	16,274	6,154	4,576	4,045	205,369
Local Government and Regional Development									
Local Government Reform Fund	-	-	-	-	-	-	-	-	-
Pilot of drought reform measures in Western Australia	-	-	-	-	-	-	-	-	-
Remote Indigenous public internet access	156	-	372	741	156	-	-	740	2,165
Seamless national economy	-	-	-	-	-	-	-	-	-
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
Total	817,068	616,356	523,234	312,132	178,454	82,604	55,614	39,156	2,624,618

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Centenary of Canberra 2013 – joint national program	-	-	-	-	-	-	-	-	-
Digital Regions Initiative	-	-	-	-	-	-	-	-	-
Financial assistance grants									
General purpose financial assistance	555,697	433,995	355,061	185,307	125,399	38,240	28,347	17,588	1,739,634
Untied local roads grants	223,960	159,143	144,631	118,029	42,423	40,907	24,752	18,082	771,927
Supplementary road funding to South Australia for local roads	-	-	-	-	-	-	-	-	-
Legal assistance services	66,191	46,898	43,502	21,042	16,583	6,270	4,663	4,122	209,271
Local Government and Regional Development									
Local Government Reform Fund	-	-	-	-	-	-	-	-	-
Pilot of drought reform measures in Western Australia	-	-	-	-	-	-	-	-	-
Remote Indigenous public internet access	158	-	378	761	157	-	-	759	2,213
Seamless national economy	-	-	-	-	-	-	-	-	-
Sinking fund on State debt	25	1	-	-	2	-	-	-	28
Total	846,031	640,037	543,572	325,139	184,564	85,417	57,762	40,551	2,723,073

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
GST entitlement	14,774,529	11,063,442	9,609,002	2,870,248	4,513,323	1,720,936	958,350	2,740,170	48,250,000
Other payments									
ACT municipal services	-	-	-	-	-	-	36,832	-	36,832
Reduced royalties	-	-	-	75,403	-	-	-	-	75,403
Royalties(a)	-	-	-	~	-	-	-	~	994,679
Snowy Hydro Ltd tax compensation	49,601	24,800	-	-	-	-	-	-	74,401
Total	14,824,130	11,088,242	9,609,002	2,945,651	4,513,323	1,720,936	995,182	2,740,170	49,431,315
2013-14									
GST entitlement	15,786,658	11,405,732	11,169,827	2,213,858	4,770,866	1,730,315	1,012,355	2,910,389	51,000,000
Other payments									
ACT municipal services	-	-	-	-	-	-	37,495	-	37,495
Reduced royalties	-	-	-	64,110	-	-	-	-	64,110
Royalties(a)	-	-	-	~	-	-	-	~	963,064
Snowy Hydro Ltd tax compensation	49,601	24,800	-	-	-	-	-	-	74,401
Total	15,836,259	11,430,532	11,169,827	2,277,968	4,770,866	1,730,315	1,049,850	2,910,389	52,139,070
2014-15									
GST entitlement	16,650,836	11,886,937	12,309,603	1,791,853	5,085,773	1,776,915	1,097,450	3,100,633	53,700,000
Other payments									
ACT municipal services	-	-	-	-	-	-	38,208	-	38,208
Reduced royalties	-	-	-	63,984	-	-	-	-	63,984
Royalties(a)	-	-	-	~	-	-	-	~	955,450
Snowy Hydro Ltd tax compensation	49,601	24,800	-	-	-	-	-	-	74,401
Total	16,700,437	11,911,737	12,309,603	1,855,837	5,085,773	1,776,915	1,135,658	3,100,633	54,832,043
2015-16									
GST entitlement	17,421,008	12,558,757	12,971,410	2,015,484	5,279,144	1,832,683	1,152,635	3,168,879	56,400,000
Other payments									
ACT municipal services	-	-	-	-	-	-	38,934	-	38,934
Reduced royalties	-	-	-	69,701	-	-	-	-	69,701
Royalties(a)	-	-	-	~	-	-	-	~	956,161
Snowy Hydro Ltd tax compensation	49,601	24,800	-	-	-	-	-	-	74,401
Total	17,470,609	12,583,557	12,971,410	2,085,185	5,279,144	1,832,683	1,191,569	3,168,879	57,539,197

(a) State splits for royalties are not published due to commercial sensitivities.

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	50,000	-	-	-	-	-	-	-	50,000
Natural disaster relief	7,242	3,260	116,631	-	-	-	-	-	127,133
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	-36,264	-	-9,689	-9,167	-14,123	-4,861	-	-725	-74,829
Housing for service personnel	-1,330	-	-819	-227	-42	-	-	-	-2,418
Other housing	-	-	-	-	-	-	-7,629	-2,448	-10,077
Infrastructure									
Railway projects	-9	-9	-	-365	-	-	-	-	-383
Sewerage	-6,370	-	-1,588	-	-1,042	-	-	-	-9,000
War service land settlement scheme	-147	-84	-	-	-	-	-	-	-231
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council – housing nominations	-7,858	-	-2,891	-5,012	-4,705	-2,107	-	-2,616	-25,189

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012-13									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	-3,156	-	-	-	-	-	-	-	-3,156
Natural disaster relief	-201	-	-1,405	-	-	-	-	-	-1,606
Housing									
Commonwealth-State Housing									
Agreement loans	-37,384	-	-10,586	-9,986	-16,494	-5,195	-	-1,445	-81,090
Housing for service personnel	-2,068	-	-1,162	-221	-92	-	-	-	-3,543
Other housing	-	-	-	-	-	-	-7,655	-3,741	-11,396
Infrastructure									
Railway projects	-	-	-	-116	-	-	-	-	-116
Sewerage	-2,005	-	-561	-	-447	-	-	-	-3,013
War service land settlement scheme	-9	-5	-	-	-	-	-	-	-14
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-766	-	-766
Loan Council – housing nominations	-21,370	-	-7,651	-13,085	-12,865	-5,641	-	-7,407	-68,019
Net Financial Flow	-61,074	3,162	72,997	-38,179	-49,810	-17,804	-16,604	-18,518	-125,830

Note: From the 2013-14 Mid-Year Economic and Fiscal Outlook, this table will only be available online at www.budget.gov.au

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	50,000	-	-	-	-	-	-	-	50,000
Natural disaster relief	18,669	-	3,000	-	-	-	-	-	21,669
Repayments									
Contingent liabilities									
Natural disaster relief	-1,007	-	-9,616	-	-	-	-	-	-10,623
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-36,710	-	-9,790	-9,294	-14,747	-4,945	-	-758	-76,244
Housing for service personnel	-1,413	-	-874	-238	-47	-	-	-	-2,572
Other housing	-	-	-	-	-	-	-7,619	-2,572	-10,191
Infrastructure									
Railway projects	-	-	-	-350	-	-	-	-	-350
Sewerage	-7,004	-	-1,746	-	-1,165	-	-	-	-9,915
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council – housing nominations	-8,211	-	-3,021	-5,237	-4,917	-2,202	-	-2,733	-26,321

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2013-14									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	-5,876	-	-	-	-	-	-	-	-5,876
Natural disaster relief	-695	-87	-4,317	-	-	-	-	-	-5,099
Housing									
Commonwealth-State Housing									
Agreement loans	-35,608	-	-10,118	-9,540	-15,815	-4,961	-	-1,414	-77,456
Housing for service personnel	-2,010	-	-1,125	-211	-90	-	-	-	-3,436
Other housing	-	-	-	-	-	-	-7,312	-3,610	-10,922
Infrastructure									
Railway projects	-	-	-	-96	-	-	-	-	-96
Sewerage	-1,367	-	-402	-	-326	-	-	-	-2,095
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-697	-	-697
Loan Council – housing nominations	-21,054	-	-7,532	-12,879	-12,673	-5,555	-	-7,301	-66,994
Net Financial Flow	-52,286	-87	-45,541	-37,845	-49,780	-17,663	-16,182	-18,524	-237,908

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	30,150	-	-	-	-	-	-	-	30,150
Natural disaster relief	3,690	-	3,000	-	-	-	-	-	6,690
Repayments									
Contingent liabilities									
Natural disaster relief	-3,260	-408	-24,194	-	-	-	-	-	-27,862
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,096	-	-9,920	-9,424	-15,398	-5,028	-	-792	-77,658
Housing for service personnel	-1,503	-	-915	-248	-52	-	-	-	-2,718
Other housing	-	-	-	-	-	-	-7,755	-2,703	-10,458
Infrastructure									
Railway projects	-	-	-	-324	-	-	-	-	-324
Sewerage	-7,703	-	-1,919	-	-1,037	-	-	-	-10,659
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-8,581	-	-3,157	-5,473	-5,138	-2,301	-	-2,856	-27,506

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	-8,387	-	-	-	-	-	-	-	-8,387
Natural disaster relief	-767	-87	-4,053	-	-	-	-	-	-4,907
Housing									
Commonwealth-State Housing									
Agreement loans	-33,794	-	-9,643	-9,084	-15,097	-4,720	-	-1,381	-73,719
Housing for service personnel	-1,947	-	-1,087	-200	-88	-	-	-	-3,322
Other housing	-	-	-	-	-	-	-6,969	-3,473	-10,442
Infrastructure									
Railway projects	-	-	-	-76	-	-	-	-	-76
Sewerage	-665	-	-226	-	-189	-	-	-	-1,080
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-627	-	-627
Loan Council – housing nominations	-20,720	-	-7,407	-12,661	-12,471	-5,464	-	-7,189	-65,912
Net Financial Flow	-90,583	-495	-59,521	-37,490	-49,470	-17,513	-15,906	-18,530	-289,508

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Advances									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	2,000	-	3,000	-	-	-	-	-	5,000
Repayments									
Contingent liabilities									
Natural disaster relief	-3,700	-408	-24,194	-	-	-	-	-	-28,302
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,130	-	-9,955	-9,543	-16,079	-5,052	-	-828	-78,587
Housing for service personnel	-1,595	-	-976	-263	-57	-	-	-	-2,891
Other housing	-	-	-	-	-	-	-7,854	-2,839	-10,693
Infrastructure									
Railway projects	-	-	-	-287	-	-	-	-	-287
Sewerage	-1,342	-	-826	-	-648	-	-	-	-2,816
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-8,967	-	-3,299	-5,719	-5,369	-2,404	-	-2,985	-28,743

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	-9,106	-	-	-	-	-	-	-	-9,106
Natural disaster relief	-680	-76	-3,400	-	-	-	-	-	-4,156
Housing									
Commonwealth-State Housing									
Agreement loans	-31,943	-	-9,156	-8,618	-14,337	-4,472	-	-1,345	-69,871
Housing for service personnel	-1,881	-	-1,047	-189	-86	-	-	-	-3,203
Other housing	-	-	-	-	-	-	-6,620	-3,329	-9,949
Infrastructure									
Railway projects	-	-	-	-55	-	-	-	-	-55
Sewerage	-104	-	-65	-	-91	-	-	-	-260
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-558	-	-558
Loan Council – housing nominations	-20,366	-	-7,273	-12,429	-12,256	-5,366	-	-7,072	-64,762
Net Financial Flow	-114,814	-484	-57,191	-37,103	-48,923	-17,294	-15,587	-18,534	-309,930

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2012-13									
General public services	79,911	61,943	51,582	26,021	18,316	5,621	4,026	2,580	250,000
Public order and safety	64,708	46,104	41,685	20,385	15,737	5,936	4,420	25,438	224,413
Education	4,781,198	3,711,706	3,062,449	1,540,678	1,151,992	349,267	255,309	244,253	15,096,852
Health	4,779,498	3,612,174	3,122,212	1,547,577	1,229,709	335,421	236,268	236,491	15,099,350
Social security and welfare	600,740	744,601	342,596	312,221	166,432	50,670	24,462	51,275	2,292,997
Housing and community amenities	519,405	375,936	445,913	239,116	133,642	53,495	29,407	193,921	2,040,335
Recreation and culture	-	-	-	-	-	-	2,040	-	2,040
Fuel and energy	6,771	6,061	10,609	5,514	4,347	1,431	1,530	2,540	38,803
Agriculture, forestry and fishing	112,870	60,844	28,791	26,703	99,379	54,147	251	13,169	396,154
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	959,743	826,352	811,475	593,213	176,934	77,896	4,008	91,077	3,546,698
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	15,183,717	11,356,933	9,912,101	3,080,870	4,606,510	1,756,831	1,018,812	2,756,683	50,667,136
Total payments to the States	27,088,561	20,802,654	17,829,413	7,392,298	7,602,998	2,690,715	1,580,533	3,617,427	89,654,778
<i>less</i> payments 'through' the States	2,670,905	2,210,058	1,765,842	892,773	692,079	179,981	164,047	136,244	8,711,929
<i>less</i> financial assistance grants for local government	349,254	263,266	221,132	133,611	75,418	35,613	23,597	15,892	1,117,783
<i>less</i> payments direct 'to' local government	125,129	77,035	101,546	64,026	29,600	14,391	286	6,286	467,799
<i>equals</i> total payments 'to' the States for own-purpose expenses	23,943,273	18,252,295	15,740,893	6,301,888	6,805,901	2,460,730	1,392,603	3,459,005	79,357,267

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

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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2013-14									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	65,742	46,836	42,364	20,713	15,998	6,033	4,486	51,966	254,138
Education	4,774,016	3,784,590	3,144,533	1,592,884	1,148,946	343,993	259,575	242,086	15,290,623
Health	4,997,282	3,956,368	3,268,798	1,762,041	1,134,702	355,949	261,284	215,420	15,951,844
Social security and welfare	622,728	801,102	353,576	349,031	166,885	47,822	26,787	62,289	2,430,220
Housing and community amenities	471,476	324,693	488,010	335,732	134,958	34,690	24,147	178,588	2,027,294
Recreation and culture	-	-	-	-	-	-	991	-	991
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	28,124	151,915	60,954	3,850	26,744	21,862	259	553	294,261
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,606,735	1,394,382	946,742	574,328	151,105	81,021	52,339	78,630	5,416,283
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	16,567,736	11,981,238	11,713,392	2,556,397	4,944,713	1,804,106	1,098,867	2,943,537	54,573,050
Total payments to the States	29,133,839	22,441,124	20,018,369	7,194,976	7,724,051	2,695,476	1,728,735	3,773,069	96,238,704
<i>less</i> payments 'through' the States	2,676,587	2,228,930	1,786,079	904,816	697,707	177,946	163,276	151,802	8,787,143
<i>less</i> financial assistance grants for local government	724,669	547,972	461,028	278,429	156,314	73,791	49,017	33,095	2,324,315
<i>less</i> payments direct 'to' local government	134,620	79,782	107,122	66,834	30,601	13,422	-	10,025	477,406
<i>equals</i> total payments 'to' the States for own-purpose expenses	25,597,963	19,584,440	17,664,140	5,944,897	6,839,429	2,430,317	1,516,442	3,578,147	84,649,840

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

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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2014-15									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	64,957	46,024	42,690	20,649	16,274	6,154	4,576	32,290	233,614
Education	4,997,290	4,001,674	3,381,944	1,703,297	1,201,597	355,328	277,135	244,871	16,163,136
Health	5,330,615	4,171,305	3,408,520	1,879,234	1,185,000	373,300	291,868	235,724	16,875,566
Social security and welfare	617,564	434,611	362,691	186,054	158,783	47,544	26,916	44,781	1,878,944
Housing and community amenities	483,301	333,386	438,711	313,927	123,721	32,622	33,143	162,266	1,921,077
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	11,570	205,933	34,546	1,329	22,645	23,016	201	510	299,750
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	625,969	860,636	396,696	242,688	52,657	14,462	72,278	12,909	3,653,295
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	17,455,139	12,482,206	12,836,930	2,146,579	5,247,797	1,853,365	1,186,696	3,135,004	57,299,166
Total payments to the States	29,586,405	22,535,775	20,902,728	6,493,757	8,008,474	2,705,791	1,892,813	3,868,355	98,324,548
<i>less</i> payments 'through' the States	2,878,676	2,417,365	1,955,643	991,318	730,202	191,393	182,176	160,806	9,507,579
<i>less</i> financial assistance grants for local government	751,930	570,331	480,172	290,742	162,022	76,450	51,038	34,371	2,417,056
<i>less</i> payments direct 'to' local government	105,200	71,200	81,200	51,200	24,140	11,400	-	5,600	349,940
<i>equals</i> total payments 'to' the States for own-purpose expenses	25,850,599	19,476,879	18,385,713	5,160,497	7,092,110	2,426,548	1,659,599	3,667,578	86,049,973

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

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

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

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2015-16									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	66,191	46,898	43,502	21,042	16,583	6,270	4,663	38,946	244,095
Education	5,397,954	4,356,632	3,676,768	1,911,129	1,298,234	379,325	304,616	258,457	17,583,115
Health	5,894,322	4,540,492	3,772,492	2,042,778	1,310,867	444,367	332,387	266,920	18,604,625
Social security and welfare	643,646	456,803	381,645	197,578	166,710	49,301	28,327	42,458	1,966,468
Housing and community amenities	443,987	340,049	433,661	277,239	115,754	32,903	23,622	154,875	1,822,090
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	5,246	185,385	54,272	671	9,694	22,593	70	240	278,171
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	315,848	642,330	319,732	190,444	284,534	14,059	27,506	12,775	3,657,228
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	18,250,291	13,176,696	13,471,102	2,388,521	5,446,968	1,911,830	1,244,668	3,204,549	60,050,786
Total payments to the States	31,017,485	23,745,285	22,153,174	7,029,402	8,649,344	2,860,648	1,965,859	3,979,220	104,206,578
<i>less</i> payments 'through' the States	3,135,659	2,646,286	2,138,383	1,116,866	792,803	207,046	199,286	170,984	10,407,313
<i>less</i> financial assistance grants for local government	779,657	593,138	499,692	303,336	167,822	79,147	53,099	35,670	2,511,561
<i>less</i> payments direct 'to' local government	100,185	71,200	88,200	51,200	24,140	11,400	-	5,600	351,925
<i>equals</i> total payments 'to' the States for own-purpose expenses	27,001,984	20,434,661	19,426,899	5,558,000	7,664,579	2,563,055	1,713,474	3,766,966	90,935,779

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

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

APPENDIX A: POLICY DECISIONS TAKEN SINCE THE 2012-13 BUDGET

Revenue Measures

Table 1: Revenue measures since the 2012-13 Budget^(a)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	AGRICULTURE, FISHERIES AND FORESTRY					
	<i>Department of Agriculture, Fisheries and Forestry</i>					
160	Changes to agricultural production levies	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	ATTORNEY-GENERAL'S					
	<i>Australian Customs and Border Protection Service</i>					
161	Customs' compliance assurance system — expansion	-	-	11.4	11.4	11.4
161	Duty free allowances — amending the rules when incoming passengers declare an excess over the allowance	-	*	*	*	*
163	Linking the Australian carbon pricing mechanism and European Union emissions trading scheme	-	-	-	-	-
162	Malaysia-Australia Free Trade Agreement	-	-10.0	-20.0	-25.0	-25.0
162	Passenger movement charge — do not proceed with indexation	-	-	-15.0	-40.0	-70.0
	<i>Family Court of Australia</i>					
198	Courts — additional funding and changes in fees(b)	-	0.6	1.2	1.3	1.3
	<i>Federal Court of Australia</i>					
198	Courts — additional funding and changes in fees(b)	-	4.6	9.2	9.7	9.7
	<i>Federal Magistrates Court of Australia</i>					
198	Courts — additional funding and changes in fees(b)	-	8.8	17.5	18.5	18.5
	<i>High Court of Australia</i>					
198	Courts — additional funding and changes in fees(b)	-	0.2	0.4	0.5	0.5
	Portfolio total	-	4.2	4.8	-23.7	-53.7
	CLIMATE CHANGE AND ENERGY EFFICIENCY					
	<i>Clean Energy Regulator</i>					
248	Energy Brix Australia Corporation — assistance(b)	-	-	-	-	-
163	Interim arrangements for the application of the carbon pricing mechanism to the Joint Petroleum Development Area and Greater Sunrise Unit Area	-	*	*	*	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 1: Revenue measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	CLIMATE CHANGE AND ENERGY EFFICIENCY (continued)					
163	Linking the Australian carbon pricing mechanism and European Union emissions trading scheme	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	CROSS PORTFOLIO					
	<i>Various Agencies</i>					
165	Commonwealth penalty unit — increase in value to reflect inflation	-	10.0	45.0	65.0	65.0
198	Courts — additional funding and changes in fees(b)	-	-10.9	-22.0	-22.0	-22.0
	Portfolio total	-	-0.9	23.0	43.0	43.0
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
	<i>Department of Education, Employment and Workplace Relations</i>					
167	Student income support — general interest charge on student income support debt	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	HEALTH AND AGEING					
	<i>Department of Health and Ageing</i>					
234	Pharmaceutical Benefits Scheme — new and amended listings(b)	-	nfp	nfp	nfp	nfp
239	Therapeutic Goods Administration — blueprint reforms(b)	-	2.3	4.0	4.0	1.3
	Portfolio total	-	2.3	4.0	4.0	1.3
	IMMIGRATION AND CITIZENSHIP					
	<i>Department of Immigration and Citizenship</i>					
261	Asian Football Cup — assistance(b) Response to the expert panel	-	-	-	-	-
243	– Humanitarian migration program — additional places from 2012-13(b)	-	-	-	-	-
244	– Permanent migration program; additional family stream places from 2012-13(b)	-	3.9	4.0	4.1	4.2
166	Visa Application Charges — targeted increases	-	52.2	143.0	156.2	169.0
	Portfolio total	-	56.2	147.0	160.4	173.2

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 1: Revenue measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION					
	<i>Department of Industry, Innovation, Science, Research and Tertiary Education</i>					
167	Student income support — general interest charge on student income support debt	-	-	2.5	2.4	1.5
	Portfolio total	-	-	2.5	2.4	1.5
	REGIONAL AUSTRALIA, LOCAL GOVERNMENT, ARTS AND SPORT					
	<i>Australian Sports Commission</i>					
265	Football Federation Australia — debt forgiveness(b)	-	-0.4	-0.4	-0.3	-
	Portfolio total	-	-0.4	-0.4	-0.3	-
	SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES					
	<i>Department of Sustainability, Environment, Water, Population and Communities</i>					
163	Linking the Australian carbon pricing mechanism and European Union emissions trading scheme	-	-	-	-	-
	<i>Director of National Parks</i>					
275	World Parks Congress 2014(b)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	TREASURY					
	<i>Australian Prudential Regulation Authority</i>					
280	SuperStream — reduction in Superannuation Supervisory levy(b)	-	-	-11.6	-8.4	-7.3
	<i>Australian Securities and Investments Commission</i>					
168	Australian Charities and Not-for-profits Commission — removal of Australian Securities and Investments Commission fee	-	-	-0.2	-0.2	-0.2
277	Bank accounts and life insurance policies — reform of arrangements relating to transfer of unclaimed monies to ASIC(b)	-	109.4	-	-	-
277	Company monies — reform of arrangements relating to transfer of unclaimed monies(b)	-	98.3	12.9	8.2	4.5
279	Future of Financial Advice Reform — extension of accountants licensing exemption(b)	-	-2.8	-8.4	0.1	6.7
	<i>Australian Taxation Office</i>					
	Capital gains tax					
168	— extensions to the taxation relief to facilitate Stronger Super	-	..	..	-1.0	-1.0
169	— loss relief for the Military Superannuation Benefits Fund	-	*	*	*	*

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 1: Revenue measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	TREASURY (continued)					
161	Customs' compliance assurance system — expansion	-	-	7.6	7.6	7.6
161	Duty free allowances — amending the rules when incoming passengers declare an excess over the allowance	-	*	*	*	*
169	Excise — transitional arrangements for non-transport LPG and LNG in the excise and customs systems in 2012-13	-	-	-	-	-
	Fringe benefits tax					
170	– reform of living-away-from-home allowances and benefits	-	-60.0	-	-	-
170	– removal of concessional treatment of 'in-house' fringe benefits if accessed through a salary sacrifice arrangement	-	20.0	55.0	180.0	190.0
	GST					
171	– reforms to the GST margin scheme	-	-	-	-	-
172	– restrictions on GST refunds — revisions and changed start date	-	-	..	6.0	4.0
	Income tax					
172	– clarification of the tax treatment of native title benefits	-	-	-	-	-
173	– exemption for the International Cricket Council for the 2015 Cricket World Cup	-	*	*	*	*
173	Indirect Tax Concession Scheme — diplomatic and consular concessions	..	..	..	..	..
173	International tax — update to the list of countries that have effective exchange of information arrangements with Australia	-	..	..	..	..
163	Linking the Australian carbon pricing mechanism and European Union emissions trading scheme	-	-	-	-	-
174	Managed investment trusts — concessional tax treatment for energy efficient buildings	-	-	*	*	*
174	Monthly PAYG instalments for large companies	-	-	5,500.0	1,600.0	1,200.0
175	New tax system for managed investment trusts — deferral to streamline trust reform	-	-	-	50.0	20.0
	Personal income tax					
175	– ensuring similar income tax treatment for beneficiaries of the household assistance package	-	-	-	-	-
176	– exempting Income Support Bonus from income tax	-	-	-	-	-
176	– exemption of pay and allowances for Operation Riverbank and Palate II personnel	-	-0.1	-0.1	..	-
176	– overseas forces tax offset for Operation Aslan personnel	-	..	..	..	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 1: Revenue measures since the 2012-13 Budget^(a) (continued)

Page	2011-12	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
Personal income tax					
177	-	..	..	-	-
177	-	-	-7.9	-8.6	-8.7
177	-	-	-	-	-
Superannuation					
178	-	-	-	-	-
178	-	555.0	150.0	36.0	34.0
179	-	-	70.0	164.0	88.0
180	-	*	*	*	*
180	-	-	-	-	-
181	-	-	-	-	-
181	-	35.0	699.2	850.1	954.1
182	-	*	*	*	*
182	*	*	*	*	*
183	-	-5.0	..	-	-
<i>Department of the Treasury</i>					
276	-	0.3	-	-	-
281	0.2	-	-	-	-
Portfolio total					
	0.2	750.0	6,466.6	2,883.8	2,491.8
Decisions taken but not yet announced					
	-	27.8	-161.8	-151.6	-158.4
Total impact of revenue measures(c)					
	0.2	839.1	6,485.7	2,917.9	2,498.7

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

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

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

(c) Measures may not add due to rounding.

AGRICULTURE, FISHERIES AND FORESTRY

Changes to agricultural production levies

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Agriculture, Fisheries and Forestry	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	-	-	-	-

The Government will adjust the rates of the levies and export charges on the following horticulture commodities:

- **Cherry:** decrease the rate of the levy and export charge from 4 cents to 3.97 cents per kilogram of cherries, commencing after the day the regulation is registered. A Plant Health Australia levy and charge, equivalent to the decrease, will be introduced to enable the Cherry Growers Association to meet its annual funding commitments towards plant health programs.
- **Stone fruit:** decrease the rate of the levy and export charge from 1 cent to 0.98 cents per kilogram of stone fruit, commencing on 1 January 2013. A Plant Health Australia levy and charge, equivalent to the decrease, will be introduced to enable Summerfruit Australia Limited to meet its annual funding commitments towards plant health programs.

All revenue raised by each levy or export charge is provided directly to industry. The Government will also continue to provide funding to match levies for research and development up to a cap, in accordance with existing co-investment arrangements.

ATTORNEY-GENERAL'S

Customs' compliance assurance system — expansion

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	-	11.4	11.4	11.4
Australian Taxation Office	-	-	7.6	7.6	7.6
Total — Revenue	-	-	19.0	19.0	19.0
<i>Related expense (\$m)</i>					
Australian Customs and Border Protection Service	-	0.5	4.5	4.2	4.3
Department of the Treasury	-	-	7.6	7.6	7.6
Total — Expense	-	0.5	12.1	11.8	11.9

The Government will provide \$13.5 million over the forward estimates period to expand the Australian Customs and Border Protection Service's (Customs) compliance assurance system at the border. This measure will provide Customs with additional staff dedicated to compliance activity. This measure is estimated to have a gain to revenue of \$57.0 million, and an increase in GST payments to the States and Territories of \$22.8 million, over the forward estimates period.

This measure will also provide Customs with additional staff to undertake a targeted review of Tariff Concession Orders (TCOs) on imported goods and services. TCOs allow duty-free entry for certain goods and services where there is no local industry. The review will help ensure that TCOs are still valid and appropriate in the current market.

Duty free allowances — amending the rules when incoming passengers declare an excess over the allowance

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	*	*	*	*
Australian Taxation Office	-	*	*	*	*
Total — Revenue	-	*	*	*	*

The Government has amended the arrangements when passengers exceed the duty-free allowances for tobacco and alcohol products. The new arrangements took effect from 1 September 2012 and allow passengers who have declared amounts of tobacco and/or alcohol in excess of the duty-free allowances to either keep the goods up to the allowance and abandon the excess or pay duty on the total amount of goods. This measure is estimated to have a small but unquantifiable impact on revenue over the forward estimates period.

Appendix A: Policy decisions taken since the 2012-13 Budget

Under the previous arrangements travellers who declared they were in excess of the duty-free allowances were required to pay duty on all their tobacco and alcohol products or abandon the goods altogether.

This change alleviates an ongoing cause of traveller dissatisfaction, simplifies administration and provides a more equitable outcome for travellers who have declared being in excess of the duty-free allowances.

Malaysia-Australia Free Trade Agreement

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	-10.0	-20.0	-25.0	-25.0

On 22 May 2012, the governments of Australia and Malaysia signed the Malaysia-Australia Free Trade Agreement. Under the Agreement, both parties agreed to eliminate tariffs on a wide range of goods. Both parties are aiming to complete their respective domestic processes so as to give effect to the Agreement from 1 January 2013. This measure is estimated to have a cost to revenue of \$80.0 million over the forward estimates period.

Under the Agreement, Australia and Malaysia will reduce or eliminate tariffs on imported goods. The Agreement will also address other barriers to trade and investment.

Further information can be found in the joint press release of 22 May 2012 issued by the Prime Minister and the Minister for Trade and Competitiveness.

Passenger movement charge — do not proceed with indexation

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	-	-15.0	-40.0	-70.0

The Government will not proceed with annual indexation of the rate of the passenger movement charge to the Consumer Price Index (CPI), as announced in the 2012-13 Budget, and will instead continue the current practice of periodic increases. This measure is estimated to have a cost to revenue of \$125.0 million over the forward estimates period.

Further information can be found in the joint press release of 20 June 2012 issued by the Acting Prime Minister and Treasurer, the Minister for Home Affairs and the Minister for Tourism.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Interim arrangements for the application of the carbon pricing mechanism to the Joint Petroleum Development Area and Greater Sunrise Unit Area

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Clean Energy Regulator	-	*	*	*	-

The Government has effectively excluded any carbon emissions from the Joint Petroleum Development Area and Greater Sunrise Unit Area from coverage under the carbon pricing mechanism from 1 July 2012 until 30 June 2015, or until final regulations are made under the *Clean Energy Act 2011*. This meets our obligations with Timor-Leste under the Timor Sea Treaty while Australia consults Timor-Leste concerning the application of the carbon pricing mechanism. This measure is estimated to have an unquantifiable impact on revenue over the forward estimates period.

Linking the Australian carbon pricing mechanism and European Union emissions trading scheme

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Clean Energy Regulator	-	-	-	-	-
Australian Taxation Office	-	-	-	-	-
Australian Customs and Border Protection Service	-	-	-	-	-
Department of Sustainability, Environment, Water, Population and Communities	-	-	-	-	-
Total — Revenue	-	-	-	-	-
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	-	-	-	-

The Government will proceed with an interim one-way link between the carbon pricing mechanism (CPM) and the European Union Emissions Trading System (EU ETS). Under the interim link, Australian businesses will be able to use EU allowances (EUAs) to help meet liabilities under the Australian CPM from 1 July 2015. This measure is estimated to have no revenue impact over the forward estimates period.

To facilitate linking, the Government will make two changes to the design of the CPM:

- the price floor will not be implemented; and
- a new sub-limit of 12.5 per cent of an entity's total liability will apply to the use of eligible Kyoto units.

Appendix A: Policy decisions taken since the 2012-13 Budget

The Government intends to negotiate a full two-way link, by means of the mutual recognition of carbon units between the two cap and trade systems, to commence no later than 1 July 2018. Under this arrangement, businesses will be allowed to use carbon units from the Australian CPM or the EU ETS for compliance under either system.

The Government will also make minor amendments to the arrangements for applying an effective carbon price to liquid fuels and synthetic greenhouse gases to ensure that it is reflective of the carbon price faced by entities under the CPM.

CROSS PORTFOLIO

Commonwealth penalty unit — increase in value to reflect inflation

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Various Agencies	-	10.0	45.0	65.0	65.0

The Government will increase the value of all Commonwealth penalty units from \$110 to \$170, with effect from up to one month after the amending legislation receives Royal Assent. Commonwealth penalties are generally expressed in the form of penalty units (rather than specific values) to assist in the consistent and relatively easy adjustment of these penalties in line with inflation. Penalty units were last increased in 1997. This measure is estimated to have a gain to revenue of \$185.0 million.

This measure will ensure that financial penalties for Commonwealth offences continue to remain effective in deterring criminal behaviour.

Further information can be found in the press release of 10 October 2012 issued by the Attorney-General and the Minister for Emergency Management.

IMMIGRATION AND CITIZENSHIP

Visa Application Charges — targeted increases

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	52.2	143.0	156.2	169.0

The Government will increase a number of Visa Application Charges from 1 January 2013.

Increased Visa Application Charges will apply to: skilled graduates; partners; working holiday makers; and temporary overseas workers. A list of visa application charges is available on the Department of Immigration and Citizenship website: www.immi.gov.au.

This measure is estimated to increase revenue by \$520.5 million over four years.

Increased revenue from this measure will be redirected to support other Government priorities.

INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

Student income support — general interest charge on student income support debt

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	2.5	2.4	1.5
Total — Revenue	-	-	2.5	2.4	1.5
<i>Related expense (\$m)</i>					
<i>Department of Human Services</i>	-	-	2.0	2.7	1.8
<i>Department of Education, Employment and Workplace Relations</i>	-	-
Total — Expense	-	-	2.0	2.7	1.8

The Government will introduce a general interest charge on student income support debt. The charge will apply to student income support debtors who do not have, or who are not honouring, an acceptable repayment arrangement, from 1 January 2014.

The fiscal balance and underlying cash balance impacts from this measure differ due to the interaction between previous years' outstanding debt and the ongoing administration costs from this change.

This measure is expected to provide \$33.5 million in underlying cash savings over three years from 2013-14 due to outstanding debt being repaid by previous student income support recipients.

The general interest charge will be applied at the 90-day Bank Accepted Bill rate plus an additional seven per cent, consistent with the charges applied by the Australian Taxation Office for tax debt.

TREASURY

Australian Charities and Not-for-profits Commission — removal of Australian Securities and Investments Commission fee

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Securities and Investments Commission	-	-	-0.2	-0.2	-0.2

The Government will remove, from 1 July 2013, the annual review fee that is currently charged by the Australian Securities and Investments Commission (ASIC) for corporations that are registered with the Australian Charities and Not-for-profits Commission (ACNC). The measure will reduce revenue by \$0.5 million over the forward estimates period.

The Government is removing this fee, as ASIC will no longer need to perform annual reviews in respect of entities registered with the ACNC. The ACNC will now be assuming oversight of these entities.

Capital gains tax — extensions to the taxation relief to facilitate Stronger Super

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-1.0	-1.0

The Government will give merging superannuation funds greater flexibility by making the following changes to the taxation relief to support *Stronger Super*:

- backdating the taxation relief for mergers to apply from 1 October 2011;
- extending the relief to all revenue assets regardless of the net position of the entity;
- removing the 12-month rule which prevents certain losses from being transferred; and
- ensuring that members transferred under *MySuper* retain the right to claim a personal tax deduction in the new fund.

This measure is estimated to have a cost to revenue of \$2.0 million over the forward estimates period.

Further information can be found in the press release of 3 August 2012 issued by the Minister for Financial Services and Superannuation.

Appendix A: Policy decisions taken since the 2012-13 Budget

Capital gains tax — loss relief for the Military Superannuation Benefits Fund

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will provide loss relief to the trustee of the Military Superannuation Benefits Fund to allow the transfer, on or before 1 July 2012, of realised tax losses to the ARIA Investments Trust. This measure facilitates the Government's previous decision to consolidate the trustee arrangements of the Commonwealth's main civilian and military superannuation schemes. This measure is estimated to have a small but unquantifiable impact on revenue over the forward estimates period.

Excise — transitional arrangements for non-transport LPG and LNG in the excise and customs systems in 2012-13

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government has amended the tax laws to allow monthly accounting for suppliers of non-transport liquefied petroleum gas (LPG) and liquefied natural gas (LNG) with returns and payment required three months after the end of the accounting period. Under the *Clean Energy Future* package, suppliers of non-transport LPG and LNG will have an effective carbon price applied to these fuels via the excise and customs system for the year 2012-13 before the carbon price is applied directly from 1 July 2013. This is a transitional measure that will ensure smooth transition to the carbon pricing mechanism for the LPG and LNG industries. This measure is estimated to have no revenue impact in fiscal balance terms over the forward estimates period. In underlying cash balance terms this measure has a cost of \$18.0 million in 2012-13 and a gain of \$18.0 million in 2013-14.

Under normal excise payment arrangements suppliers are required to account weekly for excisable products, with returns and payment due on the first business day after the end of the weekly accounting period.

Further information can be found in the press release of 19 June 2012 issued by the Assistant Treasurer.

Appendix A: Policy decisions taken since the 2012-13 Budget

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

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-60.0	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	0.7	-	-	-

The Government has deferred the start date of the reforms to living-away-from-home (LAFH) allowances and benefits, announced in the 2011-12 Mid-Year Economic and Fiscal Outlook (MYEFO) and the 2012-13 Budget, from 1 July 2012 to 1 October 2012. This deferral is estimated to have a cost to revenue of \$60.0 million, and an increase in GST payments to the States and Territories of \$0.7 million, over the forward estimates period.

This deferral is in response to submissions received as part of two consultation processes in relation to the reforms and does not affect the transitional arrangements for the reforms.

Further information can be found in the press release of 28 June 2012 issued by the Assistant Treasurer. See also the 2011-12 MYEFO measure *Fringe benefits tax — reform of living-away-from-home allowances and benefits* and the 2012-13 Budget measure *Fringe benefits tax — further reform of living-away-from-home allowances and benefits*.

Fringe benefits tax — removal of concessional treatment of ‘in-house’ fringe benefits if accessed through a salary sacrifice arrangement

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	20.0	55.0	180.0	190.0
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	5.0	10.0	35.0	35.0

The Government will remove the concessional fringe benefits tax (FBT) treatment for in-house fringe benefits if they are accessed by way of a salary sacrifice arrangement. This measure will apply from 22 October 2012 for salary sacrifice arrangements entered into from its announcement on 22 October 2012, and from 1 April 2014 for salary sacrifice arrangements entered into prior to its announcement on 22 October 2012. This measure is estimated to have a gain to revenue of \$445.0 million, and an increase in GST payments to the States and Territories of \$85.0 million, over the forward estimates period.

Appendix A: Policy decisions taken since the 2012-13 Budget

In-house fringe benefits arise when employees receive goods or services from their employer or an associate of their employer that are identical or similar to those provided to customers by the employer or an associate of the employer in the ordinary course of business. Under the existing FBT concession, the taxable value of in-house fringe benefits is 75 per cent of either the lowest price at which an identical benefit is sold to the public or under an arm's length transaction, depending on the nature of the benefit, reduced by a further \$1,000.

The existing FBT concession was introduced before the widespread use of salary sacrifice arrangements. This measure will return the use of this FBT concession to its original intent. Under this measure, the taxable value of in-house fringe benefits provided through a salary sacrifice arrangement will be either the lowest price at which an identical benefit is sold to the public or under an arm's length transaction, depending on the nature of the benefit.

GST — reforms to the GST margin scheme

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government will not proceed with the proposed restructure of the margin scheme provisions announced in the 2010-11 Budget. Through public consultation it became clear that the restructure was likely to deliver little, if any, benefit. The Government will proceed with the minor technical amendment relating to subdivided land. This measure is estimated to have no revenue impact over the forward estimates period.

Extending the scope of the technical amendment relating to subdivided land will ensure that taxpayers are able to use the consideration method, the valuation method, or the GST-inclusive market value method, whichever is appropriate, when calculating the margin on a taxable supply of subdivided land. The amendment will apply from the first quarterly tax period after Royal Assent rather than from 1 July 2012 as previously announced.

Appendix A: Policy decisions taken since the 2012-13 Budget

GST — restrictions on GST refunds — revisions and changed start date

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	..	6.0	4.0
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	..	6.0	6.0

The Government has made revisions to its 2009-10 Budget measure *Government response to Board of Taxation report: GST Administration*. The revisions concern the implementation of a recommendation to amend the GST law to clarify the circumstances in which the restriction on refunds applies to overpayments of GST. The revisions will allow taxpayers to self-assess their entitlement to a GST refund by reference to particular criteria and will ensure that the restriction on refunds also applies to refunds associated with miscalculations of GST payable on a supply. The amendments will apply to tax periods commencing on or after 17 August 2012. This measure is estimated to have a gain to revenue of \$10.0 million, and an increase in GST payments to the States and Territories of \$12.0 million, over the forward estimates period.

Further information can be found in the press release of 17 August 2012 issued by the Assistant Treasurer.

Income tax — clarification of the tax treatment of native title benefits

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will clarify that income tax is not payable on certain native title benefits by making such benefits non-assessable non-exempt income. This measure was part of a range of native title reforms announced by the Attorney-General in Townsville on 6 June 2012, and will apply to native title benefits received on or after 1 July 2008, consistent with the standard four year amendment period. This measure is estimated to have no revenue impact over the forward estimates period.

Further information can be found in the press release and accompanying exposure draft legislation of 27 July 2012 released by the Assistant Treasurer.

Income tax — exemption for the International Cricket Council for the 2015 Cricket World Cup

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will provide a time-limited income tax exemption to the International Cricket Council for the Cricket World Cup to be held in Australia in early 2015. This one-off income tax exemption reflects the circumstances of this particular event. This measure is estimated to have an unquantifiable cost to revenue over the forward estimates period.

Indirect Tax Concession Scheme — diplomatic and consular concessions

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>

The Government has provided indirect tax refunds (including for GST) for certain countries' diplomatic and consular representation under the Indirect Tax Concession Scheme, with effect from the time specified in implementing determinations issued by the Minister for Foreign Affairs. This measure is estimated to have a negligible cost to revenue, and a negligible decrease in GST payments to the States and Territories over the forward estimates period.

Six countries have received new or upgraded concessions for their diplomatic representation (Mongolia, Georgia, Slovak Republic, Tonga, Uruguay and Tunisia) and one country has received upgraded concessions for their consular representation (Uruguay).

International tax — update to the list of countries that have effective exchange of information arrangements with Australia

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-

The Government has updated the list of countries reported in the *Taxation Administration Regulations 1976* whose residents are eligible to access a reduced rate of withholding tax on certain distributions from Australian managed investment trusts, with effect from 1 July 2012. This measure updates the list to include the Cook Islands, Macau, Mauritius and the Republic of Korea. This measure is estimated to have a negligible cost to revenue over the forward estimates period.

Appendix A: Policy decisions taken since the 2012-13 Budget

The reduced withholding tax rate is restricted to residents of countries with which Australia has effective exchange of information arrangements and which are listed in the Regulations. This requirement safeguards the integrity of the managed investment trust withholding tax system and signals Australia's commitment to using effective exchange of information to reduce opportunities for international tax evasion and avoidance.

Managed investment trusts — concessional tax treatment for energy efficient buildings

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	*	*	*

The Government will introduce a 10 per cent concessional final withholding tax rate for fund payments to non-residents in countries that have an exchange of information arrangement with Australia. The concessional tax rate will apply to fund payments from managed investment trusts (MIT) that only invest in newly constructed energy efficient commercial buildings. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

Further information can be found in the joint press release of 27 June 2012 issued by the Assistant Treasurer and the Parliamentary Secretary for Climate Change and Energy Efficiency.

Monthly PAYG instalments for large companies

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	5,500.0	1,600.0	1,200.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	2.4	4.0	2.6	2.5

The Government will better align tax instalments for large companies with their income and trading conditions by requiring them to make Pay As You Go (PAYG) income tax instalments monthly, rather than quarterly. This will also align large companies' PAYG instalments with their GST payments. This measure is estimated to have a gain to revenue of \$8.3 billion over the forward estimates period.

This reform will be phased in over three years, with companies moving to monthly PAYG instalments:

- from 1 January 2014 for companies with a turnover of \$1 billion or more (around 350 companies);
- from 1 January 2015 for companies with a turnover of \$100 million or more (around 2,500 companies); and

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- from 1 January 2016 for companies with a turnover of \$20 million or more (around 10,500 companies).

The Government will consult on the implementation of this measure and on further improvements to the operation of the instalment system.

New tax system for managed investment trusts — deferral to streamline trust reform

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	50.0	20.0

The Government will defer the start date of the new tax system for managed investment trusts (MITs) by 12 months to 1 July 2014. This measure is estimated to have a gain to revenue of \$70.0 million over the forward estimates period.

The deferred start date will coincide with the proposed start date for the broader reform of trust income taxation. This follows feedback from stakeholders arising out of the Government's consultation paper, released in November 2011, which canvassed a number of options for reforming the taxation of trusts. This measure will allow more time to develop the law and for industry to prepare for changes.

The Government will also amend the tax law to allow MITs and certain other trusts to continue to disregard the trust streaming provisions for the 2012-13 and 2013-14 income years unless they have elected or elect to apply these rules. This will ensure the interim arrangements for MITs continue to apply until the commencement of the new tax system for MITs.

Further information can be found in the press release of 30 July 2012 issued by the Assistant Treasurer.

Personal income tax — ensuring similar income tax treatment for beneficiaries of the household assistance package

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government has provided an income tax exemption for the proportion of the transitional farm family payment (TFFP) provided to recipients in lieu of the clean energy advance. This measure is estimated to have no revenue impact over the forward estimates period.

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Clean energy payments are being provided to recipients of pensions, allowances and family payments to assist with the financial impacts of pricing carbon. Payments of the clean energy advance to other transfer payment recipients are already exempt from income tax. This measure ensures that recipients of the TFFP are taxed in a similar manner to other recipients of household assistance.

Personal income tax — exempting Income Support Bonus from income tax

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government has exempted from income tax the Income Support Bonus provided to recipients of certain payments and allowances. This measure is estimated to have no revenue impact over the forward estimates period.

The Income Support Bonus was announced in the 2012-13 Budget measure titled *Spreading the Benefits of the Boom — new income support supplement*.

Personal income tax — exemption of pay and allowances for Operation Riverbank and Palate II personnel

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-0.1	-0.1	..	-

The Government has extended the income tax exemption for base pay and allowances paid to Australian Defence Force personnel deployed on Operation Riverbank and Operation Palate II until 31 December 2013. This measure is estimated to have a cost to revenue of \$0.1 million over the forward estimates period.

Personal income tax — overseas forces tax offset for Operation Aslan personnel

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-

The Government has made the overseas forces tax offset available for Australian Defence Force personnel deployed on Operation Aslan. This measure is estimated to have a negligible cost to revenue over the forward estimates period.

Personal income tax — tax concessions for Australian Defence Force personnel deployed to Libya

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-

The Government has provided income tax concessions to Australian Defence Force personnel deployed in support of the United Nations Security Council Resolutions 1970 and 1973 to enforce a no-fly-zone in relation to Libya during 2011. This measure is estimated to have a negligible cost to revenue over the forward estimates period.

Philanthropy — updating the list of specifically listed deductible gift recipients

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-7.9	-8.6	-8.7

Since the 2012-13 Budget, the following organisations have been approved as deductible gift recipients (DGRs):

- Australia for UNHCR, from 28 June 2012;
- Yachad Accelerated Learning Project, from 1 July 2012 to 30 June 2015;
- The Diamond Jubilee Trust Australia, from 1 November 2012 to 30 June 2015;
and
- Teach for Australia, from 1 January 2013.

Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs. This measure has an estimated cost to revenue of \$25.2 million over the forward estimates period.

Stronger Shipping for a Stronger Economy — exemption from Australian income tax following removal of royalty withholding tax

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government has made a minor amendment to the income tax law to ensure income that falls within the scope of the royalty withholding tax exemption as part of the *Stronger Shipping for a Stronger Economy* reforms is treated as non-assessable non-exempt income. This measure is estimated to have no revenue impact over the forward estimates period.

Appendix A: Policy decisions taken since the 2012-13 Budget

Superannuation — greater certainty in relation to fund mergers

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will ensure that superannuation fund members are not disadvantaged where their benefits are rolled over within a fund or between funds in response to the *Stronger Super* package of superannuation reforms. This measure is estimated to have no revenue impact over the forward estimates period.

Currently, the superannuation tax laws provide for a ‘proportioning rule’, which is an integrity rule designed to remove individual members’ capacity to reduce their tax liability by manipulating the ‘taxable’ and ‘tax-free’ components of their superannuation benefits.

As an integrity rule addressing the behaviour of individual members, the proportioning rule was intended to apply only to transactions that are within the control of the individual members. This measure will ensure that the proportioning rule does not apply to transactions that are beyond the control of individual members. This is expected to provide greater certainty for superannuation funds that are considering entering into superannuation fund mergers and certain transactions in response to *Stronger Super*.

Superannuation — reform of arrangements relating to transfer of lost member accounts to the ATO

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	555.0	150.0	36.0	34.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	39.8	43.9	6.6	6.1
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	1.7	1.7	-	-

The Government will implement reforms to preserve the value of lost member accounts in the superannuation system, and ensure more of these accounts are reunited with their owners.

The Government will introduce the following reforms, to take effect from 31 December 2012:

- The account balance threshold below which inactive accounts, and accounts of uncontactable members, are required to be transferred to the Australian Taxation Office (ATO) will be increased from \$200 to \$2,000; and
- The period of inactivity before an account of an unidentifiable member is required to be transferred to the ATO will be reduced from five years to 12 months.

Appendix A: Policy decisions taken since the 2012-13 Budget

The ATO will use its data matching resources to match these lost accounts with members and assist those members to be reunited with their lost superannuation. The Government will consult further on additional ways to facilitate this process of reuniting members with their lost accounts.

Individuals can reclaim superannuation accounts transferred to the ATO at any time, however no form of interest is currently paid when they are reclaimed. In addition to the above reforms, the Government will pay interest at a rate equivalent to Consumer Price Index (CPI) inflation from 1 July 2013 on all superannuation accounts reclaimed from the ATO.

These reforms will benefit individuals with small lost accounts by preventing these accounts from being eroded by fees and charges and protecting the real value of these balances. They will also complement other initiatives which have been put in place in recent years to help reunite members with their lost superannuation accounts.

These reforms will also help reduce the number of superannuation accounts that have unidentifiable members by reducing the period of time that a super fund can hold the account of an unidentifiable member. This will encourage funds to collect sufficient information to identify members during the period when contributions are being made.

This measure is estimated to provide savings to the Budget of \$675.2 million over the forward estimates period. The ATO will receive \$62.8 million over the forward estimates to implement these changes. The ATO will also administer \$37.0 million in interest payments associated with reclaimed funds.

Superannuation — reform of SMSF levy arrangements

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	70.0	164.0	88.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	0.6	1.3	0.8	0.5

The Government will reform the levy imposed on self-managed superannuation funds (SMSFs), by ensuring the levy is collected from SMSFs in a more timely way, and increasing the levy to ensure the Australian Taxation Office's (ATO) costs of regulating the sector are fully recovered. This measure is estimated to provide savings to the Budget of \$319.0 million over the forward estimates period.

The Government will bring forward payment of the SMSF levy such that it is levied and collected in the same year of income. This will ensure consistency with APRA regulated funds, which pay the Superannuation Supervisory Levy in the same financial year it is levied. The change in the timing of the collection of the SMSF levy will be phased in over the two years 2013-14 and 2014-15 to give SMSFs time to adjust.

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In addition, there is currently a shortfall of SMSF levy revenue compared to the costs of regulating the sector. The Government will increase the SMSF levy from \$191 to \$259 per annum from 2013-14 onwards to ensure full cost recovery. This will enable the ATO to continue to regulate this rapidly growing and diverse sector effectively.

Superannuation — tax certainty for deceased estates

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will amend the law to allow the tax exemption for earnings on assets supporting superannuation pensions to continue following the death of a fund member in the pension phase until the deceased member's benefits have been paid out of the fund. This change will have effect from 1 July 2012. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

The superannuation law requires the benefits of a deceased member to be paid out of the fund as soon as practicable following the member's death. The continuation of the earnings tax exemption beyond the death of a member will be subject to this existing requirement.

This change will benefit the beneficiaries of deceased estates by allowing superannuation fund trustees to dispose of pension assets on a tax-free basis to fund the payment of death benefits.

Tax administration — personal liability for corporate fault

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will remove a number of provisions in the taxation laws that impose a personal liability on individuals involved in the management of a company, for offences committed by the company. This measure is estimated to have no revenue impact over the forward estimates.

This measure forms part of a broader project being progressed by the Government to implement a nationally consistent approach for imposing personal liability on individuals for corporate fault, and removing excessive regulatory burdens on company directors.

Further information about this measure, and the broader project, can be found in the press release of 14 August 2012 issued by the Parliamentary Secretary to the Treasurer.

Tax agent services regime — bringing in financial advisers

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will bring financial advisers who provide tax advice into the tax agent services regime, with effect from 1 July 2013. There will be a three year transitional period to ensure that those in the financial services industry have appropriate time to adapt to the new regulatory requirements. This measure is estimated to have no revenue impact over the forward estimates period.

Australian Securities and Investments Commission and the Tax Practitioners Board will work together to reduce compliance costs for financial advisers. This measure will ensure that the provision of any tax advice is consistently regulated, irrespective of whether that advice is provided by a financial adviser, tax agent or BAS agent.

Tax compliance — maintaining the integrity of the tax and superannuation system

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	35.0	699.2	850.1	954.1
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	61.8	6.0	6.2	6.3
<i>Australian Taxation Office</i>	-	24.3	140.7	139.0	140.8
<i>Australian Crime Commission</i>	-	-	0.8	0.8	0.8
<i>Total — Expense</i>	-	86.1	147.6	146.1	147.9

The Government will provide \$390.0 million over the forward estimates to the Australian Taxation Office (ATO) to continue to improve overall compliance with the tax and superannuation system.

The measure will allow the ATO to:

- continue strategic compliance initiatives to ensure Australians continue to pay their fair share of tax and that a level playing field is maintained for small business;
- follow-up on long-term outstanding debts;
- follow-up on lodgments for businesses, with two or more years of outstanding lodgments;
- address the escalation in the promotion and participation in tax avoidance and tax evasion schemes in Australia; and
- target non-compliance relating to profit from criminal activities and organised crime, ensuring taxation and superannuation obligations are met.

Appendix A: Policy decisions taken since the 2012-13 Budget

This measure is estimated to have a net gain to the Budget of \$2.0 billion, including a GST component, over the forward estimates period. In underlying cash terms, the estimated net increase is \$1.0 billion, including a GST component.

Tax laws — miscellaneous amendments

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-

The Government will make a series of minor amendments to the tax laws to correct technical defects, remove anomalies and address unintended outcomes which have been recently identified throughout the tax legislation. This measure is estimated to have a small but unquantifiable impact on revenue over the forward estimates period, including a negligible GST component that will be paid to the States and Territories.

The amendments will address minor technical issues identified throughout the tax laws, including income tax, GST, fuel tax, minerals resource rent tax and petroleum resource rent tax legislation.

Taxation of Financial Arrangements Stages 3 & 4 — extending the time for putting in place tax allocation hedging documentation for existing arrangements

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	*	*	*	*	*

The Government will amend the transitional provision for Taxation of Financial Arrangements (TOFA) Stages 3 and 4 to allow taxpayers additional time to comply with certain tax hedging documentation requirements with respect to existing financial arrangements. Taxpayers will be given until the later of 30 June 2011 and 'at or soon after the making of a hedging election' to comply with tax hedging documentation requirements relating to the tax allocation of gains and losses. This measure is estimated to have a small but unquantifiable impact on revenue over the forward estimates period.

This measure will facilitate the transition into TOFA and ensure compliance with the tax hedging rules.

The amendments will apply from the start of the income year in which the TOFA Stages 3 and 4 provisions start to apply to the taxpayer.

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Wine equalisation tax — deferral of the wine producer rebate integrity measure

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-5.0	..	-	-

The Government has deferred the start date of the 2012-13 Budget measure, *Wine equalisation tax — protecting the integrity of the wine producer rebate*, to the later of 1 December 2012 or the date of Royal Assent of the amending legislation. This measure is estimated to have a cost to revenue of \$5.0 million over the forward estimates period.

The measure was originally announced to commence on 1 July 2012. The Government deferred commencement to allow for continued consultation with the wine industry. The deferral has allowed for a system of implementation using voluntary notices to be developed, which will limit the costs of compliance for industry.

Further information can be found in the press release of 29 June 2012 issued by the Assistant Treasurer.

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	ATTORNEY-GENERAL'S (continued)					
	<i>Federal Court of Australia</i>					
198	Courts — additional funding and changes in fees	-	1.2	1.5	1.1	1.1
	<i>Federal Magistrates Court of Australia</i>					
198	Courts — additional funding and changes in fees	-	1.3	1.8	0.7	0.7
	Portfolio total	-	13.2	22.0	15.8	16.0
	BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY					
	<i>Department of Broadband, Communications and the Digital Economy</i>					
201	National Broadband Network — metropolitan rollout	-	20.0	-	-	-
	Portfolio total	-	20.0	-	-	-
	CLIMATE CHANGE AND ENERGY EFFICIENCY					
	<i>Clean Energy Regulator</i>					
248	Energy Brix Australia Corporation — assistance	-	-	-27.9	-29.4	-33.5
	<i>Department of Climate Change and Energy Efficiency</i>					
202	Legal assistance — ex-gratia payment	-	-	-	-	-
202	Low Carbon Communities — additional funding	-	-0.5	0.5	-	-
203	Voluntary Action Pledge Fund — deferral	-	-	-	-	-
	Portfolio total	-	-0.5	-27.4	-29.4	-33.5
	CROSS PORTFOLIO					
	<i>Various Agencies</i>					
198	Courts — additional funding and changes in fees	-	-1.7	-0.9	-0.9	-0.9
204	Targeted savings — public service efficiencies	-	-	-	-	-
204	Whole of Government Savings from Paused Grants Programs	-	-157.5	20.9	35.9	11.4
	Portfolio total	-	-159.2	20.0	35.0	10.5
	DEFENCE					
	<i>Department of Defence</i>					
205	Australia's Contribution to the Sustainment of the Afghan National Security Forces	-	-	-	76.8	77.5
286	Bushmaster vehicles — acquisition(c)	-	-	-	-	-
	Portfolio total	-	-	-	76.8	77.5

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
	<i>Department of Education, Employment and Workplace Relations</i>					
207	Building Australia's Future Workforce - Productivity Education and Training Fund - revised arrangements	-	-	-	-	-
207	Caltex workers — assistance	-	-	-	-	-
208	Centre for Workplace Leadership — establishment	-	1.7	3.6	3.4	3.4
208	Department of Education, Employment, and Workplace Relations — redirection of funding	-	-	-0.1	-0.1	-0.1
209	Fair Entitlements Guarantee — enhancement	-	-0.7	-1.1	0.8	0.8
209	Home Interaction Program for Parents and Youngsters — amended implementation arrangements	-	..	..	4.2	10.1
210	Improving educational outcomes - Australian Indigenous Mentoring Experience	1.4	-	-	-	-
211	Improving educational outcomes - Our Lady of the Sacred Heart Thamarurr School	-	-	-	-	-
211	Mature Age Participation — job seeker assistance — extended eligibility	-	-	-	-	-
241	More convenient access to online government services	-	-	-	-	-
212	Office of Asbestos Safety — establishment	-	-	-	-	-
212	OneSteel workers — assistance	-	-	-	-	-
213	Queensland Public Sector Workers — assistance	-	-	-	-	-
213	Remote Jobs and Communities Program — reclassification of five Alice Springs town camps and other boundary changes	-	-	-	-	-
214	Resources Sector Jobs Board — increased awareness	-	-	-	-	-
	School Education					
214	– Anti-bullying project	-	-	-	-	-
215	– Attendance Data Measurement Project	-	-	-	-	-
215	– Australian Indigenous Education Foundation	-	-	-	-	-
216	– Education for Sustainability	-	-	-	-	-
216	– Greenacres Disability Services — support for Indigenous Students with disability	-	-	-	-	-
217	– Let's Read program	-	-	-	-	-
217	– Life Education Australia	-	-	-	-	-
218	– Rock the Schools Initiative	-	-	-	-	-
218	– The Big Issue Classroom	-	-	-	-	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued)						
Schools						
219	– Indigenous Ranger Cadetships — extension	-	-	-	-	-
219	– Literacy and Numeracy National Partnership — extension	-	-	-	-	-
220	– Pathways into Teaching — redirection	-	-	-1.4	-0.4	-
Student income support						
167	– general interest charge on student income support debt(b)	-	-	..	..	..
253	– Student Start-up Scholarships — pause indexation	-	-0.1	-0.2	-0.4	-0.6
221	Trade Training Centres in Schools program — extension and rephasing	-	-	-35.0	-40.6	-75.0
Portfolio total		1.4	0.9	-34.2	-33.1	-61.4
FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS						
<i>Department of Families, Housing, Community Services and Indigenous Affairs</i>						
222	Baby Bonus — reduce to \$3,000 for second and subsequent children	-	0.3	-169.2	-170.0	-175.7
222	Bali memorial service — assistance to victims and their families	-	3.3	-	-	-
223	Better Start for Children with Disability — extension of eligibility	-	-0.2	-0.2	-0.2	-0.2
211	Improving educational outcomes — Our Lady of the Sacred Heart Thamarrurr School	-	-	-	-	-
223	Income Management — Anangu Pitjantjatjara Yankunytjatjara Lands	-	-	-	-	-
202	Low Carbon Communities — additional funding	-	-	-	-	-
224	National Regulatory System for Community Housing Providers — National Regulatory Council — Contribution	-	-	-	-	-
Portfolio total		-	3.4	-169.4	-170.1	-175.9
FINANCE AND DEREGULATION						
<i>Australian Electoral Commission</i>						
241	More convenient access to online government services	-	-	-	-	-
<i>Department of Finance and Deregulation</i>						
225	Overseas travel entitlements for the leader of the Opposition and the leaders of minority parties	-	0.2	0.2	0.2	0.2
Portfolio total		-	0.2	0.2	0.2	0.2

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	FOREIGN AFFAIRS AND TRADE					
	<i>AusAID</i>					
205	Australia's Contribution to the Sustainment of the Afghan National Security Forces	-	-	-	19.2	19.4
	<i>Australian Trade Commission</i>					
226	Australian Trade Commission — existing savings measures — continuation	-	-	-	-2.2	-2.2
226	Export Market Development Grants program — retargeting	-	-25.0	-25.0	-25.0	-25.0
	<i>Department of Foreign Affairs and Trade</i>					
226	Auschwitz-Birkenau Foundation	0.5	-	-	-	-
	Portfolio total	0.5	-25.0	-25.0	-8.0	-7.8
	HEALTH AND AGEING					
	<i>Australian National Preventive Health Agency</i>					
227	Advertising media campaigns — reduction	-	-13.5	-	-	-
236	Preventive Health — investing in preventative health initiatives	-	-	-	-	-
	<i>Department of Health and Ageing</i>					
227	Advertising media campaigns — reduction	-	-5.2	-	-	-
223	Better Start for Children with Disability — extension of eligibility	-	0.2	0.3	0.2	0.2
	Dental health reform					
227	– Child Dental Benefits Schedule	-	0.9	191.3	604.7	636.9
228	– flexible grants program	-	-	-	50.5	55.5
228	– Medicare Teen Dental Plan - redirection of funding	-	-	-35.9	-97.7	-106.5
229	– National Partnership Agreement for adult public dental services	-	-	-	0.8	0.8
230	Health and Hospitals Fund — Queensland Regional Acute/Subacute/Extended Inpatient Mental Health Services project — cancellation	-	-	-	-	-
230	Life Saving Drugs Program — new and amended listings	-	-0.5	-1.2	-1.4	-1.5
231	Medical Indemnity Insurance — Reduction in subsidies under the Premium Support Scheme	-	-	-	-	-
	Medicare Benefits Schedule					
231	– amending telehealth geographical eligibility	-	-7.1	-28.9	-44.8	-47.7
232	– new and amended listings	-	-2.3	-2.3	-2.8	-3.2
233	– telehealth — new items	-	-0.1	-1.1	-1.8	-1.9
233	National Immunisation Program — extended listing of Gardasil®	-	19.4	24.5	22.1	25.6
	Pharmaceutical Benefits Scheme					
234	– new and amended listings	-	12.8	-9.3	-48.1	-89.7
235	– price changes	-	2.5	2.8	2.9	3.1

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	HUMAN SERVICES (continued)					
	Student income support					
167	– general interest charge on student income support debt(b)	-	-	2.0	2.7	1.8
253	– Student Start-up Scholarships — pause indexation	-	..	-	-	-
	Portfolio total	-	10.1	16.3	13.3	12.8
	IMMIGRATION AND CITIZENSHIP					
	<i>Department of Immigration and Citizenship</i>					
261	Asian Football Cup — assistance	-	-	-	-	-
243	Biometrics — introduction into selected Australian visa processing arrangements overseas	-	-	-	-	-
241	More convenient access to online government services	-	-	-	-	-
	Response to the expert panel					
243	– Humanitarian migration program — additional places from 2012-13	-	92.4	107.4	114.0	117.9
244	– Irregular Migration — research	-	-	-	-	-
244	– Permanent migration program - additional family stream places from 2012-13	-	8.2	13.7	15.8	17.0
245	– Regional capacity building initiatives	-	10.0	-	-	-
	Portfolio total	-	110.6	121.1	129.8	134.9
	INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION					
	<i>Department of Industry, Innovation, Science, Research and Tertiary Education</i>					
246	Alcoa's Point Henry aluminium smelter — assistance	42.0	-	-	-	-
246	Australian Apprenticeship Access Program — reduction	-	-3.0	-4.0	-4.0	-
	Australian Apprenticeships Incentives Program					
246	– modifications	-	-10.3	-18.9	-9.8	-1.3
247	– remove standard recommencement incentive payment for non-NSNL workers	-	-3.5	-3.5	-3.4	-3.4
248	Australian Paper's Maryvale Pulp and Paper Mill — assistance	-	4.2	2.9	2.4	-
248	Energy Brix Australia Corporation — assistance	25.8	9.8	38.0	61.7	-
249	Green Building Fund — redirection	-	-0.5	-0.6	-	-
249	Higher Education - Facilitation Funding — cessation	-	-	-52.6	-106.9	-110.6
250	Manufacturing Leaders Group	-	0.7	1.0	1.1	1.3
250	Parenting Payment recipients — additional training support for grandfathered recipients	-	-	-	-	-
251	Premium Fresh Tasmania — assistance	-	0.3	-	-	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION (continued)					
252	South-East South Australia Innovation and Investment Fund — redirection	-	-1.4	-	-	-
252	Square Kilometre Array Radio Telescope — pre-construction activities	-	-	-	-	-
253	Student Income Support — delay Masters by coursework for a further three years	-	-	-32.3	-66.5	-68.2
253	Student income support — Student Start-up Scholarships — pause indexation	-	-2.7	-12.7	-26.3	-39.1
254	Sustainable Research Excellence - sustainable growth	-	-79.4	-158.6	-154.0	-106.8
	Targeting skills in need					
254	– Better targeting part-time and casual incentives	-	-19.2	-77.4	-90.4	-89.8
255	– Kickstart for trades	-	1.7	35.5	20.3	-
255	– Removing incentives for Diplomas and Advanced Diplomas	-	-1.8	-23.0	-29.5	-29.3
256	– Support for Adult Australian Apprentices - amended arrangements	-	-17.6	-12.0	-25.9	-25.6
256	Textiles, Clothing and Footwear Structural Adjustment Program — redirection	-	-2.3	-2.3	-2.4	-
257	Unique Student Identifier — introduction	-	-	-2.5	-2.0	-2.1
257	United States Studies Centre — additional support	-	-	-	-	-
258	University of Tasmania — Experimental Aquaculture Facility and the National Institute for Future Forest Industries	-	-	-	-	-
	<i>Unique Student Identifier Agency</i>					
257	Unique Student Identifier — introduction	-	-	2.5	2.0	2.1
	Portfolio total	67.8	-125.1	-320.5	-433.7	-472.7
	INFRASTRUCTURE AND TRANSPORT					
	<i>Department of Infrastructure and Transport</i>					
259	Macquarie Point Railyards Precinct — remediation	-	-	-	-	-
259	Nation Building 2 Program — Northern Territory Regional Roads Productivity Package	-	-	-	-	-
260	Nation Building Program — Kennedy Highway road projects	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	REGIONAL AUSTRALIA, LOCAL GOVERNMENT, ARTS AND SPORT					
	<i>Australian Sports Commission</i>					
265	Football Federation Australia — debt forgiveness	4.0	-	-	-	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	REGIONAL AUSTRALIA, LOCAL GOVERNMENT, ARTS AND SPORT (continued)					
	<i>Department of Regional Australia, Local Government, Arts and Sport</i>					
261	Adelaide's West Beach recreation reserve — contribution	1.0	-	-	-	-
261	Asian Football Cup — assistance	-	-	-	-	-
262	Australian Ballet's new production facility — contribution	2.0	-	-	-	-
262	Australian Workers Heritage Centre — contribution	0.8	-	-	-	-
263	Boyer Mill Structural Adjustment — assistance	-	-	-	-	-
263	Burnie City Council stormwater infrastructure project	-	-	-	-	-
264	Centre of Excellence for Hockey — contribution	-	-	-	-	-
264	Community projects in North Queensland — contribution	0.3	-	-	-	-
265	Construction of a safe anchorage at Mission Beach — contribution	-	-	-	-	-
248	Energy Brix Australia Corporation — assistance	-	-9.8	..	-22.7	30.0
266	Greater Western Sydney Australian Football League Club — Multicultural Centre — contribution	-	-	-	-	-
266	Hobart City Council Accelerated Energy Efficient Street Light Roll Out project — contribution	3.4	-	-	-	-
267	Illicit Drugs in Sport — reduction in funding	-	-	-1.2	-1.2	-1.2
267	Major Sporting Events Taskforce — additional funding	-	-	-	-	-
267	Moonah Arts Centre — redevelopment	4.0	-	-	-	-
268	National Integrity of Sports Unit — establishment	-	0.3	0.5	0.5	0.5
268	New Town Bay Centre for Rowing Education — contribution	2.5	-	-	-	-
269	Norfolk Island — financial assistance	-	4.5	-	-	-
251	Premium Fresh Tasmania — assistance	-	-0.3	-	-	-
269	Queensland reconstruction — funding the use of local council day labour	-	-	-	-	-
270	Regional Structural Adjustment Assistance Program — monitoring framework	-	-	-	-	-
270	Tamworth community facilities for children — additional contribution	0.1	-	-	-	-
270	Wellesley Park sporting facilities — upgrade	1.2	-	-	-	-
	Portfolio total	19.2	-5.2	-0.7	-23.5	29.3

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	RESOURCES, ENERGY AND TOURISM					
	<i>Department of Resources, Energy and Tourism</i>					
272	Advanced Lignite Demonstration Program — establishment	-	-	-	-19.0	19.0
272	Contract for Closure program — cessation	-	-	-	-	-
273	Department of Resources, Energy and Tourism — departmental funding	-	9.0	10.5	-	-
248	Energy Brix Australia Corporation — assistance	25.0	-	-	-	-
273	Low Emissions Technology Demonstration Fund - reduction in funding	-	-	-	-	-100.0
274	Tourism Industry Regional Development Fund — establishment	-	8.5	11.0	9.5	7.0
	Portfolio total	25.0	17.5	21.5	-9.5	-74.0
	SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES					
	<i>Department of Sustainability, Environment, Water, Population and Communities</i>					
275	Australia-Antarctica shipping capability - second stage business case	-	-	-	-	-
	<i>Director of National Parks</i>					
275	World Parks Congress 2014	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	TREASURY					
	<i>Australian Bureau of Statistics</i>					
280	Online retail sales — tracking	-	-	-	-	-
	<i>Australian Securities and Investments Commission</i>					
276	Australian Securities and Investments Commission — additional operational funding	-	10.0	10.0	-	-
277	Bank accounts and life insurance policies — reform of arrangements relating to transfer of unclaimed monies to ASIC	-	16.0	0.3	0.3	0.4
277	Company monies — reform of arrangements relating to transfer of unclaimed monies	-	4.3	0.4	0.4	0.4
279	Future of Financial Advice Reform — accountant's exemption – transitional relief	-	-2.0	-5.9	-1.4	2.8
	<i>Australian Taxation Office</i>					
278	Conservation tillage offset — change to eligibility criteria	-	-	-	-	-
163	Linking the Australian carbon pricing mechanism and European Union emissions trading scheme(b)	-	-	-	-	-
174	Monthly PAYG instalments for large companies(b)	-	2.4	4.0	2.6	2.5

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	TREASURY (continued)					
241	More convenient access to online government services	-	-	-	-	-
	Private Health Insurance Rebate					
237	– indexing the Government's contribution	-	2.2	1.6	0.1	0.1
237	– removal of rebate on lifetime health cover loading	-	1.2	1.1	2.8	0.1
	Superannuation					
178	– reform of arrangements relating to transfer of lost member accounts to the ATO(b)	-	39.8	43.9	6.6	6.1
179	– reform of SMSF levy arrangements(b)	-	0.6	1.3	0.8	0.5
280	SuperStream — reduction in Superannuation Supervisory levy	-	-2.0	-9.6	-8.4	-7.3
181	Tax compliance — maintaining the integrity of the tax and superannuation system(b)	-	24.3	140.7	139.0	140.8
	<i>Department of the Treasury</i>					
276	Asia Pacific Financial Forum	-	0.3	-	-	-
265	Construction of a safe anchorage at Mission Beach — contribution	5.5	-	-	-	-
161	Customs' compliance assurance system — expansion(b)	-	-	7.6	7.6	7.6
229	Dental health reform — National Partnership Agreement for adult public dental services	-	-	-	200.0	295.0
278	Energy Security	-	-	-	-	-
	Fringe benefits tax					
170	– reform of living-away-from-home allowances and benefits(b)	-	0.7	-	-	-
170	– removal of concessional treatment of 'in-house' fringe benefits if accessed through a salary sacrifice arrangement(b)	-	5.0	10.0	35.0	35.0
	GST					
171	– reforms to the GST margin scheme(b)	-	-	-	-	-
172	– restrictions on GST refunds — revisions and changed start date(b)	-	-	..	6.0	6.0
230	Health and Hospitals Fund — Queensland Regional Acute/Subacute/Extended Inpatient Mental Health Services project — cancellation	-	-1.9	-2.8	-5.4	-10.0
173	Indirect Tax Concession Scheme — diplomatic and consular concessions(b)	..	..	..	..	..
279	Lowy Institute for International Policy — establishment of a G20 Studies Centre	2.0	-	-	1.0	1.0
259	Macquarie Point Railyards Precinct — remediation	50.0	-	-	-	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	TREASURY (continued)					
259	Nation Building 2 Program — Northern Territory Regional Roads Productivity Package	-	-	-	-	-
260	Nation Building Program — Kennedy Highway road projects	10.5	-	-	-	-
233	National Immunisation Program — extended listing of Gardasil®	-	-17.7	-17.7	-17.5	-17.5
250	Parenting Payment recipients — additional training support for grandfathered recipients	-	-	-	-	-
269	Queensland reconstruction — funding the use of local council day labour	-	-	11.2	7.2	-
219	Schools — Literacy and Numeracy National Partnership — extension	-	-	-	-	-
280	Superannuation Consumer Centre — investment fund	-	1.0	2.0	7.0	-
238	Tasmania's Health System — additional funding	-	31.9	46.7	49.6	40.0
181	Tax compliance — maintaining the integrity of the tax and superannuation system(b)	-	61.8	6.0	6.2	6.3
182	Tax laws — miscellaneous amendments(b)	-	..	..	..	..
221	Trade Training Centres in Schools program — extension and rephasing	-	-	9.1	-48.1	-115.8
281	Women on Boards Accelerator Program	0.2	-	-	-	-
	Portfolio total	68.2	177.8	260.0	391.3	393.8
	VETERANS' AFFAIRS					
	<i>Department of Veterans' Affairs</i>					
	Medicare Benefits Schedule					
231	– amending telehealth geographical eligibility	-	-0.4	-1.4	-2.0	-2.4
232	– new and amended listings	-	-0.1	-0.1	-0.1	-0.1
233	– telehealth — new items	-	..	-0.1	-0.1	-0.1
241	More convenient access to online government services	-	-	-	-	-
	Pharmaceutical Benefits Scheme					
234	– new and amended listings	-	-0.7	-2.9	-6.0	-9.0
235	– price changes	-	0.1	0.2	0.2	0.2
236	– price reduction of high potency cholesterol-lowering medicines	-	-	-	-	-
282	Repatriation Pharmaceutical Benefits Scheme — new listing and price amendments	-	..	..	..	..

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 2: Expense measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	VETERANS' AFFAIRS (continued)					
253	Student income support — Student Start-up Scholarships — pause indexation	-	..	..	-0.1	-0.1
282	Supplementary Allowance — extension	-	0.1	0.3	0.2	0.2
	Portfolio total	-	-0.9	-4.1	-7.8	-11.3
	Decisions taken but not yet announced	-15.0	177.3	613.9	448.1	449.6
	Depreciation expense	-	-	0.5	0.9	0.9
	Total impact of expense measures(d)	167.0	215.5	529.9	595.9	223.5

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

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

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

(d) Measures may not add due to rounding.

ATTORNEY-GENERAL'S

Anti-dumping — feasibility study into an independent Commonwealth authority

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	-	-	-	-

The Government will provide funding in 2012-13 to undertake a feasibility study into the creation of a new anti-dumping agency. The feasibility study will consider the most appropriate arrangements for administering Australia's anti-dumping and countervailing system. The study will examine the costs and benefits of establishing a new agency as compared with retaining the functions within the Australian Customs and Border Protection Service (Customs).

The cost of this measure will be met from within the existing resources of Customs.

Further information can be found in the press release of 4 July 2012 issued by the Minister for Home Affairs.

Courts — additional funding and changes in fees

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Family Court of Australia	-	4.0	7.2	6.7	6.9
Federal Magistrates Court of Australia	-	1.3	1.8	0.7	0.7
Federal Court of Australia	-	1.2	1.5	1.1	1.1
Various Agencies	-	-1.7	-0.9	-0.9	-0.9
Total — Expense	-	4.8	9.6	7.7	7.9
<i>Related revenue (\$m)</i>					
<i>Federal Magistrates Court of Australia</i>	-	<i>8.8</i>	<i>17.5</i>	<i>18.5</i>	<i>18.5</i>
<i>Federal Court of Australia</i>	-	<i>4.6</i>	<i>9.2</i>	<i>9.7</i>	<i>9.7</i>
<i>Family Court of Australia</i>	-	<i>0.6</i>	<i>1.2</i>	<i>1.3</i>	<i>1.3</i>
<i>High Court of Australia</i>	-	<i>0.2</i>	<i>0.4</i>	<i>0.5</i>	<i>0.5</i>
<i>Various Agencies</i>	-	<i>-10.9</i>	<i>-22.0</i>	<i>-22.0</i>	<i>-22.0</i>
Total — Revenue	-	3.3	6.4	7.9	7.9

The Government will provide an additional \$29.9 million over four years to the Family Court, the Federal Court and the Federal Magistrates Court to assist in maintaining court services, particularly in regional and rural locations and in the area of family law.

Appendix A: Policy decisions taken since the 2012-13 Budget

Reforms to fees charged by the Family Court, the Federal Court, the Federal Magistrates Court and the High Court will further increase revenue by \$25.5 million over four years. The additional \$25.5 million will be used to offset in part the additional funding of \$29.9 million being provided to the courts.

Further information can be found in the press release of 10 September 2012 issued by the Attorney-General.

This measure builds on the 2012-13 Budget measure titled *Court Fee Increases*.

Emergency services and natural disaster resilience — contribution to the Australian Capital Territory Government

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Attorney-General's Department	-	4.0	4.0	-	-

The Government will provide \$8 million over two years, including \$4 million in 2012-13, to assist with the Australian Capital Territory (ACT) Government's emergency services.

This funding will help improve the ACT Government's natural disaster preparedness.

Independent Reviewer of Adverse Security Assessments — establishment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Security Intelligence Organisation	-	2.2	2.2	2.2	2.2

The Government will provide \$2.2 million per annum from 2012-13 to 2015-16 to establish an independent reviewer for Adverse Security Assessments in relation to asylum seekers who are owed protection obligations. The reviewer will be established as a non-statutory appointment under the *Australian Security Intelligence Organisation Act 1979* in order to conduct independent, non-binding merit reviews.

Appendix A: Policy decisions taken since the 2012-13 Budget

Law enforcement agencies — improving integrity

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Commission for Law Enforcement Integrity	-	-	-	-	-
Australian Customs and Border Protection Service	-	-	-	-	-
Australian Federal Police	-	-	-	-	-
Australian Crime Commission	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will introduce a range of initiatives to improve the resistance of law enforcement agencies to corruption, including the introduction of integrity testing for law enforcement officers, and drug and alcohol testing for Australian Customs and Border Protection Service staff. These initiatives will complement existing efforts to target corruption.

The cost of these initiatives will be met from within existing resources.

Further information can be found in the press release of 30 March 2012 issued by the Minister for Home Affairs.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

National Broadband Network — metropolitan rollout

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Broadband, Communications and the Digital Economy	-	20.0	-	-	-

The Government will provide \$20.0 million in 2012-13 to improve public understanding, address misconceptions and provide updated information about the National Broadband Network.

These activities will be focused on the five major metropolitan areas, Adelaide, Brisbane, Melbourne, Perth and Sydney, where access to the National Broadband Network will be provided through optical fibre.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Legal assistance — ex-gratia payment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Climate Change and Energy Efficiency	-	-	-	-	-

The Government will provide up to \$50,000 to assist with legal and associated costs arising from proceedings against the Queensland Coroner. The proceedings are seeking an inquest into the death of a person while installing insulation under the, now closed, *Home Insulation Program*.

The cost of this measure will be met from within the existing resourcing of the Department of Climate Change and Energy Efficiency.

Low Carbon Communities — additional funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-
Department of Climate Change and Energy Efficiency	-	-0.5	0.5	-	-
Total — Expense	-	-0.5	0.5	-	-

The Government will provide \$44.7 million over three years to support additional energy efficiency action under the Low Carbon Communities program. This measure includes:

- \$20.7 million in 2011-12 to expand the Home Energy Saver Scheme, which subsidises the purchase of energy efficient household appliances for low income households; and
- \$24.0 million over two years from 2012-13 to establish the Local Government Energy Efficiency Program, to assist local government authorities to install solar or heat pump hot water systems in their buildings and community facilities to improve energy efficiency.

Funding for this measure was included as a ‘decision taken but not yet announced’ in the 2012-13 Budget. The Government has subsequently decided to reallocate \$0.5 million from the 2012-13 provision to 2013-14 to support the implementation of the Local Government Energy Efficiency Program by the Department of Climate Change and Energy Efficiency.

Further information can be found in the press release of 6 June 2012 issued by the Parliamentary Secretary for Climate Change and Energy Efficiency.

Appendix A: Policy decisions taken since the 2012-13 Budget

Voluntary Action Pledge Fund — deferral

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Climate Change and Energy Efficiency	-	-	-	-	-

The Government has deferred the start date for the *Voluntary Action Pledge Fund* until the commencement of the carbon pricing mechanism's flexible price period on 1 July 2015. The fund is designed to help individuals access the carbon market and voluntarily cancel emissions units including Australian carbon permits, Kyoto compliant and non-Kyoto compliant Australian carbon credit units, and eligible international units. The deferral will reduce expenses by \$1.2 million over five years from 2011-12.

The financial implications for this measure were included as a 'decision taken but not yet announced' in the 2012-13 Budget.

CROSS PORTFOLIO

Targeted savings — public service efficiencies

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Various Agencies	-	-	-	-	-

The Government will achieve savings of \$549.5 million over four years from 2012-13 through pursuing further efficiencies in the way the public service operates.

The Defence portfolio, the Departments of the Senate and the House of Representatives have been excluded from this arrangement.

The financial implications for this measure were included as a 'decision taken but not yet announced' in the 2012-13 Budget.

Further information can be found in the press release of 25 September 2012 issued by the Minister for Finance and Deregulation and the Special Minister of State.

Whole of Government Savings from Paused Grants Programs

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Various Agencies	-	-157.5	20.9	35.9	11.4

The Government will achieve savings of \$89.4 million over four years by reducing uncommitted funding for various grant programs across a range of Government portfolios.

Savings from this measure are from minor reductions to a range of programs and will be redirected to support other Government priorities.

Funding of \$78.5 million will also be reprofiled across the forward estimates as part of this measure.

Further information can be found in the press release of 22 October 2012 issued by the Minister for Finance and Deregulation.

DEFENCE

Australia's Contribution to the Sustainment of the Afghan National Security Forces

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Defence	-	-	-	76.8	77.5
AusAID	-	-	-	19.2	19.4
Total — Expense	-	-	-	96.0	96.9

The Government will provide US\$100.0 million per year from 2014-15 to 2016-17 as part of the international contribution to the sustainment of the Afghan National Security Forces (ANSF). This will be made up of US\$80 million per annum from the Department of Defence and US\$20 million per annum from the Australian Agency for International Development (AusAID). The AusAID contribution will fund Official Development Assistance eligible activities.

Australia's contribution is part of international efforts to help sustain and support the ANSF beyond the transition process.

Appendix A: Policy decisions taken since the 2012-13 Budget

The Government is currently working with other contributors to establish internationally agreed governance arrangements. Australia's funding contribution is subject to appropriate governance arrangements being put in place.

Funding for the AusAID component of this measure will be offset from the provision for expanded aid funding held in the Contingency Reserve.

This measure forms part of the Government's commitment to increase Australia's official development assistance over the long term.

Further information can be found in the joint press release of 16 May 2012 issued by the Prime Minister and the Minister for Defence.

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

Building Australia's Future Workforce — Productivity Education and Training Fund — revised arrangements

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will adopt revised implementation arrangements for the \$20.0 million Productivity Education and Training Fund (the Fund) established in the 2011-12 Budget. The Fund was established to drive a focus on productivity improvement through enterprise bargaining under the Fair Work framework.

Under the revised arrangements, the Fund will be targeted at peak organisations to develop and implement flexible, longer-term initiatives that promote productivity growth within the workforce. Grants of \$5.0 million will be provided to the Australian Industry Group and the Australian Chamber of Commerce and Industry and \$10.0 million to the Union Education Foundation over two years from 2011-12 to achieve the objectives of the Fund.

The cost of this measure will be met from within the existing resources of the Fund.

Caltex workers — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$100,000 in 2012-13 to support workers at risk of being made redundant as a result of the planned closure of Caltex's refinery in Kurnell, New South Wales.

The funding will provide for a Jobs Market in Kurnell, which aims to bring together job seekers, employers and training and educational organisations to discuss job opportunities in the region.

The cost of this measure will be offset by drawing on funding held in the Contingency Reserve to assist individuals, communities and local employers adjust to structural change.

Appendix A: Policy decisions taken since the 2012-13 Budget

Centre for Workplace Leadership — establishment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	1.7	3.6	3.4	3.4

The Government will provide \$12.1 million over four years to establish the Centre for Workplace Leadership. The aim of the institute will be to boost workplace productivity by improving management practices in Australian workplaces, particularly focussing on small to medium enterprises. The institute will:

- develop good leadership and management practices;
- provide access to leadership training across all levels of organisations; and
- lead public and policy debate on the interdependencies between high performing workplaces, effective management practices and quality jobs.

Further information can be found in the press release of 14 October 2012 issued by the Minister for Employment and Workplace Relations, Financial Services and Superannuation.

Department of Education, Employment, and Workplace Relations — redirection of funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-0.1	-0.1	-0.1

The Government will redirect \$315,000 over three years from the existing resourcing of the Department of Education, Employment and Workplace Relations to offset the revenue impact of continuing the Deductible Gift Recipient Status of the Yachad Accelerated Learning Project.

Part of the saving will be achieved through efficiencies in the administration of the Literacy and Numeracy National Partnership.

See also the related revenue measure titled *Deductible Gift Recipient Status* in the Treasury portfolio.

Fair Entitlements Guarantee — enhancement

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-0.7	-1.1	0.8	0.8

The Government will enhance the operational arrangements of the General Employee Entitlements and Redundancy Scheme (GEERS). The changes will be adopted as part of the Fair Entitlements Guarantee legislation that is intended to replace GEERS. The changes will provide savings of \$0.3 million over four years resulting from improvements in the operational efficiency of the scheme and more equitable treatment of claimants.

GEERS provides protection for unpaid employee entitlements when people lose their job due to liquidation or bankruptcy of their employer. GEERS is designed as a safety net scheme of last resort, to provide for payment of outstanding final employee entitlements that would otherwise not be able to be paid.

Further information can be found in the joint press release of 11 October 2012 issued by the Minister for Employment and Workplace Relations and the Parliamentary Secretary for School Education and Workplace Relations.

Home Interaction Program for Parents and Youngsters — amended implementation arrangements

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	4.2	10.1

The Government will provide \$23.8 million over three years from 2014-15 (including \$9.6 million in 2016-17) to extend the *Home Interaction Program for Parents and Youngsters* (HIPPY) program. This funding will support ongoing delivery of the program in the 50 mainstream locations, including development of online support services ('E-HIPPY') and independent research and evaluation of the program.

The HIPPY program is a home-based parenting and early childhood enrichment program that focuses on empowering parents and carers to be their child's first teacher. The program aims to build the confidence and skills of parents and carers to create a positive learning environment in preparing their child for school. The program can also offer parents and carers a supported pathway to employment and local community leadership. Parents and their children enrol in the program in the year before the child commences formal school and participate in the program for two years.

Appendix A: Policy decisions taken since the 2012-13 Budget

Following further consultation with the program provider, the Brotherhood of St Laurence, the Government will phase in the introduction of the 50 additional generally remote Indigenous sites provided under the HIPPY measure in the 2012-13 Budget.

Under the phased implementation, 25 sites will commence in January 2014, with the remaining 25 commencing in January 2015. Funding for these sites will be provided on an ongoing basis.

The amended implementation arrangements will be funded from within the existing estimates of the HIPPY program.

Improving educational outcomes — Australian Indigenous Mentoring Experience

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	1.4	-	-	-	-

The Government provided \$2.5 million in 2011-12 to support the Australian Indigenous Mentoring Experience (AIME).

AIME is a not-for-profit organisation that supports Indigenous high school students to acquire the skills and opportunities, belief and confidence to finish school. AIME also connects students with post-Year 12 activities, including further education and employment.

The cost of this measure was partially met from within the existing resourcing of the Department of Education, Employment and Workplace Relations, and partially offset from other general savings.

Further information can be found in the press release of 22 August 2012 issued by the Minister for School Education.

Improving educational outcomes — Our Lady of the Sacred Heart Thamarrurr School

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government provided \$8.0 million in 2011-12 for programs delivered through the Our Lady of the Sacred Heart Thamarrurr School in Wadeye, Northern Territory.

The funding will be used for five programs to support improved education and employment outcomes. Programs include adult literacy and numeracy job-readiness training, assessments to increase the capacity of the school to provide for students with very high needs, and Da Ngimalmin, which engages elders and senior community leaders in the activities of the school to support increased school attendance and broaden students' experiences at school.

The cost of this measure was met from within the existing resourcing of the Department of Education, Employment and Workplace Relations, and the Department of Families, Housing, Community Services and Indigenous Affairs.

Further information can be found in the joint press release of 6 September 2012 by the Minister for School Education, Member for Lingiari and Senator Trish Crossin.

Mature Age Participation — job seeker assistance — extended eligibility

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will change the age of eligibility from 55 to 50 years for the Mature Age Participation — Job Seeker Assistance program announced in the 2012-13 Budget. The Mature Age Participation — Job Seeker Assistance program provides intensive support to mature age people who are unemployed and would like help to re-enter the workforce.

The extension to the age of eligibility will align with other support programs for mature aged people such as the Experience+ Jobs Bonus initiative announced in the 2012-13 Budget measure *Economic Potential of Senior Australians — employee assistance*.

Appendix A: Policy decisions taken since the 2012-13 Budget

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

Office of Asbestos Safety — establishment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$1.7 million in 2012-13 to establish the Office of Asbestos Safety within the Department of Education, Employment and Workplace Relations to develop the Government's response to the *Asbestos Management Review*.

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

Further information can be found in the press release of 4 September 2012 issued by the Minister for Employment and Workplace Relations.

OneSteel workers — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$0.2 million over four years from 2012-13 to support workers made redundant as a result of the closure of OneSteel's Kembla Grange oil and gas pipe operations.

The funding will provide workers with immediate access to intensive employment services and to enhanced levels of Employment Pathway funding through Job Services Australia providers.

The cost of this measure will be offset by drawing on funding held in the Contingency Reserve to assist individuals, communities and local employers adjust to structural change.

Appendix A: Policy decisions taken since the 2012-13 Budget

Queensland Public Sector Workers — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$850,000 in 2012-13 to support workers at risk of being made redundant as a result of the restructuring of the Queensland Government's public sector.

The funding will provide for a Jobs and Skills Expo in Brisbane and Townsville, and for over 30 workshops to be held across Queensland to provide information to redundant workers on access to jobs support and related services, such as financial and mental health counselling.

The cost of this measure will be offset by drawing on funding held in the Contingency Reserve to assist individuals, communities and local employers adjust to structural change.

Further information can be found in the joint press release of 18 September 2012 issued by the Minister for Employment and Workplace Relations and the Minister for Employment and Participation.

Remote Jobs and Communities Program — reclassification of five Alice Springs town camps and other boundary changes

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$0.9 million over three years (\$2.0 million over five years from 2013-14) to deliver employment services to job seekers under the Remote Jobs and Communities Program (RJCP) in five Alice Springs town camps that are to be reclassified from 'non-remote' to 'remote' regions. This reclassification will ensure consistent treatment of job seekers in all of the Alice Springs town camps.

The Government has also revised, as a result of community consultation, the proposed remote region boundaries to consolidate the number of remote regions from 65 to 59. This change will not affect the total number of job seekers who will be assisted under RJCP or the amount of assistance each job seeker will receive.

RJCP was announced in the 2012-13 Budget and is due to commence on 1 July 2013. The program will replace existing remote employment services, delivered by multiple providers under a range of programs, including Job Services Australia, Disability Employment Services and the Community Development Employment Projects.

Appendix A: Policy decisions taken since the 2012-13 Budget

The cost of this measure will be met from within the existing resourcing of the RJCP.

Resources Sector Jobs Board — increased awareness

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$0.3 million in 2012-13 to increase awareness of the Resources Sector Jobs Board website.

The Resources Sector Jobs Board website was developed to link Australian job seekers with employers and job vacancies in the resources sector. The website was established on 10 June 2012 and is part of the Australian JobSearch website.

Further information can be found in the joint press release of 10 June 2012 issued by the Minister for Employment and Workplace Relations, Minister for Immigration and Citizenship and the Minister for Employment Participation.

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

School Education — Anti-bullying project

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$4.0 million in 2011-12 to support an anti-bullying project developed through Education Services Australia.

The project involves a range of measures to raise awareness of bullying, and support the implementation of the National Safe Schools Framework across Australian schools. This work will focus on the development of three evidence-based online tool kits targeted at schools, school chaplains, welfare officers and parents. The funding will also support the development and delivery of professional learning modules for school leaders and teachers.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Further information can be found in the press release of 31 July 2012 issued by the Minister for School Education.

Appendix A: Policy decisions taken since the 2012-13 Budget

School Education — Attendance Data Measurement Project

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$1.0 million in 2011-12 to support the implementation of reforms under the Attendance Data Measurement project being conducted by the Department of Education, Employment and Workplace Relations.

The project enables the non-government school sector to report attendance data on a similar basis to that reported by government schools. Currently the non-government school sector only reports attendance data for a four week period in May while the government sector reports for a 20 week period.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

School Education — Australian Indigenous Education Foundation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$2.0 million in 2011-12 to the Australian Indigenous Education Foundation (AIEF).

The AIEF supports Indigenous children in financial need to build a future through quality education and career pathways at Australia's leading schools, universities and companies. The grant will support the provision of scholarships and a program that connects students with post-year 12 opportunities including future education and employment.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Appendix A: Policy decisions taken since the 2012-13 Budget

School Education — Education for Sustainability

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$200,000 in 2011-12 for the Australian Education for Sustainability Alliance to work with education authorities and Education Services Australia to help advance one of the Australian Curriculum priorities, Education for Sustainability.

Education for Sustainability addresses the notion that Australian students should have the opportunity to receive effective education that instils knowledge, practices and values of sustainability in the environment. This funding will support the development of resources that will enable the effective implementation of this priority curriculum.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

School Education — Greenacres Disability Services — support for Indigenous Students with disability

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$100,000 in 2011-12 to Greenacres Disability Services to extend the post-school transition project.

Greenacres Disability Services provide services for Indigenous young people, including those with a developmental disability in the Illawarra and Shoalhaven regions. The grant will support a range of programs including transition assistance from school to work, living skills and community access.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Appendix A: Policy decisions taken since the 2012-13 Budget

School Education — Let's Read program

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$1.0 million in 2011-12 to support the Let's Read National Early Literacy Campaign.

Let's Read is an initiative of the Murdoch Children Research Institute in partnership with The Smith Family that focuses on helping children up to the age of five years old to develop a love of books. The program provides parents and carers with books and support to encourage them to have fun reading with their children and to help develop an ability to name letters and play with sounds and words.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

School Education — Life Education Australia

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$300,000 in 2011-12 to the National Office of Life Education Australia (LEA) to continue to deliver wellbeing and resilience programs in schools.

The programs assist children and young people to acquire age appropriate knowledge to support informed healthy lifestyle decisions, develop and practice skills and strategies to act upon those decisions and recognise the values and attitudes that may influence lifestyle choice and behaviour.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Appendix A: Policy decisions taken since the 2012-13 Budget

School Education — Rock the Schools Initiative

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$400,000 in 2011-12 to support the Rock the Schools Initiative. Rock the Schools is a music and education program that is delivered free to high schools across Australia. The program provides concerts to schools and education and career workshops with industry professionals for senior music and business students, giving them the opportunity to learn about a range of careers in the music industry.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

School Education — The Big Issue Classroom

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government provided \$120,000 in 2011-12 to support The Big Issue Classroom initiative.

The Big Issue Classroom provides education on social issues and helps teachers deliver challenging material in a meaningful and engaging way.

The funding will support the development of a website platform to conduct eClassroom workshops for Australian students on homelessness, discrimination and disadvantage.

The cost of this measure was met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Further information can be found in the joint press release of 10 August 2012 issued by the Minister for School Education and the Minister for Community Services, Indigenous Employment and Economic Development.

Appendix A: Policy decisions taken since the 2012-13 Budget

Schools — Indigenous Ranger Cadetships — extension

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-

The Government will provide \$3.5 million over three years from 2011-12 to extend the Indigenous Ranger Cadetship pilot program.

The Government provided \$500,000 in 2011-12 to bring forward the commencement date of pilots in Port Lincoln High School in South Australia and Fitzroy Valley District High School in Western Australia to 2012. The inclusion of these pilots will create greater diversity among the first cohort of pilots. The total number of pilots will remain at 12 with further pilots to commence in 2013.

The Government will also provide \$3.0 million in 2013-14 to support an extension of the pilots from one year to two years which will enable students to make progress towards achieving the vocational education and training qualification and increase their prospects of transitioning into further study or employment.

The Indigenous Ranger Cadetship pilot program was introduced as part of the Building Australia's Future Workforce initiative in the 2011-12 Budget to trial a nationally recognised vocational education and training qualification for Indigenous school students in natural resource management, heritage related activities and cultural studies in 12 schools.

The cost of this measure will be met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Further information can be found in the press release of 14 June 2012 issued by the Minister for School Education, Early Childhood and Youth.

Schools — Literacy and Numeracy National Partnership — extension

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will extend support for the literacy and numeracy reforms introduced under the National Partnership Agreement on Literacy and Numeracy by one year, until 31 December 2013.

Appendix A: Policy decisions taken since the 2012-13 Budget

The current Literacy and Numeracy National Partnership has resulted in improved learning outcomes for students in participating schools, and built an evidence base of strategies that improve literacy and numeracy outcomes. The new one year National Partnership on Improving Literacy and Numeracy will assist in embedding the literacy and numeracy reforms.

Funding of \$243.9 million for this new National Partnership has already been included in the forward estimates.

Further information can be found in the press release of 5 May 2012 issued by the Minister for School Education, Early Childhood and Youth.

Schools — Pathways into Teaching — redirection

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Education, Employment and Workplace Relations	-	-	-1.4	-0.4	-

The Government will save \$8.1 million over four years by restructuring the Teach Next program to better reflect anticipated employment placement offers by education authorities.

The Teach Next program is a trial providing an employment-based pathway into teaching for skilled and experienced professionals who are seeking a career change into the teaching profession.

The savings from this restructuring will be redirected to fund Teach for Australia to engage a fifth cohort of participants at a cost of \$6.4 million. Teach for Australia provides an employment-based pathway into teaching. It provides high-calibre university graduates with the opportunity to start a career in education by offering a combination of university study and employment-based teacher education.

The savings from this measure will also be used to offset the revenue impact of providing Deductible Gift Recipient Status to Teach for Australia. Remaining savings will be redirected to support other Government priorities.

See also the related revenue measure titled *Deductible Gift Recipient Status* in the Treasury Portfolio.

Appendix A: Policy decisions taken since the 2012-13 Budget

Trade Training Centres in Schools program — extension and rephasing

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	-	9.1	-48.1	-115.8
Department of Education, Employment and Workplace Relations	-	-	-35.0	-40.6	-75.0
Total — Expense	-	-	-25.9	-88.8	-190.7

The Government will extend the Trade Training Centres in Schools program to 2018-19. To achieve this, the Government has rephased funding to more evenly distribute projects over the life of the program. This rephasing will provide savings of \$305.4 million over the forward estimates, but overall funding over the life of the program will remain unchanged.

The Trade Training Centres in Schools program aims to help address national skills shortages in traditional trades and emerging industries by improving trade training programs in secondary schools. A total of \$1.5 billion over seven years from 2012-13 remains available to fund facilities to enhance vocational education opportunities for students in Years 9 to 12 in government and non-government schools.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

Baby Bonus — reduce to \$3,000 for second and subsequent children

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	6.0	1.8	0.5	0.3
Department of Families, Housing, Community Services and Indigenous Affairs	-	0.3	-169.2	-170.0	-175.7
Total — Expense	-	6.3	-167.4	-169.5	-175.4

From 1 July 2013 the Government will reduce the Baby Bonus payment for second and subsequent children to \$3,000. The Baby Bonus will remain at \$5,000 for the first child of eligible families and for multiple births. The payment will continue to be paid in 13 fortnightly instalments.

In addition to the Baby Bonus, which helps with the upfront costs of having a baby, eligible families will remain able to claim Family Tax Benefit Part A and/or Part B, as well as the Child Care Rebate and the new Schoolkids Bonus, to assist them with the costs of raising their child.

This measure is estimated to provide savings of \$505.9 million over four years from 2012-13. Savings from this measure will be redirected to support other Government priorities.

Bali memorial service — assistance to victims and their families

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Families, Housing, Community Services and Indigenous Affairs	-	3.3	-	-	-
Department of Human Services	-	-	-	-	-
Total — Expense	-	3.3	-	-	-

The Government will provide \$3.3 million in 2012-13 as ex-gratia payments to victims of the 2002 Bali terrorist bombings. The payments assist Australians who were seriously injured, and the families of Australians who lost their lives, to attend the 10th anniversary commemorative services in either Bali, Indonesia or Canberra, Australia.

Appendix A: Policy decisions taken since the 2012-13 Budget

Better Start for Children with Disability — extension of eligibility

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	0.2	0.3	0.2	0.2
Department of Human Services	-
Department of Families, Housing, Community Services and Indigenous Affairs	-	-0.2	-0.2	-0.2	-0.2
Total — Expense	-

The Government will provide \$10.8 million over four years to expand, from 1 January 2013, the Better Start for Children with Disability initiative to include children with Prader-Willi, Williams, Angelman, Kabuki, CHARGE, Cornelia de Lange, Cri du Chat and Smith-Magenis syndromes and microcephaly.

Better Start provides eligible children with access to up to \$12,000 for early intervention services. A \$2,000 one-off tax exempt payment is also available to families living in outer regional, rural and remote areas to help meet some of the costs of accessing services.

This measure builds on the 2011-12 Budget measure titled *A Better Start for Children with Disability — Early intervention*.

The Department of Families, Housing, Community Services and Indigenous Affairs will fund the costs of this measure through a redirection of resources.

Income Management — Anangu Pitjantjatjara Yankunytjatjara Lands

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-
Department of Human Services	-	-0.1	..	-	-
Total — Expense	-	-0.1	..	-	-
<i>Related capital (\$m)</i>					
Department of Human Services	-	0.1	-	-	-
Total — Capital	-	0.1	-	-	-

The Government will provide \$4.4 million over two years to introduce income management in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in South Australia to help families ensure their welfare payments are spent on essential items, such as food, housing and clothing.

Appendix A: Policy decisions taken since the 2012-13 Budget

From October 2012, similar to the model of income management operating in Western Australia, people on the APY Lands will be able to volunteer for income management, or may be referred by child protection authorities or a Centrelink social worker. Income management participants will have access to financial counselling and money management services, as well as voluntary incentive and matched savings payments.

The Department of Families, Housing, Community Services and Indigenous Affairs and the Department of Human Services will fund their costs through a redirection of resources.

Further information can be found in the press release of 7 September 2012 issued by the Minister for Families, Community Services and Indigenous Affairs.

National Regulatory System for Community Housing Providers — National Regulatory Council — Contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Families, Housing, Community Services and Indigenous Affairs	-	-	-	-	-

The Government will provide up to \$1.0 million over four years for the establishment of a National Regulatory Council for community housing to advise Housing Ministers on the ongoing effectiveness of the newly agreed National Regulatory System for Community Housing Providers.

The cost of this measure will be met from within the existing resourcing of the Department of Families, Housing, Community Services and Indigenous Affairs.

FINANCE AND DEREGULATION

Overseas travel entitlements for the leader of the Opposition and the leaders of minority parties

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Finance and Deregulation	-	0.2	0.2	0.2	0.2

The Government will provide \$0.6 million over four years to implement an enhanced overseas travel entitlement for the leader of the Opposition and a new overseas travel entitlement for the leaders of minority parties from 1 July 2012. Consisting of annual pooled budgets, the entitlement will provide for official overseas travel by the leader of the Opposition and the leaders of minority parties, with accompanying staff members.

FOREIGN AFFAIRS AND TRADE

Auschwitz-Birkenau Foundation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Foreign Affairs and Trade	0.5	-	-	-	-

The Government provided \$0.5 million in 2011-12 to the Auschwitz-Birkenau Foundation perpetual fund. The Foundation aims to create a sustainable and ongoing long-term conservation program to safeguard the remains of the Auschwitz concentration camp for future generations.

Australian Trade Commission — existing savings measures — continuation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Trade Commission	-	-	-	-2.2	-2.2

The Government will achieve savings of \$4.4 million over two years from 2014-15 through the continuation of existing savings measures that are due to terminate at the end of 2013-14.

This measure builds on the *Mid-Year Economic and Fiscal Outlook 2010-11* measure *Foreign Affairs and Trade Portfolio — efficiencies*.

Export Market Development Grants program — retargeting

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Trade Commission	-	-25.0	-25.0	-25.0	-25.0

The Government will retarget the Export Market Development Grants program towards emerging and frontier markets, with a focus on Asian markets. This measure complements the recent review of Austrade, which recommended that Austrade's export promotion work be undertaken in the world's emerging and frontier markets, where the commercial opportunities are the greatest and where Australian businesses can benefit most from Government support.

This measure will save \$100.0 million over four years.

Savings from this measure will be redirected to support other Government priorities.

HEALTH AND AGEING

Advertising media campaigns — reduction

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-5.2	-	-	-
Australian National Preventive Health Agency	-	-13.5	-	-	-
Total — Expense	-	-18.7	-	-	-

The Government will achieve savings of \$18.7 million in 2012-13 by reducing media spending across the Health portfolio. This measure will not impact on frontline services.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012.

Dental health reform — Child Dental Benefits Schedule

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	0.9	191.3	604.7	636.9
Department of Human Services	-	0.5	12.1	15.5	16.3
Total — Expense	-	1.4	203.4	620.2	653.2
<i>Related capital (\$m)</i>					
Department of Human Services	-	..	1.4	0.2	..
Department of Health and Ageing	-	-	-	-	-
Total — Capital	-	..	1.4	0.2	..

The Government will provide \$2.9 billion over six years (including \$688.2 million in 2016-17 and \$724.9 million in 2017-18) to establish a Child Dental Benefits Schedule which will provide basic dental services for eligible children aged 2 to 17 years.

From 1 January 2014, around 3.4 million Australian children aged 2 to 17 years, in families receiving Government benefits such as Family Tax Benefit Part A, will be eligible for assistance of up to \$1,000 per child over a two year period for basic dental services such as check-ups, x-rays, fillings and extractions.

This measure builds on the Government's package of foundational activities to improve the oral health outcomes of low-income Australians announced in the 2012-13 Budget.

Appendix A: Policy decisions taken since the 2012-13 Budget

See also the related measures titled *Dental health reform — National Partnership Agreement for adult public dental services*, *Dental health reform — flexible grants program* and *Dental health reform — Medicare Teen Dental Plan — redirection of funding*.

Further information can be found in the press release of 29 August 2012 issued by the Minister for Health.

Dental health reform — flexible grants program

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-	-	50.5	55.5

The Government will provide \$227.0 million over four years from 2014-15 (including \$60.5 million in 2016-17 and \$60.5 million in 2017-18) to support dental infrastructure and workforce initiatives in outer metropolitan, regional, rural and remote areas.

This measure will improve the oral health outcomes of Australians by addressing gaps in dental service delivery through the provision of grants for purposes including: the purchase of dental equipment and new dental infrastructure; dental workforce initiatives; and practice support activities.

See also the related expense measures titled *Dental health reform — Child Dental Benefits Schedule*, *Dental health reform — Medicare Teen Dental Plan — redirection of funding* and *Dental health reform — National Partnership Agreement for adult public dental services*.

Further information can be found in the press release of 29 August 2012 issued by the Minister for Health.

Dental health reform — Medicare Teen Dental Plan — redirection of funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	-	-1.2	-5.9	-6.0
Department of Health and Ageing	-	-	-35.9	-97.7	-106.5
Total — Expense	-	-	-37.2	-103.7	-112.6
<i>Related capital (\$m)</i>					
Department of Human Services	-	-	..	-	-
Department of Health and Ageing	-	-	-	-	-
Total — Capital	-	-	..	-	-

The Government will achieve savings of \$513.4 million over six years (including \$123.8 million in 2016-17 and \$136.2 million in 2017-18) by closing the Medicare Teen Dental Plan from 1 January 2014.

Appendix A: Policy decisions taken since the 2012-13 Budget

Savings from this measure will be redirected to partially offset the Government's *Dental health reform* package.

See also the related expense measures titled *Dental health reform — Child Dental Benefits Schedule*, *Dental health reform — National Partnership Agreement for adult public dental services* and *Dental health reform — flexible grants program*.

Further information can be found in the press release of 29 August 2012 issued by the Minister for Health.

Dental health reform — National Partnership Agreement for adult public dental services

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	-	-	200.0	295.0
Department of Health and Ageing	-	-	-	0.8	0.8
Total — Expense	-	-	-	200.8	295.8

The Government will provide \$1.3 billion over four years from 2014-15 (including \$390.8 million in 2016-17 and \$390.8 million in 2017-18) to support the provision of dental health services to adults who rely on the public dental system.

This measure will contribute to long term dental health by providing funding to states and territories to assist more than 1 million low income adults by shifting the focus of public dental services from emergency management to prevention.

Funding will be provided under a National Partnership Agreement with the states and territories and will build on the 2012-13 Budget measure *Dental health — alleviating pressure on public dental waiting lists*.

See also the related expense measures titled *Dental health reform — flexible grants program*, *Dental health reform — Child Dental Benefits Schedule* and *Dental health reform — Medicare Teen Dental Plan — redirection of funding*.

Further information can be found in the press release of 29 August 2012 issued by the Minister for Health.

Appendix A: Policy decisions taken since the 2012-13 Budget

Health and Hospitals Fund — Queensland Regional Acute/Subacute/Extended Inpatient Mental Health Services project — cancellation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-	-	-	-
Department of the Treasury	-	-1.9	-2.8	-5.4	-10.0
Total — Expense	-	-1.9	-2.8	-5.4	-10.0

The Government will not proceed with funding for the Queensland Regional Acute/Subacute/Extended Inpatient Mental Health Services project following a decision by the Queensland Government to withdraw its support for the project. This is estimated to save \$20.1 million over four years. Funding for the project was announced as part of the Health and Hospitals Fund 2010 Regional Priority Round in the 2011-12 Budget.

Savings from this measure will be redirected to support a new \$21.4 million Cancer Centre in the growth centre of Springfield, Queensland.

See also the related expense measure titled *Springfield Cancer Care Centre*.

Life Saving Drugs Program — new and amended listings

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-0.5	-1.2	-1.4	-1.5

The Government has agreed to a new listing and an amendment to an existing listing on the Life Saving Drugs Program and these are estimated to result in saving of \$25.1 million over four years.

Vpriv® (velaglucerase alfa) will be listed for the treatment of Type 1 Gaucher disease providing an alternative to the existing treatment, Cerezyme® (imiglucerase).

A price reduction will be applied to Fabrazyme® (agalsidase beta), used for the treatment of Fabry disease. The restriction on this medicine will be amended once the price reduction takes place to allow existing Fabry patients, as well as those newly diagnosed, to access this medicine.

The Life Saving Drugs Program provides subsidised access for eligible patients to expensive life saving medicines for very rare life-threatening conditions.

Further information can be found in the press release of 24 June 2012 issued by the Minister for Health.

Medical Indemnity Insurance — Reduction in subsidies under the Premium Support Scheme

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-	-	-	-

The Government will achieve savings of \$22.9 million over four years by reducing the level of subsidy that applies under the Premium Support Scheme (PSS).

The PSS was introduced in 2004 to help doctors with the costs of their medical indemnity insurance. The PSS provides a subsidy to cover the proportion of medical indemnity insurance costs of eligible doctors that exceed 7.5 per cent of their gross medical income. The subsidy will be reduced from 80 to 70 cents in the dollar in 2012-13, then to 60 cents in the dollar from 2013-14 onwards, reflecting more affordable premiums for medical indemnity insurance.

This measure was included as a ‘decision taken but not yet announced’ in the 2011-12 Budget.

Savings from this measure will be redirected to support other Government priorities.

Medicare Benefits Schedule — amending telehealth geographical eligibility

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	1.3	-0.2	-0.3	-0.3
Department of Veterans' Affairs	-	-0.4	-1.4	-2.0	-2.4
Department of Health and Ageing	-	-7.1	-28.9	-44.8	-47.7
Total — Expense	-	-6.2	-30.6	-47.1	-50.5

The Government will restrict telehealth services to those patients for whom distance is the most significant barrier to accessing specialist care.

This is estimated to save \$134.4 million over four years. This restriction will align eligibility to Medicare Benefits Schedule (MBS) telehealth items with the Australian Standard Geographical Classification Remoteness Area (ASGC-RA), the standard remoteness classification used by the Australian Bureau of Statistics. From 1 January 2013, geographic eligibility criteria for MBS telehealth services will be amended to exclude patients in outer metropolitan areas and major cities of Australia, in accordance with the ASGC-RA. The amendment to geographical eligibility will not affect services that are provided to patients of an Aboriginal Medical Service or care recipients of a residential aged care facility.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012.

Appendix A: Policy decisions taken since the 2012-13 Budget

Medicare Benefits Schedule — new and amended listings

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	0.2	0.1	..	..
Department of Veterans' Affairs	-	-0.1	-0.1	-0.1	-0.1
Department of Health and Ageing	-	-2.3	-2.3	-2.8	-3.2
Total — Expense	-	-2.2	-2.3	-2.9	-3.3

The Government will amend the Medicare Benefits Schedule (MBS) and Veterans' Benefits for new and revised listings since the 2012-13 Budget, saving \$10.8 million over four years.

The amendments include:

- a new item for radiofrequency ablation in the treatment of Barrett's Oesophagus with high grade dysplasia. Radiofrequency ablation destroys potentially pre-cancerous cells in the lower oesophagus and allows the regrowth of healthy cells;
- amending an item to include in situ hybridisation (ISH) gene amplification testing to Stage III breast cancer patients prior to surgery. ISH testing assesses whether patients have over expressed human epidermal growth factor receptor 2 genes which result in more aggressive breast cancer;
- restricting access to liposuction to reduce the potential for services under the MBS to be used for cosmetic purposes;
- a new item for radiofrequency ablation in the treatment of varicose veins; and
- restricting access to ultrasound in association with anesthesia, pending assessment of the cost effectiveness of this practice by the Medical Services Advisory Committee.

Further information will be available in the MBS Summary of Changes issued by the Department of Health and Ageing when the amendments take effect.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012.

Medicare Benefits Schedule — telehealth — new items

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	0.6	0.1	0.1	0.1
Department of Veterans' Affairs	-	..	-0.1	-0.1	-0.1
Department of Health and Ageing	-	-0.1	-1.1	-1.8	-1.9
Total — Expense	-	0.4	-1.1	-1.8	-2.0

The Government will introduce new Medicare Benefits Schedule (MBS) items from 1 January 2013 for short consultant physician and specialist video conferencing attendances where the time and content is less than that usually expected for initial consultations.

This measure is estimated to generate savings of \$4.5 million over four years by creating new MBS items such as telehealth triage and short consultations for referrals to screening services. The new MBS items will be restricted to patients located in eligible geographic areas and other eligibility requirements will apply consistent with current telehealth items.

MBS items for specialist video consultations have been in place since 1 July 2011 in line with the 2010 election commitment *Connecting Health Services with the Future*.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012.

National Immunisation Program — extended listing of Gardasil®

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	19.4	24.5	22.1	25.6
Department of the Treasury	-	-17.7	-17.7	-17.5	-17.5
Total — Expense	-	1.7	6.8	4.6	8.1

The Government will provide \$21.1 million over four years to extend the national human papillomavirus (HPV) vaccination program to boys.

The Gardasil® vaccine will be delivered in schools through the National Immunisation Program (NIP) to 12 and 13 year old boys. The Government will also fund a two year catch-up program for two Year 9 cohorts (14 and 15 year old boys).

Gardasil® provides protection against genital warts and certain cancers caused by HPV. Extending the availability of Gardasil® to boys will ensure that the entire target population will be protected against HPV infection. Male immunisation also gives indirect protection to unvaccinated girls against HPV, which is responsible for 70 per cent of all cervical cancers in Australia.

Appendix A: Policy decisions taken since the 2012-13 Budget

Further information can be found in the press release of 12 July 2012 issued by the Minister for Health.

Pharmaceutical Benefits Scheme — new and amended listings

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	12.8	-9.3	-48.1	-89.7
Department of Human Services	-	0.2	0.1	0.1	..
Department of Veterans' Affairs	-	-0.7	-2.9	-6.0	-9.0
Total — Expense	-	12.3	-12.1	-54.1	-98.6
<i>Related revenue (\$m)</i>					
<i>Department of Health and Ageing</i>	-	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

The Government has agreed to a number of new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS) at a net saving of \$152.5 million over four years.

Listings and amendments include:

- Bronchitol® (mannitol), for the treatment of mucus build-up in the lungs of patients with cystic fibrosis;
- Eylea® (aflibercept), for the treatment of age-related macular degeneration;
- Jevtana® (cabazitaxel), for the treatment of a certain type of metastatic prostate cancer;
- Firazyr® (icatibant), for the treatment of attacks of hereditary angioedema (unpredictable episodes of swelling that can impede breathing); and
- Myfortic® (mycophenolate sodium), for the treatment of kidney inflammation caused by lupus (lupus nephritis).

Pricing agreements negotiated between the Government and the pharmaceutical manufacturers reduce the costs to Government of some of these medicines.

General consumers will continue to pay a \$35.40 co-payment per prescription and concession card holders will pay a \$5.80 co-payment per prescription.

Further information can be found in the press release of 24 June 2012 issued by the Minister for Health and on www.pbs.gov.au.

Pharmaceutical Benefits Scheme — price changes

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	2.5	2.8	2.9	3.1
Department of Veterans' Affairs	-	0.1	0.2	0.2	0.2
Total — Expense	-	2.6	3.1	3.2	3.3

The Government has agreed to a number of price amendments to medicines currently listed on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS), at a net cost of \$12.2 million over four years.

Price reductions have been applied to:

- Cefazolin® (cephazolin), which is used as a broad-spectrum antibiotic;
- Cetrotide® (cetorelix), for use in in-vitro fertilisation; and
- Orgalutran® (ganirelix), for the treatment of infertility in women.

There have been a number of price increases including:

- Heparin sodium injection, for the prevention and treatment of blood clots;
- Mirena® (levonorgestrel intrauterine), for use as a contraceptive and treatment of menorrhagia;
- Vagifem® (oestradiol vaginal tablets), for use as hormone replacement therapy for postmenopausal women;
- Hydopa® (methyldopa), for the treatment of high blood pressure;
- Lincocin® (lincomycin), for the treatment of serious bacterial infections; and
- Macrochantin® (nitrofurantoin), for the treatment of urinary tract infections.

Further information can be found in the press release of 24 June 2012 issued by the Minister for Health and on www.pbs.gov.au.

Appendix A: Policy decisions taken since the 2012-13 Budget

Pharmaceutical Benefits Scheme — price reduction of high potency cholesterol-lowering medicines

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-	-	-	-
Department of Veterans' Affairs	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government has agreed to a price reduction of 25 per cent on high potency cholesterol-lowering medicines (statins) listed on the Pharmaceutical Benefits Scheme (PBS) and Repatriation Pharmaceutical Benefits Scheme (RPBS), at a saving of \$941.3 million over four years.

Savings from this price reduction were included as a 'decision taken but not yet announced' in the 2012-13 Budget.

Preventive Health — investing in preventative health initiatives

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-	-	-	-
Australian National Preventive Health Agency	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will provide \$74.1 million over four years to support preventive health activities. Of this funding, \$29.1 million will support the Australian National Preventive Health Agency's (ANPHA) core activities and research as well as initiatives to combat eating disorders. The remaining \$45.0 million will fund social marketing to discourage tobacco use, complementing the plain packaging initiative.

ANPHA was established following the commencement of the Australian National Preventive Health Agency Act 2010 on 1 January 2011. The Government established ANPHA to strengthen Australia's investment and infrastructure in preventive health.

This supports the Government's commitment to the National Partnership Agreement on Preventive Health.

The cost of this measure will be met from within the existing resources of the Department of Health and Ageing.

Private Health Insurance Rebate — indexing the Government's contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	3.0	-36.5	-218.9	-451.7
Australian Taxation Office	-	2.2	1.6	0.1	0.1
Department of Human Services	-	0.2	0.3	..	-
Total — Expense	-	5.3	-34.6	-218.8	-451.6

The Government's contribution to private health insurance will be calculated using commercial premiums as at 1 April 2013 and then indexed annually by the lesser of CPI or the actual increase in commercial premiums. This will be used to determine an individual's private health insurance rebate.

In conjunction with this measure, the Government will streamline arrangements for the 2013 premium setting round. The Government will undertake discussions with industry and consumer groups on options for further simplification of premium setting that will drive competition and continue to deliver strong consumer protection from 2014.

The measure will take effect from 1 April 2014 and will result in savings of \$699.7 million over four years.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012.

Private Health Insurance Rebate — removal of rebate on lifetime health cover loading

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	1.3	1.2	0.7	0.7
Australian Taxation Office	-	1.2	1.1	2.8	0.1
Department of Health and Ageing	-	0.3	-124.2	-133.9	-140.6
Total — Expense	-	2.8	-121.8	-130.4	-139.8
<i>Related capital (\$m)</i>					
Department of Human Services	-	2.2	0.8	..	..

The Government will remove the Private Health Insurance (PHI) Rebate on the Lifetime Health Cover (LHC) loading component of PHI premiums.

The LHC loading is an additional two per cent charge to a person's PHI premium for every year elapsed after their thirty-first birthday before they take out PHI. LHC loadings are only payable against the hospital component of a person's PHI premium.

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The measure will take effect from 1 July 2013 and will result in savings of \$386.3 million over four years.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012. This savings measure will improve the effectiveness of the incentive for a person to take out PHI early in their life.

Springfield Cancer Care Centre

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	0.9	10.4	10.1	-

The Government will contribute \$21.4 million towards the construction of the Springfield Cancer Care Centre in Queensland to enable local residents suffering from cancer to access quality care.

The new centre, which will offer day services and radiation oncology, will reduce the need for patients to travel to facilities in Brisbane or Toowoomba for treatment.

Further information can be found in the press release of 10 July 2012 issued by the Prime Minister, the Parliamentary Secretary for Health and Ageing, the Member for Oxley, and the Member for Blair.

Tasmania's Health System — additional funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	31.9	46.7	49.6	40.0
Department of Health and Ageing	-	6.9	41.8	54.1	54.1
Total — Expense	-	38.8	88.6	103.7	94.1

The Government will provide \$325.2 million over four years for the Tasmanian health system to address challenges caused by Tasmania's ageing population, high rates of chronic disease, and constraints in the state health system as well as equip it to meet future challenges.

This measure includes:

- \$63.2 million over four years to ensure Tasmanians receive better palliative care services within the community by expanding- the capacity of the private, non-government, and public health sectors;
- \$60.0 million over four years to develop and implement three programs through the Tasmania Medicare Local including: a new patient care pathways program to better

Appendix A: Policy decisions taken since the 2012-13 Budget

manage patient transitions between acute, primary and aged care services; a coordinated care pilot to improve health outcomes for people with chronic and complex conditions; and initiatives to address the social determinants of health and risk factors for Tasmanians;

- \$54.9 million over four years to promote teaching, training and research excellence among the health workforce in Tasmania, including: the expansion of the Specialist Training Program; the development of the nursing and allied health workforce; and a pilot Virtual Health Sciences Precinct;
- \$40.9 million over four years to support innovation in clinical services that would enable care to be delivered more effectively and efficiently;
- \$36.8 million over four years to accelerate access to the Personally Controlled Electronic Health Record (PCEHR) for Tasmania's public hospitals; support the adoption of electronic pathology requesting and reporting in Tasmania; and support eHealth readiness and connection to PCEHR for allied health practitioners;
- \$31.2 million over four years to reduce elective surgery waiting lists in Tasmania by undertaking approximately 2,600 additional elective surgeries from 2012-13;
- up to \$22.8 million over four years to establish walk-in health clinics in Hobart and Launceston, to provide primary health care services for people with minor illnesses and injuries; and
- \$15.4 million over four years to establish a flexible funding pool to target existing and emerging mental health service delivery challenges in Tasmania.

Further information can be found in the press release of 15 June 2012 issued by the Minister for Health.

Therapeutic Goods Administration — blueprint reforms

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	2.3	4.0	4.0	1.3
<i>Related revenue (\$m)</i>					
<i>Department of Health and Ageing</i>	-	2.3	4.0	4.0	1.3

The Government will provide \$11.7 million over four years to implement a package of reforms to the Therapeutic Goods Administration (TGA) that will enhance the TGA's current processes to ensure that the regulatory framework within which it operates remains able to adapt to new scientific developments and emerging community expectations.

Appendix A: Policy decisions taken since the 2012-13 Budget

These reforms aim to strengthen the regulation of: therapeutic goods advertising, complementary medicines and medical devices. They also aim to improve the current arrangements surrounding the promotion of therapeutic products and enhance TGA's communication and stakeholder engagement practices.

The cost of the measure will be fully recovered through fees charged to industry.

Further information can be found in the press release of 8 December 2011 issued by the Parliamentary Secretary for Health and Ageing.

Video conferencing for the after hours GP helpline — staged implementation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Health and Ageing	-	-20.0	-	-	-

The Government will change its approach to developing the video conferencing capabilities of the after hours GP helpline. A staged approach to the rollout of the video conferencing capabilities will allow the technology to be fully tested and developed in 2012-13 to ensure appropriate consumer experience before a national rollout in 2013-14.

The telephone helpline commenced operation in July 2011 to enable people who require after hours medical advice, and who cannot access their usual GP, to speak to a GP over the telephone if necessary.

Video conferencing will continue in selected residential aged care facilities where it has been available since July 2012.

Savings from this measure will be redirected to partially offset the cost of the Dental Health Reform package announced on 29 August 2012.

HUMAN SERVICES

Building Australia's Future Workforce — Change to eligibility criteria for Connections Interviews

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	-	-	-	-

The Government will change the eligibility criteria for participation in Connections Interviews to include job seekers who have had a Comprehensive Compliance Assessment. Connections Interviews are joint interviews between job seekers, their Job Services Australia (JSA) provider and Department of Human Services staff. The interviews are designed to identify and address barriers to job seekers complying with participation requirements such as searching for a job, completing training or attending appointments with JSA providers.

This measure will be funded from within the existing resources of the Department of Human Services.

More convenient access to online government services

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	-	-	-	-
Department of Education, Employment and Workplace Relations	-	-	-	-	-
Department of Veterans' Affairs	-	-	-	-	-
Australian Taxation Office	-	-	-	-	-
Australian Electoral Commission	-	-	-	-	-
Department of Immigration and Citizenship	-	-	-	-	-
Attorney-General's Department	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will provide \$29.7 million over four years to develop a multi-agency Information and Communications Technology (ICT) framework that gives customers more convenient access to online Commonwealth services.

The improved online functionality will allow customers to:

- notify multiple Commonwealth agencies simultaneously of a change to their personal details;
- create a single user name and password which can be used to access most Commonwealth transactions;

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- better manage these communications with the Commonwealth via an online digital inbox;
- more easily find information on Commonwealth services; and
- establish proof of entitlements to certain services through a document verification service.

The enhanced multi-agency access will begin with the Department of Human Services and extend to other participating Commonwealth agencies.

Customers will continue to be able to choose whether to access information and services online, in person or by post. The Department of Human Services will also work closely with the Office of the Australian Information Commissioner to ensure the continued privacy of customers' personal information.

Funding of \$26.1 million will be met from within the existing resources of the Department of Human Services. The remaining \$3.7 million will be met by other participating Commonwealth agencies.

The ICT framework implements recommendations of *Ahead of the Game: Blueprint for Reform of Australian Government Administration* and will enable better service delivery for citizens.

IMMIGRATION AND CITIZENSHIP

Biometrics — introduction into selected Australian visa processing arrangements overseas

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	-	-	-	-

The Government will provide \$0.4 million over four years from 2012-13 to enhance border security and identity verification in visa processing arrangements. The funding will enable the Department of Immigration and Citizenship to broaden the biometrics collection policy to include e-lodged applications and to expand the biometrics program to Cambodia.

This builds on the measure *Biometrics for visa and border processing — commencement* announced in the *Mid-Year Economic and Fiscal Outlook 2009-10*.

The cost of this measure will be met from within the existing resources of the Department of Immigration and Citizenship.

Response to the expert panel — Humanitarian migration program — additional places from 2012-13

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	92.4	107.4	114.0	117.9
<i>Related revenue (\$m)</i>					
Department of Immigration and Citizenship	-	-	-	-	-
<i>Related capital (\$m)</i>					
Department of Immigration and Citizenship	-	0.6	-	-	-

The Government will provide \$432.4 million over four years to increase the humanitarian migration program by an additional 6,250 places from 2012-13 onwards. This increase will take the total Humanitarian Program to 20,000 places per annum. Places for offshore refugees will have a greater focus on asylum seeker flows from South East Asia and source countries for Irregular Maritime Arrivals.

The cost of this measure reflects the direct impact of changes in the Humanitarian Program for the Department of Immigration and Citizenship. Consequential impacts from changes in the Humanitarian Program on other Government programs have been reflected in the estimates separately.

This measure forms part of the Government's response to the *Report of the Expert Panel on Asylum Seekers*.

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Response to the expert panel — Irregular Migration — research

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	-	-	-	-

The Government will provide \$6.0 million over two years from 2012-13 to research the drivers of irregular migration, methods of transport between source, transit and destination countries and to better understand migration pathways used by asylum seekers.

The research program will be developed in partnership with migration experts. It will be managed by the Department of Immigration and Citizenship through an advisory body of academics with expertise in migration matters, relevant non-government organisations and senior government officials from relevant agencies.

The cost of this measure will be met from within the existing resourcing of the Department of Immigration and Citizenship.

This measure forms part of the Government response to the *Report of the Expert Panel on Asylum Seekers*.

Response to the expert panel — Permanent migration program — additional family stream places from 2012-13

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	8.2	13.7	15.8	17.0
<i>Related revenue (\$m)</i>					
<i>Department of Immigration and Citizenship</i>	-	3.9	4.0	4.1	4.2

The Government will provide \$54.6 million over four years to increase the family stream of the Migration Program by an additional 4,000 places from 2012-13 onwards. This increase will take the total Migration Program to 194,000 places, up from 190,000 places at the 2012-13 Budget. The increase in the family stream will assist in meeting the continued demand for family reunion visas and alleviate pressure on the Special Humanitarian Program.

The cost of this measure reflects the direct impact of changes in the family stream of the Migration Program for the Department of Immigration and Citizenship. Consequential impacts from changes in the Migration Program on other Government programs have been reflected in the estimates separately.

This measure forms part of the Government's response to the *Report of the Expert Panel on Asylum Seekers*.

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Response to the expert panel — Regional capacity building initiatives

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	10.0	-	-	-

The Government will provide \$10.0 million in 2012-13 to strengthen the regional cooperation framework through capacity building initiatives that provide protection for asylum seekers and displaced persons. This measure will support governments and international organisations to strengthen the region's capacity to manage migration.

This measure forms part of the Government response to the *Report of the Expert Panel on Asylum Seekers* and builds on the 2011-12 MYEFO measure *Regional Cooperation Framework — establishment of a regional support office*.

Further information can be found in the joint press release of 23 August 2012 issued by the Prime Minister and the Minister for Immigration and Citizenship.

INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

Alcoa's Point Henry aluminium smelter — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	42.0	-	-	-	-

The Government provided \$42.0 million in 2011-12 to assist Alcoa Australia (Alcoa) to restructure its Point Henry aluminium smelter in Geelong and secure its operation until at least mid 2014.

The funding will support additional investment in skills and training, plant maintenance and repair activities at the Point Henry smelter.

The grant was made contingent on Alcoa securing assistance from the Victorian Government.

Further information can be found in the joint press release of 29 June 2012 issued by the Minister for Industry and Innovation and the Premier of Victoria.

Australian Apprenticeship Access Program — reduction

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-3.0	-4.0	-4.0	-

The Government will redirect \$11.0 million over three years from the Australian Apprenticeship Access Program to support other Government priorities.

The Australian Apprenticeship Access Program assists job seekers who experience difficulty in accessing skilled employment by providing nationally recognised pre-vocational training. Funding of \$120.7 million over four years will continue to be provided under the program.

Australian Apprenticeships Incentives Program — modifications

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-10.3	-18.9	-9.8	-1.3

The Government will modify changes to the Australian Apprenticeships Incentive Program announced in the 2012-13 Budget including:

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- introducing grandfathering arrangements to maintain employer completion incentive payments at the pre-existing level (\$2,500) for employers of existing worker apprentices in occupations not on the National Skills Needs List (NSNL) and where the apprentice commenced prior to 1 July 2012. This will ensure that total standard employer incentives available to these employers (who have already received a \$1,500 commencement payment) do not exceed the \$4,000 in standard incentive payments available to employers of existing worker apprentices on the NSNL.
- delaying payment from three to six months after commencement for supplementary employer commencement incentives including incentives to support rural, regional, school-based, mature-aged apprentices and apprentices in declared drought areas. This will align supplementary employer commencement incentives with new arrangements for standard commencement incentive payments.

The measure will provide estimated savings of \$40.2 million over four years from 2012-13, which will be re-directed to support other Government priorities.

Australian Apprenticeships Incentives Program — remove standard recommencement incentive payment for non-NSNL workers

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-3.5	-3.5	-3.4	-3.4

The Government will discontinue the standard employer recommencement incentive payment for selected groups of apprentices under the Australian Apprenticeships Incentives Program. This measure will provide savings of \$13.8 million over four years to be redirected to support other government priorities.

The standard recommencement incentive payment is a \$750 payment paid to employers of out-of-trade Australian apprentices at Certificate III and IV level and selected Diploma and Advanced Diploma qualifications.

This measure will affect employers of:

- existing workers who establish a 3 month employment relationship with their employer prior to recommencing their apprenticeship in a non-NSNL apprenticeship occupation;
- apprentices undertaking a Diploma or Advanced Diploma level qualification, with the exception of people studying for aged care, child care and nursing qualifications; and
- part-time and casual apprentices in non-NSNL occupations.

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Australian Paper's Maryvale Pulp and Paper Mill — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	4.2	2.9	2.4	-

The Government will provide \$9.5 million over three years to assist Australian Paper to establish a de-inked pulp facility at its pulp and paper mill located at Maryvale in Victoria.

The new facility will enable Australian Paper to produce its own de-inked pulp, which it will use in the manufacture of printing and communications paper. This will reduce Australian Paper's reliance on native forest fibre.

The grant is contingent on Australian Paper securing assistance from the Victorian Government.

See also the related savings measures titled *Green Building Fund — redirection, Textiles, Clothing and Footwear Structural Adjustment Program — redirection* and *South-East South Australia Innovation and Investment Fund — redirection*.

Energy Brix Australia Corporation — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	25.8	9.8	38.0	61.7	-
Department of Resources, Energy and Tourism	25.0	-	-	-	-
Clean Energy Regulator	-	-	-27.9	-29.4	-33.5
Department of Regional Australia, Local Government, Arts and Sport	-	-9.8	..	-22.7	30.0
Total — Expense	50.8	-	10.1	9.6	-3.5
<i>Related revenue (\$m)</i>					
<i>Clean Energy Regulator</i>	-	-	-	-	-

The Government will provide \$160.3 million over four years from 2011-12 to assist Energy Brix Australia Corporation (EBAC) in maintaining briquette production at its Morwell, Victoria, facility for up to two years. This is expected to benefit around 50 businesses across Australia by maintaining a suitable supply of coal briquettes over a sufficient period of time to enable them to transition to more sustainable fuel sources.

A condition of the assistance is that EBAC relinquishes carbon permits received under the Energy Security Fund transitional assistance, which will provide savings estimated at \$126.0 million over four years from 2013-14, including \$35.3 million in 2016-17.

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The measure also includes a reallocation of \$32.5 million from the period 2012-13 to 2014-15 into 2015-16 within the Regional Structural Adjustment Assistance program, including \$2.5 million in 2016-17. Further information can be found in the joint press release of 29 June 2012 issued by the Minister for Resources and Energy, the Minister for Industry and Innovation and the Minister for Regional Australia, Regional Development and Local Government.

Green Building Fund — redirection

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-0.5	-0.6	-	-

The Government will redirect funding of \$1.1 million over two years from the Green Building Fund to partially offset the cost of providing assistance to Australian Paper's Maryvale Pulp and Paper Mill.

The Green Building Fund aims to reduce the impact of Australia's built environment on greenhouse gas emissions by encouraging investment that reduces energy consumption in the operation of existing commercial office buildings, hotels and shopping centres. Funding of \$34.1 million over two years will continue to be provided under the program.

See also the related expense measure titled *Commonwealth Assistance for Australian Paper's Maryvale Pulp and Paper Mill*.

Higher Education — Facilitation Funding — cessation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-52.6	-106.9	-110.6

The Government will cease Facilitation Funding for universities from 1 January 2014 which will provide savings of \$270.1 million over three years from 2013-14. Universities will continue to receive Facilitation Funding until the end of 2013 for signing the 2011-2013 mission-based compacts. Agreement to future mission-based compacts will be a condition of universities receiving funding under the Commonwealth Grant Scheme.

Facilitation Funding was announced in the 2009-10 Budget as conditional funding to encourage universities to agree to the inclusion of performance targets in their mission-based compacts.

Savings from this measure will be redirected to support other Government priorities.

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Manufacturing Leaders Group

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	0.7	1.0	1.1	1.3

The Government will provide \$5.6 million over five years (including \$1.5 million in 2016-17) to establish a Manufacturing Leaders Group (MLG) and an annual Australian Economic Dialogue (AED).

The MLG will comprise 18 appointed industry leaders who will meet biannually to discuss and develop research, analysis and strategic advice to Government relevant to the manufacturing industry and to the development of industry policy. The work undertaken by the MLG will be supplemented by the AED, which will provide an opportunity for a further 150 industry, union, and Government representatives and researchers to meet annually to explore issues of relevance to the manufacturing industry. The MLG and the AED will be supported by specific task groups to investigate key issues.

This measure forms part of the Government's response to the recommendations of report by the non-Government members of the Prime Minister's Taskforce on Manufacturing and represents a new consultation framework that will deliver high quality analysis and strategic advice to support a whole-of-government approach to industry policy development, implementation and evaluation.

Further information can be found in the joint press release of 16 August 2012 issued by the Prime Minister and the Minister for Industry and Innovation.

Parenting Payment recipients — additional training support for grandfathered recipients

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government provided \$20.0 million in 2011-12 to fund additional training places for Parenting Payment (PP) recipients who will be impacted by the 2012-13 Budget measure *Parenting Payment — changed eligibility for 1 July 2006 grandfathered recipients*. This additional funding supplements the \$80.1 million committed to the National Partnership Agreement on Training Places for Single and Teenage Parents from 2011-12 to 2015-16, including \$6.7 million in 2011-12.

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From 1 January 2013, families who were in receipt of PP prior to 1 July 2006 and who have a youngest child aged six years or over (for partnered recipients) or eight years or over (for single recipients), will cease to be eligible for PP and will be supported through Newstart Allowance while they seek employment. This will remove grandfathering arrangements that applied to pre — 1 July 2006 PP recipients (which allowed them to obtain PP until their youngest child turned 12), aligning eligibility conditions for all PP recipients.

The measure will assist PP recipients seeking to gain the skills needed to re-enter the workforce.

The cost of this measure was met from the existing resourcing of the VET National Support program.

Premium Fresh Tasmania — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	0.3	-	-	-
Department of Regional Australia, Local Government, Arts and Sport	-	-0.3	-	-	-
Total — Expense	-	-	-	-	-

The Government will provide \$500,000 in 2012-13 towards a \$750,000 assistance package (with \$250,000 to be provided by the Tasmanian Government) to Premium Fresh Tasmania to implement structural changes required to ensure its ongoing viability.

Premium Fresh, located in North West Tasmania, partners with over 80 landholders to grow, harvest, pack and ship a variety of vegetables for Australian and international markets.

The cost of this measure will be met from within existing resourcing of the Department of Industry, Innovation, Science, Research and Tertiary Education and the Department of Regional Australia, Local Government, Arts and Sport. The grant will be administered by the Department of Industry, Innovation, Science, Research and Tertiary Education.

Further information can be found in the joint press release of 31 August 2012 issued by the Parliamentary Secretary for Agriculture, Fisheries and Forestry and the Tasmanian Minister for Economic Development.

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South-East South Australia Innovation and Investment Fund — redirection

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-1.4	-	-	-

The Government will redirect funding of \$1.4 million in 2012-13 from the South-East South Australia Innovation Investment Fund to partially offset the cost of providing assistance to Australian Paper's Maryvale Pulp and Paper Mill.

The South-East South Australia Innovation and Investment Fund is a competitive, merit-based grants program for innovative job creation projects to strengthen south-east South Australia's regional economy and employment base. Funding of \$6.6 million in 2012-13 will continue to be provided under the program.

See also the related expense measure titled *Commonwealth Assistance for Australian Paper's Maryvale Pulp and Paper Mill*.

Square Kilometre Array Radio Telescope — pre-construction activities

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-	-	-

The Government will provide \$27.5 million over four years to support pre-construction activities for the Square Kilometre Array (SKA) project. The SKA Organisation announced a dual-site approach to the SKA project where the project will be shared between Australia and South Africa, with each country responsible for building a part of the total project infrastructure. The funding will be provided to:

- make an additional host contribution to the SKA Organisation (\$4.7 million);
- support Australian science institutes and firms to undertake pre-construction work packages (\$14.9 million); and
- support the SKA Taskforce within the Department of Industry, Innovation, Science, Research and Tertiary Education to coordinate project activities in Australia and for costs associated with negotiating land acquisition, Indigenous heritage surveys and environmental approvals (\$7.9 million).

Funding for the pre-construction activities was included in the forward estimates in the 2011-12 Budget.

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Student Income Support — delay Masters by coursework for a further three years

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-32.3	-66.5	-68.2

The Government will delay by a further three years to 1 January 2017 the extension of student income support to all coursework Masters program students. This measure is estimated to provide savings of \$167.0 million over three years from 2013-14.

Savings from this measure will be redirected to support other Government priorities. Support will continue to be available for qualifications that are mandatory for employment.

Student income support — Student Start-up Scholarships — pause indexation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Human Services	-	..	-	-	-
Department of Veterans' Affairs	-	-0.1	-0.1
Department of Education, Employment and Workplace Relations	-	-0.1	-0.2	-0.4	-0.6
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-2.7	-12.7	-26.3	-39.1
Total — Expense	-	-2.8	-13.0	-26.8	-39.8

The Government will pause indexation of Student Start-up Scholarships and maintain the scholarships at the 2012 rate of \$2,050 for four calendar years from 1 January 2013. This measure is estimated to provide savings of \$82.3 million over four years.

Student Start-up Scholarships assist with the up-front costs of items such as textbooks and specialised equipment for students undertaking approved scholarship courses. Student Start-up Scholarships will continue to be available to eligible Youth Allowance, ABSTUDY Living Allowance and Austudy recipients at the 2012 maximum rate.

Savings from this measure will be redirected to support other Government priorities.

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Sustainable Research Excellence — sustainable growth

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-79.4	-158.6	-154.0	-106.8

The Government will make changes to the rate of funding for the Sustainable Research Excellence (SRE) program to ensure sustainable growth. With these changes, the program will continue to increase on an annual basis, reaching \$300 million in 2016, three years later than originally forecast. This is estimated to provide savings of \$498.8 million over four years. Funding would then be indexed annually from 2017 by the Higher Education Indexation Factor.

The SRE program helps universities fund the project-related infrastructure costs (excluding capital purchases) associated with their research activities. The Government has provided \$359.6 million to universities through the SRE program since 2009-10.

Savings from this measure will be redirected to support other Government priorities.

Targeting skills in need — Better targeting part-time and casual incentives

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-19.2	-77.4	-90.4	-89.8

The Government will discontinue the \$1,500 standard commencement incentive and reduce the standard completion incentive to \$1,500 for employers of part-time and casual apprentices in non-National Skills Needs List occupations. The measure will ensure that employer incentives are targeted at full-time apprenticeships, which deliver higher productivity gains.

This measure will continue to target apprenticeship incentives for part-time and casual apprentices and trainees in occupations in areas of skills shortage, where the \$4,000 standard incentives will be retained. Standard commencement and completion payments will continue to be available for employers of full-time apprentices in non-National Skills Needs List occupations.

The measure will apply immediately for all commencing apprentices. Employers of ongoing apprentices will continue to be eligible for incentives under the previous arrangements until 1 July 2013.

This measure is estimated to provide savings of \$276.7 million over four years, which will be redirected to support other Government priorities.

Targeting skills in need — Kickstart for trades

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	1.7	35.5	20.3	-

The Government will provide \$57.5 million over two years to increase the take-up of apprenticeships in selected occupations on the National Skills Needs List (NSNL). This will be initially targeted at construction trades.

Small and Medium Enterprises with up to 200 employees that employ and retain an apprentice on the NSNL will be eligible for a \$3,350 bonus payment. The payment will be made in two instalments: \$850 paid at six months from commencement and \$2,500 paid at twelve months from commencement. Employers receiving the Kickstart Bonus will also be eligible for standard incentive payments of \$4,000. Apprentices are also eligible for the Government's \$5,500 Tools for Your Trade payments.

The measure will apply for commencements between 1 December 2012 and 28 February 2013, and is capped at 21,000 places.

Targeting skills in need — Removing incentives for Diplomas and Advanced Diplomas

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-1.8	-23.0	-29.5	-29.3

The Government will discontinue the standard commencement incentive and standard completion incentive for employers of apprentices undertaking a Diploma or Advanced Diploma level qualification, with the exception of people studying for aged care, child care and nursing qualifications. The measure will ensure that employer incentives are targeted to qualifications and occupations of highest need.

This measure will continue apprenticeship incentives for Diploma or Advanced Diploma in aged care, child care and nursing qualifications. Incentives for all other Diploma and Advanced Diploma qualifications will no longer be available to employers. The Government will continue to provide assistance for higher level qualifications through the National Workforce Development Fund and through an expansion of income contingent loans as part of the National Partnership Agreement on Skills Reform.

The measure will apply immediately for all commencing apprentices. Employers of ongoing apprentices will continue to be eligible for incentives under the previous arrangements until 1 July 2013.

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This measure is estimated to provide savings of \$83.7 million over four years, to be redirected to support other Government priorities.

Targeting skills in need — Support for Adult Australian Apprentices — amended arrangements

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-17.6	-12.0	-25.9	-25.6

The Government will replace the current employer component of the Support for Adult Australian Apprentices (SAAA) program with a single \$4,000 lump sum payment, paid to employers at the end of the first year of an apprenticeship. This measure is estimated to provide savings of \$81.2 million over four years.

Under current arrangements, employers who pay an apprentice at a level at or above the national minimum wage can receive weekly payments of \$150 over the first year of the apprenticeship, up to \$7,800 in total, and payments of \$100 per week over the second year of an apprenticeship, up to \$5,200 in total.

Under grandfathering arrangements, current employers of first year apprentices who have been receiving weekly payments will continue to do so until they have received the \$7,800 maximum total payments. Grandfathering arrangements will be available for up to 12 months.

Savings from this measure will be redirected to support other Government priorities.

Textiles, Clothing and Footwear Structural Adjustment Program — redirection

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-2.3	-2.3	-2.4	-

The Government will redirect funding of \$7.0 million over three years from the Textiles, Clothing and Footwear (TCF) Structural Adjustment Program to partially offset the cost of providing assistance to Australian Paper's Maryvale Pulp and Paper Mill.

The TCF Structural Adjustment Program aims to assist retrenched workers in the TCF industry to secure alternative employment through Job Services Australia. The program also seeks to support a more viable TCF industry by providing assistance for industry consolidation and restructuring. Funding of \$7.4 million over three years will continue to be provided under the program.

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See also the related expense measure titled *Commonwealth Assistance for Australian Paper's Maryvale Pulp and Paper Mill*.

Unique Student Identifier — introduction

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Unique Student Identifier Agency	-	-	2.5	2.0	2.1
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-2.5	-2.0	-2.1
Total — Expense	-	-	-	-	-
<i>Related capital (\$m)</i>					
Unique Student Identifier Agency	-	-	-	-	-

The Government will provide \$21.6 million over four years to establish a Unique Student Identifier (USI) for all students undertaking accredited training in the Vocational Education and Training (VET) sector from 1 January 2014.

The USI will support better linkage of data on course enrolments and completions, assisting policy development and allowing students to request transcripts of their study across multiple VET providers.

The measure includes \$6.7 million over three years for the establishment and operation of an agency to administer the USI, which is expected to commence operations on 1 July 2013. The measure includes a further \$9.5 million over four years for a Departmental taskforce that will manage the implementation of the new agency and \$5.4 million over three years for associated capital expenditure.

The cost of this measure will be met from the National Training System Commonwealth Own Purpose Expenditure program, within the Department of Industry, Innovation, Science, Research and Tertiary Education.

United States Studies Centre — additional support

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-	-	-

The Government provided \$7.0 million in 2011-12 to the American Australian Association for the ongoing support of the United States Studies Centre.

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Funding of \$4.0 million was allocated for the operating costs of the United States Studies Centre located at the University of Sydney to continue its work as a centre for research, teaching and analysis of Australia/United States relations. Funding of \$3.0 million was allocated for the establishment of a United States Studies Centre campus at the University of Western Australia, reflecting the importance of the region's connection to a number of United States resource companies.

The cost of this measure was met from within the existing resourcing of the Department of Industry, Innovation, Science, Research and Tertiary Education.

University of Tasmania — Experimental Aquaculture Facility and the National Institute for Future Forest Industries

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Industry, Innovation, Science, Research and Tertiary Education	-	-	-	-	-

The Government provided \$5.0 million in 2011-12 to fund two University of Tasmania initiatives to support research and development in Tasmania. The funding is expected to leverage further funding support from university and industry partners.

Funding of \$2.5 million was allocated to the Experimental Aquaculture Facility to refurbish existing facilities so that research on fish reproduction can be undertaken in a controlled environment that mirrors the natural environment. Funding of \$2.5 million was allocated for the establishment of the National Institute for Future Forest Industries to provide national leadership to the industry in plantation management systems and sustainable forestry.

The cost of this measure was met from within the existing resources of the Department of Industry, Innovation, Science, Research and Tertiary Education.

INFRASTRUCTURE AND TRANSPORT

Macquarie Point Railyards Precinct — remediation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Infrastructure and Transport	-	-	-	-	-
Department of the Treasury	50.0	-	-	-	-
Total — Expense	50.0	-	-	-	-

The Government provided \$50.0 million in 2011-12 to the Tasmanian Government to assist in the remediation of the Macquarie Point Railyards Precinct in Hobart. Following many years of industrial use, some areas of the site contain major contaminants such as diesel fuel and residues from the historic gasworks. Remediation of the Macquarie Point Railyards Precinct will enable the future development of the site to capture its economic, cultural and tourism potential.

These funds were administered by the Department of the Treasury, through the *Federal Financial Relations Act 2009*.

Further information can be found in the press release of 22 June 2012 issued by the Minister for Infrastructure and Transport.

Nation Building 2 Program — Northern Territory Regional Roads Productivity Package

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Infrastructure and Transport	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will provide \$160.0 million to the Northern Territory Government in 2016-17 as a contribution toward road infrastructure upgrades in the Northern Territory.

This funding includes \$90.0 million for the Northern Territory Regional Roads Productivity Package for the upgrade of strategic roads to improve access to Indigenous communities in the Northern Territory and facilitate economic development, particularly across the primary industry sector. The majority of these roads — which are managed by local government — are unsealed and subject to frequent closures and flooding.

Further funding of \$70.0 million will be provided for the complete duplication of Tiger Brennan Drive. This will reduce congestion and increase road safety for those living in and around Palmerston and Darwin.

Appendix A: Policy decisions taken since the 2012-13 Budget

These funds will be administered by the Department of the Treasury, through the *Federal Financial Relations Act 2009*.

The cost of this measure has been offset by a provision for the Nation Building 2 Program previously included in the Contingency Reserve.

Further information can be found in the press releases of 3 August 2012 issued by the Minister for Infrastructure and Transport.

Nation Building Program — Kennedy Highway road projects

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Infrastructure and Transport	-	-	-	-	-
Department of the Treasury	10.5	-	-	-	-
Total — Expense	10.5	-	-	-	-

The Government provided \$10.5 million in 2011-12 to the Queensland Government for road projects on the Kennedy Highway in North Queensland. This will fund projects such as bridge replacement, pavement strengthening and widening works identified by the Queensland Government to improve safety for road users, including heavy freight vehicles.

These funds were administered by the Department of the Treasury, through the *Federal Financial Relations Act 2009*.

REGIONAL AUSTRALIA, LOCAL GOVERNMENT, ARTS AND SPORT

Adelaide's West Beach recreation reserve — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	1.0	-	-	-	-

The Government provided \$1 million in 2011-12 to the West Beach Trust 2010 (also known as Adelaide Shores), a South Australian statutory authority, to upgrade sporting infrastructure at Adelaide's West Beach recreation reserve.

The \$2.2 million project will provide two new floodlit pitches, a new multi-purpose grass playing field, new change rooms and upgrades to spectator seating.

The project is a partnership between the South Australian Government, Adelaide Shores and the Football Federation of South Australia.

Asian Football Cup — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-
Attorney-General's Department	-	-	-	-	-
Australian Customs and Border Protection Service	-	-	-	-	-
Australian Federal Police	-	-	-	-	-
Australian Security Intelligence Organisation	-	-	-	-	-
Department of Immigration and Citizenship	-	-	-	-	-
Total — Expense	-	-	-	-	-
<i>Related revenue (\$m)</i>					
<i>Department of Immigration and Citizenship</i>	-	-	-	-	-
<i>Related capital (\$m)</i>					
<i>Australian Federal Police</i>	-	-	-	-	-
<i>Attorney-General's Department</i>	-	-	-	-	-
Total — Capital	-	-	-	-	-

The Government will provide \$55.7 million over five years to help ensure the successful staging of the 2015 Asian Football Cup:

- the Department of Regional Australia, Local Government, Arts and Sport will receive \$4.2 million as a grant to the Asian Football Confederation;

Appendix A: Policy decisions taken since the 2012-13 Budget

- the Attorney General's Department will receive \$5.3 million to oversee security operations;
- the Australian Customs and Border Protection Service will receive \$0.5 million to facilitate passengers and cargo;
- the Australian Federal Police will receive \$45.0 million to provide security and protection services;
- the Australian Security Intelligence Organisation will receive \$2.8 million to provide security services; and
- the Department of Immigration and Citizenship will receive \$2.6 million to issue and process visas and will collect revenue of \$4.7 million from visa issuing fees.

The cost of this measure will be offset by a provision in the Contingency Reserve included in the 2012-13 Budget.

See also the related expense measure titled *Major Sporting Events Taskforce — additional funding*.

Australian Ballet's new production facility — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	2.0	-	-	-	-

The Government provided \$2.0 million in 2011-12 to the Australian Ballet to fit-out the company's new production centre to be constructed in Altona, Melbourne. The project will commemorate the 50th anniversary of the Australian Ballet and is expected to deliver over 100 jobs during the construction phase. When completed, the production centre will support up to 200 ongoing jobs across the company, including specialist artisans and technicians with expertise in costume, set and lighting design. Further information can be found in the joint press release of 8 June 2012 issued by the Minister for the Arts and the Attorney-General.

Australian Workers Heritage Centre — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	0.8	-	-	-	-

The Government provided \$750,000 in 2011-12 as a contribution to the Australian Workers Heritage Centre located in Barcaldine, Queensland.

Appendix A: Policy decisions taken since the 2012-13 Budget

The contribution is toward the Centre's \$4.5 million master plan for refurbishment and renewal of displays that will support employment and tourism in the region.

The implementation of the Centre's plan is supported by the Barcaldine Regional Council and the Outback Queensland Tourism Association.

Boyer Mill Structural Adjustment — assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-

The Government will provide \$28.0 million in 2013-14 to assist the Boyer Mill in Tasmania to undertake an \$84.0 million project to diversify its production to enable it to produce magazine grade paper. The Commonwealth assistance will be in addition to funding of \$43.0 million from the mill owner, Norske Skog, and a loan of \$13.0 million from the Tasmanian Government.

The cost of this measure will be offset by drawing on funding held in the Contingency Reserve to assist individuals, communities and local employers adjust to structural change.

Burnie City Council stormwater infrastructure project

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-

The Government provided \$4.3 million in 2011-12 to the Burnie City Council for a stormwater infrastructure project. This project will deliver regional economic and social benefits for north-west Tasmania through supporting jobs and optimising existing waste water infrastructure. This investment in infrastructure will facilitate the expansion of industrial development such as upgrading of the Lion Dairy and Drinks' (formerly National Foods) specialty cheese plant in Burnie.

The cost of this measure was met from within the existing resources of the Department of Regional Australia, Local Government, Arts and Sport. Further information can be found in the joint press release of 15 June 2012 issued by the Minister for Regional Australia, Regional Development and Local Government, the Tasmanian Deputy Premier and the Federal Member for Braddon.

Appendix A: Policy decisions taken since the 2012-13 Budget

Centre of Excellence for Hockey — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-

The Government provided \$0.5 million in 2011-12 as a contribution towards the construction of a \$1.5 million elite standard synthetic hockey pitch at the Centre of Excellence for Hockey, located at the University of Western Australia in Perth.

The Western Australian Government and the University of Western Australia will also contribute \$0.5 million each towards the project.

Funding for this measure was included as a 'decision taken but not yet announced' in the 2012-13 Budget.

Community projects in North Queensland — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	0.3	-	-	-	-

The Government provided \$0.3 million in 2011-12 as a contribution towards a package of small community projects in North Queensland.

This funding will provide for the development of the following minor infrastructure projects:

- Mornington Island — development of an online website to sell traditional First Australian artworks produced by the local community — \$25,000;
- Doomadgee — refurbishment of veterinary services accommodation — \$35,000;
- Mt Isa — Camooweal Hall Rehabilitation — \$25,000;
- Cloncurry — development of a museum display for Cloncurry Unearthed — \$25,000;
- Hughenden — Showground facility improvements — \$25,000;
- Charters Towers — construction of a shelter for a children's eating area at Millchester State School — \$31,800;
- Julia Creek — Nelia Pest Management Group to assist in controlling Weeds of National Significance — \$25,000;

Appendix A: Policy decisions taken since the 2012-13 Budget

- Burketown — a concept plan for a terminal building at Burketown Airport — \$25,000;
- Cairns — a club house for the Marlin Coast Rangers Football Club — \$40,000; and
- Townsville — sporting ground enhancements for Townsville District Junior Rugby League — \$40,000.

Construction of a safe anchorage at Mission Beach — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-
Department of the Treasury	5.5	-	-	-	-
Total — Expense	5.5	-	-	-	-

The Government provided \$5.5 million in 2011-12 to the Queensland Government to support the development of proposals for community consideration and, if supported by the community, the subsequent construction of a safe anchorage at Mission Beach in Queensland.

The project will support maritime safety and assist in the continued development of the local community and economy, particularly as they continue to recover from the effects of Cyclone Yasi.

The Department of Regional Australia, Local Government, Arts and Sport will work with the Queensland Government and the Queensland Reconstruction Authority to deliver the project.

Football Federation Australia — debt forgiveness

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Sports Commission	4.0	-	-	-	-
<i>Related revenue (\$m)</i>					
<i>Australian Sports Commission</i>	-	-0.4	-0.4	-0.3	-

The Government has forgiven in full a loan from the Australian Sports Commission to Football Federation Australia (FFA) at a total cost of \$5.1 million, which includes the principal of \$4.0 million and outstanding and future interest. A loan of \$4.0 million was provided to FFA to support a restructure of football in Australia. With the responsibility for preparation of the 2015 Asian Cup resulting in additional costs, the forgiving of the loan by the Government is part of the arrangements to help support FFA in managing this major international sporting event.

Appendix A: Policy decisions taken since the 2012-13 Budget

Greater Western Sydney Australian Football League Club — Multicultural Centre — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-

The Government provided \$2.0 million in 2011-12 to the Greater Western Sydney Australian Football League Club as a contribution towards the development of a Multicultural Centre.

The funding is contingent on contributions from both the New South Wales Government and the Australian Football League.

Funding for this measure was included as a 'decision taken but not yet announced' in the 2012-13 Budget.

Hobart City Council Accelerated Energy Efficient Street Light Roll Out project — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	3.4	-	-	-	-

The Government provided \$3.4 million in 2011-12 to the Hobart City Council as a contribution to the Accelerated Energy Efficient Street Light Roll Out project. The project will deliver community and social benefits to the Hobart and Glenorchy local government areas with the installation of more energy efficient street lighting. Improved street lighting is expected to provide greater security while supporting a reduction in energy consumption and greenhouse gas emissions. The project will be delivered in partnership between the Hobart City Council and the Glenorchy City Council. Further information can be found in the press release of 17 June 2012 issued by the Minister for Regional Australia, Regional Development and Local Government.

Appendix A: Policy decisions taken since the 2012-13 Budget

Illicit Drugs in Sport — reduction in funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-1.2	-1.2	-1.2

The Government will achieve savings of \$3.6 million over three years from 2013-14 by ceasing its contribution to the education component of the *Illicit Drugs in Sport* program. This program provides funds to five National Sporting Organisations (Australian Football League, Australian Rugby Union, Australian Rugby League, Cricket Australia and Football Federation Australia) for education programs related to countering illicit drugs in sport. Responsibility for addressing these issues on an ongoing basis lies with the governing bodies of each sport.

Savings from this measure will be redirected to support other Government priorities.

Major Sporting Events Taskforce — additional funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-

The Government will provide \$2.8 million over three years to strengthen the Major Sporting Events Taskforce within the Department of Regional Australia, Local Government, Arts and Sport. The Taskforce will liaise with the Local Organising Committees to help ensure the successful staging of the 2015 Cricket World Cup and the 2015 Asian Football Cup.

The cost of this measure will be offset by a provision previously included in the Contingency Reserve in the 2012-13 Budget.

Moonah Arts Centre — redevelopment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	4.0	-	-	-	-

The Government provided \$4.0 million in 2011-12 to the Glenorchy City Council for the development of a new multi-purpose Moonah Arts Centre in Glenorchy, Tasmania to expand community, arts and culture in the region.

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The funding has been allocated to extend existing community programs and expand support for the facilities of the centre to include specialised rehearsal, digital studio, performance, exhibition and workshop spaces.

Further information can be found in the press release of 19 May 2012 issued by the Minister for the Arts.

National Integrity of Sports Unit — establishment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	0.3	0.5	0.5	0.5

The Government will provide \$2.2 million over five years to establish a National Integrity of Sports Unit (NISU) within the Department of Regional Australia, Local Government, Arts and Sport.

The establishment of the NISU is a component of the National Policy on Match-Fixing in Sport agreed with the states and territories. The NISU will be responsible for:

- coordinating- and negotiating outcomes with the states and territories to ensure a consistent national legislative approach;
- building the capacity of smaller sports through the provision of a standard education package for players, agents and officials;
- assessing sports against benchmark integrity measures, including codes of conduct and disciplinary frameworks and providing assistance to sports to meet necessary requirements;
- developing information and monitoring protocols to expand networks between governments, sports, the betting industry and law enforcement agencies; and
- developing a betting industry standard for information exchange and confidentiality.

New Town Bay Centre for Rowing Education — contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	2.5	-	-	-	-

The Government provided \$2.5 million in 2011-12 to the Hobart City Council and the Buckingham Rowing Club to build a new Centre for Rowing Education in New Town Bay, Tasmania.

Appendix A: Policy decisions taken since the 2012-13 Budget

Upon completion, the Centre will be a modern training facility designed to boost community participation and support elite athlete development.

Further information can be found in the press release of 4 June 2012 issued by the Minister for Sport.

Norfolk Island — financial assistance

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	4.5	-	-	-

The Government will provide \$4.5 million in 2012-13 to the Norfolk Island Government to help ensure the provision of essential services. The provision of this funding is contingent upon the Norfolk Island Government implementing a number of reforms to its immigration arrangements, taxation arrangements, tourism licensing, telecommunications and its public service.

See also the related expense measure *Norfolk Island — further reforms in the 2012-13 Budget*.

Queensland reconstruction — funding the use of local council day labour

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	-	11.2	7.2	-
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-
Total — Expense	-	-	11.2	7.2	-

The Government will provide \$18.4 million over two years to Queensland local councils to use their day labour force for reconstruction projects under the Natural Disaster Relief and Recovery Arrangements where it can be demonstrated that this is more cost effective than outsourcing the reconstruction work.

The arrangement is a trial in recognition of the extraordinary natural disasters experienced in Queensland in 2010-11 and relates to assets damaged in the 2010-11 floods and Cyclone Yasi. Under the arrangements, councils will be eligible for partial reimbursement of their standard hour day labour costs under the Natural Disaster Relief and Recovery Arrangements, with the Commonwealth to contribute 70 per cent. This arrangement is expected to deliver better value for money in delivering reconstruction works.

Further information can be found in the press release of 22 June 2012 issued by the Minister Assisting on Queensland Floods Recovery.

Appendix A: Policy decisions taken since the 2012-13 Budget

Regional Structural Adjustment Assistance Program — monitoring framework

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	-	-	-	-	-

The Government will provide \$6.2 million over seven years from 2012-13 to the Department of Regional Australia, Local Government, Arts and Sport to monitor the effects of carbon pricing on regions. The cost of this measure will be met by reallocating funding from the \$200 million Clean Energy Future — Regional Structural Adjustment Assistance (RSAA) program.

The monitoring framework for the RSAA program will provide the capacity to investigate and verify claims about the impacts of carbon pricing and when considered necessary to design appropriate responses where responses are not already available under the Clean Energy Future program.

Tamworth community facilities for children — additional contribution

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	0.1	-	-	-	-

The Government provided \$50,000 in 2011-12 as a further contribution towards community facilities for children in Tamworth, New South Wales. The project will construct a themed adventure playground, providing interactive equipment for the development of motor skills.

This contribution is in addition to the \$50,000 provided by the Government in the 2012-13 Budget.

Wellesley Park sporting facilities — upgrade

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Regional Australia, Local Government, Arts and Sport	1.2	-	-	-	-

The Government provided \$1.2 million in 2011-12 to the Hobart City Council to upgrade sporting facilities at Wellesley Park in Hobart, Tasmania.

The funding has been allocated to build a new full-size, all weather pitch, two junior pitches and to improve lighting and seating facilities.

Appendix A: Policy decisions taken since the 2012-13 Budget

Further information can be found in the press release of 4 June 2012 issued by the Minister for Sport.

RESOURCES, ENERGY AND TOURISM

Advanced Lignite Demonstration Program — establishment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Resources, Energy and Tourism	-	-	-	-19.0	19.0

The Government will provide \$45.0 million over four years (\$1.0 million in 2012-13, \$7.0 million in 2013-14, \$18.0 million in 2014-15 and \$19.0 million in 2015-16) to establish the Advanced Lignite Demonstration Program. The Victorian Government will also contribute \$45.0 million to the program. The program will be jointly administered by the two governments and will fund the development and deployment of emerging technologies to improve the economic recovery of brown coal as well as reduce emissions from coal-fired electricity generation.

The cost of this measure will be met from within the existing resourcing of the National Low Emissions Coal Initiative but with \$19.0 million deferred from 2014-15 to 2015-16.

Further information can be found in the joint press release of 3 August 2012 issued by the Minister for Resources and Energy and the Victorian Government Minister for Energy and Resources.

Contract for Closure program — cessation

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Resources, Energy and Tourism	-	-	-	-	-

The Government has ceased Contract for Closure negotiations. The Contract for Closure program aimed to negotiate the closure of up to 2,000 megawatts of highly emissions-intensive coal-fired electricity generation capacity by 2020. Following negotiations with eligible generators, the Government could not be satisfied that entering into arrangements under the program would achieve the necessary value for money outcome.

Savings from this measure are from a provision previously made in the Contingency Reserve beyond 30 June 2016.

Further information can be found in the press release of 5 September 2012 issued by the Minister for Resources and Energy.

Appendix A: Policy decisions taken since the 2012-13 Budget

Department of Resources, Energy and Tourism — departmental funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Resources, Energy and Tourism	-	9.0	10.5	-	-

The Government will provide \$24.7 million over three years from 2011-12 in supplementary funding to the Department of Resources, Energy and Tourism primarily to assist in the delivery of priority activities, including Australian Renewable Energy Agency programs and policy advice on coal seam gas, uranium and energy security (including the National Energy Security Assessment).

The cost in 2011-12 was met through a redirection of funding from the Radioactive Waste Management program (\$1.4 million) and the National Low Emissions Coal Initiative (\$3.8 million), with the remainder met through a reduction in funding from the Low Emissions Technology Demonstration Fund.

Low Emissions Technology Demonstration Fund — reduction in funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Resources, Energy and Tourism	-	-	-	-	-100.0

The Government will reduce funding for the Low Emissions Technology Demonstration Fund by \$100.0 million in 2015-16. The reduction in funding follows a decision not to proceed with funding for the Dual Gas Project in Victoria after the project operator did not meet the conditions of its funding deed.

The Low Emissions Technology Demonstration Fund helps Australian firms to demonstrate the commercial potential of low emissions technologies. The program will now provide funding of \$60.0 million over two years from 2013-14.

Savings from this measure will be redirected to support other Government priorities.

Further information can be found in the press release of 27 July 2012 issued by the Minister for Resources and Energy.

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Tourism Industry Regional Development Fund — establishment

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Resources, Energy and Tourism	-	8.5	11.0	9.5	7.0

The Government will provide \$48.5 million over four years to establish a Tourism Industry Regional Development Fund. The Fund will support tourism industry development projects in regional Australia by providing grants of up to \$250,000, with funding to be matched by grant recipients.

The cost of this measure will be partially met by redirecting funding from the *Asia Marketing Fund — establishment* measure from the 2012-13 Budget.

Further information can be found in the joint press release of 20 June 2012 issued by the Acting Prime Minister and Treasurer, the Minister for Home Affairs and the Minister for Tourism.

SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES

Australia-Antarctica shipping capability — second stage business case

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Sustainability, Environment, Water, Population and Communities	-	-	-	-	-

The Government will provide \$1.7 million in 2012-13 for the development of a detailed business case for a new shipping capability, including essential associated infrastructure and support, to replace the Australian Antarctic Division's existing icebreaker, the 'Aurora Australis', which is nearing the end of its useful life.

The cost of this measure will be met from within the existing resourcing of the Department of Sustainability, Environment, Water, Population and Communities.

World Parks Congress 2014

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Director of National Parks	-	-	-	-	-
<i>Related revenue (\$m)</i>					
<i>Director of National Parks</i>	-	-	-	-	-

The Government will provide \$2.7 million over three years (\$0.1 million in 2012-13 and \$1.3 million per annum in 2013-14 and 2014-15) to support the International Union for Conservation of Nature World Parks Congress to be held in Sydney in 2014.

The cost of this measure will be met from congress related revenues, including sponsorships. Any shortfall will be met from within the existing resourcing of the Sustainability, Environment, Water, Population and Communities portfolio.

Funding and revenue for this measure were included as a 'decision taken but not yet announced' in the 2012-13 Budget.

TREASURY

Asia Pacific Financial Forum

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	0.3	-	-	-
<i>Related revenue (\$m)</i>					
<i>Department of the Treasury</i>	-	0.3	-	-	-

The Government will provide \$250,000 to support an APEC Business Advisory Council symposium in Sydney in 2013. The symposium will provide an opportunity to explore how the creation of an Asia Pacific Financial Forum would promote regional financial architecture.

Funding will be provided from interest revenue earned on unclaimed monies held in the Companies and Unclaimed Moneys Special Account (CUMSA). This has no net impact on the Budget as the interest earned by CUMSA is not included in Australian Government revenue until a decision is made for its expenditure.

For further information see the press release of 31 August 2012 issued by the Treasurer, the Minister for Finance and Deregulation and the Minister for Financial Services and Superannuation.

Australian Securities and Investments Commission — additional operational funding

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Securities and Investments Commission	-	10.0	10.0	-	-

The Government will provide an additional \$20.0 million over two years to the Australian Securities and Investments Commission (ASIC) to support its operations. The additional funding will support ASIC in its regulation and supervision of Australia's financial markets.

Appendix A: Policy decisions taken since the 2012-13 Budget

Bank accounts and life insurance policies — reform of arrangements relating to transfer of unclaimed monies to ASIC

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Securities and Investments Commission	-	16.0	0.3	0.3	0.4
<i>Related revenue (\$m)</i>					
<i>Australian Securities and Investments Commission</i>	-	109.4	-	-	-

The Government will implement reforms that will preserve the value of unclaimed bank account and life insurance policies.

The Government will reduce the period of inactivity before bank accounts and life insurance policies are required to be transferred to the Australian Securities and Investments Commission (ASIC) from seven years to three years. In line with existing arrangements for life insurance policies, the period of inactivity for term deposits will commence from when the term deposit matures. This reform will take effect from 31 December 2012.

Individuals can reclaim bank accounts and life insurance policies transferred to ASIC at any time, however no form of interest is currently paid when they are reclaimed. In addition to the above reform, the Government will pay interest at a rate equivalent to Consumer Price Index (CPI) inflation from 1 July 2013 on all bank accounts and life insurance policies reclaimed from ASIC.

This reform will benefit individuals with unclaimed money by protecting the real value of these monies when they are transferred to ASIC.

This measure is estimated to provide savings to the Budget of \$92.3 million over the forward estimates period. ASIC will administer \$15.0 million in interest payments associated with reclaimed funds. ASIC will also receive \$2.1 million over the forward estimates to implement this change.

Company monies — reform of arrangements relating to transfer of unclaimed monies

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Securities and Investments Commission	-	4.3	0.4	0.4	0.4
<i>Related revenue (\$m)</i>					
<i>Australian Securities and Investments Commission</i>	-	98.3	12.9	8.2	4.5

The Government will implement reforms to preserve the value of unclaimed company monies.

Appendix A: Policy decisions taken since the 2012-13 Budget

Currently, unclaimed company monies are held in the Companies and Unclaimed Monies Special Account (CUMSA) for six years before they are transferred to the Consolidated Revenue Fund (CRF). The Government will close the CUMSA so that unclaimed company monies are transferred to the CRF.

Individuals can reclaim company monies at any time, however no form of interest is currently paid when they are reclaimed. In addition to the above reform, the Government will pay interest at a rate equivalent to Consumer Price Index (CPI) inflation from 1 July 2013 on all company monies, reclaimed from ASIC.

This reform will benefit individuals with unclaimed company monies by protecting the real value of those monies.

This measure is estimated to provide savings to the Budget of \$118.5 million over the forward estimates period. ASIC will administer \$4.1 million in interest payments associated with reclaimed funds. ASIC will also receive \$6.5 million over the forward estimates to continue to administer unclaimed monies, as it will no longer be able to recover these costs from interest earned on the balance of the CUMSA.

Conservation tillage offset — change to eligibility criteria

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will broaden the eligibility criteria for the conservation tillage offset by amending the definition of eligible no-till seeders. This will — ensure that primary producers can access the offset when they purchase just the tool, as well as the combination of the cart and the tool. Consistent with the existing offset, it will apply to eligible seeders installed ready to use between 1 July 2012 and 30 June 2015. This measure is estimated to have a negligible cost over the forward estimates period.

Further information can be found in the press release of 29 June 2012 issued by the Assistant Treasurer.

Energy Security

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	-	-	-	-

The Government provided \$0.3 million to the Department of the Treasury in 2011-12 for costs incurred in relation to work undertaken by the Energy Security Council (ESC).

The Department of the Treasury provides secretariat support to the ESC.

Appendix A: Policy decisions taken since the 2012-13 Budget

Funding for this measure was included as a 'decision taken but not yet announced' in the 2012-13 Budget.

Future of Financial Advice Reform — accountant's exemption — transitional relief

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Securities and Investments Commission	-	-2.0	-5.9	-1.4	2.8
<i>Related revenue (\$m)</i>					
Australian Securities and Investments Commission	-	-2.8	-8.4	0.1	6.7
<i>Related capital (\$m)</i>					
Australian Securities and Investments Commission	-	-1.0	-	1.0	-

The Government has decided to extend the accountants' licensing exemption until 1 July 2016. As a result, funding provided in the 2012-13 Budget to the Australian Securities and Investments Commission (ASIC) to implement the Future of Financial Advice (FoFA) reforms will be reprofiled to later years. The accountants' licensing exemption, as originally announced, allowed accountants to provide advice on self-managed superannuation funds without an Australian financial services (AFS) license until 1 July 2014. The extension will allow additional time for industry to take the necessary steps and undertake the training required to hold a licence under the new arrangements.

In the 2012-13 Budget, the Government provided \$23.9 million over four years to ASIC to implement the FoFA reforms.

Lowy Institute for International Policy — establishment of a G20 Studies Centre

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	2.0	-	-	1.0	1.0

The Government provided \$2.0 million in 2011-12 to the Lowy Institute for International Policy to establish a G20 Studies Centre. The Government will also provide \$1 million in both 2014-15 and 2015-16.

The Studies Centre will provide analysis on the changing landscape for global economic governance and the G20's role from an Australian perspective. It will take advantage of the Lowy Institute's existing connections and networks to establish an Asian G20 think tank network, thereby creating closer ties with regional partners.

To facilitate dialogue on the G20, the Studies Centre will host major events, website forums and blogs that will bring together experts on the global economy and global governance.

Appendix A: Policy decisions taken since the 2012-13 Budget

Online retail sales — tracking

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Bureau of Statistics	-	-	-	-	-

The Government will provide \$2.1 million over four years to the Australian Bureau of Statistics (ABS) to track online retail spending. This funding will allow the ABS to track Australian purchases from domestic and overseas online retailers as well as 'multi-channel' retailers that sell both online and from traditional bricks and mortar outlets.

Funding for this measure was included as a 'decision taken but not yet announced' in the 2012-13 Budget.

Further information can be found in the joint press release of 19 July 2012 issued by the Parliamentary Secretary to the Treasurer and the Assistant Treasurer and Minister Assisting for Deregulation.

Superannuation Consumer Centre — investment fund

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	1.0	2.0	7.0	-

The Government will provide \$10.0 million over three years as a contribution to a non-government investment fund, the earnings of which will be used to fund the ongoing costs of a new Superannuation Consumer Centre (SCC). The Government's contribution will be contingent on matching funds being provided by industry. The SCC delivers on a commitment made as part of the Government's response to the Super System Review, that it would consider how to further promote a more member-driven approach within superannuation.

The SCC will be a non-profit organisation with a primary focus on superannuation policy research and related consumer advocacy.

SuperStream — reduction in Superannuation Supervisory levy

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-2.0	-9.6	-8.4	-7.3
<i>Related revenue (\$m)</i>					
Australian Prudential Regulation Authority	-	-	-11.6	-8.4	-7.3

The Government will reduce the SuperStream component of the Superannuation Supervisory levy being collected from Australian Prudential Regulatory Authority (APRA) regulated superannuation funds designed to recover the Government's costs of implementing SuperStream.

Appendix A: Policy decisions taken since the 2012-13 Budget

The Superannuation Supervisory levy will be reduced by \$38.2 million over six years, as a result of savings in the Australian Taxation Office's administration of SuperStream. This measure will have no net budget impact over the forward estimates period.

Women on Boards Accelerator Program

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	0.2	-	-	-	-
<i>Related revenue (\$m)</i>					
<i>Department of the Treasury</i>	<i>0.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

The Government provided \$150,000 in 2011-12 to fund the Australian Institute of Superannuation Trustees and Women in Super's Women on Boards Accelerator Program.

The Women on Boards Accelerator Program aims to engage not-for-profit superannuation funds, fund chairs and their supporting organisations in order to identify potential female candidates for trustee director opportunities.

The grant was funded from interest revenue earned on unclaimed monies held in the Companies and Unclaimed Moneys Special Account (CUMSA). This has no net impact on the budget as the interest earned by CUMSA is not included in Australian Government revenue until a decision is made for its expenditure.

VETERANS' AFFAIRS

Repatriation Pharmaceutical Benefits Scheme — New listing and price amendments

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Veterans' Affairs	-

From 1 December 2012, the Government will list Fosamax® on the Repatriation Pharmaceutical Benefits Scheme (RPBS) and amend the prices of a number of already listed items, at a cost of \$0.1 million over four years.

The RPBS provides beneficiaries with access to pharmaceuticals and wound dressings.

Further information can be found in the updates to the Repatriation Schedule of Pharmaceutical Benefits published by the Department of Health and Ageing at www.pbs.gov.au/info/browse/rpbs/rpbs-soc.

Supplementary Allowance — extension

Expense (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Veterans' Affairs	-	0.1	0.3	0.2	0.2

The Government will provide \$0.8 million over four years to extend the new Supplementary Allowance to students aged 16 and over receiving an education allowance under the Veterans' Children Education Scheme or the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme.

This measure builds on the 2012-13 Budget measure titled *Spreading the Benefits of the Boom — new income support supplement*.

Capital Measures

Table 3: Capital measures since the 2012-13 Budget^(a)

Page	2011-12	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S					
<i>Attorney-General's Department</i>					
261	-	-	-	-	-
<i>Australian Federal Police</i>					
261	-	-	-	-	-
Portfolio total					
BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY					
<i>Department of Broadband, Communications and the Digital Economy</i>					
285	-	-	-	-	-
Portfolio total					
DEFENCE					
<i>Department of Defence</i>					
286	-	-	-	-	-
286	-	-	-	-	-
Portfolio total					
HEALTH AND AGEING					
<i>Department of Health and Ageing</i>					
Dental health reform					
227	-	-	-	-	-
228	-	-	-	-	-
Portfolio total					
HUMAN SERVICES					
<i>Department of Human Services</i>					
Dental health reform					
227	-	..	1.4	0.2	..
228	-	-	..	-	-
223	-	0.1	-	-	-

Appendix A: Policy decisions taken since the 2012-13 Budget

Table 3: Capital measures since the 2012-13 Budget^(a) (continued)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	HUMAN SERVICES (continued)					
237	Private Health Insurance Rebate — removal of rebate on lifetime health cover loading(b)	-	2.2	0.8	..	..
	Portfolio total	-	2.3	2.2	0.2	..
	IMMIGRATION AND CITIZENSHIP					
	<i>Department of Immigration and Citizenship</i>					
287	Response to the Expert Panel — establishment of Regional processing centres for Irregular Maritime Arrivals in Nauru and Papua New Guinea	-	nfp	nfp	nfp	nfp
243	Response to the expert panel — Humanitarian migration program — additional places from 2012-13(b)	-	0.6	-	-	-
	Portfolio total	-	0.6	-	-	-
	INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION					
	<i>Australian Nuclear Science and Technology Organisation</i>					
288	Australian Nuclear Science and Technology Organisation (ANSTO) Nuclear Medicine Proprietary Limited — establishment	-	-	-	-	-
	<i>Unique Student Identifier Agency</i>					
257	Unique Student Identifier — introduction(b)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	TREASURY					
	<i>Australian Securities and Investments Commission</i>					
279	Future of Financial Advice Reform — extension of accountants licensing exemption(b)	-	-1.0	-	1.0	-
	<i>Australian Taxation Office</i>					
178	Superannuation — reform of arrangements relating to transfer of lost member accounts to the ATO(c)	-	1.7	1.7	-	-
	Portfolio total	-	0.7	1.7	1.0	-
	Decisions taken but not yet announced	-	234.4	100.7	-119.9	-147.7
	Depreciation expense	-	-	-0.5	-0.9	-0.9
	Total capital measures(d)	-	238.0	104.1	-119.6	-148.6

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in capital, no sign before an estimate indicates increased capital.

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

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

(d) Measures may not add due to rounding.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

National Broadband Network — revised investment

Capital (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Broadband, Communications and the Digital Economy	-	-	-	-	-

The Government will increase its peak investment in NBN Co Limited (NBN Co) by \$2.9 billion from \$27.5 billion to \$30.4 billion. This increased investment is consistent with capital and operating expenditure as set out in NBN Co's 2012-15 Corporate Plan.

The Government's investment over the forward estimates is expected to be \$4,672 million in 2012-13, \$6,119 million in 2013-14, \$6,664 million in 2014-15, and \$4,760 million in 2015-16, with \$5,354 million beyond the forward estimates. This is in addition to the \$2,832 million investment already made.

The increased investment does not have a direct impact on the underlying cash or fiscal balances. Any additional public debt interest cost incurred by the Government would impact on the underlying cash and fiscal balance, and is accounted for separately in the budget estimates.

Further information can be found in NBN Co's 2012-15 Corporate Plan and the press release of 8 August 2012 issued by the Minister for Broadband, Communications and the Digital Economy and the Minister for Finance and Deregulation.

DEFENCE

Bushmaster vehicles — acquisition

Capital (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Defence	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of Defence</i>	-	-	-	-	-

The Government will provide \$205.7 million over five years for the acquisition of up to 214 additional Bushmaster Protected Mobility Vehicles to be built in Bendigo, Victoria.

Bushmaster vehicles provide mobility and protection for Australian forces deployed on overseas operations. The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Further information can be found in the joint press release of 2 July 2012 issued by the Minister for Defence and the Minister for Defence Materiel.

Growler electronic warfare system — acquisition

Capital (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Defence	-	-	-	-	-

The Government has provided \$1,458 million for the conversion of twelve of Australia's F/A-18F Super Hornet aircraft into Growler configuration and for associated equipment, training and spares.

The Growler aircraft will give the Australian Defence Force the capacity to jam electronic systems and an enhanced capacity to undertake intelligence, surveillance and reconnaissance missions.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Further information can be found in the joint press release of 23 August 2012 issued by the Minister for Defence and the Minister for Defence Materiel.

IMMIGRATION AND CITIZENSHIP

Response to the Expert Panel — establishment of Regional processing centres for Irregular Maritime Arrivals in Nauru and Papua New Guinea

Capital (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	nfp	nfp	nfp	nfp

The Government will provide funding to establish regional processing centres in Nauru and Manus Island, Papua New Guinea.

The establishment of regional processing centres forms part of the Government's response to the *Report of the Expert Panel on Asylum Seekers*. Temporary facilities were established in Nauru in September 2012 and in Manus Island, Papua New Guinea in October 2012.

Expenditure for this measure is not for publication as the contracts to build these facilities are currently subject to commercial negotiations.

INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

Australian Nuclear Science and Technology Organisation (ANSTO) Nuclear Medicine Proprietary Limited — establishment

Capital (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Nuclear Science and Technology Organisation	-	-	-	-	-

The Government will invest up to \$168.8 million over four years in ANSTO Nuclear Medicine Proprietary Limited (ANM Pty Ltd) to construct and operate a nuclear medicine manufacturing facility and co-located nuclear medicine waste treatment plant. ANM Pty Ltd will be established as a subsidiary of ANSTO under the *Corporations Act 2001* and will be operated as a public non-financial corporation.

The facility will produce Molybdenum-99 (Mo-99), a radiopharmaceutical used for the treatment and diagnosis of heart diseases and cancers. The nuclear medicine waste treatment plant will utilise Australian-owned and developed Synroc technology to treat existing nuclear medicine waste and waste arising from the new Mo-99 manufacturing facility.

The Government will invest \$45.0 million in 2012-13 to complete a detailed engineering design of the facility and to procure long lead-time items. Following finalisation of detailed costs, up to a further \$123.8 million will be provided from 2013-14 to 2015-16 to construct the facility.

ANM Pty Ltd will be funded with Government equity. It will generate revenue through the domestic supply of Mo-99 and by exporting to the global market. Once the Government's investment has been repaid, profits will be shared between the Government and ANM Pty Ltd.

The investment does not have a direct impact on the underlying cash or fiscal balances. Any additional public debt interest cost incurred by the Government would impact on the underlying cash and fiscal balance, and is accounted for separately in the budget estimates.

APPENDIX B: AUSTRALIAN GOVERNMENT BUDGET FINANCIAL STATEMENTS

The Mid-Year Economic and Fiscal Outlook (MYEFO) financial statements consist of an operating statement, including other economic flows, a balance sheet, and a cash flow statement for the Australian Government general government sector (GGS), the public non-financial corporations (PNFC) sector and the total non-financial public sector (NFPS). This statement also contains notes showing disaggregated information for the GGS.

The *Charter of Budget Honesty Act 1998* (the Charter) requires that MYEFO be based on external reporting standards and for departures from these standards to be disclosed.

The Government has produced a single set of financial statements that comply with both Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) and Australian Accounting Standards (AAS), meeting the requirement of the Charter, with departures disclosed. The financial statements for MYEFO have been prepared on a basis consistent with the 2012-13 Budget. The statements reflect the Government's accounting policy that ABS GFS remains the basis of budget accounting policy, except where the Government applies AAS because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

The Australian, State and Territory governments have an agreed framework — the Accrual Uniform Presentation Framework (UPF) — for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standards Board standard AASB 1049. The MYEFO financial statements are consistent with the requirements of the UPF.

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

AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Table B1: Australian Government general government sector operating statement

	Note	Estimates		Projections	
		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Revenue					
Taxation revenue	3	352,092	382,023	400,753	424,408
Sales of goods and services	4	8,594	8,791	8,629	9,006
Interest income	5	4,465	4,628	4,608	4,864
Dividend income	5	2,479	1,950	2,108	2,244
Other	6	6,109	5,769	5,773	5,916
Total revenue		373,739	403,161	421,871	446,438
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	19,205	19,127	19,356	20,179
Superannuation	7	6,175	4,063	4,124	4,177
Depreciation and amortisation	8	6,190	6,345	6,423	6,500
Supply of goods and services	9	72,068	74,050	77,838	83,205
Other operating expenses(a)	7	5,028	5,233	5,399	5,598
<i>Total gross operating expenses</i>		<i>108,666</i>	<i>108,818</i>	<i>113,140</i>	<i>119,659</i>
Superannuation interest expense	7	6,913	8,295	8,587	8,908
Interest expenses	10	12,878	12,822	12,452	12,105
Current transfers					
Current grants	11	108,597	120,105	128,144	134,121
Subsidy expenses		13,316	15,222	15,333	16,154
Personal benefits	12	116,176	122,123	127,826	136,628
<i>Total current transfers</i>		<i>238,089</i>	<i>257,450</i>	<i>271,302</i>	<i>286,903</i>
Capital transfers					
Mutually agreed write-downs		2,266	2,407	2,589	2,766
Other capital grants		6,237	8,062	5,634	5,469
<i>Total capital transfers</i>		<i>8,503</i>	<i>10,469</i>	<i>8,223</i>	<i>8,235</i>
Total expenses		375,049	397,854	413,704	435,811
Net operating balance		-1,310	5,307	8,167	10,627
Other economic flows					
Gain/loss on equity and on sale of assets(b)		7,577	3,674	3,783	5,393
Net write-downs of assets (including bad and doubtful debts)		-6,658	-6,113	-6,389	-6,929
Assets recognised for the first time		531	555	579	604
Actuarial revaluations		1,061	0	0	0
Net foreign exchange gains		-17	11	67	58
Market valuation of debt		2,729	3,156	2,653	2,167
Other economic revaluations(c)		77	409	296	355
Total other economic flows		5,300	1,692	990	1,648
Comprehensive result -					
Total change in net worth	13	3,990	6,999	9,157	12,275

Appendix B: Australian Government Budget Financial Statements

Table B1: Australian Government general government sector operating statement (continued)

	Note	Estimates		Projections	
		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Net operating balance		-1,310	5,307	8,167	10,627
Net acquisition of non-financial assets					
Purchases of non-financial assets		8,258	7,159	7,264	9,402
<i>less</i> Sales of non-financial assets		4,872	459	244	1,588
<i>less</i> Depreciation		6,190	6,345	6,423	6,500
<i>plus</i> Change in inventories		377	302	268	351
<i>plus</i> Other movements in non-financial assets		-90	374	380	-800
Total net acquisition of non-financial assets		-2,517	1,032	1,244	865
Fiscal balance (Net lending/borrowing)(d)		1,207	4,275	6,923	9,762

- (a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.
- (b) Reflects changes in the market valuation of investments and any revaluations at the point of disposal or sale.
- (c) Largely reflects other revaluation of assets and liabilities.
- (d) The term fiscal balance is not used by the ABS.

Appendix B: Australian Government Budget Financial Statements

Table B2: Australian Government general government sector balance sheet

	Note	Estimates		Projections	
		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Assets					
Financial assets					
Cash and deposits	20(a)	2,638	2,880	2,857	2,940
Advances paid	14	35,622	40,840	45,612	50,423
Investments, loans and placements	15	112,135	112,178	111,633	110,850
Other receivables	14	40,910	43,273	46,484	47,859
Equity investments					
Investments in other public sector entities		24,773	30,997	37,925	43,077
Equity accounted investments		313	313	314	315
Investments - shares		29,347	33,316	36,271	39,336
Total financial assets		245,738	263,796	281,094	294,799
Non-financial assets					
Land	16	8,596	8,533	8,562	8,555
Buildings		24,115	24,169	24,049	24,669
Plant, equipment and infrastructure		53,480	53,767	54,197	56,051
Inventories		7,357	7,283	7,157	7,056
Intangibles		5,689	5,652	5,675	5,675
Investment properties		181	181	181	181
Biological assets		37	37	37	37
Heritage and cultural assets		10,447	10,459	10,471	10,483
Assets held for sale		90	90	90	90
Other non-financial assets		2,624	3,038	3,466	2,753
Total non-financial assets		112,616	113,208	113,884	115,549
Total assets		358,354	377,004	394,979	410,349
Liabilities					
Interest bearing liabilities					
Deposits held		192	192	192	192
Government securities		281,195	287,561	291,576	289,306
Loans	17	11,780	11,248	11,257	11,080
Other borrowing		1,208	1,543	1,427	1,377
Total interest bearing liabilities		294,375	300,544	304,452	301,955
Provisions and payables					
Superannuation liability	18	142,723	147,978	153,330	158,752
Other employee liabilities	18	14,773	15,141	15,412	15,415
Suppliers payable	19	4,807	4,892	4,940	4,966
Personal benefits provisions and payable	19	14,587	14,785	15,292	15,894
Subsidies provisions and payable	19	3,363	3,569	3,662	3,329
Grants provisions and payable	19	14,699	13,786	11,648	11,372
Other provisions and payables	19	14,332	14,616	15,391	15,540
Total provisions and payables		209,284	214,767	219,676	225,268
Total liabilities		503,659	515,311	524,128	527,223
Net worth(a)		-145,305	-138,306	-129,149	-116,875
<i>Net financial worth(b)</i>		<i>-257,921</i>	<i>-251,515</i>	<i>-243,034</i>	<i>-232,424</i>
<i>Net financial liabilities(c)</i>		<i>282,694</i>	<i>282,511</i>	<i>280,958</i>	<i>275,501</i>
<i>Net debt(d)</i>		<i>143,980</i>	<i>144,646</i>	<i>144,350</i>	<i>137,742</i>

(a) Net worth is calculated as total assets minus total liabilities.

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

(c) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

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

Table B3: Australian Government general government sector cash flow statement^(a)

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Cash receipts from operating activities				
Taxes received	339,209	371,393	389,236	411,538
Receipts from sales of goods and services	8,818	8,758	8,503	8,854
Interest receipts	4,390	4,486	4,414	4,756
Dividends and income tax equivalents	3,268	2,004	2,164	2,288
Other receipts	6,484	5,495	5,481	5,601
Total operating receipts	362,170	392,136	409,798	433,037
Cash payments for operating activities				
Payments for employees	-25,946	-26,094	-26,533	-27,798
Payments for goods and services	-72,350	-74,289	-78,064	-83,506
Grants and subsidies paid	-125,799	-141,846	-148,092	-151,232
Interest paid	-11,537	-11,133	-11,104	-12,528
Personal benefit payments	-114,755	-121,940	-127,320	-136,095
Other payments	-4,733	-4,946	-5,138	-5,426
Total operating payments	-355,119	-380,249	-396,251	-416,585
Net cash flows from operating activities	7,051	11,887	13,547	16,452
Cash flows from investments in non-financial assets				
Sales of non-financial assets	4,872	459	244	1,588
Purchases of non-financial assets	-7,721	-7,041	-7,638	-8,609
Net cash flows from investments in non-financial assets	-2,850	-6,582	-7,393	-7,022
Net cash flows from investments in financial assets for policy purposes	-11,121	-12,732	-11,608	-10,082
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-6,000	-596	-415	-77
Net cash flows from investments in financial assets for liquidity purposes	-6,000	-596	-415	-77
Cash receipts from financing activities				
Borrowing	14,645	10,406	8,031	2,897
Other financing	0	0	1	0
Total cash receipts from financing activities	14,645	10,406	8,033	2,897
Cash payments for financing activities				
Other financing	-1,610	-2,142	-2,186	-2,084
Total cash payments for financing activities	-1,610	-2,142	-2,186	-2,084
Net cash flows from financing activities	13,035	8,264	5,846	812
Net increase/(decrease) in cash held	115	241	-23	83

Table B3: Australian Government general government sector cash flow statement (continued)^(a)

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Net cash flows from operating activities and investments in non-financial assets (surplus(+)/deficit(-))	4,201	5,305	6,154	9,430
Finance leases and similar arrangements(b)	-406	-470	-1	-1
GFS cash surplus(+)/deficit(-)	3,796	4,835	6,153	9,429
less Net Future Fund earnings	2,718	2,670	2,828	3,021
Equals underlying cash balance(c)	1,077	2,165	3,325	6,408
plus Net cash flows from investments in financial assets for policy purposes	-11,121	-12,732	-11,608	-10,082
plus Net Future Fund earnings	2,718	2,670	2,828	3,021
Equals headline cash balance	-7,325	-7,896	-5,455	-654

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

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

(c) The term underlying cash balance is not used by the ABS.

Table B4: Australian Government public non-financial corporations sector operating statement

	Estimates
	2012-13
	\$m
Revenue	
Current grants and subsidies	20
Sales of goods and services	7,885
Interest income	101
Total revenue	8,006
Expenses	
Gross operating expenses	
Wages and salaries(a)	3,038
Superannuation	281
Depreciation and amortisation	744
Supply of goods and services	4,070
Other operating expenses(a)	430
<i>Total gross operating expenses</i>	8,563
Interest expenses	136
Other property expenses	245
Current transfers	
Tax expenses	134
<i>Total current transfers</i>	134
Total expenses	9,078
Net operating balance	-1,072
Other economic flows	-296
Comprehensive result - Total change in net worth excluding contribution from owners	-1,368
Net acquisition of non-financial assets	
Purchases of non-financial assets	3,990
<i>less</i> Sales of non-financial assets	14
<i>less</i> Depreciation	744
<i>plus</i> Change in inventories	-17
<i>plus</i> Other movements in non-financial assets	872
Total net acquisition of non-financial assets	4,087
Fiscal balance (Net lending/borrowing)(b)	-5,159

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table B5: Australian Government public non-financial corporations sector balance sheet

	Estimates
	2012-13
	\$m
Assets	
Financial assets	
Cash and deposits	2,411
Investments, loans and placements	163
Other receivables	1,234
Equity investments	329
<i>Total financial assets</i>	<i>4,137</i>
Non-financial assets	
Land and fixed assets	12,309
Other non-financial assets(a)	2,036
<i>Total non-financial assets</i>	<i>14,345</i>
Total assets	18,482
Liabilities	
Interest bearing liabilities	
Borrowing	2,997
<i>Total interest bearing liabilities</i>	<i>2,997</i>
Provisions and payables	
Other employee liabilities	1,506
Other provisions and payables(a)	2,397
<i>Total provisions and payables</i>	<i>3,903</i>
Total liabilities	6,899
Shares and other contributed capital	11,583
Net worth(b)	11,583
<i>Net financial worth(c)</i>	<i>-2,762</i>
<i>Net debt(d)</i>	<i>423</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 interest bearing liabilities (deposits held, advances received and borrowing), minus the sum of cash and deposits and investments, loans and placements.

Table B6: Australian Government public non-financial corporations sector cash flow statement^(a)

	Estimates
	2012-13
	\$m
Cash receipts from operating activities	
Receipts from sales of goods and services	9,035
GST input credit receipts	86
Other receipts	126
Total operating receipts	9,246
Cash payments for operating activities	
Payments to employees	-3,635
Payment for goods and services	-4,836
Interest paid	-65
GST payments to taxation authority	-511
Other payments	-136
Total operating payments	-9,182
Net cash flows from operating activities	64
Cash flows from investments in non-financial assets	
Sales of non-financial assets	14
Purchases of non-financial assets	-4,863
Net cash flows from investments in non-financial assets	-4,849
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	63
Net cash flows from investments in financial assets for liquidity purposes	63
Net cash flows from financing activities	
Borrowing (net)	583
Other financing (net)	4,884
Distribution paid (net)	-227
Net cash flows from financing activities	5,240
Net increase/(decrease) in cash held	518
Cash at the beginning of the year	1,832
Cash at the end of the year	2,351
Net cash from operating activities and investments in non-financial assets	-4,785
Distributions paid	-227
Equals surplus(+)/deficit(-)	-5,012
Finance leases and similar arrangements(b)	-6
GFS cash surplus(+)/deficit(-)	-5,018

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table B7: Australian Government total non-financial public sector operating statement

	Estimates
	2012-13
	\$m
Revenue	
Taxation revenue	351,958
Sales of goods and services	15,386
Interest income	4,537
Dividend income	2,235
Other	6,109
Total revenue	380,225
Expenses	
Gross operating expenses	
Wages and salaries(a)	22,243
Superannuation	6,456
Depreciation and amortisation	6,933
Supply of goods and services	75,045
Other operating expenses(a)	5,458
<i>Total gross operating expenses</i>	<i>116,136</i>
Superannuation interest expense	6,913
Interest expenses	12,986
Current transfers	
Current grants	108,597
Subsidy expenses	13,296
Personal benefits	116,176
<i>Total current transfers</i>	<i>238,069</i>
Capital transfers	8,503
Total expenses	382,607
Net operating balance	-2,382
Other economic flows	6,360
Comprehensive result - Total change in net worth	3,979
Net acquisition of non-financial assets	
Purchases of non-financial assets	12,248
<i>less</i> Sales of non-financial assets	4,886
<i>less</i> Depreciation	6,933
<i>plus</i> Change in inventories	360
<i>plus</i> Other movements in non-financial assets	782
Total net acquisition of non-financial assets	1,571
Fiscal balance (net lending/borrowing)(b)	-3,953

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table B8: Australian Government total non-financial public sector balance sheet

	Estimates
	2012-13
	\$m
Assets	
Financial assets	
Cash and deposits	5,049
Advances paid	35,622
Investments, loans and placements	112,006
Other receivables	41,966
Equity investments	40,994
<i>Total financial assets</i>	<i>235,637</i>
Non-financial assets	
Land and fixed assets	116,305
Other non-financial assets	10,656
<i>Total non-financial assets</i>	<i>126,961</i>
Total assets	362,598
Liabilities	
Interest bearing liabilities	
Deposits held	192
Government securities	281,195
Loans	11,489
Other borrowing	4,204
<i>Total interest bearing liabilities</i>	<i>297,080</i>
Provisions and payables	
Superannuation liability	142,723
Other employee liabilities	16,279
Other provisions and payables	54,007
<i>Total provisions and payables</i>	<i>213,009</i>
Total liabilities	510,089
Shares and other contributed capital	11,583
Net worth(a)	-147,490
<i>Net financial worth(b)</i>	<i>-274,451</i>
<i>Net debt(c)</i>	<i>144,403</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.

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Table B9: Australian total non-financial public sector cash flow statement^(a)

	Estimates
	2012-13
	\$m
Cash receipts from operating activities	
Taxes received	339,074
Receipts from sales of goods and services	15,823
Interest receipts	4,464
Dividends and income tax equivalents	3,064
Other receipts	6,485
Total operating receipts	368,909
Cash payments for operating activities	
Payments to employees	-29,581
Payments for goods and services	-75,581
Grants and subsidies paid	-125,799
Interest paid	-11,573
Personal benefit payments	-114,755
Other payments	-4,733
Total operating payments	-362,022
Net cash flows from operating activities	6,887
Cash flows from investments in non-financial assets	
Sales of non-financial assets	4,886
Purchases of non-financial assets	-12,584
Net cash flows from investments in non-financial assets	-7,698
Net cash flows from investments in financial assets for policy purposes	-6,237
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-5,937
Net cash flows from investments in financial assets for liquidity purposes	-5,937
Net cash flows from financing activities	
Borrowing (net)	15,228
Other financing (net)	-1,610
Net cash flows from financing activities	13,618
Net increase/(decrease) in cash held	633
Cash at the beginning of the year	4,356
Cash at the end of the year	4,989
Net cash from operating activities and investments in non-financial assets	-811
Distributions paid	0
Equals surplus(+)/deficit(-)	-811
Finance leases and similar arrangements(b)	-412
GFS cash surplus(+)/deficit(-)	-1,223

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

NOTES TO THE GENERAL GOVERNMENT SECTOR FINANCIAL STATEMENTS

Note 1: External reporting standards and accounting policies

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the Mid-Year Economic and Fiscal Outlook (MYEFO) be based on external reporting standards and that departures from applicable external reporting standards be identified.

The major external standards used for MYEFO reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- Australian Accounting Standards (AAS), being AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049) and other applicable Australian Equivalents to International Financial Reporting Standards (AEIFRS).

As required by the Charter, the financial statements have been prepared on an accrual basis that complies with both ABS GFS and AAS, except for departures disclosed at Note 2.

A more detailed description of the AAS and ABS GFS frameworks, in addition to definitions of key terms used in these frameworks, can be found in Attachment A. Table B11 in Attachment A explains the key differences between the two frameworks. Detailed accounting policies, as required by AAS, are disclosed in the annual consolidated financial statements.

Budget reporting focuses on the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies. In preparing financial statements for the GGS, all material transactions and balances between entities within the GGS have been eliminated. A list of entities within the GGS, as well as entities within and a description of the public non-financial corporations (PNFC) sector and public financial corporations (PFC) sector, are disclosed in Table B10 in Attachment A.

The Government's key fiscal aggregates are based on ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit and the derivation of the underlying cash balance and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including net operating balance, net lending/borrowing (fiscal balance) and net worth. In addition to these ABS GFS

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

Explanations of variations in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth since the 2012-13 Budget are disclosed in Part 3.

Updates to fiscal risks and contingent liabilities since the 2012-13 Budget are disclosed in Appendix C.

Comprehensive guidance has not been issued under either the AAS or ABS GFS frameworks for the measurement of accrual revenue and expenses under the carbon price. Current estimates measure revenue and expenses at the expected market price for carbon in the year that emissions occur. The Department of Finance and Deregulation and the Department of the Treasury will continue to review this treatment in consultation with the ABS and the Australian National Audit Office (ANAO).

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The MYEFO financial statements depart from the external reporting standards as follows.

General government sector

Departures from ABS GFS

ABS GFS requires that provisions for bad and doubtful debts be excluded from the balance sheet. This treatment has not been adopted in the financial statements or in any reconciliation notes because excluding such provisions would overstate the value of Australian Government assets in the balance sheet. The financial statements currently adopt AAS treatment for provisions for bad and doubtful debts.

ABS GFS treats coins on issue as a liability and no revenue is recognised. The ABS GFS treatment of circulating coins as a liability has not been adopted in the financial statements or in any reconciliation notes. Instead, the financial statements adopt AAS treatment for circulating coins (seigniorage). Under this treatment, seigniorage revenue is recognised upon the issue of coins and no liability is recorded.

Under ABS GFS, prepayments are classified as financial assets. In accordance with AAS, prepayments have been classified as non-financial assets in the financial statements. This is a classification difference that impacts on net financial worth.

ABS GFS records defence weapons platforms (DWP) as a non-financial asset on a market value basis (fair value), rather than expensing at time of acquisition. The value used by the ABS is consistent with the National Accounts statistical methodology, and

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represents an early adoption of changes to the *System of National Accounts 2008*. ABS GFS treatment of DWP is consistent with AAS, as non-financial assets can be valued at fair value as long as they can be reliably measured, otherwise cost is permissible. DWP will be valued at cost in the budget financial statements, as they have in previous budgets, while the Australian Government ascertains if a relevant and reliable fair value can be sourced.

Under ABS GFS, concessional loans are recognised at their nominal value, that is, they are not discounted to fair (market) value as there is not considered to be a secondary market. This treatment has not been adopted for the financial statements. Consistent with AAS, loans issued at below market interest rates or with long repayment periods are recorded at fair value (by discounting them by market interest rates). The difference between the nominal value and the fair value of the loan is recorded as an expense which 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.

Departures from AAS (including AASB 1049)

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

AASB 1049 requires the disclosure of the operating result and its derivation on the face of the operating statement. However, as this aggregate is not used by the Australian Government (and is not required by the UPF), it has been disclosed in Note 13 rather than on the face of the operating statement.

AASB 1049 requires disaggregated information, by ABS GFS function, for expenses and total assets to be disclosed where they are reliably attributable. ABS GFS does not require total assets attributed to functions. In accordance with ABS GFS, disaggregated information for expenses is disclosed in Attachment C of Part 3.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to ABS GFS measurement of items, where

different, in notes to the financial statements. Reconciliation notes have not been included as they would effectively create two measures of the same aggregate.

AASB 1049 requires major variances between original budget estimates and outcomes to be explained in the financial statements. Explanations of variances for the 2012-13 year from the 2012-13 Budget are disclosed in Part 3. All policy decisions taken between the 2012-13 Budget and the 2012-13 MYEFO are disclosed in Appendix A.

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

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

Departures from ABS GFS

AASB 1049 defines net worth for the PNFC sector and NFPS as total assets less total liabilities; however ABS GFS defines net worth as total assets less total liabilities less shares and contributed capital (which is equal to zero for the PNFC sector). Similarly, 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 and NFPS financial statements.

Departures from AAS (including AASB 1049)

The financial statements for the PNFC sector and NFPS comply with the UPF but do not include all the line item disclosures required by AASB 1049. Disaggregated outcome notes for the PNFC sector will be disclosed in the consolidated financial statements.

AAS requires dividends paid to be classified as a distribution of equity. Under ABS GFS, dividends paid are classified as an expense. 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.

Appendix B: Australian Government Budget Financial Statements

Note 3: Taxation revenue by type

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Income taxation				
Individuals' and other withholding taxes				
Gross income tax withholding	152,590	165,250	176,240	187,140
Gross other individuals	37,840	40,080	43,930	47,860
less Refunds	26,500	26,700	28,800	30,700
Total individuals' and other withholding taxation	163,930	178,630	191,370	204,300
Fringe benefits tax	4,040	4,530	5,010	5,220
Company tax	72,982	80,459	80,320	83,426
Superannuation funds	8,250	9,290	11,310	13,310
Resource rent taxes(a)	5,580	6,560	5,650	6,660
Total income taxation revenue	254,782	279,469	293,660	312,916
<i>Indirect taxation</i>				
Sales taxes				
Goods and services tax	50,790	53,730	56,590	59,430
Wine equalisation tax	720	730	770	820
Luxury car tax	450	460	480	520
Total sales taxes	51,960	54,920	57,840	60,770
Excise duty				
Petrol	6,000	5,840	5,870	5,970
Diesel	8,700	9,120	9,330	9,530
Beer	2,070	2,140	2,270	2,400
Tobacco	5,200	4,710	4,770	4,890
Other excisable products	4,520	4,640	5,020	5,260
Of which: Other excisable beverages(b)	930	990	1,000	1,060
Total excise duty revenue	26,490	26,450	27,260	28,050
Customs duty				
Textiles, clothing and footwear	700	720	580	620
Passenger motor vehicles	920	960	1,010	1,070
Excise-like goods	4,850	5,850	5,970	6,180
Other imports	1,540	1,680	1,780	1,910
less Refunds and drawbacks	180	180	180	180
Total customs duty revenue	7,830	9,030	9,160	9,600
Carbon pricing mechanism(c)	7,690	8,685	9,275	9,400
Other indirect taxation				
Agricultural levies	440	436	443	449
Other taxes	2,900	3,033	3,114	3,223
Total other indirect taxation revenue	3,339	3,470	3,558	3,672
Mirror taxes	487	516	546	581
less Transfers to States in relation to mirror tax revenue	487	516	546	581
Mirror tax revenue	0	0	0	0
Total indirect taxation revenue	97,309	102,555	107,093	111,492
Total taxation revenue	352,092	382,023	400,753	424,408
<i>Memorandum:</i>				
Capital gains tax	8,400	11,000	13,800	16,100
Medicare levy revenue	9,700	10,390	11,010	11,580

(a) Resource rent taxes include PRRT and gross revenue from the MRRT. Net revenue from the MRRT is expected to be \$2.0 billion in 2012-13, \$2.4 billion in 2013-14, \$2.1 billion in 2014-15 and \$2.6 billion in 2015-16, which represent the net impact on revenue across several different heads of revenue. These include the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Tax revenue includes carbon accrual revenue measured at market price, with details of the accounting treatment of carbon revenue set out in Note 1 to the General Government Sector Financial Statements.

Appendix B: Australian Government Budget Financial Statements

Note 3(a): Taxation revenue by source

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Taxes on income, profits and capital gains				
Income and capital gains levied on individuals	168,000	183,370	196,830	210,080
Income and capital gains levied on enterprises	86,782	96,099	96,830	102,836
Total taxes on income, profits and capital gains	254,782	279,469	293,660	312,916
Taxes on employers' payroll and labour force	485	540	561	581
Taxes on the provision of goods and services				
Sales/goods and services tax	51,960	54,920	57,840	60,770
Excises and levies	26,930	26,886	27,703	28,499
Taxes on international trade	7,830	9,030	9,160	9,600
Total taxes on the provision of goods and services	86,720	90,836	94,703	98,869
Other sale of goods and services	10,105	11,179	11,829	12,042
Total taxation revenue	352,092	382,023	400,753	424,408
<i>Memorandum:</i>				
<i>Medicare levy revenue</i>	<i>9,700</i>	<i>10,390</i>	<i>11,010</i>	<i>11,580</i>

Note 4: Sales of goods and services revenue

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Sales of goods	1,525	1,663	1,710	1,729
Rendering of services	3,927	3,796	3,483	3,469
Operating lease rental	45	45	45	44
Fees from regulatory services	3,096	3,286	3,391	3,763
Total sales of goods and services revenue	8,594	8,791	8,629	9,006

Appendix B: Australian Government Budget Financial Statements

Note 5: Interest and dividend revenue

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Interest from other governments				
State and Territory debt	12	17	19	17
Housing agreements	160	155	150	144
Total interest from other governments	173	173	168	162
Interest from other sources				
Advances	43	47	51	57
Deposits	96	99	101	103
Bank deposits	206	197	198	205
Indexation of HELP receivable and other student loans	505	572	657	749
Other	3,441	3,541	3,433	3,588
Total interest from other sources	4,292	4,456	4,440	4,702
Total interest	4,465	4,628	4,608	4,864
Dividends				
Dividends from other public sector entities	1,008	432	449	465
Other dividends	1,472	1,518	1,659	1,779
Total dividends	2,479	1,950	2,108	2,244
Total interest and dividend revenue	6,944	6,578	6,717	7,109

Note 6: Other sources of non-taxation revenue

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Industry contributions	41	40	40	40
Royalties	1,799	1,696	1,667	1,673
Seigniorage	136	134	138	137
Other	4,133	3,898	3,929	4,066
Total other sources of non-taxation revenue	6,109	5,769	5,773	5,916

Appendix B: Australian Government Budget Financial Statements

Note 7: Employee and superannuation expense

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Wages and salaries expenses	19,205	19,127	19,356	20,179
Other operating expenses				
Leave and other entitlements	2,246	2,285	2,311	2,343
Separations and redundancies	37	38	41	39
Workers compensation premiums and claims	814	803	855	912
Other	1,930	2,107	2,193	2,303
Total other operating expenses	5,028	5,233	5,399	5,598
Superannuation expenses				
Superannuation	6,175	4,063	4,124	4,177
Superannuation interest cost	6,913	8,295	8,587	8,908
Total superannuation expenses	13,088	12,358	12,711	13,085
Total employee and superannuation expense	37,321	36,719	37,466	38,862

Note 8: Depreciation and amortisation expense

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Depreciation				
Specialist military equipment	2,762	2,806	2,811	2,829
Buildings	1,273	1,333	1,388	1,433
Other infrastructure, plant and equipment	1,306	1,356	1,371	1,389
Heritage and cultural assets	39	39	39	39
Total depreciation	5,380	5,534	5,609	5,690
Total amortisation	810	810	814	810
Total depreciation and amortisation expense	6,190	6,345	6,423	6,500

Note 9: Supply of goods and services expense

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Supply of goods and services	22,998	22,617	22,709	22,895
Operating lease rental expenses	2,534	2,579	2,601	2,655
Personal benefits - indirect	39,591	41,769	45,112	49,691
Health care payments	5,446	5,522	5,639	5,792
Other	1,498	1,562	1,776	2,172
Total supply of goods and services	72,068	74,050	77,838	83,205

Appendix B: Australian Government Budget Financial Statements

Note 10: Interest expense

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Interest on debt				
Government securities(a)	12,017	11,700	11,258	10,889
Loans	10	10	10	8
Other	52	29	27	26
Total interest on debt	12,079	11,739	11,295	10,923
Other financing costs	799	1,083	1,157	1,182
Total interest expense	12,878	12,822	12,452	12,105

(a) Public debt interest estimates are calculated using the contract interest rates incurred on existing Commonwealth Government Securities (CGS) when issued and technical assumptions, based on prevailing market interest rates across the yield curve, for yields on future CGS issuance.

Note 11: Current and capital grants expense

	Estimates		Projections	
	2012-13	2013-14	2014-15	2015-16
	\$m	\$m	\$m	\$m
Current grants expense				
State and Territory governments	83,922	88,881	93,483	99,445
Local governments	39	28	8	3
Private sector	2,060	2,511	2,966	2,887
Overseas	4,093	5,144	5,791	6,303
Non-profit organisations	1,789	1,849	1,871	2,090
Multi-jurisdictional sector	9,453	9,714	10,107	10,655
Other	7,242	11,978	13,917	12,737
Total current grants expense	108,597	120,105	128,144	134,121
Capital grants expense				
Mutually agreed write-downs	2,266	2,407	2,589	2,766
Other capital grants				
State and Territory governments	5,265	6,880	4,492	4,410
Local governments	429	449	342	349
Private sector	149	138	122	75
Multi-jurisdictional sector	95	98	102	108
Other	299	496	577	528
Total capital grants expense	8,503	10,469	8,223	8,235
Total grants expense	117,100	130,574	136,367	142,356

Appendix B: Australian Government Budget Financial Statements

Note 12: Personal benefits expense

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Social welfare - assistance to the aged	37,366	39,713	42,399	45,514
Assistance to veterans and dependants	6,177	6,159	6,068	5,986
Assistance to people with disabilities	21,241	22,524	24,102	25,729
Assistance to families with children	31,573	32,231	33,016	33,867
Assistance to the unemployed	8,794	9,828	9,045	9,567
Student assistance	3,614	3,790	3,815	3,719
Other welfare programmes	1,342	1,439	1,423	1,448
Financial and fiscal affairs	353	350	363	377
Vocational and industry training	274	276	271	267
Other	5,444	5,814	7,323	10,154
Total personal benefits expense	116,176	122,123	127,826	136,628

Note 13: Operating result and comprehensive result (total change in net worth)

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Opening net worth	-247,208	-145,305	-138,306	-129,149
Opening net worth adjustments(a)	97,912	0	0	0
Adjusted opening net worth	-149,296	-145,305	-138,306	-129,149
Net operating balance	-1,310	5,307	8,167	10,627
Other economic flows – Included in operating result				
Foreign exchange gains	1	11	67	58
Gains from sale of assets	4,762	282	149	1,492
Other gains	7,711	7,057	6,929	6,719
Net write-down and impairment of assets and fair value losses	-6,658	-6,113	-6,389	-6,929
Foreign exchange losses	-17	0	0	0
Losses from sale of assets	8	14	5	5
Total other economic flows	5,806	1,251	762	1,344
Operating result(b)	4,496	6,558	8,929	11,971
Other economic flows – other movements in equity(c)	-506	441	228	303
Comprehensive result	3,990	6,999	9,157	12,275

(a) Reflects a decrease in the superannuation liability mainly due to a difference in the estimated and actual discount rate. Refer to Note 18 for further details.

(b) Operating result under AEIFRS accounting standards.

(c) Other economic flows not included in the AEIFRS accounting standards operating result.

Appendix B: Australian Government Budget Financial Statements

Note 14: Advances paid and other receivables

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Advances paid				
Loans to State and Territory governments	2,948	2,917	2,835	2,724
Higher Education Loan Program	22,301	25,734	29,498	33,440
Student Financial Supplement Scheme	595	530	461	389
Other	9,803	11,685	12,843	13,896
less Provision for doubtful debts	26	26	26	26
Total advances paid	35,622	40,840	45,612	50,423
Other receivables				
Goods and services receivable	1,020	988	978	976
Recoveries of benefit payments	3,059	3,042	3,076	3,162
Taxes receivable	22,752	25,628	28,360	29,091
Other	17,469	17,109	17,671	18,338
less Provision for doubtful debts	3,389	3,495	3,602	3,708
Total other receivables	40,910	43,273	46,484	47,859

Note 15: Investments, loans and placements

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Investments - deposits	33,599	32,325	28,327	24,088
IMF quota	9,569	9,569	9,655	9,742
Other	68,967	70,284	73,650	77,020
Total investments, loans and placements	112,135	112,178	111,633	110,850

Appendix B: Australian Government Budget Financial Statements

Note 16: Total non-financial assets

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Land and buildings				
Land	8,596	8,533	8,562	8,555
Buildings	24,115	24,169	24,049	24,669
Total land and buildings	32,712	32,702	32,611	33,224
Plant, equipment and infrastructure				
Specialist military equipment	40,240	40,230	40,961	43,241
Other	13,240	13,538	13,236	12,810
Total plant, equipment and infrastructure	53,480	53,767	54,197	56,051
Inventories				
Inventories held for sale	1,129	1,107	1,050	1,048
Inventories not held for sale	6,229	6,176	6,108	6,008
Total inventories	7,357	7,283	7,157	7,056
Intangibles				
Computer software	3,466	3,325	3,138	2,891
Other	2,223	2,328	2,537	2,784
Total intangibles	5,689	5,652	5,675	5,675
Total investment properties	181	181	181	181
Total biological assets	37	37	37	37
Total heritage and cultural assets	10,447	10,459	10,471	10,483
Total assets held for sale	90	90	90	90
Other non-financial assets				
Prepayments	2,484	2,524	2,573	2,660
Other	140	514	893	93
Total other non-financial assets	2,624	3,038	3,466	2,753
Total non-financial assets	112,616	113,208	113,884	115,549

Note 17: Loans

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Promissory notes	6,512	6,052	6,076	6,048
Special drawing rights	4,468	4,468	4,509	4,549
Other	800	728	672	483
Total loans	11,780	11,248	11,257	11,080

Appendix B: Australian Government Budget Financial Statements

Note 18: Employee and superannuation liabilities

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Total superannuation liability(a)	142,723	147,978	153,330	158,752
Other employee liabilities				
Leave and other entitlements	7,389	7,514	7,661	7,805
Accrued salaries and wages	624	644	668	515
Workers compensation claims	2,636	2,730	2,820	2,829
Separations and redundancies	90	90	89	89
Other	4,033	4,163	4,173	4,177
Total other employee liabilities	14,773	15,141	15,412	15,415
Total employee and superannuation liabilities	157,495	163,119	168,743	174,167

(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 19: Provisions and payables

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Suppliers payable				
Trade creditors	4,390	4,477	4,522	4,550
Operating lease rental payable	203	203	205	204
Other creditors	213	211	213	212
Total suppliers payable	4,807	4,892	4,940	4,966
Total personal benefits provisions and payable	14,587	14,785	15,292	15,894
Total subsidies provisions and payable	3,363	3,569	3,662	3,329
Grants provisions and payable				
State and Territory governments	164	160	160	160
Non-profit organisations	243	243	243	243
Private sector	500	497	490	489
Overseas	1,502	2,123	1,842	1,399
Local governments	7	7	7	7
Other	12,282	10,755	8,906	9,074
Total grants provisions and payable	14,699	13,786	11,648	11,372
Other provisions and payables				
Provisions for tax refunds	3,385	3,446	3,445	3,445
Other	10,947	11,169	11,946	12,095
Total other provisions and payables	14,332	14,616	15,391	15,540

Appendix B: Australian Government Budget Financial Statements

Note 20: Reconciliation of cash

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Net operating balance (revenues less expenses)	-1,310	5,307	8,167	10,627
<i>less</i> Revenues not providing cash				
Other	764	940	1,096	1,260
Total revenues not providing cash	764	940	1,096	1,260
<i>plus</i> Expenses not requiring cash				
Increase/(decrease) in employee entitlements	6,582	5,693	5,731	5,573
Depreciation/amortisation expense	6,190	6,345	6,423	6,500
Mutually agreed write-downs	2,266	2,407	2,589	2,766
Other	1	179	761	792
Total expenses not requiring cash	15,039	14,624	15,504	15,631
<i>plus</i> Cash provided / (used) by working capital items				
Decrease/(increase) in inventories	-260	-181	-143	-221
Decrease/(increase) in receivables	-8,786	-7,825	-8,341	-6,775
Decrease/(increase) in other financial assets	893	1,901	1,426	1,369
Decrease/(increase) in other non-financial assets	46	14	8	-12
Increase/(decrease) in benefits, subsidies and grants payable	2,479	-340	-1,269	285
Increase/(decrease) in suppliers' liabilities	-63	136	54	-18
Increase/(decrease) in other provisions and payables	-221	-808	-762	-3,174
Net cash provided / (used) by working capital	-5,914	-7,103	-9,028	-8,547
<i>equals</i> (Net cash from/(to) operating activities)	7,051	11,887	13,547	16,452
<i>plus</i> (Net cash from/(to) investing activities)	-19,970	-19,910	-19,416	-17,181
Net cash from operating activities and investment	-12,920	-8,023	-5,869	-729
<i>plus</i> (Net cash from/(to) financing activities)	13,035	8,264	5,846	812
equals Net increase/(decrease) in cash held	115	241	-23	83
Cash at the beginning of the year	2,523	2,638	2,880	2,857
Net increase/(decrease) in cash	115	241	-23	83
Cash at the end of the year	2,638	2,880	2,857	2,940

Note 20(a): Consolidated Revenue Fund

	Estimates		Projections	
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Total general government sector cash	2,638	2,880	2,857	2,940
<i>less</i> CAC Agency cash balances	1,968	2,075	2,183	2,298
<i>plus</i> Special public monies	318	318	318	318
Balance of Consolidated Revenue Fund at 30 June	988	1,123	992	960

Appendix B: Australian Government Budget Financial Statements

The estimated and projected cash balances reflected in the balance sheet for the Australian Government GGS (Table B2) include the reported cash balances controlled and administered by Australian Government agencies subject to the *Financial Management and Accountability Act 1997*, and the reported cash balances controlled and administered by entities subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act), that implement public policy through the provision of primarily non-market services.

Revenues or monies raised by the Executive Government automatically form part of the Consolidated Revenue Fund by force of section 81 of the Australian Constitution. For practical purposes, total Australian Government GGS cash, less cash controlled and administered by CAC Act entities, plus special public monies, represents the Consolidated Revenue Fund referred to in section 81 of the Australian Constitution. On this basis, the balance of the Consolidated Revenue Fund is shown above.

Attachment A

FINANCIAL REPORTING STANDARDS AND BUDGET CONCEPTS

The *Charter of Budget Honesty Act 1998* (the Charter) requires the Mid-Year Economic and Fiscal Outlook (MYEFO) to be based on external reporting standards.

The Government has produced 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 *Mid-Year Economic and Fiscal Outlook 2012-13* have been prepared on a basis consistent with the 2012-13 Budget. The statements reflect the Government's accounting policy that ABS GFS remains the basis of budget accounting policy, except where the Government applies AAS because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

AASB 1049 and the Accrual Uniform Presentation Framework (UPF) also provide a basis for reporting of the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors and the total non-financial public sector (NFPS).

General Government Sector Financial Reporting (AASB 1049)

The MYEFO primarily focuses on the financial performance and position of the general government sector (GGS). The ABS defines the GGS as providing public services which are mainly non-market in nature, mainly for the collective consumption of the community, involving the transfer or redistribution of income and financed mainly through taxes and other compulsory levies. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 history and conceptual framework

The Australian Accounting Standards Board (AASB) released AASB 1049 for application from the 2008-09 financial year. AASB 1049 seeks to 'harmonise' ABS GFS and AAS.

The reporting framework for AASB 1049 requires the preparation of accrual-based general purpose financial reports, showing government assets, liabilities, revenue, expenses and cash flows. GGS reporting under AASB 1049 aims to provide users with information about the stewardship of each government in relation to its GGS and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of each government's GGS; and information that facilitates assessments of the macroeconomic impact. While AASB 1049 provides a basis for whole-of-government and GGS outcome reporting (including the PNFC and PFC sectors), budget reporting focuses on the GGS.

Appendix B: Australian Government Budget Financial Statements

There are three main general purpose statements that must be prepared in accordance with ABS GFS and AASB 1049. These are:

- an operating statement, including other economic flows, which shows net operating balance and net lending/borrowing (fiscal balance);
 - to allow the presentation of a single set of financial statements in accordance with AASB 1049, the ABS GFS statement of other economic flows has been incorporated into the operating statement;
- a balance sheet, which also shows net worth, net financial worth, net financial liabilities and net debt; and
- a cash flow statement, which includes the calculation of the underlying cash balance.

In addition to these general purpose statements, notes to the financial statements are required. These notes include a summary of accounting policies, disaggregated information and other disclosures required by AAS. A full set of notes and other disclosures required by AAS are included in the annual consolidated financial statements.

All financial data presented in the financial statements are recorded as either stocks (assets and liabilities) or flows (classified as either transactions or other economic flows). Transactions result from a mutually agreed interaction between economic entities. Despite their compulsory nature, taxes are transactions deemed to occur by mutual agreement between the government and the taxpayer. Transactions that increase or decrease net worth (assets less liabilities) are reported as revenues and expenses respectively in the operating statement.¹

A change to the value or volume of an asset or liability that does not result from a transaction is an other economic flow. This can include changes in values from market prices, most actuarial valuations, exchange rates and changes in volumes from discoveries, depletion and destruction. All other economic flows are reported in the operating statement.

Consistent with the ABS GFS framework, and in general AAS, the financial statements record flows in the period in which they occur. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods and can be reliably assigned to the relevant period(s).

¹ Not all transactions impact on net worth. For example, transactions in financial assets and liabilities do not impact on net worth as they represent the swapping of assets and liabilities on the balance sheet.

Operating statement

The operating statement presents details of transactions in revenues, expenses, the net acquisition of non-financial assets (net capital investment) and other economic flows for an accounting period.

Revenues arise from transactions that increase net worth and expenses arise from transactions that decrease net worth. Revenues less expenses gives the net operating balance. The net operating balance is similar to the National Accounts concept of government saving plus capital transfers.

The net acquisition of non-financial assets (net capital investment) measures the change in the Australian Government's stock of non-financial assets owing to transactions. As such, it measures the net effect of purchases, sales and consumption (for example, depreciation of fixed assets and use of inventory) of non-financial assets during an accounting period.

Net acquisition of non-financial assets equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets.

Other economic flows are presented in the operating statement and outline changes in net worth that are driven by economic flows other than revenues and expenses. Revenues, expenses and other economic flows sum to the total change in net worth during a period. The majority of other economic flows for the Australian Government GGS arise from price movements in its assets and liabilities.

Fiscal balance

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. Thus, the fiscal balance includes the impact of net expenditure (effectively purchases less sales) on non-financial assets rather than consumption (depreciation) of non-financial assets.²

The fiscal balance measures the Australian Government's investment-saving balance. It measures in accrual terms the gap between government savings plus net capital transfers, and investment in non-financial assets. As such, it approximates the contribution of the Australian Government GGS to the balance on the current account in the balance of payments.

² The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation also forms part of net capital investment, which (in the calculation of fiscal balance) offsets the inclusion of depreciation in the net operating balance.

Balance sheet

The balance sheet shows stocks of assets, liabilities and net worth. In accordance with the UPF, net debt, net financial worth and net financial liabilities are also reported in the balance sheet.

Net worth

The net worth of the GGS, PNFC and PFC sectors is defined as assets less liabilities. This differs from the ABS GFS definition for the PNFC and PFC sectors where net worth is defined as assets less liabilities less shares and other contributed capital. Net worth is an economic measure of wealth, reflecting the Australian Government's contribution to the wealth of Australia.

Net financial worth

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities. This differs from the ABS GFS definition of net financial worth for the PNFC and PFC sectors, defined as financial assets, less liabilities, less shares, less other contributed capital. Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as holdings of equity. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

Net financial liabilities

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the jurisdiction. Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements. Excluding the net worth of other sectors of government results in a purer measure of financial worth than net financial worth as, in general, the net worth of other sectors of government, in particular the PNFC sector, is backed up by physical assets.

Net debt

Net debt is the sum of selected financial liabilities (deposits held, government securities, loans, and other borrowing) less the sum of selected financial assets³ (cash and deposits, advances paid, and investments, loans and placements). This includes financial assets held by the Future Fund which are invested in these asset classes,

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.

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 is excluding the Future Fund's net earnings from the calculation of the underlying cash balance. This will better reflect the operations of the Future Fund and treat earnings and costs consistently in the calculation of the underlying cash balance. This will improve the underlying cash balance by \$417 million in 2012-13 (\$1,988 million over four years).

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.

The Government announced a review of the budget treatment of the Future Fund in the 2012-13 Budget. As part of the review, the Department of Finance and Deregulation and the Department of the Treasury released a consultation paper and engaged with relevant stakeholders. Following this consultation, the Government has decided to exclude the Future Fund's net earnings from the calculation of the underlying cash balance. Until now gross earnings have been excluded. This is considered appropriate as the Fund's earnings are required to be reinvested to meet future superannuation payments, and the Future Fund is required to meet all of its operating costs from its earnings. This changed treatment creates symmetry between the treatment of Future Fund earnings and costs, as prior to this change the Future Fund costs and earnings were treated differently in the calculation of the underlying cash balance.

Since the establishment of the Future Fund in 2005-06, the underlying cash balance had 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 superannuation liabilities. From 2020, the Future Fund becomes available to meet the Government's superannuation liabilities. At this time, earnings will be available to meet the Government's recurrent superannuation spending, and both costs and earnings will be included in the underlying cash balance.

Expected net Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table B3 of this statement and related tables in Part 1 and Appendix D.

Headline cash balance

The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes and Future Fund earnings to the underlying cash balance.

Cash flows from investments in financial assets for policy purposes include equity transactions and net advances.⁵ Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Net advances include net loans to the States, net loans to students under the Higher Education Loan Program (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 B1. ABS GFS defines the GGS and the PNFC and PFC sectors. AASB 1049 has also adopted this sectoral reporting.

⁵ Cash flows from investments in financial assets for policy purposes were called net advances under the cash budgeting framework.

Figure B1: Institutional structure of the public sector

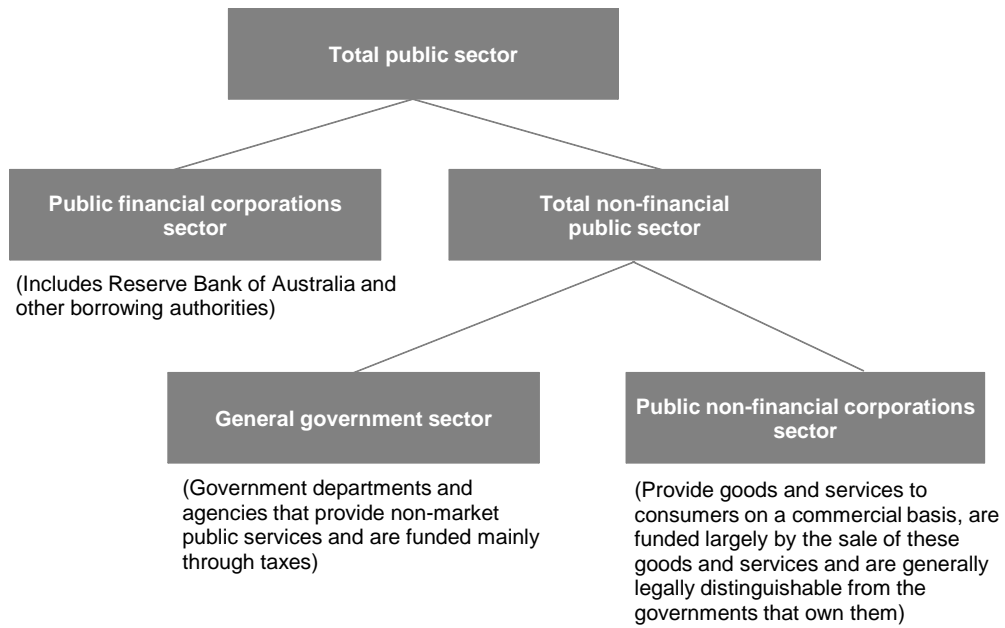


Table B10: Entities within the sectoral classifications

General government sector entities
<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, Wheat Exports Australia, 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 of Australia, Federal Court of Australia, Federal Magistrates Court of Australia, High Court of Australia, Insolvency and Trustee Service Australia, 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>Climate Change and Energy Efficiency Portfolio</p> <p>Clean Energy Regulator, Climate Change Authority, Department of Climate Change and Energy Efficiency, Low Carbon Australia Limited</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 B10: Entities within the sectoral classifications (continued)

General government sector entities (continued)
<p>Education, Employment and Workplace Relations Portfolio</p> <p>Australian Curriculum, Assessment and Reporting Authority, Australian Institute for Teaching and School Leadership Limited, Comcare, Department of Education, Employment and Workplace Relations, Fair Work Australia, Office of the Fair Work Building Industry Inspectorate, Office of Fair Work Ombudsman, Safe Work Australia, Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority)</p>
<p>Families, Housing, Community Services and Indigenous Affairs Portfolio</p> <p>Aboriginal Hostels Limited, Anindilyakwa Land Council, Australian Institute of Family Studies, Central Land Council, Department of Families, Housing, Community Services and Indigenous Affairs, Equal Opportunity for Women in the Workplace Agency, Indigenous Business Australia, Indigenous Land Corporation, Northern Land Council, Outback Stores Pty Ltd, Tiwi Land Council, Torres Strait Regional Authority, Wreck Bay Aboriginal Community Council</p>
<p>Finance and Deregulation Portfolio</p> <p>Australian Electoral Commission, Commonwealth Superannuation Corporation, ComSuper, Department of Finance and Deregulation, Future Fund Management Agency</p>
<p>Foreign Affairs and Trade Portfolio</p> <p>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</p>
<p>Health and Ageing Portfolio</p> <p>Aged Care Standards and Accreditation Agency Ltd, Australian Commission on Safety and Quality in Health Care, Australian Institute of Health and Welfare, Australian National Preventive Health Agency, Australian Organ and Tissue Donation and Transplantation Authority, Australian Radiation Protection and Nuclear Safety Agency, Cancer Australia, Department of Health and Ageing, Food Standards Australia New Zealand, General Practice Education and Training Limited, Health Workforce Australia, 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</p>

Table B10: Entities within the sectoral classifications (continued)

General government sector entities (continued)
Human Services Portfolio Department of Human Services
Immigration and Citizenship Portfolio Department of Immigration and Citizenship, Migration Review Tribunal and Refugee Review Tribunal
Industry, Innovation, Science, Research and Tertiary Education Portfolio Australian Institute of Aboriginal and Torres Strait Islander Studies, Australian Institute of Marine Science, Australian Learning and Teaching Council Limited, Australian Nuclear Science and Technology Organisation, Australian Research Council, Australian Skills Quality Authority (National Vocational Education and Training Regulator), Commonwealth Scientific and Industrial Research Organisation, Department of Industry, Innovation, Science, Research and Tertiary Education, IIF Investments Pty Limited, IP Australia, Tertiary Education Quality and Standards Agency
Infrastructure and Transport Portfolio Australian Maritime Safety Authority, Australian Transport Safety Bureau, Civil Aviation Safety Authority, Department of Infrastructure and Transport, National Transport Commission
Prime Minister and Cabinet Portfolio 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
Regional Australia, Local Government, Arts and Sport Portfolio 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, Old Parliament House, Screen Australia

Table B10: Entities within the sectoral classifications (continued)

General government sector entities (continued)
<p>Resources, Energy and Tourism Portfolio</p> <p>Australian Renewable Energy Agency, Australian Solar Institute Limited, 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 the House of Representatives, Department of Parliamentary Services, 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>Australia Reinsurance Pool Corporation, Reserve Bank of Australia</p>

Table B10: 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

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 and expenses and their presentation, measurement and disclosure. In addition, AASB 1049 has broadly adopted the ABS GFS conceptual framework for presenting government financial statements. In particular, AASB 1049 requires the GGS to prepare a separate set of financial statements, over-riding AASB 127 *Consolidated and Separate Financial Statements*. AASB 1049 also follows ABS GFS by requiring changes in net worth to be split into either transactions or 'other economic flows' and for this to be presented in a single operating statement. AASB 1049 is therefore broadly consistent with international statistical standards and the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2001*.⁶

Some of the major differences between AAS and the ABS GFS treatments of transactions are outlined in Table B11. Further information on the differences between the two systems is provided in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005* (cat. no. 5514.0).

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).

Table B11: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Acquisition of defence weapons platforms (DWP)	Treated as capital expenditure. DWP appear as a non-financial asset on the balance sheet. Depreciation expense on assets is recorded in the operating statement. AASB 1049 requires cost to be used where fair value of the assets cannot be reliably measured.	ABS has updated its treatment in its GFS reports to record DWP as a non-financial asset on a market value basis. This represents an early adoption of changes to the System of National Accounts.	AAS
Circulating coins — seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coin is 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 is not considered an economic event and is therefore not considered to be an expense or reflected in the balance sheet.	AAS
Advances to the International Development Association and Asian Development Fund	Recorded at fair value in the balance sheet.	Recorded at nominal value in balance sheet.	ABS GFS
Concessional loans	Discounts concessional loans by a market rate of a similar instrument.	Does not discount concessional loans as no secondary market is considered to exist.	AAS
Investment in Other Public Sector Entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Included in the Fiscal Balance capital adjustment.	Excluded from the calculation of net lending capital adjustment.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
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

Appendix B: Australian Government Budget Financial Statements

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Fiscal aggregates differences			
Finance leases	Does not deduct finance leases in the derivation of the cash surplus/deficit.	Deducts finance leases in the derivation of the cash surplus/deficit.	Both are disclosed
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Calculated as assets less liabilities less shares and other contributed capital.	AAS
Classification difference			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	AAS

Attachment B

AUSTRALIAN LOAN COUNCIL ALLOCATION

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

- the estimated non-financial public sector ABS GFS cash surplus/deficit (made up from the balance of the general government and public non-financial corporations sectors and total non-financial public sector acquisitions under financial leases and similar arrangements);
- net cash flows from investments in financial assets for policy purposes; and
- memorandum items, which involve transactions that are not formally borrowings but nevertheless have many of the characteristics of borrowings.

LCA nominations are considered by the Loan Council, having regard to each jurisdiction's fiscal position and infrastructure requirements, as well as the macroeconomic implications of the aggregate figure.

In March 2012, the Australian Government nominated, and the Loan Council endorsed, a LCA deficit of \$6,969 million. In the 2012-13 Budget, the Australian Government estimated a LCA deficit of \$13,646 million.

As set out in Table B12, the Australian Government's revised estimate for the 2012-13 LCA is a \$7,280 million deficit.

Appendix B: Australian Government Budget Financial Statements

Table B12: Australian Government Loan Council Allocation

	2012-13 Budget estimate \$m	MYEFO estimate \$m
GGs cash surplus(-)/deficit(+)	-4,971	-4,201
PNFC sector cash surplus(-)/deficit(+)	5,137	5,012
NFPS cash surplus(-)/deficit(+)(a)	394	811
<i>plus</i> Acquisitions under finance leases and similar arrangements	412	412
<i>equals</i> ABS GFS cash surplus(-)/deficit(+)	805	1,223
<i>minus</i> Net cash flows from investments in financial assets for policy purposes(b)	-13,281	-6,237
<i>plus</i> Memorandum items(c)	-440	-180
Loan Council Allocation	13,646	7,280

- (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 Loan Council Allocation, memorandum items include the change in net present value (NPV) of operating leases (with NPV greater than \$5 million) and the over-funding of superannuation.

APPENDIX C: STATEMENT OF RISKS

OVERVIEW

Full details of fiscal risks and contingent liabilities are provided in Budget Paper No. 1, *Budget Strategy and Outlook 2012-13*. The following statement updates those fiscal risks and contingent liabilities that have changed since the 2012-13 Budget.

The forward estimates of revenue and expenses in the *Mid-Year Economic and Fiscal Outlook 2012-13* (MYEFO) incorporate assumptions and judgments based on the best information available at the time of publication and are based on a range of economic assumptions and other forecasts and projections.

To the extent that unanticipated changes in economic circumstances occur, their impact will flow through to government payments and revenue forecasts.

Major taxes such as company and individuals' income taxes fluctuate significantly with economic activity. Capital gains tax is particularly volatile and is affected by both the level of gains in asset markets and the timing of when those gains are realised. Resource rent taxes may vary quite significantly, particularly with movements in commodity prices and the level of the Australian dollar. Revenue from carbon permit sales for the flexible price period may also vary owing to changes in the world price of carbon permits.

In addition, revenue forecasting relies heavily on the observed historical relations between the economy, tax bases and tax revenues. Such relations may shift over time as the economy changes, presenting a further risk to the estimates.

The estimates and projections of revenue are subject to a number of general risks that can affect taxation collections. These general pressures include failure of the tax system to keep pace with changes in the business environment, tax avoidance, court decisions and Australian Taxation Office rulings and the outcome of compliance programs. These pressures may result in a shift in the composition of taxation collected from the various tax bases and/or a change in the size of the tax base.

DETAILS OF FISCAL RISKS AND CONTINGENT LIABILITIES

New or revised fiscal risks and contingent liabilities with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period, that have arisen or changed since the 2012-13 Budget are described below and summarised in Table C1.

Information on both contingent assets and contingent liabilities is also provided in the annual financial statements of departments, agencies and non-budget entities.

Appendix C: Statement of risks

Table C1: Summary of material changes to the Statement of risks since the 2012-13 Budget(a)

Fiscal risks	
Defence and Defence Materiel Organisation	
Major overseas operations of the Australian Defence Force in Afghanistan and the Middle East and the Solomon Islands	Modified
Treasury	
Standby loan facility for the Government of Indonesia	New
Unclaimed Superannuation Monies	New
Contingent liabilities — quantifiable	
Broadband, Communications and the Digital Economy	
NBN Co Limited — Equity Agreement	Modified
Telstra Financial Guarantee	Modified
Defence and Defence Materiel Organisation	
Indemnities and remote contingencies	Modified
Education, Employment and Workplace Relations	
Comcare liability for additional workers' compensation payments	Removed
Indemnity provided to the Administrator of the Health Services Union	New
Finance and Deregulation	
Sale of Sydney Airports Corporation Limited	Removed
Foreign Affairs and Trade	
Export Finance and Insurance Corporation	Modified
Health and Ageing	
Guarantee Scheme for aged care accommodation bonds	Modified
Treasury	
Australian Taxation Office — tax disputes	Modified
Guarantees under the <i>Commonwealth Bank Sale Act 1995</i>	Modified
International Financial Institutions — uncalled capital subscriptions	Modified
International Monetary Fund	Modified
Reserve Bank of Australia — guarantee	Modified
Contingent liabilities — unquantifiable	
Agriculture, Fisheries and Forestry	
Compensation claims arising from equine influenza outbreak	Modified
Compensation claims arising from suspension of livestock exports to Indonesia	Modified
Emergency pest and disease response arrangements	Modified
Broadband, Communications and the Digital Economy	
Optus Financial Guarantee	Modified
Termination of the funding agreement with OPEL	Modified
Defence and Defence Materiel Organisation	
Cockatoo Island Dockyard	New
Decontamination of Defence sites	Modified
Indemnities and remote contingencies	Modified
Finance and Deregulation	
ASC Pty Ltd — Directors' indemnities	Modified
Legal proceedings against the Professional Services Review impacting on the validity of past Committees (b)	Removed
Infrastructure and Transport	
Tripartite deeds relating to the sale of federal leased airports	Modified

Table C1: Summary of material changes to the Statement of risks since the 2012-13 Budget (continued)(a)

Contingent liabilities — unquantifiable (continued)	
Resources, Energy and Tourism	
Gorgon liquefied natural gas and carbon dioxide storage project — long-term liability	Modified
Treasury	
Australian Taxation Office — Constitutional Challenge to the Minerals Resource Rent Tax	New
Financial Claims Scheme	Modified
Guarantee of State and Territory Borrowing	Modified
Guarantee Scheme for Large Deposits and Wholesale Funding	Modified
Contingent asset — unquantifiable	
Health and Ageing	
Legal action seeking compensation from Sanofi-Aventis	Modified
Industry, Innovation, Science, Research and Tertiary Education	
Wireless Local Area Network	Modified

(a) Risks appearing in Budget Paper No. 1, Budget Strategy and Outlook 2012-13, Statement 8, but not listed in the table above are substantially unchanged.

(b) The High Court challenge was won by the Government and retrospective legislation was put in place.

FISCAL RISKS

Fiscal risks comprise general developments or specific events that may affect the fiscal outlook. Some developments or events raise the possibility of a fiscal impact. In other cases, the likelihood of a fiscal impact may be reasonably certain, but will not be included in the forward estimates because the timing or magnitude is not known.

DEFENCE AND DEFENCE MATERIEL ORGANISATION

Major overseas operations of the Australian Defence Force in Afghanistan and the Middle East and the Solomon Islands

The estimates for the Department of Defence include the cost of major overseas operations of the Australian Defence Force in Afghanistan and the Middle East, the Solomon Islands and Timor Leste for 2012-13. The forward estimates of expenses do not provide for extensions of currently approved operations beyond 2012-13. Such funding is considered on a year-by-year basis and is subject to future decisions of the Government. This is consistent with past practice.

TREASURY

Standby loan facility for the Government of Indonesia

Australia will make up to A\$1 billion available to the Government of Indonesia in the form of a standby loan facility, to be drawn down should Indonesia be unable to raise sufficient funds at reasonable interest rates on global capital markets due to the impact of global financial market volatility. Contributions to the standby loan facility will also be provided by the World Bank, the Asian Development Bank and the Government of

Appendix C: Statement of risks

Japan. This facility will be available to Indonesia when the loan agreement between the two countries is signed (expected to occur within the next two months) up to 30 June 2014. A drawdown from the facility will be dependent on a request from the Indonesian Government and subject to certain criteria being met. Any funds provided will be repaid in full with interest.

Unclaimed Superannuation Monies

Under the *Superannuation (Unclaimed Money and Lost Members) Act 1999*, the Australian Government requires superannuation funds to transfer certain lost member accounts to the ATO. The Government announced changes to the lost member account provisions in the 2012-13 Mid-Year Economic and Fiscal Outlook which will significantly increase the number and value of lost member accounts being transferred to the ATO. At any point an individual can claim back unclaimed money from the ATO. A significant proportion of this unclaimed superannuation money will be transferred to another superannuation account held by the member. Estimates of these transfers are included in the forward estimates. The ATO has a number of initiatives to reunite members with their lost super accounts, but it is difficult to estimate reliably the amount of lost superannuation monies that will be reclaimed or the timing of when that will occur.

CONTINGENT LIABILITIES — QUANTIFIABLE

Broadband, Communications and the Digital Economy

NBN Co Limited — Equity Agreement

The Australian Government has entered into an Equity Funding Agreement with NBN Co. The Agreement formalises the Commonwealth's intention to provide equity to fund the roll out of the National Broadband Network, with such funding being conditional on the annual appropriation processes. In addition, it commits the Commonwealth, in the event of a termination of the national broadband network roll out, to provide sufficient funds to NBN Co to meet its direct costs arising from that termination. The NBN Co Equity Agreement terminates in 2021. As at 30 September 2012, NBN Co's termination liabilities were estimated at \$2.8 billion.

Telstra Financial Guarantee

The Australian Government has provided a guarantee to Telstra in respect of NBN Co's financial obligations to Telstra under the Definitive Agreements. The Definitive Agreements are long-term contracts and, in the case of the infrastructure component, involve terms of at least 35 years. The liabilities under the Definitive Agreements arise progressively during the roll out of the network as infrastructure is accessed and subscribers to Telstra's existing network are disconnected. As at 30 June 2012, NBN Co has generated liabilities covered by the Guarantee estimated at \$210 million. The Guarantee will terminate when NBN Co achieves specified credit ratings for a period of two continuous years and either:

- the company is fully capitalised; or

- the Communications Minister declares, under the *National Broadband Network Companies Act 2011*, that, in his or her opinion, the national broadband network should be treated as built and fully operational.

Defence and Defence Materiel Organisation

Indemnities and remote contingencies

As at 31 August 2012, Defence had quantifiable significant remote contingent liabilities with a nominal value of \$3.0 billion. These significant remote contingent liabilities are restricted in nature and details are not given due to reasons of commercial in confidence and/or national security. The Defence Materiel Organisation carries 69 contingencies that are quantifiable, to the value of \$3.0 billion. While these contingencies are considered remote, they have been reported in aggregate for completeness.

Education, Employment and Workplace Relations

Indemnity provided to the Administrator of the Health Services Union

The Australian Government has provided the administrator of the Health Services Union with an indemnity associated with his performance as an administrator, pursuant to section 323 of the *Fair Work (Registered Organisations) Act 2009 (Cth)*.

The Commonwealth will irrevocably indemnify the indemnified party against any and all demands, claims, suits, actions, liabilities, losses, costs and expenses which may be made or brought against or suffered or incurred by the indemnified party in respect of the indemnified event or as a direct or indirect result of any claim made or purported to be made in respect of the indemnified event as evidenced in writing up to \$20.0 million.

Foreign Affairs and Trade

Export Finance and Insurance Corporation

The Australian Government guarantees the due payment by the Export Finance and Insurance Corporation (EFIC) of money that is, or may at any time become, payable by EFIC to anybody other than the Government. The Government also has in place a \$200 million callable capital facility available to EFIC on request to cover liabilities, losses and claims. As at 31 August 2012, the Government's total contingent liability was \$3.0 billion, down from \$3.4 billion at the 2012-13 Budget. The \$3.0 billion contingent liability comprises EFIC's liabilities to third parties (\$2.3 billion) and EFIC's overseas investment insurance, contracts of insurance and guarantees (\$0.7 billion). Of the total contingent liability, \$2.4 billion relates to EFIC's Commercial Account and \$0.6 billion relates to the National Interest Account.

Health and Ageing

Guarantee Scheme for aged care accommodation bonds

A Guarantee Scheme has been established through the *Aged Care (Bond Security) Act*

Appendix C: Statement of risks

2006 and Aged Care (Bond Security) Levy Act 2006. Under the Guarantee Scheme, if a provider becomes insolvent or bankrupt and is unable to repay outstanding bond balances to aged care residents, the Australian Government will repay the bond balances owing to each resident. In return, the resident's rights to pursue the defaulting provider to recover the accommodation bond money transfers to the Government. In the event the Government cannot recover the full amount from the defaulting provider, it may levy all providers holding accommodation bonds to recoup the shortfall. On 30 June 2011, the maximum contingent liability, in the unlikely event that all providers defaulted, was \$12.1 billion.

Aged care providers will be required to insure any accommodation bonds that they will hold in respect of care recipients who enter care on or after 1 July 2014.

Treasury

Australian Taxation Office — tax disputes

At any point in time the Australian Taxation Office is involved in a range of dispute resolution processes, including litigation, relating to tax disputes.

Details of the outcome of dispute resolution processes are uncertain until a court ruling is made and/or an agreement is reached with the taxpayer at some future date. As a result, in most cases it is not possible to estimate with any reliability the likely financial impact of current disputes.

Outcomes of dispute resolution processes, including objections, settlements and court and tribunal decisions, are set out in the Commissioner of Taxation's Annual Report each year. In addition, amounts owed by taxpayers that are subject to dispute, including objections and appeals, are also disclosed in the Commissioner of Taxation's Annual Report each year.

The estimated aggregate value of tax in dispute as at 30 June 2012, for which a provision has not been made, is \$4.7 billion.

Guarantees under the *Commonwealth Bank Sale Act 1995*

Under the terms of the *Commonwealth Bank Sale Act 1995*, the Australian Government has guaranteed various superannuation and other liabilities amounting to \$4.8 billion as of 31 August 2012. Of this amount, \$0.7 billion is attributable to liabilities of the Commonwealth Bank of Australia and \$4.1 billion is attributable to liabilities of the Commonwealth Bank Officers' Superannuation Corporation.

International Financial Institutions — uncalled capital subscriptions

The Australian Government has held uncalled capital subscriptions in the International Bank for Reconstruction and Development (IBRD) since 1947. The Government is contributing additional resources to the IBRD as part of the general capital increase agreed in 2010. The paid-in component of Australia's contribution was a measure in the 2010-11 Budget. As part of this process, Australia will increase its uncalled capital subscription so that it totals US\$3.6 billion (estimated value A\$3.5 billion as at 31 August 2012).

Australia has also held uncalled capital subscriptions in the European Bank for Reconstruction and Development (EBRD) since 1991. The Government increased its uncalled capital subscription (effective 20 April 2011) to the EBRD as part of the Bank's 2010 general capital increase so that it totals EUR237.5 million (estimated value A\$288.3 million as at 31 August 2012). The financial implications of the paid-in component were reported as a measure in the 2010-11 Mid-Year Economic and Fiscal Outlook (MYEFO).

The Australian Government also holds uncalled capital subscriptions in the Asian Development Bank of US\$7.0 billion (estimated value A\$6.8 billion as at 31 August 2012), and the Multilateral Investment Guarantee Agency of US\$26.5 million (estimated value A\$25.7 million as at 31 August 2012).

None of these international financial institutions has ever drawn on Australia's uncalled capital subscriptions.

International Monetary Fund

Australia has made a line of credit available to the International Monetary Fund (IMF) under its New Arrangements to Borrow (NAB) since 1998. In line with G20 Leaders' commitments, Australia has joined with other countries to increase its credit line under an expanded NAB. When the expanded NAB came into effect on 11 March 2011, Australia's NAB credit arrangement increased from SDR 801.3 million (an estimated value of A\$1.2 billion as at 31 August 2012) to SDR 4.4 billion (an estimated value of A\$6.4 billion). This is a contingent loan to help ensure that the IMF has the resources available to maintain stability and support recovery in the global economy. As agreed by G20 Finance Ministers and IMF Governors in late 2010, the credit arrangements of all NAB participants, including Australia, will be reduced when the increase in IMF quotas comes into effect. This is likely to occur in 2012-13.

On 20 April 2012, as part of a broad international effort to increase the resources available to the IMF, Australia committed to provide a US\$7 billion (calculated as SDR 4.61 billion, approximately A\$6.8 billion) contingent bilateral loan to the IMF, subject to domestic legislative processes. The contingent loan would be on terms consistent with separate bilateral loan and note purchase agreements to be concluded between the IMF and all contributing countries. It would be drawn upon by the IMF only if needed to supplement the IMF's quota and NAB resources and would be repaid in full with interest. The increase in the IMF's resources will help ensure that it has the capability to address any potential vulnerability facing the global economy.

Reserve Bank of Australia — guarantee

This contingent liability relates to the Australian Government's guarantee of the liabilities of the Reserve Bank of Australia. It is measured as the Bank's total liabilities excluding capital, reserves, and Australian Government deposits. The major component of the Bank's liabilities is notes (that is, currency) on issue. Notes on issue amount to \$54.4 billion as at 12 September 2012, and the total guarantee is \$63.1 billion, up from \$62.0 billion at the 2012-13 Budget.

CONTINGENT LIABILITIES — UNQUANTIFIABLE

Agriculture, Fisheries and Forestry

Compensation claims arising from equine influenza outbreak

The Australian Government may become liable for compensation should it be found negligent in relation to the outbreak of equine influenza in 2007.

A number of organisations have indicated their intention to proceed with legal action against the Government, with two claims filed in court to date. One claim, filed in New South Wales, has been discontinued. The other, which has commenced in Queensland, may become a class action. The number of potential plaintiffs has not been settled, and therefore no final quantum of damages sought can be calculated. The Department of Finance and Deregulation assumed responsibility for claims under its insurance arrangements with the Department of Agriculture, Fisheries and Forestry.

Compensation claims arising from suspension of livestock exports to Indonesia

The Australian Government has received correspondence from two law firms indicating potential claims for compensation for alleged losses following the decision by the Minister for Agriculture, Fisheries and Forestry to suspend the export of livestock to Indonesia for a period of 1 month in 2011. The Department of Agriculture, Fisheries and Forestry has also received a claim under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA) from one of those law firms; however, this cannot be progressed until the question of legal liability has been determined. The Department of Agriculture, Fisheries and Forestry is working with the Department of Finance and Deregulation, the Australian Government Solicitor and the Attorney-General's Department to assess the claims.

Emergency pest and disease response arrangements

National emergency response arrangements for animal, plant and environmental pest and disease outbreaks are largely funded through cost sharing agreements between Australian governments and, where relevant, agricultural industry bodies. Under the terms of the agreements, the Commonwealth is typically liable for 50 per cent of total government funding to respond to a disease or pest outbreak. Limited funds are provided for the Commonwealth's contribution under emergency response agreements; potential costs vary and are dependent on the extent of outbreaks, frequency and location which are impossible to predict.

The Commonwealth may be further liable in situations where an incursion is not covered by a cost sharing agreement or where the relevant industry body is not party to an agreement. The Commonwealth may also provide financial assistance to an industry party by funding its initial share of the response. These contributions may subsequently be recovered from the industry over a ten-year period, usually by a levy.

Broadband, Communications and the Digital Economy

Optus Financial Guarantee

The Commonwealth has provided a guarantee to Optus of NBN Co's financial obligations to Optus under the Optus HFC Subscriber Agreement. That Agreement extends for the period of the national broadband network roll out in Optus Hybrid Fibre Coaxial (HFC) areas.

Termination of the funding agreement with OPEL

Following the termination of its agreement with OPEL Network Pty Ltd (OPEL) under the Broadband Connect program, the Commonwealth made provision towards costs incurred by OPEL in producing its Implementation Plan. OPEL was wound up on 13 March 2009. The liquidators of OPEL have indicated that they consider the Australian Government to have a liability with regard to the termination of the funding agreement. As at 31 August 2012, no legal proceedings have been filed.

Defence and Defence Materiel Organisation

Cockatoo Island Dockyard

On 13 October 2001, Cockatoo Island Dockyard (CODOCK) commenced proceedings against the Commonwealth (Defence) in the NSW Supreme Court seeking full reimbursement from the Commonwealth for personal injury claims costs incurred by CODOCK after 31 October 1995 in relation to asbestos exposure. Following decisions in the NSW Supreme Court on 17 December 2004 and 4 February 2005, and the NSW Court of Appeal on 23 November 2006, CODOCK was awarded a complete indemnity from the Commonwealth for its uninsured exposure to asbestos damages claims, plus profit of 7.5 per cent.

Decontamination of Defence sites

Defence has made financial provision for the possible costs involved in restoring, decontaminating and decommissioning Defence sites in Australia where a legal or constructive obligation has arisen. For those decontaminating and decommissioning Defence sites for which legal or constructive obligations have not been identified, the potential costs have not been assessed and are unquantifiable.

Indemnities and remote contingencies

The Defence Materiel Organisation carries 448 instances of contingencies (including Foreign Military Sales) that are unquantifiable. While these contingencies are considered remote, they have been reported in aggregate for completeness.

Finance and Deregulation

ASC Pty Ltd — Directors' indemnities

The Australian Government has provided former directors of the ASC Pty Ltd (ASC) with indemnities in relation to three matters: for any claim against them as a result of complying with the ASC's obligations under the Process Agreement between the

Appendix C: Statement of risks

Electric Boat Corporation (EBC), the Australian Government and the ASC; for any claim against them as a result of complying with the ASC's obligations under the Service Level Agreement between the ASC, the Department of Defence, EBC and Electric Boat Australia; and for any claims and legal costs arising from the directors acting in accordance with the Board's tasks and responsibilities, as defined under the indemnity.

Infrastructure and Transport

Tripartite deeds relating to the sale of federal leased airports

Tripartite deeds relate to applicable federal leased airports. The tripartite deeds between the Australian Government, the airport lessee company and financiers amend the airport (head) leases to provide for limited step-in-rights for financiers in circumstances where the Commonwealth terminates the head lease to enable the financiers to correct the circumstances that triggered such a termination event. The tripartite deeds may require the Commonwealth to pay financiers compensation as a result of its termination of the (head) lease. The Commonwealth's contingent liabilities are considered to be unquantifiable and remote.

Resources, Energy and Tourism

Gorgon liquefied natural gas and carbon dioxide storage project — long-term liability

The Australian and Western Australian governments have agreed to provide an indemnity to the Gorgon Joint Venture Partners (GJV) to indemnify the GJV against independent third-party claims (relating to stored carbon dioxide) under common law following closure of the carbon dioxide sequestration project, and subject to conditions equivalent to those set out in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. It is proposed that the Western Australian Government will indemnify the GJV, and that the Australian Government will indemnify the Western Australian Government for 80 per cent of any amount determined to be payable under that indemnity. The formal agreement between the Australian and Western Australian governments in relation to the indemnity is expected to be signed in 2012-13.

Treasury

Australian Taxation Office — Constitutional Challenge to the Minerals Resource Rent Tax

On 22 June 2012, Fortescue Metals Group Ltd and related companies filed an action in the High Court challenging the constitutional validity of the Australian Government's Minerals Resource Rent Tax (MRRT). The MRRT, which applies to the extraction of Australian coal and iron ore and which commenced operation on 1 July 2012, is estimated to raise \$9.1 billion over the period 2012-13 to 2015-16. The Commonwealth defence was filed on 12 September 2012, and the case is likely to be heard late in the first half of 2013.

Financial Claims Scheme

The Australian Government has established a Financial Claims Scheme to provide depositors of authorised deposit taking institutions and general insurance policyholders with timely access to their funds in the event of a financial institution failure.

The Australian Prudential Regulation Authority (APRA) is responsible for the administration of the Financial Claims Scheme. Under the Financial Claims Scheme any payments to eligible depositors or general insurance policyholders will be made out of APRA'S Financial Claims Scheme Special Account.

The Financial Claims Scheme established under the *Banking Act 1959* provides a mechanism for making payments to depositors under the Government's guarantee of deposits in authorised deposit taking institutions.

The Government announced that, from 12 October 2008, deposits up to \$1 million at eligible authorised deposit taking institutions would be eligible for coverage under the Financial Claims Scheme. The Government confirmed in December 2010 that the Financial Claims Scheme will be a permanent feature of the Australian financial system. The Government announced in September 2011 that a cap of \$250,000 would replace the previous \$1 million cap from 1 February 2012.

As at 31 August 2012, deposits eligible for coverage under the Financial Claims Scheme were estimated to be approximately \$646.5 billion, compared to \$623.1 billion at 29 February 2012, reflecting the increase in eligible deposits held. The Financial Claims Scheme established under the *Insurance Act 1973* provides a mechanism for making payments to eligible beneficiaries with a valid claim against a failed general insurer.

In the very unlikely event of a failure, any payments made under the Financial Claims Scheme would be recovered through the liquidation of the failed institution. In the even more unlikely event there was a shortfall, a levy would be applied to industry to recover the difference between the amount expended and the amount recovered in the liquidation. Initial amounts available to meet payments and administer the Financial Claims Scheme, in the event of activation, are \$20.1 billion per institution, under the legislation.

Guarantee of State and Territory Borrowing

The Australian Government announced on 25 March 2009 that a voluntary, temporary guarantee would be put in place over state and territory borrowing. The Guarantee of State and Territory Borrowing commenced on 24 July 2009 and closed on 31 December 2010.

Securities covered by the guarantee will continue to be guaranteed until these securities either mature or are bought back and extinguished by the issuer.

Appendix C: Statement of risks

The expected liability under the guarantee is remote and unquantifiable. Australian Government expenditure would arise under the guarantee only in the unlikely event that a State or Territory failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant State or Territory at a future date. The impact on the Australian Government's budget would depend upon the extent of the default and the State or Territory's ability to meet the Government's claim.

As at 31 July 2012, the face value of state and territory borrowings covered by the guarantee was \$31.7 billion, down from \$33.0 billion at 31 March 2012.

Guarantee Scheme for Large Deposits and Wholesale Funding

The Australian Government announced the guarantee of eligible deposits and wholesale funding for authorised deposit taking institutions from 12 October 2008 under the Guarantee Scheme for Large Deposits and Wholesale Funding.

On 7 February 2010, the Government announced that the Guarantee Scheme would close to new liabilities on 31 March 2010. Since 31 March 2010, Australian authorised deposit taking institutions have been prohibited from issuing any new guaranteed wholesale funding or accepting new guaranteed deposits above \$1 million. Existing guaranteed wholesale funding is guaranteed to maturity. Depositors who covered their balances above \$1 million under the Guarantee Scheme can have those funds covered to maturity for term deposits up to five years, or until October 2015 for at call deposits.

The expected liability for deposits under the Guarantee Scheme is remote and unquantifiable. Government expenditure would arise under the guarantee only in the unlikely event that an institution failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant institution. The impact on the Government's budget would depend on the extent of the institution's default and its ability to meet the Government's claim.

As at 31 August 2012, total liabilities covered by the Guarantee Scheme were estimated at \$86.4 billion, down from \$94.8 billion at 30 March 2012. This is made up of \$3.0 billion of large deposits and \$83.4 billion (down from \$91.8 billion) of long-term wholesale funding. All guaranteed short-term wholesale funding matured in March 2011.

As at 31 July 2012, institutions participating in the Guarantee Scheme had paid fees of \$3.8 billion since its inception.

CONTINGENT ASSETS — UNQUANTIFIABLE

Health and Ageing

Legal action seeking compensation from Sanofi-Aventis

The Department of Health and Ageing has initiated legal action to seek compensation from Sanofi-Aventis, the original patent owner of clopidogrel (Plavix®), for additional costs to the Pharmaceutical Benefits Scheme (PBS) resulting from a delay in listing a generic version of clopidogrel. Listing a generic form of clopidogrel on the Australian market in 2008 would have triggered an automatic reduction to the price paid by the Government for clopidogrel through the PBS and is likely to have resulted in a Price Disclosure reduction in 2010. The first generic version of this medicine was listed in 2010 and the first Price Disclosure reduction occurred in 2012.

Industry, Innovation, Science, Research and Tertiary Education

Wireless Local Area Network

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is currently involved in legal proceedings in the United States related to a wireless local area network (WLAN) patent which CSIRO owns and wishes to license broadly. The proceedings are additional to proceedings settled by agreement in 2009, 2010 and 2012 and are at various phases. If successful, CSIRO expects to receive additional revenue that would exceed the associated legal costs. At this stage, the revenue and costs are unquantifiable.

APPENDIX D: HISTORICAL AUSTRALIAN GOVERNMENT DATA

This appendix reports historical data for the Australian Government fiscal aggregates across the general government, public non-financial corporations and non-financial public sectors.

DATA SOURCES

Data are sourced from Australian Government *Final Budget Outcomes*, the Australian Bureau of Statistics (ABS) and Australian Government *Consolidated Financial Statements*.

- Accrual data from 1996-97 onwards and cash data, net debt data, net financial worth data and net worth data from 1999-2000 onwards are sourced from Australian Government *Final Budget Outcomes*. Back-casting adjustments for accounting classification changes and other revisions have been made from 1998-1999 onwards where applicable.
- Cash data prior to 1999-2000 are sourced from ABS data, which have been calculated using methodology consistent with that used for later years in ABS cat. no. 5512.0 *Government Finance Statistics*.
- Net debt data prior to 1999-2000 are from ABS cat. no. 5512.0 *Government Finance Statistics 2003-04* in 1998-99, ABS cat. no. 5501.0 *Government Financial Estimates 1999-2000* and ABS cat. no. 5513.0 *Public Sector Financial Assets and Liabilities 1998* in 1987-88 to 1997-98, and Treasury estimates (see Treasury's *Economic Roundup*, Spring 1996, pages 97-103) prior to 1987-88.

COMPARABILITY OF DATA ACROSS YEARS

The data set contains a number of structural breaks owing to accounting classification differences and changes to the structure of the budget, which cannot be eliminated through back-casting because of data limitations. These breaks can affect the comparability of data across years, especially when the analysis is taken over a large number of years. Specific factors causing structural breaks include:

- from 2005-06 onwards, underlying Government Finance Statistics (GFS) data are provided by agencies in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, underlying GFS data are based on data provided by agencies in accordance with Australian Accounting Standards (AAS);

Appendix D: Historical Australian Government data

- most recent accounting classification changes that require revisions to the historical series have been back-cast (where applicable) to 1998-1999, ensuring that data are consistent across the accrual period from 1998-1999 onwards. However, because of data limitations, these changes have not been back-cast to earlier years;
- prior to 1999-2000, Australian Government general government sector debt instruments are valued at historic cost, whereas from 1999-2000 onwards they are valued at market prices (consistent with accrual GFS standards). This affects net debt and net interest payments;
- cash data up to and including 1997-98 are calculated under a cash accounting framework, while cash data from 1998-99 onwards are derived from an accrual accounting framework.¹ Although the major methodological differences associated with the move to the accrual framework have been eliminated through back-casting, comparisons across the break may still be affected by changes to some data sources and collection methodologies;
- adjustments in the coverage of agencies included in the accounts of the different sectors. These include the reclassification of Central Banking Authorities from the general government to the public financial corporations sector in 1998-99, and subsequent back-casting to account for this change;
- changes in arrangements for transfer payments, where tax concessions or rebates have been replaced by payments through the social security system. This has the effect of increasing both cash receipts and payments, as compared with earlier periods, but not changing cash balances. Changes in the opposite direction (tax expenditures replacing payments) reduce both cash payments and receipts; and
- classification differences in the data relating to the period prior to 1976-77 (which means that earlier data may not be entirely consistent with data for 1976-77 onwards).

REVISIONS TO PREVIOUSLY PUBLISHED DATA

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods, and can be reliably assigned to the relevant period(s).

¹ Prior to the 2008-09 Budget, cash data calculated under the cash accounting framework was used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 has been replaced by ABS data derived from the accrual framework.

REVISIONS SINCE THE 2012-13 BUDGET

The 2012-13 *Mid-Year Economic and Fiscal Outlook* (MYEFO) includes revisions to the historical series to reflect the change in the calculation of the underlying cash balance to exclude net earnings of the Future Fund, as opposed to gross earnings. This approach better reflects the operations of the Future Fund, by ensuring that only net earnings of the Future Fund are recognised as being available for re-investment by the Fund and creates greater symmetry between the treatment of Future Fund earnings (receipts) and costs (payments). This is consistent with the *Future Fund Act 2006*, which requires the Future Fund to meet all operating costs from its earnings and that all earnings are required to be reinvested to meet future superannuation payments.

As a result of this change in budget treatment, the historical series have been revised to account for Future Fund net earnings in the underlying cash balance.

DEFLATING REAL SPENDING GROWTH BY THE CONSUMER PRICE INDEX

The 2012-13 MYEFO, including the historical series, calculates real spending growth using the Consumer Price Index (CPI) as the deflator. This is also the benchmark against which the Government's fiscal strategy is based. Prior to the 2008-09 Budget the non-farm GDP (NFGDP) deflator was used and has therefore been shown in this statement for comparative purposes.

The use of the CPI, rather than the non-farm GDP deflator, provides a more accurate depiction of real government spending growth, especially in the current economic climate. The non-farm GDP deflator incorporates fluctuations in global commodity prices which are not relevant for Government expenditures. Therefore, deflating government spending by the non-farm GDP deflator distorts trends in real spending growth.

Appendix D: Historical Australian Government data

Table D1: 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)	
	Per cent of GDP	Per cent of GDP	Per cent real growth (CPI)	Per cent real growth (NFGDP deflator)(f)		Per cent of GDP	Per cent of GDP		
				\$m	\$m			\$m	\$m
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	18.5	-	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	1.6	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	6.0	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	24.2	-	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	2.6	23.1	3,319	19,754	1.7
2008-09	292,600	23.4	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	26.0	2,256	-54,494	-4.2
2010-11	302,024	21.6	346,102	-0.4	-3.1	24.7	3,385	-47,463	-3.4
2011-12	329,874	22.5	371,032	4.8	5.4	25.3	2,203	-43,360	-3.0
2012-13(e)	367,041	24.0	363,246	-4.4	-3.0	23.8	2,718	1,077	0.1
2013-14(e)	392,595	24.3	387,760	4.4	4.2	24.0	2,670	2,165	0.1
2014-15(p)	410,042	24.1	403,890	1.6	1.8	23.8	2,828	3,325	0.2
2015-16(p)	434,625	24.3	425,196	2.7	2.9	23.7	3,021	6,408	0.4

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

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

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

(d) Underlying cash balance is equal to receipts less payments less 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) Estimates.

(f) Real spending growth using the Consumer Price Index as the deflator is the benchmark against which the Government's fiscal strategy has been based since it was introduced. Real spending growth using the non-farm GDP deflator is included for comparative purposes only.

(p) Projections.

Table D2: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a)

	Taxation receipts		Non-taxation receipts		Total receipts ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	7,193	17.8	1,097	2.7	8,290	20.6
1971-72	7,895	17.8	1,240	2.8	9,135	20.5
1972-73	8,411	16.9	1,324	2.7	9,735	19.6
1973-74	10,832	18.0	1,396	2.3	12,228	20.3
1974-75	14,141	19.9	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.7	2,720	2.3	26,129	22.0
1979-80	27,473	20.4	2,848	2.1	30,321	22.5
1980-81	32,641	21.4	3,352	2.2	35,993	23.6
1981-82	37,880	21.6	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.0
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.3	8,257	2.9	74,724	26.2
1987-88	75,076	23.1	8,415	2.6	83,491	25.7
1988-89	83,452	22.7	7,296	2.0	90,748	24.7
1989-90	90,773	22.4	7,852	1.9	98,625	24.4
1990-91	92,739	22.3	7,488	1.8	100,227	24.1
1991-92	87,364	20.6	8,476	2.0	95,840	22.6
1992-93	88,760	20.0	8,873	2.0	97,633	22.0
1993-94	93,362	20.0	10,462	2.2	103,824	22.2
1994-95	104,921	21.1	8,537	1.7	113,458	22.9
1995-96	115,700	21.8	8,729	1.6	124,429	23.5
1996-97	124,559	22.4	9,033	1.6	133,592	24.0
1997-98	130,984	22.2	9,752	1.7	140,736	23.9
1998-99	138,420	22.3	13,643	2.2	152,063	24.5
1999-00	151,313	22.9	14,887	2.2	166,199	25.1
2000-01	170,354	24.1	12,641	1.8	182,996	25.9
2001-02	175,108	23.2	12,481	1.7	187,588	24.8
2002-03	192,131	24.0	12,482	1.6	204,613	25.5
2003-04	206,091	24.0	11,683	1.4	217,775	25.3
2004-05	223,314	24.2	12,669	1.4	235,984	25.6
2005-06	241,215	24.2	14,728	1.5	255,943	25.7
2006-07	257,392	23.8	15,245	1.4	272,637	25.2
2007-08	278,376	23.7	16,540	1.4	294,917	25.1
2008-09	272,627	21.8	19,973	1.6	292,600	23.4
2009-10	260,973	20.2	23,689	1.8	284,662	22.0
2010-11	280,839	20.1	21,185	1.5	302,024	21.6
2011-12	309,943	21.1	19,931	1.4	329,874	22.5
2012-13(e)	339,209	22.2	27,832	1.8	367,041	24.0
2013-14(e)	371,393	23.0	21,201	1.3	392,595	24.3
2014-15(p)	389,236	22.9	20,806	1.2	410,042	24.1
2015-16(p)	411,538	23.0	23,086	1.3	434,625	24.3

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

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

(e) Estimates.

(p) Projections.

Appendix D: Historical Australian Government data

Table D3: Australian Government general government sector (cash) receipts

	Actual	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Individuals' and other withholding taxes					
Gross income tax withholding	142,770	151,300	163,900	174,800	185,600
Gross other individuals	31,141	35,000	37,300	41,000	44,700
less: Refunds	25,537	26,500	26,700	28,800	30,700
Total individuals' and other withholding taxation	148,373	159,800	174,500	187,000	199,600
Fringe benefits tax	3,731	3,970	4,450	4,920	5,130
Company tax	66,584	71,170	78,680	78,540	81,580
Superannuation funds	7,562	8,050	9,050	11,010	12,950
Resource rent taxes(a)	1,463	5,400	6,400	5,630	6,620
Income taxation receipts	227,714	248,390	273,080	287,100	305,880
Sales taxes					
Goods and services tax	45,861	48,432	51,189	53,900	56,611
Wine equalisation tax	708	710	720	760	810
Luxury car tax	435	450	460	480	520
Total sales taxes	47,004	49,592	52,369	55,140	57,941
Excise duty					
Petrol	6,036	6,000	5,950	5,850	5,950
Diesel	8,231	8,700	9,300	9,300	9,500
Beer	1,938	2,070	2,180	2,260	2,390
Tobacco	5,449	5,200	4,800	4,750	4,870
Other excisable products	3,891	4,500	4,750	5,000	5,240
Of which: Other excisable beverages(b)	909	930	990	1,000	1,060
Total excise duty receipts	25,545	26,470	26,980	27,160	27,950
Customs duty					
Textiles, clothing and footwear	655	700	720	580	620
Passenger motor vehicles	805	920	960	1,010	1,070
Excise-like goods	4,307	4,850	5,850	5,970	6,180
Other imports	1,440	1,530	1,670	1,770	1,900
less: Refunds and drawbacks	212	200	200	200	200
Total customs duty receipts	6,996	7,800	9,000	9,130	9,570
Carbon pricing mechanism	-	4,020	6,640	7,340	6,750
Other indirect taxation					
Agricultural levies	421	440	436	443	449
Other taxes	2,263	2,497	2,888	2,923	2,999
Total other indirect taxation receipts	2,684	2,937	3,324	3,366	3,447
Indirect taxation receipts	82,229	90,819	98,313	102,136	105,658
Taxation receipts	309,943	339,209	371,393	389,236	411,538
Sales of goods and services	7,778	8,818	8,758	8,503	8,854
Interest received	4,267	4,390	4,486	4,414	4,756
Dividends	1,789	3,268	2,004	2,164	2,288
Other non-taxation receipts	6,098	11,356	5,954	5,726	7,188
Non-taxation receipts(c)	19,931	27,832	21,201	20,806	23,086
Total receipts(c)	329,874	367,041	392,595	410,042	434,625
<i>Memorandum:</i>					
Capital gains tax(d)	6,400	8,400	11,000	13,800	16,100
Medicare levy receipts	9,119	9,700	10,390	11,010	11,580

(a) Resource rent taxes include PRRT and gross receipts from the MRRT. Net receipts from the MRRT are expected to be \$2.0 billion in 2012-13, \$2.4 billion in 2013-14, \$2.1 billion in 2014-15 and \$2.6 billion in 2015-16, which represent the net impact on receipts across several different heads of revenue. These include the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Includes expected Future Fund earnings.

(d) Capital gains tax is part of other individuals, companies and superannuation funds tax. The 2011-12 reported figure is an estimate.

Table D4: Australian Government general government sector net debt and net interest payments^(a)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.6
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.4	3,986	0.9
1993-94	70,223	15.0	5,628	1.2
1994-95	83,492	16.8	7,292	1.5
1995-96	95,831	18.1	8,861	1.7
1996-97	96,281	17.3	9,489	1.7
1997-98	82,935	14.1	8,279	1.4
1998-99	72,065	11.6	8,649	1.4
1999-00	53,869	8.1	7,514	1.1
2000-01	42,719	6.0	6,195	0.9
2001-02	38,180	5.1	5,352	0.7
2002-03	29,047	3.6	3,758	0.5
2003-04	22,639	2.6	3,040	0.4
2004-05	10,741	1.2	2,502	0.3
2005-06	-4,531	-0.5	2,303	0.2
2006-07	-29,150	-2.7	228	0.0
2007-08	-44,820	-3.8	-1,015	-0.1
2008-09	-16,148	-1.3	-1,196	-0.1
2009-10	42,283	3.3	2,386	0.2
2010-11	84,551	6.0	4,608	0.3
2011-12	147,334	10.0	6,609	0.4
2012-13(e)	143,980	9.4	7,146	0.5
2013-14(e)	144,646	9.0	6,647	0.4
2014-15(p)	144,350	8.5	6,690	0.4
2015-16(p)	137,742	7.7	7,772	0.4

(a) Data have been revised in the 2012-13 MYEFO 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.

(e) Estimates.

(p) Projections.

Table D5: Australian Government general government sector revenue, expenses, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net capital investment		Fiscal balance(b)	
		Per cent		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	242,173	24.3	2,498	0.3	16,568	1.7
2006-07	278,411	25.7	259,156	23.9	2,333	0.2	16,922	1.6
2007-08	303,729	25.8	280,107	23.8	2,593	0.2	21,029	1.8
2008-09	298,933	23.9	324,557	25.9	4,064	0.3	-29,688	-2.4
2009-10	292,767	22.6	340,035	26.3	6,433	0.5	-53,701	-4.2
2010-11	309,890	22.1	356,100	25.5	5,297	0.4	-51,506	-3.7
2011-12	338,109	23.0	377,739	25.7	4,850	0.3	-44,481	-3.0
2012-13(e)	373,739	24.4	375,049	24.5	-2,517	-0.2	1,207	0.1
2013-14(e)	403,161	25.0	397,854	24.7	1,032	0.1	4,275	0.3
2014-15(p)	421,871	24.8	413,704	24.3	1,244	0.1	6,923	0.4
2015-16(p)	446,438	24.9	435,811	24.3	865	0.0	9,762	0.5

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

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

(e) Estimates.

(p) Projections.

Table D6: Australian Government general government sector net worth and net financial worth^(a)

	Net worth(b)		Net financial worth(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-7,046	-1.1	-68,178	-10.3
2000-01	-6,618	-0.9	-73,097	-10.3
2001-02	-11,655	-1.5	-79,012	-10.5
2002-03	-15,330	-1.9	-84,645	-10.6
2003-04	-1,152	-0.1	-74,159	-8.6
2004-05	14,556	1.6	-60,257	-6.5
2005-06	17,971	1.8	-63,440	-6.4
2006-07	46,351	4.3	-39,976	-3.7
2007-08	70,859	6.0	-18,070	-1.5
2008-09	19,427	1.6	-74,094	-5.9
2009-10	-45,938	-3.6	-147,168	-11.4
2010-11	-95,386	-6.8	-200,810	-14.4
2011-12	-247,208	-16.8	-358,329	-24.4
2012-13(e)	-145,305	-9.5	-257,921	-16.9
2013-14(e)	-138,306	-8.6	-251,515	-15.6
2014-15(p)	-129,149	-7.6	-243,034	-14.3
2015-16(p)	-116,875	-6.5	-232,424	-13.0

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

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

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

(e) Estimates.

(p) Projections.

Appendix D: Historical Australian Government data

Table D7: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue^(a)

	Taxation revenue		Non-taxation revenue		Total revenue	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	153,408	23.2	13,896	2.1	167,304	25.3
2000-01	175,881	24.9	10,228	1.4	186,110	26.3
2001-02	178,210	23.6	12,278	1.6	190,488	25.2
2002-03	195,203	24.4	11,720	1.5	206,923	25.8
2003-04	209,959	24.4	12,209	1.4	222,168	25.8
2004-05	229,943	25.0	12,564	1.4	242,507	26.3
2005-06	245,716	24.7	15,522	1.6	261,238	26.3
2006-07	262,511	24.2	15,900	1.5	278,411	25.7
2007-08	286,229	24.3	17,500	1.5	303,729	25.8
2008-09	278,653	22.3	20,280	1.6	298,933	23.9
2009-10	268,000	20.7	24,767	1.9	292,767	22.6
2010-11	289,005	20.7	20,885	1.5	309,890	22.1
2011-12	316,779	21.6	21,330	1.5	338,109	23.0
2012-13(e)	352,092	23.0	21,647	1.4	373,739	24.4
2013-14(e)	382,023	23.7	21,138	1.3	403,161	25.0
2014-15(p)	400,753	23.6	21,119	1.2	421,871	24.8
2015-16(p)	424,408	23.7	22,030	1.2	446,438	24.9

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

(e) Estimates.

(p) Projections.

Appendix D: Historical Australian Government data

Table D8: Australian Government general government sector (accrual) revenue

	Actual	Estimates		Projections	
	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
Individuals' and other withholding taxes					
Gross income tax withholding	143,978	152,590	165,250	176,240	187,140
Gross other individuals	32,992	37,840	40,080	43,930	47,860
less: Refunds	25,537	26,500	26,700	28,800	30,700
Total individuals' and other withholding taxation	151,433	163,930	178,630	191,370	204,300
Fringe benefits tax	3,964	4,040	4,530	5,010	5,220
Company tax	66,726	72,982	80,459	80,320	83,426
Superannuation funds	7,852	8,250	9,290	11,310	13,310
Resource rent taxes(a)	1,293	5,580	6,560	5,650	6,660
Income taxation revenue	231,268	254,782	279,469	293,660	312,916
Sales taxes					
Goods and services tax	48,849	50,790	53,730	56,590	59,430
Wine equalisation tax	716	720	730	770	820
Luxury car tax	440	450	460	480	520
Total sales taxes	50,004	51,960	54,920	57,840	60,770
Excise duty					
Petrol	6,016	6,000	5,840	5,870	5,970
Diesel	8,203	8,700	9,120	9,330	9,530
Beer	1,932	2,070	2,140	2,270	2,400
Tobacco	5,449	5,200	4,710	4,770	4,890
Other excisable products	3,881	4,520	4,640	5,020	5,260
Of which: Other excisable beverages(b)	906	930	990	1,000	1,060
Total excise duty revenue	25,480	26,490	26,450	27,260	28,050
Customs duty					
Textiles, clothing and footwear	655	700	720	580	620
Passenger motor vehicles	903	920	960	1,010	1,070
Excise-like goods	4,307	4,850	5,850	5,970	6,180
Other imports	1,441	1,540	1,680	1,780	1,910
less: Refunds and drawbacks	202	180	180	180	180
Total customs duty revenue	7,105	7,830	9,030	9,160	9,600
Carbon pricing mechanism	-	7,690	8,685	9,275	9,400
Other indirect taxation					
Agricultural levies	421	440	436	443	449
Other taxes	2,501	2,900	3,033	3,114	3,223
Total other indirect taxation revenue	2,922	3,339	3,470	3,558	3,672
Indirect taxation revenue	85,511	97,309	102,555	107,093	111,492
Taxation revenue	316,779	352,092	382,023	400,753	424,408
Sales of goods and services	8,106	8,594	8,791	8,629	9,006
Interest	4,617	4,465	4,628	4,608	4,864
Dividends	2,662	2,479	1,950	2,108	2,244
Other non-taxation revenue	5,945	6,109	5,769	5,773	5,916
Non-taxation revenue(c)	21,330	21,647	21,138	21,119	22,030
Total revenue(c)	338,109	373,739	403,161	421,871	446,438
<i>Memorandum:</i>					
<i>Capital gains tax(d)</i>	6,400	8,400	11,000	13,800	16,100
<i>Medicare levy revenue</i>	9,119	9,700	10,390	11,010	11,580

(a) Resource rent taxes include PRRT and gross revenue from the MRRT. Net revenue from the MRRT is expected to be \$2.0 billion in 2012-13, \$2.4 billion in 2013-14, \$2.1 billion in 2014-15 and \$2.6 billion in 2015-16, which represent the net impact on revenue across several different heads of revenue. These include the offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other excisable beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) Includes expected Future Fund earnings.

(d) Capital gains tax is part of other individuals, companies and superannuation funds tax. The 2011-12 reported figure is an estimate.

Table D9: 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(e)	367,041	363,246	1,077	9,260	14,278	-5,018	373,795	375,018	-1,223
2013-14(e)	392,595	387,760	2,165	na	na	na	na	na	na
2014-15(p)	410,042	403,890	3,325	na	na	na	na	na	na
2015-16(p)	434,625	425,196	6,408	na	na	na	na	na	na

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

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

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

(d) These items exclude net Future Fund earnings from 2005-06 onwards. Net Future Fund earnings are shown in Table D1.

(e) Estimates.

(p) Projections.

na Data not available.

Table D10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	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	168,963	3,080
1999-00	167,304	155,558	11,815	25,485	23,542	1,062	188,841	173,889	12,983
2000-01	186,110	180,094	6,007	25,869	24,762	-826	207,372	200,184	5,248
2001-02	190,488	193,041	-2,935	26,638	25,341	793	212,518	213,693	-2,060
2002-03	206,923	201,259	5,377	24,339	22,916	1,975	226,135	219,129	7,314
2003-04	222,168	215,361	6,148	25,449	23,444	2,143	241,873	233,077	8,275
2004-05	242,507	229,245	12,228	26,965	25,191	1,473	263,587	248,549	13,703
2005-06	261,238	242,173	16,568	28,143	29,531	-2,442	282,597	264,923	14,121
2006-07	278,411	259,156	16,922	15,443	16,360	-1,763	290,067	271,735	15,153
2007-08	303,729	280,107	21,029	6,854	6,686	-584	309,215	285,426	20,443
2008-09	298,933	324,557	-29,688	6,998	7,576	-1,495	303,733	329,948	-31,195
2009-10	292,767	340,035	-53,701	7,288	7,297	-1,079	298,412	344,893	-53,985
2010-11	309,890	356,100	-51,506	7,563	7,787	-1,446	315,688	362,122	-52,952
2011-12	338,109	377,739	-44,481	8,046	8,238	-2,158	344,507	384,329	-46,639
2012-13(e)	373,739	375,049	1,207	8,006	9,078	-5,159	380,225	382,607	-3,953
2013-14(e)	403,161	397,854	4,275	na	na	na	na	na	na
2014-15(p)	421,871	413,704	6,923	na	na	na	na	na	na
2015-16(p)	446,438	435,811	9,762	na	na	na	na	na	na

(e) Data have been revised in the 2012-13 MYEFO to improve accuracy and comparability through time.

(f) Fiscal balance is equal to revenue less expenses less net capital investment. Net capital investment is not shown in this table.

(e) Estimates.

(p) Projections.

na Data not available.